

**CONSOLIDATED COMMUNICATIONS BUSINESS SYSTEMS, INC.
SALES AGREEMENT**

This Agreement (the "Agreement") is made between **CONSOLIDATED COMMUNICATIONS BUSINESS SYSTEMS, INC. ("CCBS")** and Community Unit School District #2 ("Customer").

SALE OF EQUIPMENT

CCBS agrees to sell and Customer agrees to purchase the communication/computer equipment (the "Equipment") described on the attached Equipment Schedule.

2. PURCHASE PRICE

The Total Purchase Price of the Equipment equals:

(1) Material Price	\$ 231,486.86
(2) Less: Trade-in on <u>N/A</u> equipment	(0.00)
(3) Sales Tax. If exempt, tax exempt number <u>N/A</u>	exempt
(4) Installation Charges	9,408.00
(5) Shipping & Handling Charges	0.00
(6) TOTAL PURCHASE PRICE	\$ 240,894.86
(7) Less: Down Payment (due upon Customer execution of this Agreement)	(0.00)
(8) BALANCE	\$ 240,894.86

3. PAYMENT TERMS

Customer agrees to pay for the Equipment (check applicable box):

(a) Customer agrees to pay the Balance listed above, subject to any required adjustments, within 30 days after the Cutover Date, as defined in paragraph 4 below. CCBS shall provide an itemized summary listing to Customer, outlining all authorized additions/deletions made to the attached Equipment Schedule during installation, which would require adjustments to the above listed Total Purchase Price.

(b) Customer agrees to pay the Balance listed above in N/A monthly installment payments of \$ N/A at an annual percentage rate of N/A%, commencing 30 days after the Cutover Date, until fully paid. The above listed Total Purchase Price is an estimate, based on the attached Equipment Schedule, and is subject to any authorized additions/deletions to the Equipment Schedule made during installation or prior to the Cutover Date. A letter amendment, outlining all changes to the Equipment Schedule and Total Purchase Price, will be provided to the Customer as outlined in paragraph 15 of this Agreement. Customer agrees to execute any documents necessary, as provided in paragraph 8 below, to insure CCBS' security interest in the Equipment for the duration of the installment contract.

At any time, Customer may prepay the then unpaid principal portion of the Total Purchase Price, calculated in accordance with the amortization schedule furnished to the Customer with this Agreement.

DELIVERY AND INSTALLATION

CCBS shall deliver and install the Equipment on the Customer's premises, Multiple Locations (the "Premises") in accordance with the Scope of Work as listed on the attached Equipment Schedule. CCBS shall use its best efforts to complete the installation within CCBS' standard installation time frames and will notify Customer prior to installation to set a mutually agreed upon installation and Cutover date. The term "Cutover Date" shall mean the date on which the Customer is notified by CCBS that the Equipment is installed and is functioning so as to be substantially providing the basic service for which the Equipment is intended. Minor omissions or variances in performance of the Equipment, which do not materially affect the operation of the system as a whole, shall not affect or postpone the Cutover Date. The Customer will be deemed to have accepted the Equipment ten business days after the Cutover Date unless the Customer notifies CCBS, in writing, within such time that the Equipment does not conform to this Agreement.

It is also understood that all delivery and installation dates, and the intended Cutover Date are approximate, and CCBS shall under no circumstances be liable for damages - special, consequential, or otherwise - resulting from delays in delivery, installation or cutover.

5. ADDITIONS/DELETIONS

All additions/deletions to the attached Equipment Schedule must be agreed to by authorized representatives of both parties, in writing, by use of a CCBS Change Order form. A signed copy of said document shall be provided to both parties. Customer authorizes only the following representative(s) to make changes to the attached Equipment Schedule on Customer's behalf.

Dr. Richard Berg _____

The purchase price of any equipment added to the Equipment listed on the attached Equipment Schedule will be negotiated prior to actual installation. Should Customer elect to delete any item from the initial Equipment Schedule, Customer may be assessed a re-stocking fee based on the type of Equipment returned, at CCBS' sole option.

(The terms and conditions on the reverse side apply to this Agreement)

DATED: 4/9, 2003
 CUSTOMER: Community Unit School District #2

CONSOLIDATED COMMUNICATIONS BUSINESS SYSTEMS, INC.

SIGNATURE: [Signature]
 PRINTED NAME: _____

BY: _____
 TITLE: Senior Manager - Business Systems

TITLE: _____
 ADDRESS: 1701 Charleston Ave
Mattoon, Illinois 61938

ADDRESS: 121 S. 17th Street
Mattoon, Illinois 61938

6. **WARRANTY**

CCBS warrants for a period of one year after the Cutover Date that the Equipment is free from any defects in material and workmanship. This warranty shall not extend to any Equipment that has been tampered with, altered, misused, inadequately maintained, improperly repaired by non-CCBS personnel, improperly handled or stored, or used with other equipment of poor quality. THIS WARRANTY IS EXCLUSIVE AND IS IN LIEU OF ANY OTHER WARRANTY, WRITTEN OR ORAL, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY WARRANTY OF EITHER MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

7. **CONDITIONS FOR INSTALLATION; ACCESS**

Customer shall make available a place in the Premises for installation of the Equipment, which meets certain environmental and other specifications. Customer shall also permit or arrange for access to the Premises for CCBS' installation and maintenance personnel, and shall provide a suitable protected area for storage of the Equipment pending its installation. Customer shall supply all supplemental equipment required for the installation such as, without limitation, conduits, commercial power wiring, outlets and appropriate access to same unless otherwise specified in the Scope of Work listed on the attached Equipment Schedule.

8. **TITLE TO EQUIPMENT; SECURITY INTEREST**

Customer shall acquire title to the Equipment, including all additions thereto, upon payment in full of the Balance, plus all applicable taxes, to CCBS. Customer agrees to the following until all amounts of the Balance due are paid in full:

- (a) Title to the Equipment shall remain with CCBS, and CCBS shall retain a security interest in the Equipment to secure payment of the Balance and all other fees, charges and expenses provided for herein or by law. Customer agrees to execute any documents which may be necessary or appropriate to perfect CCBS' security interest in the Equipment, including, but not limited to, a UCC-1 Financing Statement.
- (b) To keep the Equipment free from any lien, security interest, or encumbrance other than this security interest.
- (c) That the Equipment shall remain personal property and shall not become part of the real estate regardless of the manner of affixation.
- (d) To protect the Equipment from damage and to maintain the Equipment in proper working order.

9. **INTEREST ON OVERDUE PAYMENTS**

Customer agrees to pay CCBS a late charge of 2% of each regular monthly charge that is past due the (10) days or more with a minimum late charge of \$5.00.

10. **INSURANCE**

Customer agrees to insure the Equipment for the benefit of CCBS, from the Cutover Date until Customer has fully paid the Balance for the Equipment. This insurance policy shall cover all risk of physical loss or damage to the Equipment and shall be in an amount not less than the then unpaid principal portion of the Balance of the Equipment. The policy shall contain an endorsement showing losses payable to CCBS in a form providing that no cancellation of the policy shall be effective without 30 days' written notice to CCBS and providing that the policy, as to CCBS' interest, shall not be invalidated or suspended because of any acts or omission by persons other than CCBS. Upon CCBS' request, the Customer agrees to furnish proof of such insurance to CCBS.

11. **RISK OF LOSS**

CCBS shall bear the risk of loss of, or damage to the Equipment: (a) while it is in transit to Customer's Premises; and (b) while at the Premises until the Cutover Date except for loss or damage caused by customer's negligence, or from improper storage of the Equipment, or storage in areas accessible to unauthorized persons. After the Cutover Date, all risk of loss of, or damage to the Equipment shall be borne by Customer notwithstanding CCBS' retention to title as provided in paragraph 8 above.

12. **EXCLUSIVE REMEDY**

Customer shall give CCBS prompt written notice of any claim to be made under the warranty set forth above. If CCBS reasonably determines that the Equipment does not conform to the warranty, CCBS will repair or replace the Equipment free of charge during the term of the warranty. All replaced parts will become the property of CCBS. If CCBS determines that it is not feasible to repair or replace the Equipment, CCBS will refund the Purchase Price of the Equipment and remove the Equipment at CCBS' expense. THE FOREGOING REMEDY IS CUSTOMER'S EXCLUSIVE REMEDY AGAINST CCBS FOR THE BREACH OF ANY OBLIGATION IN CONNECTION WITH THE TRANSACTIONS COVERED BY THIS AGREEMENT, WHETHER DERIVED FROM WARRANTY OR OTHERWISE. CCBS SHALL NOT BE LIABLE FOR ANY DAMAGE, INCLUDING BUT NOT LIMITED TO ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES FOR INJURY TO PERSONS, DAMAGE TO PROPERTY, LOST PROFITS OR SALES, OR FRAUDULENT ACCESS TO OR USE OF SYSTEM BY UNAUTHORIZED PARTIES.

13. **DEFAULT**

If Customer breaches any provision of this Agreement, including, without limitation, its payment obligations, Customer shall be in default hereunder, and all unpaid amounts (including the principal amount of any remaining installment payments) shall, at CCBS' option, become immediately due and payable. Upon Customer's default, CCBS shall have all the rights and remedies of a secured party under the Uniform Commercial Code, and any other applicable laws. CCBS shall be entitled to recover reasonable attorneys' fees and costs of collection associated with enforcing its rights hereunder.

14. **FORCE MAJEURE**

Neither party shall be liable for delays in or failure to perform its obligations hereunder (excluding Customer's obligation to pay for Equipment) due to causes beyond its reasonable control, including, but not limited to, compliance with any law, ruling, order, regulation, requirement or instruction of any Federal, State or municipal government or any department or agency thereof or any court of competent jurisdiction; acts of God, fires, floods, embargoes, wars, insurrections or riots, or strikes, lock-outs, work stoppages or other labor difficulties. Any delay resulting from any of said causes shall extend performance accordingly or excuse performance, in whole or in part, as may be reasonable.

15. **ENTIRE AGREEMENT**

The terms and conditions contained in this Agreement constitute the final, complete and exclusive statement of the contract for sale between Customer and CCBS. No representations, understanding or agreements have been made or relied upon in making this Agreement, other than those specifically set forth in the Agreement. No modification or supplementation of the Agreement shall be effective unless specifically agreed to on a CCBS Change Order form, signed by both Customer and CCBS. CCBS' and Customer's representative may modify this agreement provided a letter amendment and itemized summary is sent by CCBS to Customer and Customer does not object to CCBS, in writing, within 10 business days following Customer's receipt of such letter amendment.

16. **ASSIGNMENT AND DELEGATION**

The Customer may assign this Agreement only with prior written consent of CCBS, which will not be unreasonably withheld.

17. **APPLICABLE LAW**

The formation and performance of this Agreement shall be governed by the laws of the State of Illinois.

18. **COUNTERPARTS AND FAX.**

This document may be executed in counterparts, each of which taken together shall constitute one instrument. In addition, to the extent that this Agreement is transmitted by fax machine, the sender of such fax transmission hereby adopts as his/her original signature the signature appearing thereon as reproduced by the fax machine receiving such transmission. The sender of the faxed document hereby acknowledges that the paper transmitted through the fax machine and the printout from the receiving fax machine (including, without limitation, any complete photocopy thereof) is a counterpart original of this document. Further, the sender of the faxed document acknowledges that this document has been duly and validly executed by the undersigned and that this document is enforceable in accordance with its terms.

ACCEPTANCE

This Agreement is subject to acceptance on behalf of CCBS by an authorized signature at its home office.

Schedule for Agreement No. S-031-03 Between Consolidated Communications Business Systems, Inc. ("CCBS") and Community Unit School District #2 ("Customer"):

EQUIPMENT SCHEDULE

<u>Quantity</u>	<u>Item</u>
5	Alcatel node 1603 SM ring node w/ 1 DS-1 & 1 100 Mb/s Ethernet Interface
1	Alcatel hub Multi Shelf 1603 SM w/ 8 DS-1s & 5 100 Mb/s Ethernet Interfaces
1	Alcatel spares package
1	Alcatel software 1301 NMX software suite for 1603SM
2	Newton Ins. Equipment Racks
1	Lorain Power Supply for MHS
5	Lorain Power Supply for remotes
6	ACD DSX Panels
6	Fuse & Alarm Panels
6	3M Fiber Jumpers
6	ACD Fiber Panels
1	Installation
2	Lockable Cabinet
8	Rail Kits for Cabinets
1	Installation Materials Package

MAIN BILL NUMBER: 235-5446
SALES PERSON: Karen Louthan

SCOPE OF WORK

CCBS shall provide the following services for Customer:

- Lockable cabinets to be installed at the following schools:
Mattoon High School
Armstrong/Hawthorne
- Equipment Racks to be installed at the following schools:
Middle School
Administration building
- System 'cut over' to be done on Non-Premium time.
- All appropriate installation, database gathering, programming and/or training to be done during Consolidated's normal business hours: (8:00 AM – 5:00 PM, Monday – Friday, with the exception of holidays).
- If overtime is requested, either during installation or at cut, Consolidated will provide this service at one and a half (1 ½) times the standard rate for non business hours Monday through Friday and all day Saturday and at two (2) times the standard rate on Sundays.
- If Customer initiated delays, such as those created by building construction or remodeling, cause the system installation to extend more than 60 days beyond the date of the contract then a down payment or progression payments may be required.
- Additional charges will be billed if customer requires expedited installation outside CCBS' normal installation time frames.
- Consolidated warrants for a period of one year after the cut over date that the equipment is free from any defects in material and workmanship. This warranty shall not extend to any equipment that has been tampered with, altered, misused, inadequately maintained, improperly repaired by non-Consolidated personnel, improperly handled or stored, or used with other equipment of poor quality. THIS WARRANTY IS EXCLUSIVE AND IS IN LIEU OF ANY OTHER WARRANTY, WRITTEN OR ORAL EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY WARRANTY OF EITHER MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.
- If installation requires time for other than a standard installation (i.e., boring holes, limited overhead ceilings or walls, overtime, or any additional work requirements not covered in the scope of this proposal) Consolidated will provide this service at its customary Time & Material rates.