

27170

BOARD OF TRUSTEES OF COMMUNITY COLLEGE DISTRICT NO. 508
County of Cook and State of Illinois

U.S. Digital Television, Inc. & U.S. Digital Television, LLC
Bandwidth Lease
WYCC-TV20, Daley College
(revised from October 6, 2004)

THE CHANCELLOR

REPORTS

that there is a revenue opportunity for WYCC-DT21 to lease 8 megabits (mbs) of its digital spectrum to U.S. Digital Television, Inc. (USDTV),

that 8 mbs represents less than 43% of WYCC-DT21 total spectrum and will not interfere with any digital program service offered by the station,

that USDTV combines the leased portion of WYCC-DT21's spectrum with additional leased spectrum from other Chicago broadcast stations to aggregate 39 mbs,

that through the aggregate 39 mbs of spectrum, USDTV will offer an affordable subscription programming alternative to cable and direct broadcast satellite to Chicago area consumers for \$19.95/month which includes all local broadcasters and 12 of the top viewed cable networks,

that WYCC-TV20 will be compensated \$3.84 per subscriber in year one of the lease agreement; \$4.32 in year two, \$4.80 in years three, four and five and the contract will contain "most favored nation" and "audit rights" language to ensure that WYCC-TV20 will not be compensated any less per subscriber than any other station participating at 8mbs, and revenues will begin after May 2006

that USDTV provides all necessary equipment and its installation to WYCC-TV20 at no cost to the station,

that the deal points and the lease agreement have been reviewed by Dow, Lohnes & Albertson, the City Colleges of Chicago's Washington-based law firm specializing in Federal Communications law,

THE CHANCELLOR

RECOMMENDS that the Board of Trustees authorize the Chairman to execute an amendment to a previously executed lease agreement with U.S. Digital Television, Inc., and U.S. Digital Television, LLC

FINANCIAL \$3.84 year 1; \$4.32 year 2; \$4.8 years 3, 4 & 5 /subscriber
WYCC Enterprise Fund-07003-80-00000-459000

Respectfully submitted:

Wayne D. Watson
Chancellor