

Ordinance No. 92-03

**AN ORDINANCE APPROVING A CABLE TELEVISION  
FRANCHISE AGREEMENT WITH CASS CABLE, INCORPORATED**

BE IT ORDAINED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE  
VILLAGE OF CHATHAM, SANGAMON COUNTY, ILLINOIS, AS FOLLOWS:

**SECTION 1:** That certain cable television franchise agreement by and between the Village of Chatham and Cass Cable, Incorporated, an Illinois corporation, which is attached hereto as Exhibit A, is hereby approved.

**SECTION 2:** The President of the Village is authorized and directed to approve said contract on behalf of the Village and send the contract to Cass Cable, Incorporated, for signature.

**SECTION 3:** This Ordinance is effective immediately.

PASSED this 24 day of MARCH, 1992.

Carl Oblinger  
CARL OBLINGER, VILLAGE PRESIDENT

ATTEST:

[Signature]  
Village Clerk

AYES: 6  
NAYS: 0

PASSED: 3-24-92  
APPROVED: 3-24-92

ABSENT: 0

ORDINANCE CERTIFICATE

STATE OF ILLINOIS    )  
                          )    SS.  
COUNTY OF SANGAMON )

I, the undersigned, do hereby certify that I am the duly qualified and acting Village Clerk of the Village of Chatham, Sangamon County, Illinois.

I do further certify that the ordinance attached hereto is a full, true, and exact copy of Ordinance No. 92-03, adopted by the President and Board of Trustees of said Village on the 24 day of MARCH, 1992, said Ordinance being entitled:

**AN ORDINANCE APPROVING A CABLE TELEVISION  
FRANCHISE AGREEMENT WITH CASS CABLE, INCORPORATED**

I do further certify that prior to the making of this certificate, the said Ordinance was spread at length upon the permanent records of said Village, where it now appears and remains.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of said Village this 24 day of MARCH, 1992.

  
\_\_\_\_\_  
Village Clerk

CABLE TELEVISION FRANCHISE AGREEMENT

THIS AGREEMENT, made and entered into this 1st day of May, 1992, at Chatham, Illinois, by and between the Village of Chatham, a municipal corporation of the State of Illinois ("Grantor" or "Village"), and Cass Cable TV, Inc., an Illinois corporation ("Grantee").

W I T N E S S E T H:

WHEREAS, the Village of Chatham, pursuant to §11-42-11 of the Illinois Municipal Code (Ill. Rev. Stat. 1989, Ch. 24, Par. 11-42-11) is authorized to license, franchise and tax the business of operating a community antenna television system within its corporate limits; and

WHEREAS, the Village has negotiated the terms and conditions of a franchise renewal with Grantee, and after public hearings, the Village has determined that it is in the best interest of the Village and its resident to renew Grantee's franchise.

NOW, THEREFORE, The Village hereby grants to Cass Cable TV, Inc., a cable television franchise in accordance with the provisions of this Agreement.

SECTION 1. GRANT OF FRANCHISE

1.1. Grant. In consideration of the faithful performance and observance of the conditions and obligations hereinafter specified in this Agreement, the Grantor hereby grants to the

Grantee a nonexclusive franchise for the construction, installation, operation, maintenance, alteration, addition extension or improvement of a community antenna television system within, under, over, along, across and upon all public streets, rights-of-way, alleys, ways for public facilities, parks, playgrounds, or other public grounds, in which the Grantor has an interest, in accordance with the laws and regulations of the United States of America and the State of Illinois.

1.2 Franchise Territory. The franchise granted herein shall be for all areas located within the corporate limits of the Village including all territory hereafter annexed to the Village.

1.3 Effective Date of Franchise. The effective date of this Franchise Agreement shall be May 1, 1992.

1.4 Term of Franchise. The term of this Franchise Agreement shall be ten (10) years from the effective date hereof at which time it shall expire and be of no force and effect unless earlier terminated as hereinafter provided.

1.5 Extension of Term of Franchise. The Grantee is further granted a right to renewal of this franchise as set forth in Section 17.

1.6 Franchise Not Exclusive. This franchise shall not be construed as any limitation upon the right of Grantor, through its proper officers, to grant an additional cable television franchise to any number of other cable operators to provide community antenna television services within all or any portion of the Village, or on the right of Grantor to establish a municipally owned or controlled

cable television system, or on the right of any telephone or other public utility to provide cable television service. Further, the execution or acceptance of this franchise by the Grantee shall not be construed as a waiver of any right the Grantee may have under any applicable law nor shall it be construed as an increase of any powers the Grantor may have under any applicable law.

1.7 Grantee Acceptance. The Grantee, by executing this Agreement, guarantees its performance of all of Grantee's obligations hereunder imposed by this Agreement.

SECTION 2. DEFINITIONS. For the purpose of this Agreement, the following terms, phrases, words and their derivation shall have the meaning given herein. When not inconsistent with the context, words used in the present tense include the future, words in the plural number include the singular number, and words in the singular number include the plural number. The word "shall" is always mandatory and "may" is permissive. Words not defined shall be given their common and ordinary meaning.

2.1. "Agreement" means this Agreement and any amendments or renewals thereto.

2.2. "Ancillary Service(s)" shall mean those signals transmitted on the system other than basic cable service which provide entertainment services for consumption by monthly subscribers. Such ancillary services are more commonly called "premium channels" and or "pay per view" services. The Grantee shall have the right to sell the ancillary service(s) at a monthly charge which is in addition to the charge for Basic Cable Service.

2.3. "Basic Cable Service" means the primary service transmitted on the cable system and shall include and not necessarily be limited to those signals from any FCC licensed television stations, the wire service of one national news service, and local weather information as supplied by local weather sensors and/or the National Oceanic & Atmospheric Administration.

2.4 "Board of Trustees" means the governing body of the Village of Chatham.

2.5. "Cable Television System" or "System," also referred to as "Cable Television System" or "System," or "Community Antenna Television System," means any facility which is constructed in whole or in part in, on, under or over any highway or other public place and which is operated to perform for hire the service of receiving and amplifying the signals broadcast by one or more television stations and redistributing such signals by wire, cable, or other means to members of the public who subscribe to such service; except that this definition does not include (a) any system which serves fewer than fifty (50) subscribers, or (b) any system which serves only the residents of one or more apartment dwellings under common ownership, control or management, and commercial establishments located on the premises of such dwellings.

2.6. "Cable Act" means the Cable Communications Policy Act of 1984, 47 U.S.C. § 521 et seq. as now existing or hereafter amended.

2.7 "FCC" means the Federal Communications Commission and any legally appointed or elected successor.

2.8 "Franchise" means the nonexclusive rights granted

pursuant to this Agreement to operate, construct and maintain a cable television system within the Village.

2.9 "Franchise Fee" means the fee paid by the Grantee to the Grantor in consideration of the use of the public streets and rights-of-way.

2.10 "Government Channel" or "Government Access Channel" means any channel where local government agencies are the primary designated programmers.

2.11 "Grantee" means Cass Cable TV, Inc. or any person or entity who or which succeeds Grantee in accordance with the provisions of this Agreement.

2.12 "Grantor" or "Village" means the Village of Pawnee.

2.13 "Gross Annual Revenues" means the annual gross revenues received by the Grantee, from the provision of basic cable service, ancillary services and the sale or leasing of channel space or time for advertising purposes, including but not limited to the revenue derived from "900" numbers, all in the franchise area.

2.14 "Person" is any individual, firm, partnership, association, corporation, company, joint venture or organization of any kind and the lawful trustee, successor, assignee, transferee or personal representative thereof.

2.15 "Resident" is any person whose place of abode or business is located within the Village.

2.16 "Section" means a section, subsection or provision of this Agreement.

2.17 "Subscriber" means any person who or which subscribes on a monthly basis to either basic cable service or ancillary services provided by the Grantee by means of or in connection with the cable television system.

2.18 "System" means the entire cable distribution installation located in the Village.

SECTION 3. SAFETY CONDITIONS AND POLICE POWER. The Village reserves the general right to see that the system of the Grantee is constructed and maintained in a safe condition consistent with the Village Ordinances. In the event the Village shall find that an unsafe condition does exist, it shall give written notice thereof to the Grantee and the Grantee shall proceed to make necessary repairs forthwith. In the event the Grantee fails to make such repairs in a reasonable time period, the Village may cause said repairs to be made and collect all costs therefore from the Grantee. In accepting this Franchise, Grantee acknowledges that its rights hereunder are subject to the police power of the Village to adopt and enforce general ordinances necessary for the safety and welfare of the public, and it agrees to comply with all applicable general laws and ordinances enacted by the Village Board of Trustees pursuant to such power.

SECTION 4. FRANCHISE FEE.

4.1 During the term of this franchise the Grantee shall pay to the Grantor all annual franchise fees as follows:

- A. Five per cent (5%) of the revenues



received by the Grantee from the provision of Basic Cable Service and the sale or leasing of channel space for advertising purposes, including but not limited to the revenue derived from "900" numbers.

B. With respect to the revenues received by the Grantee from the provision of Ancillary Services:

1. Three per cent (3%) of such revenues during the first and second year of this franchise.
2. Four per cent (4%) of such revenues during the third and fourth years of this franchise.
3. Five per cent (5%) of such revenues during the balance of the term of this franchise.

If the amount being received by the Grantor is not sufficient to offset all costs and expenses incurred by the Grantor in connection with the Grantee providing cable television service, this Agreement shall be deemed to be amended to increase the franchise fee to an amount necessary to reimburse the Grantor for all costs and expenses incurred by the Grantor in connection with the Grantee providing cable television service in the Village, but not to exceed the amount permitted by law but in no event shall it exceed 12 1/2% of Gross Annual Revenues. If the Cable Act is amended to

lower the maximum allowable annual franchise fee below the amount provided for above, the parties shall renegotiate this Agreement.

The Grantee agrees that in the event it should negotiate an agreement with any other municipality in the State of Illinois which provides for the payment of franchise fees in excess of those provided for in this paragraph, then the Grantor shall immediately be entitled to received such franchise fee.

4.2 In addition to the franchise fee, the Grantee agrees to provide for the distribution of programming produced locally by the Grantor or any other local governmental entities in such franchised area.

4.3 Franchise fees shall be paid in quarterly installments on or before the 15th day of the month following the quarter for which payment is made.

4.4 The Grantor, shall annually, on or before January 30 be furnished a statement, audited and certified by a Certified Public Accountant, reflecting the total amounts of Gross Annual Revenues and all payments, deductions and computations for the previous year. Any underpayment disclosed by the audit shall be paid, or any over-payments shall be credited, with the next quarterly payment.

4.5 No payment by the Grantee or acceptance of any payment by the Grantor shall be construed as an admission of the amount due the Grantor or a release or as an accord and satisfaction of any claim the Grantee may have for a rebate or the Grantor may have for further or additional sums payable as a franchise fee or for the

performance of any other obligation of the Grantee.

4.6 In the event that any franchise fee payment is not made on or before the dates specified herein or in the event of an underpayment as disclosed by the audit, Grantee shall pay as additional compensation an interest charge, computed from such due date of one percent per month. In the event of an overpayment of any amount by the Grantee, the Grantor shall allow as a credit on the next quarterly payment due, the amount of such overpayment plus interest computed from the date of each overpayment at the rate of one percent per month.

SECTION 5. INSURANCE.

5.1 Upon the effective date of the franchise, Grantee shall furnish proof that satisfactory liability insurance policies are in force, in the minimum amounts of:

<u>Workers' Compensation</u>	As required by the laws of the State of Illinois.
<u>Employer's Liability Insurance</u>	One Hundred Thousand (\$100,000)
<u>Comprehensive General Liability</u> Bodily Injury, including death	One Million (\$1,000,000) each occurrence
Property Damage	One Million (\$1,000,000) each occurrence
Personal Injury	One Million (\$1,000,000) aggregate
<u>Comprehensive Automobile Liability</u> Bodily Injury, including death	One Million (\$1,000,000) each occurrence
Bodily Injury, including death, and Property Damage	One Million (\$1,000,000) each occurrence

Bodily Injury, including death  
and Property Damage

One Million (\$1,000,000)  
aggregate

5.2 The Grantee shall have the Grantor and all of its officers, boards, agents and employees included as co-insured on all insurance policies referred to in this Section. All such policies shall provide that the issuing insurance company will not cancel them without thirty (30) days prior notice to the Grantor and the Grantee. All such policies shall be taken out and maintained with generally recognized and responsible insurance companies qualified to do business in the State of Illinois and carrying a rating of A + AAAAA in the most recent publication of Best's Insurance Guide.

5.3 The liability insurance policies shall be maintained throughout the duration of this Franchise Agreement. The policies of insurance, or as certificate thereof, shall be examined by the Grantor's Attorney to insure their compliance with the terms of Section 5.1 and shall be deposited with and kept on file by the Village Clerk.

5.4 The Grantee's insurance policies referred to in this section are subject to annual review and an increase in the amounts of coverage may be required by the Grantor to account for inflation.

SECTION 6. PERFORMANCE BOND. The Grantee shall maintain through the term of the franchise, or any renewal or extension thereof, a faithful performance bond running to the Village with good and sufficient surety approved by the Village in the penal sum

total of Twenty Thousand Dollars (\$20,000.00) conditioned upon the faithful performance of the Grantee and upon the further condition that in the event the Grantee shall fail to comply with any law, ordinance or regulation governing the franchise, there shall be recoverable jointly and severally from the principal and the surety of the bond, any damages or loss suffered by the Village as a result, including the full amount of any compensation, indemnification or cost of removal or abandonment of any property of the Grantee, plus a reasonable amount for attorney fees and costs, up to the full amount of the bond.

SECTION 7. LEASE OF POLE FACILITIES: UNDERGROUND SERVICE.

The poles used for Grantee's System shall be those erected and maintained by the public utility providing telephone or electric service and any municipal utility providing electric service. Wherever possible, it shall be the sole responsibility of the Grantee to negotiate rental agreements with public utilities to secure the necessary space on said poles for its operation under this franchise. Where the use of poles owned by public utilities are not practicable or mutually satisfactory rental agreements cannot be entered into with said public utilities following a good faith effort on the part of the Grantee to obtain such agreements, the Grantee may erect poles where necessary but only after the location of such pole(s) have been approved by the Grantor. Where poles are not available for attachment by the Grantee, the Grantee shall have the right to install underground lines in the manner hereinafter provided. The erection of poles and the installation

of underground cables shall be subject to all existing ordinances and regulations of the Grantor applicable thereto. The Grantee shall pay on or before January 31 of each year noted below, to the Grantor, for the use of any municipal owned poles, the rate being paid currently to Central Illinois Public Service Company.

SECTION 8. REQUIRED UNDERGROUND SERVICE. In those instances where the lines for telephone service and electric service are underground, the Grantee shall install its distribution system in the same underground fashion, provided that the Grantee shall, at its own expense, properly backfill any excavation made from said line and restore the surface of the ground to a condition reasonably equal with its condition prior to such excavation and to subsequently correct by additional backfilling any sinking or settlement of such excavation for a period not to exceed one year.

SECTION 9. RIGHT OF WAY OCCUPANCY.

9.1 The Grantee's transmission and distribution system, poles, wires, cables and appurtenances shall be located, erected and maintained so as to cause minimum interference with the proper use of streets, alleys, and other public ways and places, and to cause minimum interference with the rights and reasonable convenience of property owners who join any of said streets, alleys, or other public ways and places, and not to interfere with improvements the Grantor may deem proper to take.

9.2 Restoration. In the case of the disturbance of any pavement, sidewalk, driveway, or other surfacing, the Grantee shall, at its own cost and expense and in a manner approved by the

Grantor, replace and restore all paving, sidewalk, driveway or surface of any street or alley disturbed in as good condition as before said work was commenced.

9.3 Relocation. In the event that at any time during the period of this franchise or any extension thereof, the Grantor, by reason of the construction or upgrade of public facilities, traffic conditions, public safety, or street vacation, shall elect to alter or change the grade of any street, alley, or public way, requiring the moving or relocation or burying of any of the facilities of the Grantee, the Grantee, upon reasonable notice by the Grantor, shall remove and relocate its poles, wires, cables, underground conduits and other fixtures at its own expense.

9.4 Temporary Removing of Wire for Building or Moving. The Grantee shall, on the request of any person holding an appropriate permit issued by the Grantor, temporarily remove, raise or lower its wires to permit the moving of buildings. The expense of such temporary removal, raising or lowering of the wires shall be paid by the person requesting the same and the Grantee shall have the authority to request such payment in advance.

9.5 Tree Trimming The Grantee shall have the authority and duty to trim trees upon and overhanging streets, alleys, sidewalks and public places of the Grantor so as to prevent the branches of such trees from interfering with the wires and cables of the Grantee. All trimming shall be done with prior notification of the Grantor and at the expense of the Grantee.

9.6 Quality of Work. All work done by the Grantee, whether

using the Grantor's poles, other public utility poles, the Grantee's poles, or the Grantee's underground cables, shall be performed in a good and workmanlike manner, including service drops and house attachments, and all equipment shall be used in accordance with good engineering practice.

9.7 Burial of Service Lines. Weather permitting, the Grantee shall, at the time of installation of service, immediately bury all service lines used in such installations.

9.8 Easements and Rights-of-Way on Private Property. It shall be the sole responsibility of Grantee to secure any necessary easements or other rights-of-way for the installation of its equipment and lines on private property.

SECTION 10. CODES. All construction of the Grantee, including installation and maintenance of its transmission and distribution system, shall be in accordance with the provisions of the National Electrical Safety Code, (or if the Village adopts a different Electric Code, with such Code) the Statutes of the State of Illinois, and all applicable ordinances of the Grantor. The Grantee shall provide the Grantor with a map designating the location of cable television transmission and distribution facilities prior to construction, and the installation of all Grantee's wires and cables whether on poles owned by the Grantor, any other public utility, or the Grantee, or underground, shall require approval by the Grantor's Authorized Agent.

SECTION 11. SYSTEM IN SERVICE. The Grantee shall install and maintain a cable system capable of carrying a minimum of thirty-



three (33) channels of video and audio signals designed for color transmission which can be modified for two-way services when the technology and marketplace requirements permit. The Grantee shall provide without charge and upon written request from the respective school principal, installation of a cable outlet and thereafter, Basic Cable Service to each primary and secondary school in the Village. The Grantee shall provide without charge and upon written request from the Grantor, installation of a cable outlet and thereafter, Basic Cable Service to each Village office building, Public Library, Fire Station, Police Station and Senior Citizens Center within the Village.

SECTION 12. EMERGENCY WARNING AND NOTIFICATION CAPABILITY  
STANDBY POWER.

12.1 The Grantee shall provide telephone access to the Grantee's transmitting facilities, permitting the broadcast of emergency warnings or notices pertaining to weather, natural disasters, extraordinary school closings, and other emergency situations, occurrences or phenomena, to all customers in the area served by the Grantee pursuant to this franchise. Authority to utilize such access for emergency messages shall be limited to the President of the Village or, in his absence, the Chief of Police; and also the Superintendent of any School District all or part of which is located within the corporate limits of the Village, for emergency messages which affect the entire School District, or an entire school facility within that district.

12.2 As soon as practicable, Grantee shall maintain

equipment capable of providing continuous standby power sufficient to provide service to its subscribers within one-half hour of any power failure.

SECTION 13. SERVICE PROTECTION. The distribution system shall be installed, operated and maintained in such a manner that no interference will be caused to the reception of signals from standard television stations or to the reception of signals transmitted by any communication service authorized by any federal agency.

SECTION 14. CUSTOMER SERVICE. Grantee agrees to adequate standards of performance for customer service as set forth in this section.

(a) Grantee shall provide all installations, reconnections, disconnections, transfers and other standard physical work required within ten (10) business days after a subscriber's placement of a service request. Grantee shall make all reasonable efforts to complete a service level change immediately upon request of the subscriber but in no case in excess of three (3) business days after such request. Weather permitting, Grantee shall commence a non-standard installation within sixty (60) days of the receipt of all approvals and plans.

(b) All service repair requests for no picture, no sound shall be repaired within one (1) business day from notice to Grantee. All other service repair requests including but not limited to partial service, degraded service or other service repair requests shall be responded to within one (1) business day

and repaired as soon as practicable thereafter but in any event not to exceed five (5) days after receipt of such request.

(c) Grantee shall have a written policy allowing for a.m./p.m. service calls upon a subscriber's request.

(d) Grantee at the request of any subscriber shall render it impossible for such subscriber to receive any number of designated channels.

(e) Grantee shall provide to subscribers a proportional credit of the subscriber's monthly bill for any full or partial loss of service exceeding 24 hours. Pay per view credit shall be provided upon the request of the subscriber if such service is not received. Grantee shall provide all credits, refunds and adjustments on the first billing after the cut-off date preceded by the subscriber's request for adjustment. All customer service representatives shall be instructed to advise any subscriber who is entitled to credit refund or other adjustment when such adjustment will appear on the subscriber's bill.

(f) Grantee shall make reasonable efforts to accommodate the needs of disabled individuals with regard to procedures, facilities and technology employed by the cable system. Grantee shall insure that the system will not inhibit the use of closed captioned and similar types of equipment.

(g) Grantee shall maintain a customer service facility within the corporate limits of the Village or via a toll-free number. The customer service facility shall have the capability to receive telephone inquiries 24 hours per day, seven (7) days per week. For

purposes of receiving telephone inquiries, the facility shall be adequately staffed with customer service representatives five (5) days per week and no less than forty (40) hours per week. At other times, Grantee may use an answering machine to accept customer service inquiries from subscribers and will respond to such inquiries within the first business day after the inquiry is received.

(h) Grantee shall respond or acknowledge within ten (10) business days of receipt all correspondence received from subscribers and shall attempt to resolve such correspondence as soon as practicable but in no event later than 30 business days after receipt of the correspondence.

(i) Grantee shall prepare and file with the Village copies of all of its rules and regulations in connection with the handling of inquiries, requests and complaints. As subscribers are connected or reconnected with the system, Grantee shall furnish information to subscribers concerning the procedures for making inquiries or complaints including the name, address and telephone number of this office.

(j) Grantee shall keep records concerning all inquiries, complaints and requests made in connection with the system, to include the date of resolution and the person responsible for such resolution.

SECTION 15. CUSTOMER CONTRACTS. No contract as to the length of service for a regular monthly residential customer shall be required by the Grantee under ordinary circumstances. The

Grantee agrees that under ordinary circumstances it shall be the right of the customer to start or terminate all or any ancillary category of his service on cable according to his own wishes by making advance payments of current rates to commence service, and by reasonable notice to the Grantee to terminate the service. Basic Cable Service shall be the only requisite service a customer must select in order to be a customer to cable. No customer shall be required to subscribe to any ancillary or additional category of service that may be offered by the Grantee as condition for continuing to receive those signals and services that are part of the Basic Cable Service. It is hereby acknowledged, however, that any equipment installed by the Grantee on behalf of the customer on his premises shall remain the property of the Grantee, and shall be subject to reasonable inspection and service by the Grantee at reasonable hours and removal upon termination of service.

In the event that any customer shall fail to meet his obligations to the Grantee and to meet its reasonable rules and regulations, the Grantee shall have the right to withhold or deny services to such customer. In the event service is interrupted at any time for more than twenty-four (24) hours, the Grantee shall give each customer to whom such service is interrupted a pro rata rebate or credit against charges for whatever services the customer has subscribed to receive.

SECTION 16.      PROCEDURES.

16.1 General      (a) Any inquiry, proceeding, investigation or other action to be taken by the Village Board in regard to the

Grantee's cable television system, and any renewal of this Franchise Agreement shall be taken only after thirty (30) days public notice of such action or proposed action is published in an area or daily or weekly newspaper having general circulation in the Village; a copy of such action or proposed action is served on the Grantee by first class mail, and the Grantee has been given an opportunity to respond or comment in writing on the action or proposed action. If the Grantee should request an inquiry, proceeding, investigation or other action, the Grantor will hold a hearing within thirty (30) days of receipt of the request.

(b) The public notice required by this section shall state clearly the action or proposed action to be taken, the time provided for response and the person or persons in authority to whom such responses should be addressed, and such other procedures as may be specified by the Village Board. If a hearing is to be held, the public notice shall give the date and time of such hearing, whether public participation will be allowed and the procedures by which such participation may be obtained.

(c) The Grantee shall have the right, through its agents or employees, to be present at all public portions of any such hearing and the opportunity, through said agents or employees, to make an oral statement on its behalf at any such hearing.

SECTION 17.     RENEWALS. Pursuant to the terms of Section 626 of the Cable Act, the Village may on its own initiative, and shall at the request of Grantee, commence renewal proceedings as set forth in such Cable Act. The Village may grant or deny renewal in

accordance with Section 626 of the Cable Act. If renewal is denied, then any acquisition or transfer of the cable system shall be in accordance with Section 627 of the Cable Act. The fair market going concern value shall be determined by an appraiser selected by the mutual consent of the parties, or if the parties cannot agree on an appraiser, each party may select its own appraiser and the fair market going concern value shall be determined by arbitration held in Springfield, Illinois by the American Arbitration Association in accordance with the provisions of the Uniform Arbitration Act and any applicable provision of the Cable Act. In the event this franchise is terminated for cause the appraisal standards set forth in Section 617 (b) of the Cable Act shall be applicable.

SECTION 18. OWNERSHIP DISCLOSURE. On acceptance of this franchise and thereafter as any change occurs in ownership or management of the Grantee, the Grantee shall promptly provide to the Grantor:

- (a) A list of partners, or officers and members of the board of directors of the Grantee and of any parent corporation; and
- (b) A list of all stockholders holding three percent (3%) or more of the voting stock of the Grantee and the parent corporation, if any.

SECTION 19. PERFORMANCE EVALUATION MEETINGS.

19.1 The Village and Grantee shall hold performance evaluation meetings within thirty (30) days following the first, third, sixth and ninth annual anniversary dates of the effective date of this Agreement. All such evaluation meetings shall be open

to the public. Such meetings shall be called and noticed pursuant to Section 16 of this Agreement. Special evaluation meetings may be held at any time during the term of this Agreement at the request of either the Grantor or the Grantee.

19.2 Topics which may be discussed at any regular or special evaluation meeting may include, but need not be limited to: penalties, applications of new technologies, system performance, services provided, subscriber, use and community complaints, privacy, amendments to the ordinance, modifications to this Agreement, judicial and FCC rulings and Grantee's or Grantor's rules and regulations.

19.3 Grantee shall fully cooperate with the Grantor as to all matters relating to any regular or special evaluation pursuant to this section and shall, at Grantee's expense, provide such information, data and documents as the Grantor may reasonably request in connection with any such evaluation.

19.4 If at any time during any regular or special evaluation meeting held pursuant to this section, the Grantor reasonably determines that evidence exists of inadequate cable system performance, it may require Grantee to perform tests and analyses as necessary, directed toward the identified or suspected inadequacies. The costs of such tests and analyses shall be borne by the Grantee if said tests and analyses determine that the inadequate cable system performance alleged by the Grantor, in fact, exists. However, if such alleged inadequate system performance does not exist, the costs of such tests and analyses



shall be born by the Grantor. Grantee shall fully cooperate with the Grantor in scheduling and performing such testing and shall prepare and present a written report setting forth and interpreting the results of such testing within thirty (30) days after receiving notice from the Grantor that such testing will be required. Such report shall include, at a minimum, the following information:

- (a) Identification and qualifications of the person performing the tests;
- (b) The nature of the identified or suspected inadequacy which precipitated the tests;
- (c) What system components were tested;
- (d) The equipment used and procedures employed in testing;
- (e) The results, and an analysis and interpretation of the results, of the test and, in particular, data and information tending to confirm and identify the source of, or to negate the existence of, the identified or suspected inadequacy;
- (f) The method, if any, by which any such identified system inadequacy has been, or will be rectified;
- (g) Recommendations, if any for additional action; and
- (h) Any other information pertinent to said tests and analyses which may be required or is useful.

The Grantor may require such tests to be supervised by a qualified engineer approved by the Grantor and not on the permanent staff of Grantee. When so required, such engineers shall sign all test reports and records and forward same directly to the Grantor.

SECTION 20. DEFAULT AND FORFEITURE. The Grantor shall be entitled to cancel and terminate this franchise and all rights hereunder provided to the Grantee, upon any of the following acts or omissions by the Grantee:

- (a) A material breach, whether by act or omission, of any terms or conditions of this Agreement; or
- (b) Material misrepresentation of fact in the application for or negotiations of the franchise; or
- (c) Insolvency of the Grantee, or the application of the Grantee for an adjudication as a bankrupt, or the adjudication of the Grantee as a bankrupt upon an involuntary petition.

provided, however, that in each case the Grantor shall serve upon the Grantee written notice of such violation and the Grantee and shall thereupon correct such violation or show cause why such violation should not or cannot be corrected not more than thirty (30) days from and after the date of receipt of said notice. Within said thirty (30) days the Grantee shall have the right to request a meeting with the Grantor to present to the Village and have considered the sufficiency of the Grantee's actions to correct such violations or the validity of the cause shown by the Grantee why such violations should not be corrected, and if the Grantor does not approve the action taken by the Grantee to correct the violations, or accept the cause given by the Grantee why such violations should not be corrected, the Grantee shall promptly state in writing its reasons for such disapproval or rejection. In the event the Grantee fails to correct such violations within said time or satisfactorily show cause why such violations should not be corrected, this franchise shall thereupon be null and void and of no further force and effect, but all rights accruing to the Grantor against the Grantee shall continue in favor of the Grantor.

SECTION 21.      OPEN BOOKS AND RECORDS.    The      duly      authorized

representatives of the Grantor shall have the right to inspect at any time during normal business hours, at the offices of the Grantee, all books, records, maps, plans, financial statements, service complaint log, records kept pursuant to Section 14 (j) hereof, performance test results and other like materials, of the Grantee which relate to the operation of the franchise.

SECTION 22.     FCC RULES.     Any modification of the rules and regulations of the FCC shall be incorporated into this Agreement and franchise within one (1) year of its effective date.,

SECTION 23.     AMENDMENTS.     The provisions of this franchise are compatible with the existing Cable Act, the laws of the State of Illinois and the regulations of the FCC. In the event of any change in law which mandates a change in some term or condition of this Agreement (other than as otherwise provided in Sections 4 and 22 hereof) or which implements rate regulation by Grantor, this franchise shall, upon written notice of either the Grantor or the Grantee to the other, be amended and changed in accordance with such change in law. This franchise may be amended at any time with the consent of both the Grantor and the Grantee after public hearing held by the Village.

SECTION 24.     RATES.     On or before thirty (30) days after the date of this Franchise Agreement, the Grantee shall file a schedule of the rate for service with the Village Clerk. The Company shall have the right from time to time to adjust its rates for services or equipment furnished by the Grantee upon notification of its customers and the filing with the Village Clerk of a dated, revised

schedule of rates not less than sixty (60) days prior to the effective date thereof. Notwithstanding the above, with respect to the provision of Basic Cable Service, the Grantee agrees not to raise such rates except as follows:

- a) For the first year of this agreement not more than \$1.00 over the rates existing on the date of the Agreement.
- b) For the second year of this Agreement, not more than \$2.00 over the rates existing on the date of this Agreement.

With respect to the provision of Ancillary Services, the Grantee agrees not to raise the rates during the first two years of this Agreement provided that the suppliers of programming for such ancillary services do not increase their rates. In the event such programming suppliers increase their rates, the Grantee may raise its rates but not in excess of the suppliers' increase.

Anything to the contrary notwithstanding the Village has the right at any time hereafter to institute rate regulation, if a condition of "no effective competition" exists as that term is defined in a "Report and Order and Second Further Notice of Proposed Rule Making" adopted on June 13, 1991, IN THE MATTER OF RE-EXAMINATION OF THE EFFECTIVE COMPETITION STANDARD FOR THE REGULATION OF CABLE TELEVISION BASIC SERVICE RATES." MM Docket No. 90-4; MM Docket No. 84-1296 before the Federal Communications Commission.

SECTION 25. ASSIGNMENT. The Grantee shall not transfer or assign any rights under this franchise to another, absent the prior written consent of the governing body of the Grantor and no such

transfer or assignment shall be effective until the transferee or assignee has filed in the Office of the Village Clerk a statement duly executed, reciting the fact of such sale, assignment or lease, unconditionally accepting the terms of the franchise and agreeing to perform all the conditions thereof. Consent to such transfer or assignment shall not be unreasonably withheld.

SECTION 26.      SEVERABILITY.      If any section, subsection, sentence, phrase, or portion of this Franchise Agreement is for any reasons held to be invalid, void or unenforceable by a court of competent jurisdiction, the remainder of the sections, subsections, sentences, phrases or portions shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

SECTION 27.      APPLICABLE LAW.      This contract shall be governed by and construed and enforced in accordance with the laws of the State of Illinois and of the United States in a federal or state court of competent jurisdiction in Sangamon County, Illinois.

SECTION 28.      NOTICES.      Any notice provided in this Agreement to be given by either party hereto to the other shall be deemed to have been duly given when made in writing and deposited in the United States mail, postage prepaid, addressed as follows:

To Grantee:    General Manager  
Cass Cable TV, Inc.  
134 South Main  
Virginia, Illinois      62691

To Grantor:    Village Clerk  
Village Hall  
116 East Mulberry Street  
Chatham \_\_\_\_\_, Illinois 62629

By notice complying with this Section, either party shall have the right to change the address to which notice to such party may be sent.

SECTION 29. FAILURE OF GRANTOR TO ENFORCE THIS AGREEMENT.

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

SECTION 30.

Anything to the contrary notwithstanding, this cable television franchise Agreement constitutes the sole and only franchise Agreement of the parties hereto and supersedes any prior understandings or oral or written cable television franchise Agreements between the parties.

IN WITNESS WHEREOF, Grantor and Grantee have executed this Agreement as of the day and year first above written.

Village of Chatham  
A Municipal Corporation

By: Carl Obryer  
Village President

Attest:

Pat Schaefer  
Village Clerk

CASS CABLE TV, INC.

By: \_\_\_\_\_

Its: \_\_\_\_\_

(Corporate Seal)

GERALD E. GILL  
PRESIDENT

*Cass Cable TV, Inc.*

VIRGINIA, ILLINOIS 62691

P.O. BOX E  
134 SOUTH MAIN  
(217-452-7725)

May 12, 1991

Village of Chatham  
Pat Schad, Village Clerk  
109 W. Mulberry  
Chatham, IL 62629

Dear Pat,

This will serve as an official schedule of the rate for service as per ordinance No. 92-03 Section 24; concerning rates.

Basic Service	15.95
HBO	10.00
Cinemax	10.00
Showtime	5.95
Disney	7.00

Effective as of May 1, 1992.

Marvin L. Seward  
General Manager  
Cass Cable Television  
Virginia, Il 62691

**LONG, MORRIS, MYERS & RABIN p.c.**

ATTORNEYS AT LAW

1300 SOUTH EIGHTH STREET • P.O. BOX 1858 • SPRINGFIELD, ILLINOIS 62705-1858  
PHONE: 217-544-5000 • FAX: 217-544-5017

JOHN H. LONG  
STANLEY L. MORRIS\*  
JOHN M. MYERS  
MARK RABIN  
W. SCOTT HANKEN  
LEO J. ZAPPA, JR.

June 15, 1992

JOSEPH E. McMENAMIN  
OF COUNSEL

\* ALSO LICENSED IN MISSOURI

Mr. Pat Schad, Clerk  
Village of Chatham  
116 East Mulberry Street  
Chatham, IL 62629

Re: Village of Chatham/Cass Cable Television Franchise Agreement

Dear Pat:

I enclose for your files an executed copy of the Cable Television Franchise Agreement between Cass Cable and the Village of Chatham.

Sincerely yours,

**LONG, MORRIS, MYERS & RABIN, P.C.**

By: John M. Myers / dec  
John M. Myers

JMM:dnc  
Enclosures