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Contact: John Kasberger
Chairman, MI-Connection
jkasberger@mi-connection.com

MI-Connection Makes Move Toward Greater Self-Sufficiency **New Agreement To Create More Opportunity For Locally-Owned System**

MOORESVILLE, N.C. – This December, Mooresville and Davidson's state-of-the-art cable, Internet and telecommunications system will have two things to celebrate: The system's third anniversary and the start of a transition that will create new operational opportunities for the locally-owned system.

On Dec. 1, 2010, MI-Connection officials and representatives for Bristol Virginia Utilities (BVU) – the provider that has managed the system since its inception in December 2007 – signed a Memorandum of Understanding (MOU) that announces MI-Connection's intention to bring local employees and most services in-house, resulting in BVU moving from operator to service vendor.

MI-Connection Chairman John Kasberger said Wednesday that the system's three-year anniversary is an excellent opportunity to begin the transition toward more independence.

"After three years of significant improvements to the system we inherited, an almost double-digit growth in our customer base in MIMi the past 12 months and a seven percent revenue gain in 2010, we feel it's time to forge a bridge of independence from BVU," he said. "While we have benefitted greatly from BVU's guidance and expertise over the past three years, we feel the need to move toward becoming self-sufficient in our operations."

The MOU signed Dec. 1 outlines the main points that will be included in a contract to be negotiated between MI-Connection and BVU. That contract will define the new relationship between MI-Connection and BVU and will help facilitate the transition, which is expected to be completed in the second half of 2011.

According to the MOU, all employees in the Mooresville office – currently employed by BVU – will become MI-Connection employees; several departments and responsibilities, including human resources and finance, will transition from BVU to MI-Connection. BVU will continue to provide customer service, billing and technical support for MI-Connection.

What that means for employees and subscribers is a greater number of local jobs and an even stronger focus on the Mooresville, Davidson and Cornelius communities.

The transition will also come with a reduced fee: The current Operator Agreement with BVU calls for a payment of \$1.5 million annually to BVU as a management fee, while the MOU calls for a management fee of \$300,000 a year with the service vendor. MI-Connection will apply much of the \$1.2 million realized from that reduced fee to paying the new employees and supporting the departments that the system will be acquiring.

Davidson and Mooresville officials said this week that the proposed arrangement is an important step in the right direction.

“Like its subscriber growth, MI-Connection’s willingness to take on more responsibility for its employees and operations is a sign of its growing maturity as a company and a sign of its tremendous potential,” said Davidson Mayor John Woods.

“This memorandum of understanding is an important and necessary step to form a common line of action,” said Mayor Chris Montgomery of Mooresville. “A focus on managing costs and building on community spirit provides an exciting opportunity citizens should support.”

Kasberger said the MI-Connection board is aware of the challenges that face MI-Connection. However, he believes the system is well-prepared for what lies ahead.

“We are gaining confidence every day, and we look forward to assuming some of the responsibilities that BVU has so capably carried for us since 2007,” he said.

For more information on MI-Connection, visit www.mi-connection.com.