

TO: John Szerlag, City Manager

FROM: John Lamerato, Assistant City Manager/Finance Administration
Cindy Stewart, Community Affairs Director

SUBJECT: Agenda Item: ICCA Contract with CMN

DATE: August 2, 2005

The Intergovernmental Cable Communications Authority (ICCA) member communities finalized the contract and bylaws with Community Media Network (CMN). Attached is a copy of the resolution that was unanimously passed at the July 20, 2005 ICCA meeting recommending approval of the contract and bylaws by the member communities.

There have been many changes to the contract as well as their bylaws based on lengthy discussions with ICCA members, the CMN Board as well as the City Managers from the ICCA communities. The bylaws were completely rewritten to be more efficient and readable for the CMN Board Members and the communities as well.

Our ICCA attorney Tim Currier, from Beier Howlett, has written a letter that explains all of the recent changes to the contract and bylaws making it easier for all parties to understand the contract and bylaws (see attached). Based on discussions with the ICCA representatives, all communities currently funding CMN will continue their funding with the exception of Rochester Hills.

CS

Reviewed and approved as to legality: _____
Lori Bluhm, City Attorney

ICCA
INTERGOVERNMENTAL CABLE
COMMUNICATIONS AUTHORITY

RESOLUTION

Moved By: Tom Werth, Rochester
Supported by: Stephanie Schlegel, Auburn Hills

WHEREAS, the ICCA and CMN have negotiated a new Contract for Public Access Television Services; and,

WHEREAS, the ICCA and CMN have had substantial input from its delegates and other officials of their communities regarding the new contract.

NOW, THEREFORE, the ICCA recommends to its member communities, as follows:

1) That the Contract for Public Access Television Services between Intergovernmental Cable Communications Authority and Community Media Network be approved and the ICCA delegate for each community be authorized to approve said contract on its behalf.

2) The Amended Bylaws of Oakland County Cable Communications Corporation d/b/a Community Media Network be approved and the ICCA delegate for each community be authorized to approve the Amended Bylaws.

AYES: All

NAYES: None

ABSENT: Ferndale

PRESENT: Auburn Hills, Berkley, Clawson, Huntington Woods, Oakland Twp, Pleasant Ridge, Rochester, Rochester Hills, Royal Oak, Troy

DATE: July 20, 2005

LAWRENCE R. TERNAN
STEPHEN W. JONES
FRANK S. GALGAN
KENNETH J. SORENSEN
JEFFREY K. HAYNES
MARK W. HAFELI
TIMOTHY J. CURRIER
JOSEPH F. YAMIN
JOHN D. STARAN
LAURA M. HALLAHAN
P. DANIEL CHRIST
PATRICIA E. KEFALAS DUDEK
MICHAEL C. GIBBONS
KATHERINE B. ALBRECHT
MICHAEL P. SALHANEY
C. LYNN GATES
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July 26, 2005

All City Managers and Board members of the ICCA

Re: Update of Executive Summary of the Contract for Public Access Television Services Between Intergovernmental Cable Communications Authority and the Community Media Network; Amended Bylaws of the Oakland Community County Cable Communications Corporation d/b/a Community Media Network

Dear Ladies and Gentlemen:

This letter will serve as an update to the July 7, 2005 executive summary referenced above. The ICCA has passed a Resolution recommending to its member communities that the Contract for Public Access Television Services Between the Intergovernmental Cable Communications Authority and Community Media Network be approved and that the Amended By-laws of the Oakland County Cable Communications Corporation d/b/a Community Media Network also be approved. The ICCA did not take action with respect to the Amendment to the Intergovernmental CATV Agreement or the Amendment to By-Laws of the Intergovernmental Cable Communications Authority. Therefore, it is not referenced in this document.

Pursuant to the Intergovernmental Agreement, the communities delegate to their delegates of the ICCA the authority to approve these documents, without further action by the Cities' councils, commissions or township boards. However, a number of

communities have taken an interest in this particular matter because of the situation with CMN over the past year and a half. In addition, several delegates have sought the input of their cities on how they should act with respect to this matter. Therefore, this matter is being sent to you for any input you deem appropriate with respect to acting upon these issues and directing your delegate as to how you wish them to vote. The ICCA would hope to conclude the CMN contract and related matters in September and request that each community take action during the month of August, if they deem it appropriate, so that this matter can be brought to closure.

Attached you will find the documents referenced above. As you are aware, the ICCA has been engaged in lengthy negotiations with Community Media Network for purposes of entering into a new contract for public access television services. This process has also been used to address several concerns that have been raised regarding the operations of CMN as well as its relationship to the ICCA. In addition to the highlights that will be discussed herein, it is important to note that all of the member communities in the ICCA appointed representatives to CMN who are accountable to the municipalities. The new fiscal control has been employed to monitor the manner in which funds are expended. This is not necessarily reflected in these documents, but has, in fact, been implemented. CMN, on its own volition, has discontinued the practice of appointing members to its Board of Director who were "at large" and not the appointees of the individual municipalities. Therefore, the control of CMN is absolutely in the hands of the member municipalities through the CMN representatives. This is the single most important factor in resolving issues regarding the manner in which funds were being expended by CMN.

Contract for Public Access Television Services

The contract for public access television services, which is enclosed herewith, though similar to past contracts, does have some major significant changes, which are as follows:

- "Eligible members" The practice of CMN was to provide public access television services to the citizens of those communities for which contributions to CMN were made in the past. However, due to fiscal constraints, many communities have reduced or ceased its contributions to CMN. CMN, therefore, has not been providing these services to the citizens of those communities who do not provide any contribution to it. CMN has raised the fact that in order to maintain the level of services requested in the RFP by the ICCA, it was important to receive a minimal level of funding on which it could budget its planned activities. In addition, the minimum level of funding was also used to establish what an eligible member would be for purposes of having a voting member on the CMN Board of Directors as well

as to vote at the ICCA on CMN issues. This new concept is introduced in Section 1 where an eligible member is one who provides minimal funding. Minimal funding is defined as a voluntary payment by CMN equal to or greater than 1/12 of the total revenues received by the ICCA community for the same time period.

- “Open Meetings Act” CMN shall comply with the Open Meetings Act with respect to the Notice of Meetings of the Board of Directors and the holding of open meetings provided, however, that CMN did reserve the right to go into closed session for matters set forth as private, confidential, privileged or personnel matters of the Corporation.
- “Termination Provisions” Upon termination of the contract with the ICCA, all equipment and funds received pursuant to the December 31, 1999 Agreement and this Agreement will be turned over to the member communities and not retained by any successor entity by CMN. In addition, CMN will be spending part of its reserve account towards capital expenditures by reducing the sizeable reserves. It must be noted that these reserves have been used during the past six (6) months to pay operating expenditures of the entity because several communities have not been funding CMN until the matter was resolved.
- “Bidding Requirement” CMN has agreed to convey the bidding provisions for all supplies and contractual services where this may cost equal to or exceed Three Thousand Dollars (\$3,000).
- “Conflicts of Interest and Nepotism” Conflicts of interest and a nepotism provision was added to the contract to prevent CMN from hiring or contracting directly or indirectly with members of the Board of Directors or the Executive Director’s families.
- “CMN Records” CMN has agreed to maintain all books and records in accordance with the Michigan State Department of Treasury guidelines for governmental units of authorities.
- “Funding from other sources” The ICCA and CMN have agreed that CMN should seek funding for other sources, but that any such fundraising or other activities to raise funds would require the prior approval of the ICCA. This would prevent an adverse impact to the member communities as well as avoiding conflicts of interest
- “Bylaws” CMN has agreed not to change its’ Bylaws with respect to adding members to the Board of Directors without prior approval of the ICCA.
- “Expenditure of Funds” CMN shall submit to the ICCA for its review and approval fiscal control accounting procedures of CMN. The ICCA, at anytime during the term

of the contract, may recommend additional methods of fiscal control accounting relative to CMN funds.

Amended Bylaws

The Bylaws have been completely rewritten to be more efficient and readable for the members of the Board of Directors and the communities as well. Certain changes have also taken place in this document:

- The communities have confirmed that each community shall receive one (1) vote per representative on the CMN Board. Only members of the eligible communities are permitted to vote, but ineligible communities are able to send delegates/representatives to CMN in a non-voting capacity.
- Members of the Board of Directors must be a resident of an ICCA community, or they may be employed by an ICCA member community that makes the appointment. The Director may be a non-resident, as long as the Director is an employee of the ICCA member community that makes the appointment. However, in no event shall the Director be 1) the City Manager or Township Supervisor of the ICCA member community that makes the appointment; 2) a community representative to the ICCA or alternate representative to the ICCA from a community; or 3) an employee of a school board located in an ICCA community which employee has within the scope of his/her employment the operation of either or both the government and/or educational channels in that ICCA community.
- Amendments to the Bylaws require a 67 2/3% majority of the Board of Directors in order to make any change.

If you have any questions, please do not hesitate to contact me.

Very truly yours,

BEIER HOWLETT, P.C.

Timothy J. Currier

TJC/jc

DRAFT

CONTRACT FOR PUBLIC ACCESS TELEVISION SERVICES

**BETWEEN
INTERGOVERNMENTAL CABLE COMMUNICATIONS AUTHORITY
AND
COMMUNITY MEDIA NETWORK
("AGREEMENT")**

This Contract is made this _____ day of _____, 2005 by and between Intergovernmental Cable Communications Authority (ICCA) and Community Media Network (CMN), a nonprofit corporation (each sometimes individually referred to as "Party" and collectively referred to as the "Parties"), who agree as follows:

RECITALS

1. The communities of ICCA (Auburn Hills, Berkley, Clawson, Ferndale, Huntington Woods, Oakland Township, Pleasant Ridge, Rochester, Rochester Hills, Royal Oak and Troy) (hereinafter referred to as "ICCA Communities") have granted to Comcast and WideOpenWest franchises to operate cable television systems within their communities. The purpose of ICCA is to make a recommendation on the award of cable franchises, monitor and enforce the franchises between the cable television operators and the ICCA Communities, and exercise additional powers, functions, duties and responsibilities, including making recommendations about public, educational, and government access (hereinafter referred to as PEG) programming services.
2. The ICCA Communities indicated that they accepted the cable television operators' offer to provide PEG services and support. The renewed franchise did not require the cable operators to provide public access directly but did include a provision whereby the operators pay 1% of their revenue annually to support PEG services ("PEG Funds"). Also, the franchises provide that certain channel capacity be provided for PEG.
3. Some of the ICCA Communities have determined that they will, from time to time, provide support for public access equipment, facilities and operations through the dedication of some or all of the revenues received from the cable operators but not in excess of 1/6 of the total revenues received by the ICCA Communities ("CMN Funds"). ICCA desires to facilitate the provision of public access services for the use of PEG access cable television in its territory.

4. Community Media Network, a private nonprofit corporation was organized, in part, to provide public access services and has indicated its interest in providing public access programming, services, training, promotion and facilities.

5. In return for a payment of CMN Funds from the ICCA Communities, and subject to "Minimal Funding" requirements as set forth herein, CMN agrees to provide its public access facilities to the ICCA Communities, including CMN's production studio in Troy. As of the date of this Agreement, the CMN facilities include two public access facilities, one of which is the production facility in Troy. Providing the CMN Funds are available, it is the intent of both parties that these facilities be maintained by CMN and available to the ICCA Communities. The specific space within the facilities to be used by the ICCA Communities shall be adequate to meet the needs for the ICCA Communities' access users. One ICCA facility is in Rochester Hills at Oakland University, and the other is in Troy, Michigan, Subject to the availability of funds provided by the ICCA Communities, it is the intent of the parties that these facilities be available throughout the term of this Agreement. CMN agrees to maintain the two access vans provided to the ICCA at the end of the first franchise, provided CMN funds are available for such maintenance.

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth herein, the parties agree as follows:

SECTION 1. SCOPE OF SERVICES AND FACILITIES. In exchange for "Minimal Funding" (as herein defined) provided by the ICCA Communities to CMN, CMN shall provide the following services, equipment and facilities (to the extent that funding is available). The ICCA shall collect the funds from the ICCA Communities and disburse the funds to CMN within five (5) business days after the close of business on the last day of business on each calendar month.. Provided however, in the event funding is not available from any one or more of the ICCA Communities or the ICCA, then any one or more of the following services, equipment and facilities shall be reduced or eliminated in accordance with CMN's available budget and management decisions regarding operation of the public access services in the context of such reduced funds. Further, in the event any one or more of the ICCA Communities fail to provide "Minimal Funding" as herein defined to CMN for the use of equipment, facilities and to enjoy the services provided by CMN, then the citizens of that ICCA Community are deemed to be "Ineligible Members" of the ICCA and the ICCA Community shall be deemed to be an "Ineligible Community". , and In such case, the Ineligible Members and Ineligible Communities shall not be permitted to avail themselves of the services, equipment and facilities provided in this Contract. The residents of those ICCA Communities that provide "Minimal Funding", as herein defined, to CMN are "Eligible Members" and such Eligible Communities and Eligible Members shall be entitled then to all of the services, equipment and facilities provided hereunder by CMN to the ICCA Communities. "Minimal Funding" is defined as the annual voluntary payment to CMN by an ICCA

community in an amount equal to or greater than one-twelfth (1/12) of the total revenues received by the ICCA community for the same time period.

A. OPERATE PUBLIC ACCESS CABLE CHANNEL. Make equipment and facilities available to Eligible Members for operating the public access cable channel for public access programming.

B. OPERATE COMMUNITY MEDIA CENTERS. Make equipment and facilities available to Eligible Members for operating video production facilities, which shall be available for use at such hours and times as are determined by CMN and reasonably approved by ICCA. Access to equipment and facilities shall be open to all those who satisfactorily complete training classes provided by CMN.

C. PROVIDE EQUAL ACCESS. Make available to Eligible Members equipment, facilities, channels, and services provided hereunder on a non-discriminatory basis to all members of the community for non-commercial programming purposes, whether individuals, groups, or organizations, on a first-come, first-served non-discriminatory basis, pursuant to operating rules and procedures developed by CMN and reasonably approved by ICCA.

D. COMPLIANCE WITH LAWS, RULES, AND REGULATIONS. Administer the public access channel, equipment and facilities in compliance with applicable laws, rules and regulations, including the Michigan Freedom of Information Act with respect to receipt and use of CMN Funds only. The ICCA shall review and approve the method of notice of all Board of Director's meetings of CMN, and all such meetings shall be open to the public, with the exception of closed sessions to cover private, confidential or privileged matters of the corporation and/or personnel matters. CMN shall comply with the the Open Meetings Act with respect to the notice of meetings of the Board of Directors and the holding of open meetings, provided however, CMN reserves the right to go into closed sessions for the matters set forth in this paragraph, or otherwise, as the Board of Directors deems appropriate. CMN shall give an operational and financial report to the ICCA on a monthly basis, the form of such reports to be reviewed and approved by the ICCA. The ICCA may review the information regarding all financial books and records of the company, as well as a specific review of expenditures upon ICCA's request. As part of the monthly report to the ICCA, CMN shall provide the ICCA with a copy of any proposed amendment to CMN Bylaws. The delivery of the proposed amendment shall be made prior to the date upon which the amendment is voted on by the CMN Board of Directors.

E. TRAINING. Train Eligible Members and members of non-profit organizations that serve the Eligible Communities, and when requested, provide technical advice for productions of Educational and Governmental access staff of such Eligible Communities.

F. PLAYBACK/CABLECAST. Playback/cablecast programs on the public access channel, at least 90 hours of local original, replayed and outside programming per week

and a minimum of 360 hours per month, 80% of which is to be produced by the residents living within the ICCA Communities, or by nonprofit groups servicing the ICCA Communities. For purposes of this programming, the message board on the public access channel shall not be counted to the minimum programming requirements.

G. MAINTENANCE OF EQUIPMENT. Maintain and repair all video equipment purchased with monies received pursuant to this Contract and/or donated, loaned, or leased to CMN by ICCA, including two vans loaned to CMN by ICCA.

H. PROMOTION. Actively promote the use and benefit of the public access channel, equipment and facilities to cable subscribers and the public.

I. PERFORMANCE REVIEW. CMN shall, if requested by ICCA, after eighteen (18) months of operation under this Contract, engage an expert in access management from outside the ICCA territory, the expense for which shall be equally shared by the ICCA and CMN and approved by ICCA, to conduct a performance review, which shall include an opportunity for access users and cable subscribers to provide input. Upon completion, a copy of the performance review shall be submitted to ICCA.

J. OTHER ACTIVITIES. Undertake other access programming activities and services as deemed appropriate by CMN to be consistent with the obligation to facilitate and promote access programming.

SECTION 2. CHANNEL OPEN TO PUBLIC: CMN agrees to keep the access channel open to all potential users regardless of their viewpoint, subject to FCC regulations, federal and state law, and other relevant laws. Neither the ICCA, the cable operators, nor CMN shall have the authority to control the content of programming placed on the public access channel as long as such programming is lawful. Nothing herein shall prevent CMN, ICCA Communities or the cable operators from producing or sponsoring programming, prevent the ICCA or communities or the cable operators from underwriting programming, or prevent them from engaging in activities designed to promote production of certain types of programming or use by targeted groups as consistent with applicable law and rules for use of the channel. CMN may promulgate and enforce policies and procedures approved by ICCA which are designed to promote local use of the channel, and make the programming accessible to the viewing public, consistent with such time, manner, and place regulations as are appropriate to provide for and promote use of access channel, equipment and facilities.

SECTION 3. INDEMNIFICATION. CMN shall indemnify, defend, and hold harmless the ICCA Communities, elected officials, its officers, board members, agents, and employees and volunteers from and against any and all claims, suits, actions, causes of action, losses, damage, or liabilities of any kind, nature or description, including, payment of litigation costs and attorneys' fees, brought by any person or persons for or on account of any loss, damage or injury to person, property or any other interest, tangible or intangible, sustained by or accruing to any person or persons, howsoever

the same may be caused, directly or indirectly arising or resulting from any alleged acts or omission of the CMN , its officers, employees, agents or subcontractors arising out of or resulting from the performance of this Contract, except for the negligent acts of ICCA, its officers, agents, employees and volunteers.

CMN shall indemnify and hold harmless ICCA Communities, elected officials, its officers, board members, agents, employees and volunteers from and against any and all claims or other injury, including costs of litigation and attorney's fees, arising from or in connection with claims or loss or damage to person or property arising out of the failure to comply with any applicable laws, rules, regulations or other requirements of local, state or federal authorities, for claims of libel, slander, invasions of privacy, or infringement of common law or statutory copyright, for breach of contract or other injury or damage in law or at equity which claims, directly or indirectly, result from CMN use of channel, funds, equipment, facilities or staff granted under this Contract or franchise agreements, except for the negligent acts of ICCA, its officers, agents, employees and volunteers.

SECTION 4. COPYRIGHT CLEARANCE. Before cablecasting video transmissions CMN shall require all users to execute a form document which has been approved by the ICCA, and is part of the policies and procedures of CMN, which shall provide that all users and producers must provide, take responsibility for, indemnify, defend and hold CMN and ICCA harmless for any infringement of any and all of the intellectual property rights related to all material presented for cablecast, including without limitation the obligation to secure clearances from broadcast stations, networks, sponsors, music licensing organizations' representatives and without limitation from the foregoing, any and all other persons as may be necessary to transmit its or their program material over CMN authorized channel. CMN shall maintain for a period of three (3) years for ICCA's inspection, upon reasonable notice by ICCA, copies of all such user agreements.

SECTION 5. COPYRIGHT AND OWNERSHIP. CMN shall own the copyright of any programs, which it may choose to produce. Copyright of programming produced by the public shall be held by such person who produces said programming.

SECTION 6. DISTRIBUTION RIGHTS.

A. CMN shall require that all programs produced with funds, equipment, facilities, or staff granted under this Contract shall be distributed on the channel whose use is authorized by this Contract. This subparagraph shall not be interpreted to restrict other distribution (beyond distribution on the channel authorized by this Contract), so long as such other distribution is consistent with the rules and procedures governing, such which shall be promulgated by the CMN and filed with ICCA.

B. Video programming cablecast on the channel whose use is authorized by this Contract shall state that opinions expressed in programming are the sole responsibility of the program producers and do not necessarily reflect the views of ICCA Communities or CMN.

SECTION 7. EQUIPMENT AND FACILITIES.

A. CMN shall be responsible to maintain all equipment and facilities owned, leased or loaned to it under this Contract or purchased with funds provided pursuant to this Contract.. Further, CMN shall upon prior approval of the ICCA, be authorized to sell or retire that older equipment and replace such older equipment with newer equipment as CMN deems appropriate in the ordinary course of business.

B. ICCA shall own all equipment and facilities acquired by CMN, and purchased with funds received pursuant to this Agreement and the Contract for Public Access Television Services dated December 31, 1999, made between the parties hereto ("Prior Contract") upon termination or non-renewal of this Contract. All such equipment or facilities shall remain the property of ICCA. Further, all such equipment, upon purchase, shall be labeled as "ICCA Equipment" and said labels shall be maintained on the equipment for identification purposes. In addition, a log shall be kept on a regular basis of all equipment that CMN owns, which equipment has been provided by ICCA Funds. The potential disposition of the ICCA Equipment upon termination of this Contract among the ICCA Communities, is the responsibility of the ICCA, and CMN's only obligation hereunder, with respect to ownership of the equipment, is to identify the "ICCA Equipment" and not to determine which ICCA Community own which piece of equipment or percentage thereof. All other equipment in CMN's possession which is not owned by the ICCA, is owned by CMN, free of any claim of any interest of the ICCA.

C. Upon the dissolution of the CMN, it shall return all equipment purchased with funds received from this Contract and the Prior Contract together with the CMN Funds provided by this Agreement and the Prior Contract to the ICCA.

SECTION 8. INSURANCE. CMN shall maintain in full force and effect at all times during the term of this Contract, insurance as required by this Section. The cost of such insurance shall be borne by CMN and must be included in CMN's annual budget. ICCA shall be shown as an additional insured on all policies, with an insurance carrier satisfactory to ICCA.

A. COMPREHENSIVE LIABILITY INSURANCE. Comprehensive liability insurance and broad form contractual liability, property damage and personal injury coverage, and comprehensive automobile liability including owned, hired and non-owned automobile coverage. The limits of such coverage shall be: (1) bodily injury including death, \$5,000,000 for each person, each occurrence and aggregate; (2) property damage, \$1,000,000 for each occurrence and aggregate.

B. EQUIPMENT INSURANCE. Insurance shall be maintained on all equipment and facilities, including fixtures, funded in whole or in part under this Contract, for replacement cost. The insurance shall include, at a minimum, insurance against loss or damage beyond the user's control, theft, fire or natural catastrophe.

C. WORKERS' COMPENSATION. Full Workers' Compensation Insurance and Employer's Liability with limits as required by State of Michigan law, shall be maintained.

D. CABLECASTER'S ERRORS AND OMISSION INSURANCE. Insurance shall be maintained to cover the content or productions which are cablecast on the access channel, at minimum, in the following areas: libel and slander, copyright or trademark infringement; infliction of emotional distress; invasion of privacy; plagiarism; misuse of musical or literary materials; an amount to be not less than \$1,000,000 or as agreed to by counsel for the respective parties. This policy shall not be required to cover individual access producers.

E. DIRECTORS AND OFFICERS COVERAGE. Directors and Officers insurance coverage shall be maintained on all Directors and Officers of CMN, as determined by the CMN Board of Directors in its sole discretion.

F. ICCA ADDITIONAL INSURED. ICCA shall be named as an additional insured on all aforementioned insurance coverages. The policies shall provide that no cancellation, major change in coverage or expiration may be affected by the insurance company or CMN without first giving ICCA thirty (30) days written notice prior to the effective date of such cancellation or change in coverage. Any insurance or self-insurance maintained by ICCA, its officers, agents, employees, or volunteers shall be in excess of the CMN insurance and shall not contribute to it.

G. NOTIFICATION OF COVERAGE. CMN shall file with ICCA proof of insurance coverage.

SECTION 9. NON-DISCRIMINATION IN EMPLOYMENT AND SERVICE. CMN shall not discriminate against any person, employee or applicant for employment or subcontractor on the basis of race, color, creed, religion, sex, sexual preference, marital status, ancestry, national origin or physical or mental handicap. CMN will comply with the ICCA's communities' most restricted ordinance on nepotism.

SECTION 10. COMPETITIVE BIDDING REQUIREMENTS. All supplies and contractual services, when the estimated costs thereof shall equal or exceed Three Thousand Dollars (\$3,000), shall be purchased by a written contract or invoice from the lowest responsible bidder, it being specifically understood that CMN is not obligated to accept the lowest bid on any contract due to the many qualitative factors which must be considered by CMN and which may cause a more prudent decision to be made by the purchase of equipment or other services which are not determined to be the lowest price, but by the best value offered.

SECTION 11. INDEPENDENT CONTRACTOR/PRIVATE NONPROFIT CORPORATION. It is understood, acknowledged and agreed that CMN is a private nonprofit corporation organized under the laws of the State of Michigan, and an independent contractor of the ICCA. CMN has no relationship of principal/agent or employer/employee exists between ICCA, or any member community, and CMN. If in the performance of this Contract any third persons are employed by CMN, such persons shall be entirely and exclusively under the control, direction and supervision of CMN.

SECTION 12. CONFLICTS OF INTEREST AND NEPOTISM. No member of the CMN Board or any officer of CMN or any members of their “families”, as herein defined, shall be interested, directly or indirectly, in any contract, franchise, job, work or service where there are revenues therefrom, nor shall he or she receive any compensation for any work or service rendered to CMN except compensation for services if the officer is an employee of CMN. “Families”, as herein defined, of the Executive Director or any member of the CMN Board are hereby disqualified from holding any appointed office of CMN or from being employed by CMN or serving on the CMN Board. “Families”, for purposes of this Agreement, shall be defined as spouse, parents, children, siblings or in-laws at the same degree of relationship, step-children, step-parents and step-siblings.

SECTION 13. ASSIGNMENT AND SUBLETTING. Neither this Contract nor any interest herein shall be assigned or transferred by either party, except on the express prior written consent of the other party.

SECTION 14. ANNUAL REPORTS. Prior to March 15 of each year, CMN shall submit to ICCA an annual report for the preceding calendar year (January 1 – December 31). This report shall contain, at a minimum, the following information:

- A. Statistics on programming, services and facilities provided;
- B. Current and complete listing of CMN Board of Directors and employees;
- C. Year-end financial statements audited by an independent certified public accountant, which shall be hired by the ICCA and paid for by CMN.
- D. Comparison of annual plan with actual completed projects.

SECTION 15. RECORDS, ANNUAL AUDIT.

- A. CMN shall maintain all necessary books and records, in accordance with the Michigan State Department of Treasury guidelines for governmental units and authorities.

B. Upon request from ICCA, CMN shall, at any time during normal business hours, make available all of its records with respect to all matters covered by this Contract. In the event the ICCA requires a large volume of documents to be copied for review by the ICCA or its designated representatives, and such copying cannot be reasonably performed by CMN without great expense or interruption to the normal business operations of CMN, then the ICCA may hire an outside firm to copy such material, the cost of all such copying shall be borne by the ICCA.

C. CMN shall provide a monthly list of all checks written by CMN during the prior month, together with an explanation of the purpose for which the check was written.

D. Amendments to the CMN By-laws which affect in any way the method of electing or appointing members of the Board of Directors and Officers, as well as any amendments which affect the make up of the Board or changes the number or percentage vote of the members of the Board of Directors appointed by member communities of the ICCA, shall be subject to the prior review and reasonable approval of the ICCA.

SECTION 16. RESOURCES.

A. ICCA agrees to make resources available to CMN as follows:

1. Comcast and WideOpenWest have dedicated certain channel capacity to public access use. ICCA agrees to permit CMN to manage that channel capacity for public access programming purposes.

2. ICCA will provide to CMN all funds, which it receives, from ICCA Communities for public access on a quarterly basis after ICCA receives the funds in an amount greater than or equal to the "Minimal Funding", as defined in Section 1. Each ICCA community will decide for itself how much of the revenues it receives from the cable operations it will give to ICCA for the benefit of public access.

SECTION 17. ANNUAL PLAN. On or before September 30 of each year in which this Contract is in effect, CMN shall provide to ICCA an Access Activities Plan and Budget outlining activities and programs planned for the following fiscal year with funds and channel received from ICCA. Such plan shall contain: (1) a statement of anticipated number of hours of local original programming; (2) training classes to be offered and frequency of classes; (3) other access activities planned by CMN; and (4) an operating and capital equipment and facilities budget.

SECTION 18. EXPENDITURE OF FUNDS. CMN shall spend funds received from ICCA solely for the purposes listed in its Annual Public Access Activities Plan and Budget and Section 1, Scope of Services of the Contract and for other activities which are considered in the ordinary course of business of a public broadcasting corporation. Funds not expended in the year covered by the Annual Budget and Activities Plan must be carried over to succeeding years. Upon termination of this Contract all funds of any kind provided by the ICCA and not expended by CMN shall be returned to ICCA unless the parties agree to an extension of the Contract. CMN shall provide for such fiscal control and accounting procedures, as approved by the ICCA, as are necessary to assure proper disbursement and accounting for funds received from ICCA. The ICCA has reviewed and approved the fiscal control and accounting procedures of CMN. The ICCA may at any time during the term of this contract review and suggest other methods of fiscal control and accounting relative to CMN Funds, provided however, such methods of fiscal control and accounting must be reasonable, in accordance with responsible accounting methods, and approved by the CMN Board of Directors after consultation with CMN's outside independent certified public accounting firm.

SECTION 19. FUNDING FROM OTHER SOURCES; ICCA REVIEW. It is agreed and acknowledged by the parties that during the term of this Contract CMN may, upon prior written approval of the ICCA, attempt to provide its services to: (i) member communities' government and/or educational access television; (ii) other communities in the State of Michigan; or (iii) other entities for a fee. Provided however, CMN will advise the ICCA of such activity, and any such contracts shall be reviewed by the ICCA to ensure that such contracts do not adversely affect the services provided to the ICCA Communities pursuant to this Contract. CMN shall, during the course of this Contract, raise supplemental funds from other sources, including, but not limited to fundraising, user fees and membership fees. CMN shall, advise ICCA of such fundraising, user fee and membership fee activity.

SECTION 20. TERM OF CONTRACT. This Contract shall be for a period of three (3) years commencing January 1, 2005 and ending on December 31, 2007 unless terminated earlier, as provided in this Contract Section 21. This Contract may be extended by mutual agreement of ICCA and CMN, in writing, in accordance with Section 22.

SECTION 21. TERMINATION OF CONTRACT: TRANSFER OF ASSETS.

A. Each Party (the "Terminating Party") shall have the right upon ninety (90) days written notice to the other party (the "Non-Terminating Party") to terminate this Contract for (1) breach of any provision of this Contract by the other Party; (2) malfeasance, misfeasance, misappropriation of public funds, (3) if CMN loses its 501(c)(3) status, or (4) in the event the ICCA does not approve a proposed amendment to the CMN Bylaws. The Non-Terminating Party may avoid termination by curing any such breach within

ninety (90) days of notification or, if a cure cannot be completed within ninety (90) days, within a reasonable time frame agreed to in good faith by the Parties. Further, in the case of an amendment to the Bylaws of CMN which was passed by the CMN Board without the approval of the ICCA, if the ICCA, within the cure period of 90 days approves of such Bylaw, then CMN shall be deemed to have avoided termination by obtaining such approval from the ICCA of the Bylaw in question.

B. In the event funding from the ICCA Communities in the aggregate decreases to less than _____ (___%) percent of the level of such funding existing at the commencement of the term of this Contract, then CMN shall have the right to terminate the Contract upon ninety (90) days written notice to the ICCA.

C. Upon termination, CMN shall immediately transfer to ICCA or its designee assets and funds in accordance with section 7 C of this Contract. .

SECTION 22. EXTENSION OF CONTRACT. This Contract may be renewed pursuant to the following process:

A. If CMN seeks an extension of this Contract it shall, on or before July 1, 2007, submit to ICCA a letter of intent requesting extension.

B. On or before October 1, 2007, ICCA shall respond to CMN's letter of intent to request extension.

SECTION 22. TIME. Time is of the essence in this Contract and for the performance of all covenants and conditions of this Contract.

SECTION 23. COOPERATION. Each party agrees to execute all documents and do all things necessary and appropriate to carry out the provisions of this Contract.

SECTION 24. APPLICABLE LAW. This Contract shall be interpreted and enforced under the laws of the State of Michigan.

SECTION 25. NOTICES. All notices and other communications to be given by either party may be given in writing, depositing the same in the United States mail, postage prepaid and addressed to the appropriate party. Any party may change its address by written notice to the other party at any time.

SECTION 26. ENTIRE CONTRACT. This Contract is the entire agreement of the parties and supersedes all prior negotiations and agreements whether written or oral.

SECTION 27. AMENDMENT. This contract may be amended only by written agreement and no purported oral amendment to this Contract shall be valid.

SECTION 28. DISPUTE RESOLUTION. Any claim, dispute or disagreement arising out of the covenant mutually agreed to herein, if not resolvable by mediation, shall be submitted to binding arbitration, under the then-current rules of the American Arbitration Association for such cases.

SECTION 29. SEVERABILITY. If for any reason any provision of this Agreement shall be deemed, by an arbitrator or a court of competent jurisdiction, to be legally invalid or unenforceable in any jurisdiction to which it applies, the validity of the remainder of the Agreement shall not be affected, and that provision shall be deemed modified to the minimum extent necessary to make that provision consistent with applicable law and, in its modified form, that provision shall then be enforceable and enforced.

IN WITNESS WHEREOF the parties have executed this Contract as of the date written above.

ICCA

Adopted by the Intergovernmental Cable Communications Authority at its regular meeting on _____.

By Its Chairman:

Date:

By its Secretary:

Date:

CMN, a nonprofit corporation

By its Chairman:

Date:

By Its _____:

Date:

By its _____:

Date:

In addition to the above funding, CMN intends to use approximately the following amounts of its unrestricted reserve fund during the three year term of this Contract:

Year 1	\$160,000.00
Year 2	60,000.00
Year 3	60,000.00
TOTAL:	\$280,000.00

AMENDED BYLAWS OF
OAKLAND COUNTY CABLE COMMUNICATIONS CORPORATION
d/b/a COMMUNITY MEDIA NETWORK (“Community Media Network”)
REVISED AND ADOPTED MARCH _____, 2005

ARTICLE I
NAME

The name of the Corporation shall be the OAKLAND COUNTY CABLE COMMUNICATIONS CORPORATION d/b/a COMMUNITY MEDIA NETWORK, and it is sometimes referred to in these By-laws as the Corporation.

ARTICLE II
PURPOSES

The purpose of the Corporation is set forth in the Articles of Incorporation as follows:

This corporation is formed for scientific, educational and charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law). Its purposes include, but are not limited to:

- A. To advance the use, growth and development of community communications and community based media in the corporation’s service area (including, but not limited to the Oakland County area of the State of Michigan), and to establish, maintain and operate one or more Community Media Centers;
- B. To empower individuals, organizations and institutions, on a non-discriminatory basis the means to disseminate information

through the use of community-based media and to develop a Community Media Center to further that goal;

- C. To apply for and to receive, and to actively pursue contributions, grants, donations and loans of all types from individuals, organizations, profit and non-profit, public and private corporations, government agencies and others to support the purposes set forth in these by-laws;
- D. To ensure that no individual is discriminated against with regard to membership, services, access to information or any activity of the corporation because of race, national origin, sex, age, sexual preference, religion, disability, political affiliation, or economic status;
- E. To provide, to the best of the corporation's ability, the means for any and all individuals, organizations, agencies and institutions, a public meeting or gathering place to hold events of a non-commercial nature, in the Community Media Center operated by the corporation;
- F. To develop, formulate and administer policy and rules for the use of all media, equipment and services that come under control of the corporation;
- G. Business shall be carried on by the corporation only in order to accomplish the purposes and objectives for which the corporation was established.

ARTICLE III BASIC POLICIES

The following are basic policies of the Corporation:

1. The Corporation shall be non-commercial, non-sectarian, and non-partisan.

2. The name of the Corporation and/or the names of any directors of the Corporation in their official capacities shall not be used in any connection with any partisan interest or for any purpose not appropriately related to promotion of the objects of the Corporation.

ARTICLE IV OFFICE

The principal office of the Corporation is, as of the date of the approval of these Bylaws, in one of the eleven (11) ICCA communities, State of Michigan, and shall remain in one of the eleven (11) ICCA communities, State of Michigan unless another office or offices are approved by a majority vote of the Board of Directors and ICCA.

ARTICLE V MEMBERS OF CORPORATION

This Corporation has been organized on a directorship basis, as permitted under the Michigan Nonprofit Corporation Act.

ARTICLE VI THE BOARD OF DIRECTORS

1. Members of the Board of Directors. The Board of Directors shall be composed of eleven Directors. Each Director shall represent one member of the

Intergovernmental Cable Communications Authority communities, which include the City of Auburn Hills, the City of Berkley, City of Clawson, City of Ferndale, City of Huntington Woods, City of Pleasant Ridge, City of Rochester, City of Rochester Hills, City of Royal Oak, City of Troy, and the Township of Oakland, hereinafter referred to as “ICCA communities”. Each of the ICCA communities may appoint one Director (“Director”), in accordance with the procedures, polices or ordinances in effect in that municipality. Each of the eleven ICCA community Directors, as set forth above, shall be able to vote, in accordance with the terms as set forth herein. Each Director shall hold office until his/her resignation, which shall require written notice to the Corporation. Such resignation will be effective upon its receipt by the Corporation, or at a subsequent time, if set forth in the written notice of resignation. Each Director is also subject to removal at any time by the appointing member community, in accordance with the member community’s rules and procedures. Each Director may also be removed by an appointing member community, or with a majority vote of the remaining Board of Directors, when the Director is no longer qualified to be a Director, as set forth in section 3.

2. Vacancies of New Directors. Any vacancies on the Board of Directors shall be filled in the same manner as the original appointment.

3. Qualifications for the ICCA members of the CMN Board of

Directors. All Directors appointed by the ICCA member communities shall satisfy the following criteria:

a) The Director must be a resident of the ICCA member community that makes the appointment; or

b) The Director may be a non-resident, as long as the Director is an employee of the ICCA member community that makes the appointment. However, in no event shall the Director be: (1) the City Manager or Township Supervisor of the ICCA member community that makes the appointment; (2) a community representative to the ICCA, or alternate representative to the ICCA from a community; or (3) an employee of a school board located in an ICCA community which employee has within the scope of his/her employment the operation of the educational channel in that ICCA community;

c) The Director may not be a county, state, or federal elected official.

d) The Director may not be an agent or employee of Comcast or WideOpen West (or their successors) or an agent of any future franchisee.

4. Power to Make By-laws. The Board of Directors may amend the By-laws upon a vote of a 67-2/3% majority of the Board of Directors. The Board of Directors shall not be empowered to amend the By-laws or adopt new By-laws that permit the Corporation from engaging in any activity that would cause the Corporation to fail, qualify or continue to qualify as an exempt

organization under 501(c)(3) of the Internal Revenue Code 1986 (or any corresponding provisions of any future United States Internal Revenue Code) or as a nonprofit Corporation of the laws of the State of Michigan.

5. Quorum and Vote of Board of Directors. Any vote of the Board of Directors shall be on the basis of one vote per “Eligible Director” as herein defined, in accordance with the provisions of the Intergovernmental Agreement between the ICCA member communities. However, Directors that are appointed by ICCA member communities that have failed to contribute the “minimal funding” requirement as set forth in the contract between the ICCA and CMN, as the same may be amended from time to time (“ICCA/CMN Contract”) shall lose its vote(s) on the Board of Directors, and the number of votes on the Board of Directors shall be adjusted so that the total number of votes and the calculation of a majority vote or super majority vote shall be based upon the total number of votes that would be available on the Board of Directors if all Directors were permitted to vote, less the amount of votes allocated to those communities that do not provide “minimal funding” under the ICCA/CMN Contract. Those Directors from communities that have fulfilled their funding requirements under the ICCA/CMN Contract shall be deemed “Eligible Directors”.

A majority of the Eligible Directors then in office constitutes a quorum for the transaction of business. The vote of the majority of the ”Eligible

Directors” present at the meeting in which a quorum is present (“Majority Vote”) constitutes the action of the Board of Directors.

6. Power to Elect Officers. The Board of Directors shall select a President, Secretary and a Treasurer.

7. Power to Appoint Other Offices and Agents. The Board of Directors shall have the power to appoint such other officers and agents as the Board may deem necessary for carrying out the purposes of the Corporation. All officers and agents of the Corporation shall respectively have such authority and perform such duties in the management of the property and affairs of the Corporation as may be delegated to them from time to time by the Board of Directors, in accordance with the terms and provisions of these By-laws.

8. Power to Fill Vacancies. The Board shall have power to fill any vacancy in any office occurring for any reason whatsoever.

9. Delegation of Powers. For any reason deemed sufficient by the Board of Directors, whether occasioned by absence or otherwise, the Board may, to the extent not inconsistent with any federal, state or local law governing not for profit corporations, the Articles of Incorporation of the Corporation, or these By-laws, delegate such powers and duties of any officer to any other officer or director.

10. Organizational Meeting of the Board. An annual meeting of the Board of Directors shall be held on such date as the Board of Directors shall determine, for the purpose of electing offices and transacting any other business properly brought before it.

11. Place and Notice of Meetings of the Board of Directors.

a) Regular or special meetings of the Board of Directors shall be held in the State of Michigan.

b) Regular or special meetings of the Board of Directors shall be conducted in accordance with the most recent edition of Roberts Rules of Procedure.

c) Members of the Board must be present in order to participate and/or vote in a meeting. This precludes the use of telephone conferencing or other similar communications.

12. Notices Regarding Board Meetings. During the term of the ICCA/CMN Contract, all notices regarding special meetings of the Board shall be provided to the ICCA.

13. Authority to Establish Financial Reserves and Refunds of Excessive Funds. The Corporation has the authority, upon a majority vote of the Board of Directors, to establish financial reserves that are reasonable and

necessary, as well as to authorize refunds of excessive funds to the municipal members.

14. Absentee Policy. In the event a Director has three or more unexcused absences in any twelve-month consecutive period, then the Board of Directors may, at its option, report such absences to the ICCA and the community from which the Director was appointed. Further, the Board of Directors may request that the community appoint a replacement Director who is able to comply with the attendance policies of the CMN Board of Directors as set forth in these Bylaws.

ARTICLE VII COMMITTEES

1. The Board of Directors may appoint one (1) or more committees, upon approval of a majority vote of the Board. Any committee or sub-committee shall serve in an advisory capacity only, and the Board cannot delegate its authority to a committee, but may delegate ministerial duties regarding the day-to-day operations of CMN to a committee or staff for the efficient operation of the Corporation in its normal course of business.

2. Committees are limited to exercising only such powers and authority that is expressly granted by the Corporation By-laws, or state, local, or federal law, or by a resolution adopted by the majority vote of the Board of

Directors. However, committees and/or sub-committees are prohibited from exercising any of the following powers:

- a) Amending the Articles of Incorporation.
- b) Adopting an agreement of merger or consolidation.
- c) Selling, leasing or exchanging all or substantially all of the Corporation's property and assets.
- d) Dissolving of the Corporation or a revocation of dissolution.
- e) Amending the By-laws of the Corporation.
- f) Filling vacancies in the Board of Directors.
- g) Fixing the compensation of the Directors for serving on the Board or a committee.
- h) Canceling or terminating a member community's membership.

ARTICLE VIII OFFICERS

The officers of the Company shall consist of the following:

1. The President, who shall preside at all meetings of the Corporation and of the Board of Directors at which he/she may be present; and shall perform such other duties as may be prescribed in these By-laws or assigned by the Corporation or by the Board of Directors; and shall coordinate the work of the offices of the Corporation in order that the purposes may be promoted.

2. A Vice President or Vice Presidents, as the Board may designate by resolution from time to time; who shall perform the duties and exercise the powers of the President during the absence or disability of the President, and perform such other duties as shall be assigned from time to time by the President or by the Board of Directors.

3. The Secretary, who shall record the minutes of all meetings of the Corporation and of the Board of Directors and shall perform such other duties as may be delegated to him/her.

4. The Treasurer shall cause the executive director of the Corporation, or such other employee of the Corporation authorized by the Board of Directors, to keep a full and accurate account of receipts and expenditures authorized by the Board of Directors. The Treasurer shall present a financial statement at every meeting of the Corporation, and at other times when requested by the Board of Directors. The Treasurer shall make a full report at the annual meeting. The Treasurer shall be responsible for the maintenance of such books of account and records, which shall be in conformance with the By-laws. The Treasurer shall be responsible to make sure that all accounts of the Corporation require at least two (2) check signatories. The Treasurer's accounts may be examined annually by an auditor approved by the Board of Directors.

ARTICLE IX
CORPORATE BOOKS AND RECORDS

The Corporation shall keep books and records of accounts and minutes of its Boards and Committees in accordance with the advice of the Corporation's independent certified public accountant as to the keeping of books and records of a private nonprofit corporation in the State of Michigan. Investments, funds and assets of the Corporation shall be invested in accordance with the laws of the State of Michigan.

ARTICLE X
INVESTMENTS

The funds and assets of the Corporation shall be invested in such a manner as to enable the Corporation to carry out its exempt purposes, and in such a manner so as not to cause the Corporation, or any of its officers or directors, to be subject to any federal penalty excise taxes imposed on private foundations under the provisions of the Internal Revenue Code of 1986 (or similar penalty taxes under the laws of the State of Michigan).

ARTICLE XI
FISCAL YEAR

The fiscal year of the Corporation shall be determined by the Board of Directors.

ARTICLE XII
DUTY OF DIRECTORS AND OFFICERS

A Director or an Officer shall discharge the duties of his/her position in good faith and with that degree of diligence, care and skill, which an ordinary prudent person would exercise under similar circumstances in a like position. In discharging his/her duties, a Director or an Officer, when acting in good faith, may rely upon the opinion of counsel for the Corporation, or upon the report of an independent appraiser that is selected with reasonable care by the Board, or upon financial statements of the Corporation that are verified as correct by the President or the Officer of the Corporation that has charge of its books or account, or as stated in a written report by an independent public or certified public accountant (or firm of such accountants) which is drafted for the purpose of reflecting the financial condition of the Corporation.

ARTICLE XIII
INDEMNIFICATION OF OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS

[OPEN – CURRENTLY BEING REVIEWED BY COUNSEL]1.

Actions other than Actions be or in the Right of the Corporation.

The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other

than an action by or in the right of the Corporation) by reason of the fact that he is or was a Director, Officer, Agent, or a volunteer worker of the Corporation, or is or was serving at the request of the Corporation, as Director, Officer, Volunteer worker or Agent of another corporation, partnership, joint venture, trust or other enterprise. This indemnification covers any expenses (including attorneys' fees), judgments, fines and amounts paid in settlement that are actually and reasonably incurred in connection with such action, suit or proceeding, as long as the Director, Officer, Agent, or Volunteer Worker or Agent acted in good faith and in a manner reasonably believed to be in the best interests of the Corporation (and not opposed to the best interest of the Corporation). This indemnification also covers any criminal action or proceeding, so long as the Director, Officer, Agent, or Volunteer Worker or Agent had no reasonable cause to believe the conduct was unlawful. The termination of any action, suit or proceeding, by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which is reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceedings, had reasonable cause to believe that his conduct was unlawful.

2. Actions by or in the Right of the Corporation. The Corporation shall indemnify any person who is or was a party to, or is threatened to be made a

party to any threatened, pending or completed action or suit filed by or in the right of the Corporation to procure a judgment in its favor, by reason of the fact that he is or was a Director, Officer, Volunteer Worker or Agent of the Corporation, or is or was serving at the request of the Corporation as a Director, Officer, Volunteer Worker or Agent of another corporation, partnership, joint venture, trust or other enterprise. This indemnification shall cover any expenses (including attorneys' fees) that are actually and reasonably incurred by him in connection with the defense or settlement of such action or suit, as long as the Director, Officer, Volunteer Worker, or Agent acted in good faith and in a manner reasonably believed to be in the best interest of the Corporation, or at a minimum not opposed to the best interests of the Corporation. However, indemnification shall not be provided for any claim, issue or matter, when the person requesting indemnification has been adjudged negligence or committed misconduct in the performance of duty to the Corporation.

3. Indemnification Against Expenses.

a) To the extent that a Director, Officer, Volunteer Worker or Agent of the Corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding, as referred to in Section 1 or 2 of this Article, or in defense of any claim, issue or matter therein, he shall be indemnified against

expenses (including attorneys fees) actually and reasonably incurred by him in connection therewith.

b) Any indemnification under Sections 1 or 2 (unless ordered by a court) shall be made by the Corporation after a determination that indemnification is proper in the circumstances, because he has met the applicable standard of conduct set forth in Section 1 and 2. Such determination shall be made in either of the following ways:

(i) By a majority vote of the Board, excluding the Directors who were parties to such action, suit or proceeding.

(ii) If a quorum of Board Members are not eligible to vote, since they were parties to such action, suit or proceeding, then the determination can be made by independent legal counsel, retained by the Corporation. In a written opinion.

4. Resident Agent. The Board of Directors shall determine a resident agent from time to time.

5. Conflicts Of Interest And Nepotism. No member of the CMN Board or any officer of CMN or any members of their “families”, as herein defined, shall be interested, directly or indirectly, in any contract, franchise, job, work or service where there are revenues therefrom, nor shall he or she receive any compensation for any work or service rendered to CMN except compensation for

services if the officer is an employee of CMN. "Families", as herein defined, of the Executive Director or any member of the CMN Board are hereby disqualified from holding any appointed office of CMN or from being employed by CMN or serving on the CMN Board. "Families", for purposes of this Agreement, shall be defined as spouse, parents, children, siblings or in-laws at the same degree of relationship, stepchildren, stepparents and stepsiblings.

6. Noncompete. The Corporation agrees that it will not compete with the ICCA governmental or educational access programming within the ICCA member communities. The Corporation will be permitted, however, to bid on such governmental and educational services within the ICCA communities, as long as the ICCA has granted prior approval.

7. Competitive Bidding Requirements. All supplies and contractual services, when the estimated costs thereof shall equal or exceed Three Thousand Dollars (\$3,000), shall be purchased by a written contract or invoice from the lowest responsible bidder, it being specifically understood that CMN is not obligated to accept the lowest bid on any contract due to the many qualitative factors which must be considered by CMN and which may cause a more prudent decision to be made by the purchase of equipment or other services which are not determined to be the lowest price, but by the best value offered.

8. Funding From Other Sources. The Corporation shall be permitted to raise supplemental funds with ICCA approval.