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CABLE COMMUNICATION FRANCHISE ORDINANCE

The Board of the Township of Grand Lake, Minnesota, ordains:

Section 1: DEFINITIONS. For purposes of this Ordinance, the following terms have the designated meaning:

- Subd. 1. "Franchisor" is the Township of Grand Lake.
- Subd. 2. "Franchisee" is Mid-North 1 Cablesystems, Inc., 5350 Pte. Tremble Road, Algonac, Michigan 48001, and such other cable television companies to which the Township of Grand Lake may from time to time award a cable communication franchise.
- Subd. 3. "FCC" is the Federal Communications Commission of the United States.
- Subd. 4. "Class IV Channel" means a signaling path provided by a cable communications system to transmit signals of any type from a subscriber terminal to another point in the cable communications system.
- Subd. 5. "Non-voice return communications" means the provision of appropriate system design techniques with the installation of cable and amplifiers suitable for the subsequent insertion of necessary non-voice communications electronic modules.
 - Subd. 6. The words "shall" and "must" are mandatory.
 - Subd. 7. The word "may" is permissive.
- Subd. 8. The words "may not" are unconditionally prohibitive.
- Section 2: GRANT OF AUTHORITY. The Board of Grand Lake Township authorize that a cable communication franchise for the installation, operation and maintenance of a cable communication system within Grand Lake Township is granted to Mid-North 1 Cablesystems, Inc., provided, however, that the franchise shall be subject to the terms and performance conditions stated in this Ordinance.
- Section 3: COMPLIANCE WITH STATE AND FEDERAL LAWS. The franchisee and the franchising authority shall conform with all state and federal laws, rules, and regulations.
- Section 4: FRANCHISE TERMS: The franchise shall have an initial franchise term of 10 years effective from the date of the grant of authority, and any renewal term, if granted by the franchising authority, shall be for a period of not less than 3 years and not greater than 10 years.

Subd. 3. <u>Construction Bond</u>. The franchisee agrees to post a construction bond in the amount of \$5,000.00. This bond is refundable after all construction is complete.

Section 19: CONSTRUCTION STANDARDS.

- Subd. 1. <u>Permits</u>. The franchisee shall obtain a permit from the proper authority before commencing construction of any communications system, including the opening or disturbance of any street, sidewalk, driveway, or public place. If the franchisee fails to meet the conditions of the permit, the franchisor, after reasonable notice to the franchisee, and providing franchisee the opportunity to remedy said complaint, can cause said problem to be remedied and bill the franchisee for the costs incurred in so remedying.
- Subd. 2. Compliance with Codes. All wire, conduits, cable and other property and facilities of the franchisee shall be located, constructed, installed, and maintained in compliance with applicable codes. The franchisee shall keep and maintain all of its property so as not to unnecessarily interfere with the usual and customary trade, traffic or travel upon the streets and public places of the franchise area or endanger the lives or property of any person.
- Subd. 3. Relocation of Wires. In the event it becomes necessary for the franchising authority to relocate or remove the franchisee's wires, conduits, cables and other property located in any street, right-of-way or public place to facilitate the undertaking of a public improvement which affects the cable equipment, franchisee shall make all necessary changes in its equipment at its own expense, as requested, upon due notice from the Board or their designated officers.
- Section 20: TECHNICAL STANDARDS. The rules of the FCC relating to cable communication systems contained in subpart K of part 76 of the FCC's rules and regulations relating to cable communication systems are incorporated herein by reference. The results of any tests required by the FCC shall be filed within 10 days of the conduct of such tests with the Boards.
- Section 21: SUBSCRIBER COMPLAINTS. All complaints by the franchisor, subscribers, or other citizens regarding billing disputes, and any other non-service matters relative to the cable communications system shall be investigated by the franchisee within two business days and promptly resolved by the franchisee. Any complaints not resolved to the satisfaction of the complaining party shall be communicated to the franchisor. A record of unresolved complaints may be retained by the franchisor and may be considered by the Board in making any discretionary decisions relating to the franchise.

Section 22: REPAIRS AND SERVICE. The franchisee shall provide to the subscriber a toll-free or collect telephone number for receiving subscriber service complaints and the franchisee shall maintain a repair service capable of responding to emergency subscriber complaints within 24 hours after receipt of the complaint. The franchisee will respond to all non-emergency subscriber complaints or requests within 72 hours. Non-emergency complaints or requests include but are not limited to VCR hook-ups, relocating existing outlets, new installations, and disconnecting service.

Costs included in making repairs and adjustment shall be borne by the franchisee unless it can be clearly determined that the repair or adjustment was made necessary by abuse or intentional misuse of the system by the subscriber. Costs of installation shall be borne by the subscriber.

Section 23: <u>INTERRUPTIONS AND SHUT-OFFS</u>. Any shut-off or interruption of service that is greater than 30 minutes shall be made during a minimum use time if at all possible and notice of the shut-off or interruption will be given to subscribers.

Section 24: <u>TERMINATION</u>. The franchising authority shall have the right to terminate and cancel the franchise and all rights and privileges of the franchise ordinance, if the franchisee evades or attempts to evade any of the provisions of the franchise ordinance or practices any fraud or deceit upon the franchising authority. The municipality shall provide the franchisee with a written notice of the cause for termination and its intention to terminate the franchise and shall allow the franchisee a minimum of 30 days after service of the notice in which to correct the violation. The franchisee shall be provided with an opportunity to be heard at a public hearing before the Board prior to the termination of the franchise. The franchisee shall also pay to franchisor any attorney fees incurred to enforce this provision.

Section 25: <u>ABANDONMENT</u>. The franchisee may not abandon any portion of the cable communication service provided hereunder without having given three (3) months prior written notice to the franchisor. No cable communication company may abandon any cable communication service or any portion thereof without compensating the franchisor for damages resulting to it from such abandonment.

Section 26: NON-VOICE RETURN CAPABILITY. The franchisee shall construct and maintain a cable communication system having the technical capacity for non-voice return communication.

Section 27: SUBSCRIBER PRIVACY.

Subd. 1. No signals of Class IV cable communication channel may be transmitted from a subscriber terminal for purposes of monitoring individual viewing patterns or practices without the

express written permission of the subscriber. The request for such permission shall be contained in a separate document with a prominent statement that the subscriber is authorizing the permission in full knowledge of its provisions. Such written permission shall be for a limited period of time not to exceed one year which shall be renewable at the option of the subscriber. No penalty shall be invoked for a subscriber's failure to provide or renew such authorization. The authorization shall be revocable at any time by the subscriber without penalty of any kind whatsoever. Such permission shall be required for each type or classification of Class IV cable communication activity planned for the purpose.

Subd. 2. No information or data obtained by monitoring transmission of a signal from a subscriber terminal, including but not limited to lists of the names and addresses of the subscribers or any lists that identify the viewing habits of subscribers may be sold or otherwise made available to any party other than the franchisee and its employees for internal business use, or to the subscriber subject of that information, unless the franchisee has received specific written authorization from the subscriber to make the data available.

Section 28: REMOVAL OF CABLE EQUIPMENT UPON TERMINATION OR FORFEITURE. Upon termination or forfeiture of a franchise, the franchisee shall remove, if the franchising authority so requests, all of its plants, structures, works, pipes, mains, conduits, cables, poles and wires, and other similar materials and refill at its own expense any excavation that shall be made by it and shall leave said streets, alleys, public ways and places in as good condition as that prevailing prior to the franchisee's removal of equipment and appliances. In the event the franchisee fails to do so, the franchisee shall pay to the franchisor as liquidated damages the cost of removal and restoration.

Section 29: <u>LEGAL FEES</u>. Franchisee agrees to pay all legal fees and costs associated with the negotiation, passage, and enactment of this Ordinance up through the time full service is available to all designated subscribers.

Section 30: PASSAGE OF ORDINANCE. This Ordinance shall take effect and be in force from and after its passage and publication.

Passed by the Town Board this 16 day of August, 1989

Mid-North 1 Cablesystems, Inc.

Franchisee

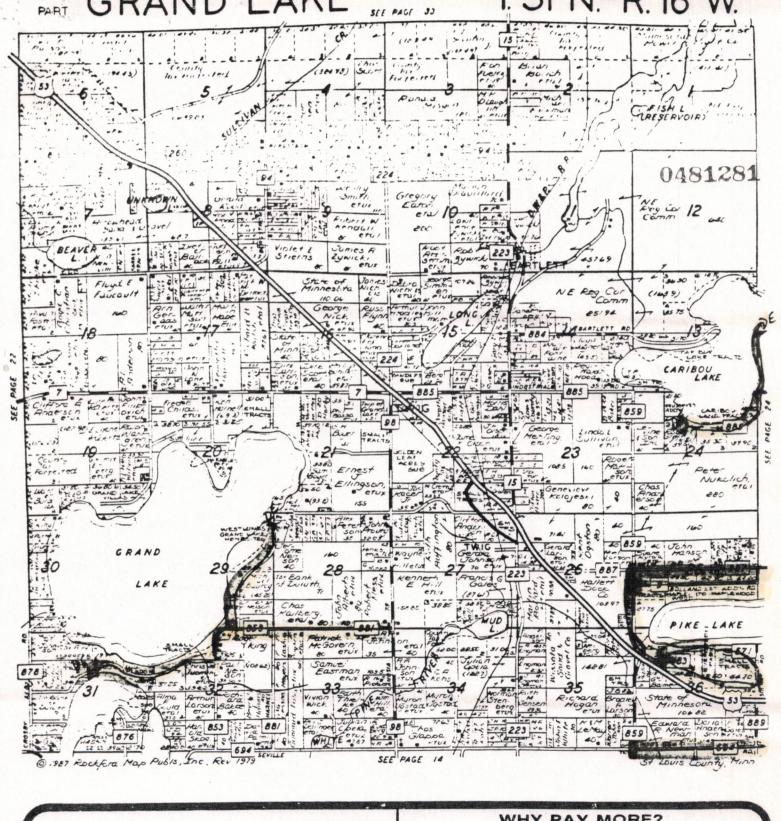
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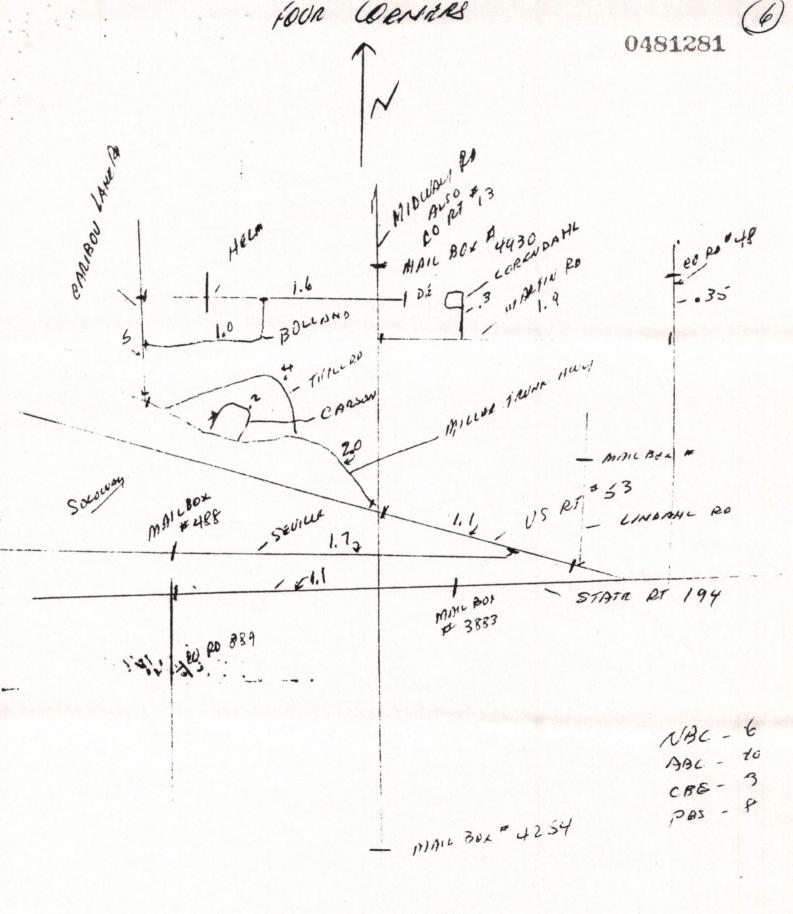


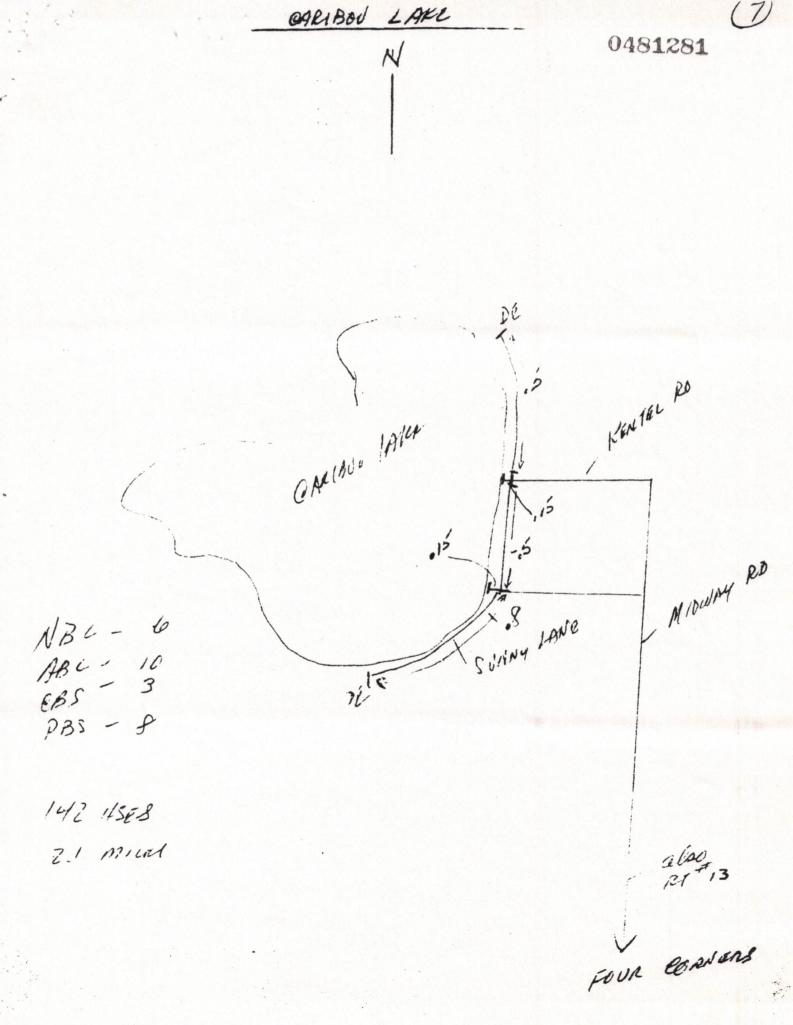


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EXHIBIT B

INITIAL RATES FOR CABLE SERVICE

THE INITIAL RATES FOR CABLE SERVICE WILL BE AS FOLLOWS:

Super basic cable (21 channels)	\$ 24.95 per month
Extra outlet for additional TV sets	\$ 3.00 per month
* Converter deposit (set top)	\$ 10.00
All converter deposits are a one time fee, which is 100% refundable when the converter is returned undamaged.	
* Converter deposit (remote control)	\$ 20.00
Remote control charge	\$ 3.00 per month
A/B Switch (one time charge, owned by customer, installed)	\$ 10.00
Parental Lock (one time charge)	\$ 20.00
Installation Fee (standard)	\$ 50.00
Reconnect	\$ 20.00
Installation of Extra Outlet - after first 90 days service is available	\$ 10.00
Disconnect	Free
VCR hook-up (standard)	Free
Service Calls	Free
Seasonal Rate (Seasonal households only)	\$180.00 per year (prepaid)

^{*} If one owns a cable ready television set or cable ready VCR, then a converter is not required.

For the first month, all subscribers receive free installation and a free month of service.

^{**} Plus applicable taxes.

EXHIBIT C

CHANNEL ALLOCATIONS

		0 8 8 2 5 6 6	19
Off-Air Cable Channel Channel	Call Letters	Location	Network
60 Ch. # 3	MCCO KDLH	Minneapolis, MN	CBS
Ch#10	WGN WD10	Duluth, MN Duluth, MN Chicago, IL	ABC NBC IND
	KMSP	Minneapolis, MN	IND
DD Ch#8	WTBS WDSE	Atlanta, GA Duluth St. Paul, MN	IND
	The Nashville Network	Nashville, TN	
	The Lifetime Channel	Satellite	
	ESPN	Satellite	
	USA Network	Satellite	
	CBN - Family	Satellite	
	Showtime		
	CNN Headline	News	
	The Discovery	Channel	
	Shopping Netw	ork	
	Arts and Ente	rtainment	
	TNT		
	American Movi	e Classics	
	Country Music		
	Independent	Local	

Independent

Local