

AGREEMENT AND CONTRACT BETWEEN COMPLETE CHANNEL TV, INC.
AND THE VILLAGE OF CAMBRIDGE AND TOWN OF OAKLAND,
AMENDING THE CABLE TELEVISION ORDINANCE

WHEREAS, Complete Channel TV, Inc. ("Complete") is the cable television operator in the Village of Cambridge and Town of Oakland ("Village/Town") pursuant to Section 12.08 of the Code of Ordinance of the Village, dated October 27, 1981, and Section 21 of the Code of Ordinances of the Town, dated October 20, 1981, and the Resolution passed by the Village on December 27, 1983, and the Town on December 20, 1983, and

WHEREAS, the United States Congress enacted the Cable Communications Policy Act of 1984 which impacts upon the regulatory relationship between federal, state, and municipal authorities and cable television operators, and

WHEREAS, Complete has agreed to changes in the franchise relationship in light of the federal legislation including an increased franchise fee and a commitment to provide monetary contributions for municipal and public use of the system, and

WHEREAS, the Village of Cambridge and Town of Oakland and Complete have mutually agreed to amend the Village of Cambridge and Town of Oakland cable television franchise to incorporate the following terms and provisions of this Agreement.

NOW, THEREFORE, it is hereby stipulated and agreed by and between the Village of Cambridge and Town of Oakland and Complete that the following terms and conditions in addition to those contained in Section 12.08 and Section 21, and the Resolution dated December 27, 1983 and December 20, 1983 shall govern the operations of Complete and the Village of Cambridge and Town of Oakland and Section 12.08 and Section 21, and the Resolution dated December 27, 1983 and December 20, 1983 shall be amended accordingly to incorporate said following additional terms and provisions:

1. Franchise Fee.

- (a) Complete shall pay a franchise fee to the Village/Town in the following amounts: 4% of gross receipts beginning on the date of execution of this Agreement; 5% of gross receipts from January 1, 1986 to the termination of the franchise. The franchise fee shall be applied against only those receipts actually received by Complete. Addendum I contains a schedule of projected franchise fee payments. Such figures are supplied for demonstration purposes only and are not a contractual promise that these shall be the actual franchise fee amounts.

- (b) Beginning on January 1, 1988, Complete shall pay the franchise fee on a quarterly basis. Prior to 1988, Complete Channel, in paying the franchise fees currently required by the ordinance, shall continue to make such payments in accordance with the procedure set forth in the relevant ordinance provisions in effect at this time; meanwhile, those monies which represent the difference between the current franchise fee levels and the increased franchise fee percentages promised by Complete in Section 1(a) of this Agreement shall prior to 1988 be made on an annual basis on April 1, for the preceeding year.
- (c) Complete shall not seek to recover any franchise fee monies which it has already paid to the Village/Town in the event of a binding judicial determination that the franchise fees, as set forth in the ordinance and Section 1(a) of this Agreement, are invalid.

2. Community Programming Payments. Complete shall pay to the Village/Town, in addition to the franchise fee, an annual monetary contribution for local community programming. The amount of these annual contributions, based on the number of subscribers served, is set forth in Addendum I. These community programming payments shall be paid on April 1 for the preceeding year or part thereof on a pro rata basis from date of execution of this agreement to the following January 1.

3. Basic Subscriber Rates. Complete shall be allowed a 7% increase in the basic subscriber rate, effective May 1, 1986. Basic subscriber rates shall otherwise be regulated pursuant to the cable ordinance and franchise and federal law.

4. Franchise Term.

- (a) The length of Complete's franchise term shall be extended to 11 years from October 31, 1985.
- (b) If, during the first four years of the 11-year franchise term described in Section 4(a), Complete reconstructs its system to at least 54 channel capacity, the 11-year franchise term described in Section 4(a) shall immediately be terminated, and in its place Complete shall be granted a 20-year franchise term. The remaining years of the 11-year franchise term shall not be added on to this new 20-year term.
- (c) If, during the 5th through the 11th years of the 11-year franchise term described in Section 4(a), Complete reconstructs its system to at least 54

channel capacity, the 11-year franchise term described in Section 4(a) shall immediately be terminated, and in its place Complete shall be granted a 15-year franchise term. The remaining years of the 11-year franchise term shall not be added on to this new 15-year term.

5. Miscellaneous Charges. On an annual basis, Complete shall file with the Village/Town Clerk a schedule of miscellaneous charges for those services not regulated under section three of this Agreement. The charges set forth on this mandatory listing shall constitute the prevailing effective rates for such services, shall be fair and reasonable, calculated to recover a reasonable rate of return on capital expenditures, costs for administration, labor and materials. In the event that increased costs necessitate an adjustment of any such miscellaneous charges, Complete shall file an amended schedule with the Village/Town Clerk, and such changes shall not become effective until thirty days after such filing. All charges shall also be fair and reasonable, calculated to offset costs for administration, labor, and materials. This provision shall not apply to those services which federal, state or case law prohibits regulation thereof.

Addendum II is the schedule of miscellaneous charges to be put into effect upon execution of this Agreement. Among other charges, it reflects all transactions entered into by Complete regarding converters. Said converter rental charges include converter maintenance.

Complete shall provide, on a sale or rental basis, "lockboxes" to delete one or more cable television channels at the subscriber's option. Provisions of lockboxes shall comply with the terms set forth in Section 624 of the Cable Communications Policy Act of 1984.

Complete may continue to require that only Complete personnel install wiring associated with additional outlets within an individual housing unit receiving the signal from the Company's main distribution system.

6. Delinquent Accounts. Complete's procedures regarding the collection of delinquent nonpay accounts shall be carried out in accordance with standard collection procedures within the business community, similar to those employed by regulated public utilities and in conformance with state law.

7. Channel Allocation and Programming Content. Channel allocation and programming content, in accordance with the Federal Cable Act and other federal law, shall be solely within the discretion of Complete.

8. Performance Bonds. Complete shall no longer be required to maintain any type of performance bonds, heretofore required

under the terms of the franchise, in light of Complete's successful construction of the cable television system described in the original franchise proposal.

9. Audited Financial Statements. If current franchise provisions so require, Complete shall continue to furnish audited financial statements. Within two years after the execution of this Agreement, the Village/Town shall review any such requirement, in order to determine if it is still considered to be a necessary requirement. The Village/Town agrees to not unreasonably withhold its consent to a deletion of a requirement to furnish audited financial statements.

10. Refund Policy. In the event of an interruption of service which continues for longer than twenty-seven hours, unless the cause of such interruption is not the fault of Complete including a natural disaster or other act of God, Complete shall credit each subscriber reporting such loss of service with an amount equal to 1/30th of the monthly bill for each 24-hour period subsequent to the first twenty seven hours.

11. Free Basic Service. Complete shall provide free monthly basic service to one television set at each of the following existing locations: each public school, each fire station, and one municipal building designated by the Village Board/Town Board. If such installation has not already been made, Complete shall make such installation without charge, subject to the line extension policy. If any of the communities have more outlets at the time of execution of this Agreement then described above, free service to those outlets shall be continued.

12. Technical Performance Requirements.

- (a) General Requirements. The cable television system shall be designed and operated in compliance with the Technical Standards of the Federal Communications Commission, as set forth in Chapter 47 of the Code of Federal Regulations, Part 76, Subpart K.
- (b) Reports. Complete shall file with the Village/Town Clerk a copy of a report setting forth the results of the Proof-of-Performance measurements required by the said Subpart K.
- (c) Technical Advisory Committee. There shall be established a Technical Advisory Committee composed of representatives of the municipalities served by Complete. The composition of the Board shall consist of one member, preferably with technical expertise in cable-related areas, from each regulatory committee or commission designated by the chairman of the committee or commission in the

regulatory jurisdiction. Membership on the Committee shall be optional with the regulatory jurisdiction.

The Technical Advisory Committee shall meet on a periodic basis with Complete representatives to review the technical performance of the Complete cable television systems. The Advisory Committee shall review and recommend appropriate standards of technical performance for the Complete cable systems and shall recommend the standards for proof of performance tests, review the tests with Complete personnel including its technical staff and identify areas for improvement.

The purpose and intent of this Technical Advisory Committee is to coordinate individual input from the various municipalities so as to assure a consistent technical quality of cable television service in all of the communities and to develop and recommend standards of performance satisfactory to the cable television subscriber, Complete, and expectations of the various municipalities. It is anticipated that this Committee, in addition to reviewing and recommending technical quality, performance and standards will also consider the development of and availability of state-of-the-art equipment and will make recommendations regarding the coordination and implementation of technical improvements.

13. Amendment. The cable television ordinance shall be amended accordingly to incorporate the terms and provisions of this Agreement and any term or provision in conflict with this Agreement shall be null and void. Any other documents or oral representations made by Complete or its predecessors which are in conflict with this Agreement shall also be null and void.

14. Reinstatement of Rate Regulation. This Agreement represents a compromise between Complete and the Village of Cambridge and Town of Oakland. It is a compromise reached in light of the recently enacted federal cable legislation and recent court cases challenging municipal authority of cable television. Its purpose is to establish a stable relationship between Complete and the Village of Cambridge and Town of Oakland. In the event that there is any change in the present federal legislation preempting rate regulation by municipalities either by legislative or court action, then Complete and the Village of Cambridge and Town of Oakland agree that subject to federal and state law, the terms and provisions of the cable television franchise and ordinance as they relate to rate regulation as they existed prior to execution of this Agreement shall be in full force and effect.

15. In the event any part or parts of this contract are ruled unenforceable, the parties do hereby agree to reopen the contract and renegotiate the contract to the extent that this contract is affected by such ruling such that there is an equal or like consideration provided either the Village/Town or Complete as a substitute for that part or parts of the contract that is ruled illegal, void or voidable in whole or in part. This contract is entered into in good faith by and between the Village/Town and Complete, with the understanding that ongoing legislative efforts, federal regulations and federal and state litigation might affect their relationship. This contract represents a good faith effort on the part of the Village/Town and Complete to stabilize their relationship and assure an orderly growth of the cable television system in an economically viable manner.

WITNESS:

~~Village of Cambridge~~ Wisconsin, a municipal corporation

Dwight C. Christensen

Robert Christensen 2-11-86
(date)
Village President

Dwight C. Christensen

Barbara A. Winter 2-11-86
(date)
Village Clerk

Frederic P. Pung

~~Town of Oakland~~ Wisconsin, a municipal corporation

Raymond J. Pung 3-15-86
(date)
Town Board Chairman

Harold J. Pung

Edw. J. Pung 3/18/86
(date)
Town Clerk

WITNESS:

COMPLETE CHANNEL TV, INC.

Patricia A. Dano

[Signature] 12-17-86
(date)
Vice-President

Paul E. Dano

Paul E. Dano 12/17/86
(date)
Secretary

APPROVED AS TO FORM:

Mary H. Behling
3-23-86, Village Attorney

Mary H. Behling
3-23-86, Town Attorney