

**CABLE TELEVISION AND AUDIO/VIDEO COMMUNICATION
SERVICES AGREEMENT**

THIS AGREEMENT made and entered into this 21ST day of JUNE, 2004 by and between WILLIAMSFIELD, State of Illinois, hereinafter sometimes referred to as "City", and Mid Century Telephone Cooperative, a not-for-profit corporation organized under the laws of the State of Illinois, sometimes referred to as "Company" or "Mid-Century".

WITNESSETH:

WHEREAS, on the 21ST day of JUNE, JIM
MACKIE the Mayor and members of the City Council of the City or Village Trustees as the case may be (hereinafter collectively referred to as "City"), have considered the desirability of entering into this Agreement for the benefit and welfare of City and its citizens;

WHEREAS, the City intends by the adoption of this Agreement, to bring about the development of Cable Communication System with video and other services, and the continued operation of it, and;

WHEREAS, the City makes the following findings with regard to this Agreement:

1. That Company's technical ability, financial condition, legal qualifications, and character were considered and approved by the City in accordance with state and federal regulations and the ordinances of City;

2. *Company's plans for constructing, upgrading and operating the System were considered and found adequate and feasible after a full opportunity to be heard;*
3. *The franchise granted by this Agreement/Ordinance by City complies with the existing applicable Illinois, Federal and City laws and regulations.*

SECTION I. TITLE

This Agreement and Ordinance shall be known and cited as the "Cable Television and Audio/Video Communications Services Agreement".

SECTION II. DEFINITIONS

For the purposes of this Agreement, the following terms, phrases, words and their derivations shall have the meaning as given herein. When not inconsistent with the context, words and the singular number include the plural number the word "shall" is always mandatory and not merely directory. The word "may" is directory and discretionary and not mandatory.

- A. *"Basic Cable Service" means any service tier, which includes the lawful retransmission of local television broadcast signals and any public, educational, and governmental access programming required by the franchise to be carried on the basic tier.*
- B. *"Board of Trustees" means the governing body for the City.*
- C. *"Cable Communications System" or "System" means a System of antennas, cables, wires, lines, towers,*

waveguides, or other conductors, Converters, equipment, or facilities located in City and designed and constructed for the purpose of producing, receiving, transmitting, amplifying, or distributing audio, video, and other forms of electronic signals or information.

D. "Cable Programming Service" means any Video Programming provided over a cable system, regardless of service tier, including Installation or rental of equipment used for the receipt of such Video Programming other than:

- 1. Video Programming carried on the Basic Service Tier;*
- 2. Video Programming offered on a pay-per-channel or pay-per-program basis; or*
- 3. A combination of multiple channels of pay-per-channel or pay-per-program video programming offered on a multiplexed or time-shifted basis so long as the combined service:
 - a. consists of commonly-identified video programming; and*
 - b. is not bundled with any regulated tier of service.**

Cable Programming Service as defined herein shall not be inconsistent with the definition as set forth in

47 U.S.C. § 543(1)(2) (1993) and 47 C.F.R.
76.901(b) (1993).

- E. "Cable Communications Service" means the provision of television reception, communications entertainment and information services and distributing the same over a Cable Communications System. This definition shall not include the provision of telecommunication services that are regulated pursuant to applicable law and as may be amended from time to time.
- F. "City Council" means the governing board of the City.
- G. "Converter" means an electronic device which converts signals to a frequency acceptable to a television receiver of a Subscriber and by an appropriate selector permits a Subscriber to view all Subscriber signals included in the service.
- H. "County" means County of, a municipal corporation, in the State of Illinois, acting by and through its Board of Trustees.
- I. "Drop" means the cable that connects the ground block on the Subscriber's residence to the nearest feeder cable of the System.
- J. "FCC" means the Federal Communications Commission and any legally appointed, designated or elected agent or successor.

- K. "Installation" means the connection of the System from feeder cable to the point of connection, including Standard Installations and custom Installations.
- L. "Lockout Device" means an optional mechanical or electrical accessory to a Subscriber's terminal which inhibits the viewing of a certain program, certain channel, or certain channels provided by way of the Cable Communication System.
- M. "Pay Television" means the delivery over the System of pay-per-channel or pay-per-program audio-visual signals to Subscribers for a fee or charge, in addition to the charge for Basic Cable Service or Cable Programming Services.
- N. "Person" is any person, firm, partnership, association, corporation, company, or other legal entity.
- O. "Standard Installation" means any residential Installation, which can be completed using a Drop of one hundred fifty (150) feet or less.
- P. "Street" means the surface of, and the space above and below, any public Street, road, highway, freeway, lane, alley, path, court, sidewalk, parkway, or drive, or any easement or right-of-way now or hereafter held by City.
- Q. "Subscriber" means any Person who lawfully receives Cable Television Service. In the case of multiple office buildings

or multiple dwelling units, the "Subscriber" means the lessee, tenant or occupant.

R. "Video Programming" means programming provided by, or generally considered comparable to programming provided by, a television broadcast station.

SECTION III. GRANT

In consideration of the faithful performance and observance of the conditions and reservations hereinafter set forth, there is hereby granted to Mid Century Telephone Cooperative, its successors, assigns or designees a non-exclusive right to erect, install, construction, reconstruction, replace, remove, repair, maintain and operate in or upon, under, above, across and from the Streets, avenues, highways, sidewalks, bridges and other public ways, easements, rights of way and lands, as now existing and all extensions thereof and additions thereto, in the WILLIAMSFIELD, KNOX County, Illinois, including the right to install and use thereon all equipment, facilities, appurtenances and apparatus of any nature, for the purpose of providing Cable Communication Service in accordance with the laws of the United States of America and the State of Illinois (hereinafter referred to as "Franchise" or "Agreement"). This provision shall in no manner infringe on the rights of any individual to construct or install any communications equipment for private use by such individual.

The Franchise granted by this Agreement to provide Cable Communications Services is non-exclusive for the territory contained within the

corporate boundaries of City as it exists from time to time. In the event of annexation by City, or as development occurs, any new territory shall become part of the area covered, provided, however, that Company shall not be required to extend service beyond its present System boundaries unless there is a minimum of thirty-five (35) homes per cable mile as measured from the last fiber node or terminating amplifier. Nor shall Company be required to provide Cable Programming Service to any Person if Person is more than 150 feet from Company's cable plant. Access to cable service shall not be denied to any group of potential residential cable Subscribers because of the income of the residents of the area in which such group resides. Company shall be given a reasonable period of time to construct and activate cable plant to service annexed or newly developed areas. This Agreement may not be amended or modified except in writing signed by all parties hereto.

SECTION IV. DURATION

The Franchise and rights herein shall take effect and be in force and after the passage and approval of this Agreement, as required by law, and shall continue in force and effect for 25 years after the date of this Agreement. The franchise granted herein shall continue for an additional 10 year period unless written notice of termination is given by either party at least 1 year prior to the end of the original 25 year period.

SECTION V. REGULATIONS

The Company shall have authority to promulgate such rules, regulations, terms and conditions governing the conduct of its business as shall be

reasonably necessary to enable the Company to exercise its rights and perform its obligations under this Ordinance, and to assure uninterrupted service to each and all of its customers, provided, however, that such rules, regulations, terms and conditions shall not conflict with the provisions hereof. Copies of such rules, regulations, terms and conditions adopted by the Company shall be available for inspection at its local office.

SECTION VI. INSTALLATION AND MAINTENANCE OF EQUIPMENT

The Company's plant and equipment, including the distribution system towers, structures, poles, wires and appurtenances, shall be installed with materials of good and durable quality and all work involved in construction, Installation, maintenance and repair of the cable system shall be performed in a safe, thorough and reliable manner.

The Company agrees to erect and maintain said cable and wires pursuant to and in accordance with the provisions of any and all rules and regulations of the City, relating to electrical wire, telephone wires and cables, which are reasonable and which now are, or hereinafter may be, duly adopted by the City.

The Company agrees to conform to all orders, rules and regulations of any and all municipal, state or federal departments, boards, commissions and agencies, now existing or hereafter created, affecting said Installations, and will, at its own expense and cost, promptly execute and comply with all laws, rules and regulations and ordinances now in force or hereafter enacted, which will affect the erection of poles and stringing of wires and cable over, on and along the Streets, roadways, sidewalks or alleys in said service area, and involving and

including all structural alterations, changes or additions of whatever size and description.

Any and all Streets or public property or private property, which are disturbed or damaged during the construction, repair, replacement, relocation, operation, maintenance or reconstruction of the System shall be promptly and fully restored by Company, at its expense, to a condition as good as that prevailing prior to Company's work, as approved by City in the case of Streets and other public property, which approval shall not be unreasonably withheld. Company shall not be required to repair portions of Streets or public property not disturbed or damaged if repairing the disturbed or damaged portion returns the Street or public property to the same condition as prevailing prior to Company's work. If Company shall fail to promptly perform the restoration required herein, City shall have the right to put the Streets, public, or private property back into good condition. City reserves its rights to pursue reimbursement for such restoration from Company.

If at anytime during the period of this Franchise, City shall elect to alter, or change the grade or location of any Street, alley or other public way, the Company shall, at its own expense, upon reasonable notice by City, remove and relocate its poles, wires, cables, conduits, manholes and other fixtures of the System, and in each instance comply with the standards and specifications of City. If City reimburses other occupants of the Street, Company shall be likewise reimbursed.

The Company shall procure, prior to construction and commencement of operation, such permits as are required by law from Federal or State regulatory bodies.

The Company does hereby agree that at the expiration of the term of this Agreement, it will surrender such premises, which do belong to the City in as good condition as now existing, with the proper allowance and exception for the ordinary and necessary wear and tear, and the Company will remove any poles which it may erect in the service area.

The Company shall have the authority to trim trees upon and overhanging Streets, alleys, sidewalks and public places in the service area so as to prevent the branches of such trees from coming in contact with the wires and cables of the Company. All trimming is to be done after notification to the City and at the expense of the Company. However, said authority shall not be construed in any manner whatsoever to relieve the City of any of its obligations relative to trimming of trees.

There is hereby granted the further right, privilege and authority to the Company to lease, rent or in any other manner obtain the use of towers, poles, lines, cables and other equipment and facilities from any and all holders of public licenses and franchises within the service area, subject to all existing and future ordinances, local laws and regulations of the City.

The Company shall have the right to erect, install and maintain its own towers, poles, guides, anchors, lines, cables and ducts as may be necessary for the proper construction and maintenance of the cable system, including the right

to extend lines and cables to and from other municipalities served by the Company's cable television system, provided that poles placed on the City's properties shall first have their location approved by the City. Such approval shall not be unreasonably withheld. Company shall be granted access to any easements granted to a public utility, municipal utility or utility district in any areas annexed by City or new developments.

SECTION VII. LIABILITY

The Company shall indemnify the City for, and hold it harmless from, all liability, damage, cost or expense, including but not limited to, attorney fees, arising from claims of injury to Persons or damage to property, which may arise out of or be caused by the erection, construction, replacement, removal, maintenance and operations of the Company's community antenna television and audio communication's service, and resulting from or by any negligence, fault or misconduct on the part of the Company, its agents, officers, servants and employees. Any property of City damaged or destroyed in connection with the construction or operation of the cable system shall be promptly repaired or replaced by the Company and restored to serviceable condition.

The Company shall carry a general comprehensive liability insurance policy with the following limits:

<i>Bodily injury, including death -</i>	<i>\$500,000 for any one person and \$1,000,000 for any one accident</i>
<i>Property damage -</i>	<i>\$500,000</i>
<i>Contractual liability -</i>	<i>\$500,000</i>

In addition, Company shall carry Workmen's Compensation insurance as provided by the laws of Illinois.

The Company shall furnish to City a certificate of such insurance indicating that said insurance may only be cancelled upon thirty (30) days notice in writing to City.

Nothing in this Agreement relieves a Person from liability arising out of the failure to exercise reasonable care to avoid injuring the Company's facilities while performing work connected with grading, regarding, or changing the line of a Street or public place or with the construction or reconstruction of a sewer or water system.

In order for City to assert its rights to be indemnified, defended, and held harmless, City must with respect to each claim:

- A. Promptly notify Company in writing of any claim or legal proceeding which gives rise to such right;*
- B. Afford Company the opportunity to participate in and fully control any compromise, settlement or other resolution or disposition of any claim or proceeding; and*
- C. Fully cooperate with reasonable requests of Company, at Company's expense, in its participation in, and control, compromise, settlement or resolution or other disposition of such claim or proceeding subject to **paragraph B above.***

SECTION VIII. REVOCATION

together with written findings of facts supplementing said decision.

- C. After the public hearing and upon written determination by City to revoke the Agreement, Company may appeal said decision with an appropriate state or federal court or agency.*
- D. During the appeal period, the Agreement shall remain in full force and effect unless the term thereof sooner expires.*
- E. Upon satisfactory correction by Company of the violation upon which said notice was given as determined in the City's sole discretion, the initial notice shall become void.*

IX. IMPLEMENTATION OF SERVICE

The Company shall provide a cable television system, which will conform to the technical standards specified in the Federal Communications Commission Rules and Regulations.

It shall be unlawful for any firm, Person, group, company, corporation, or governmental body or agency, without the express consent of the Company, to make or possess, or assist anybody in making or possessing, any connection, extension, or division, whether physically, acoustically, inductively, electronically or otherwise, with or to any segment of the System.

It shall be unlawful for any firm, Person, group, company, corporation or government body or agency to willfully interfere, tamper, remove, obstruct, or

SECTION XII. ADMINISTRATION

The Mayor of the City of WILLIAMSFIELD or a Person duly authorized by such Mayor, shall be responsible for the continuing administration of this Ordinance.

SECTION XIII. ASSIGNMENT

The Company agrees that it will not assign this Agreement, nor the rights, licenses and privileges herein granted except by an assignment in writing approved by the City, but the City agrees that it will not unreasonably withhold such consent and approval.

This Agreement shall be binding upon the successors and assigns of the parties hereto.

SECTION XIV. NOTICES

All notices, reports or demands required to be given in writing under this Agreement shall be deemed to be given when delivered personally to any officer of Company or the designated Administrator of this Agreement or other appropriate official of City of forty-eight (48) hours after it is deposited in the United States mail in a sealed envelope, with registered or certified mail postage prepaid thereon, addressed to the party to whom notice is being given, as follows:

If to City:

City of WILLIAMSFIELD
P.O. Box 417
WILLIAMSFIELD, IL. 61489

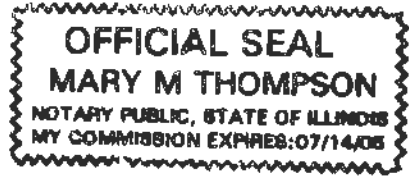
Attn: VILLAGE PRESIDENT

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

CITY OF Willingtonfield, Illinois
BY Jim Mockie *JM Mockie*
ITS Village President

ATTEST:

Mary M. Thompson *Mary M. Thompson*



MID CENTURY TELEPHONE COOPERATIVE
BY C. J. Harland *C. J. Harland*
ITS President

ATTEST:
Jim Clifford *Jim Clifford*