

AN ORDINANCE GRANTING A FRANCHISE TO MID NORTH 1 CABLESYSTEMS INC., TO OPERATE AND MAINTAIN A CABLE TELEVISION SYSTEM IN THE CITY OF NEW MUNICH, AND SETTING FORTH CONDITIONS ACCOMPANYING THE GRANT OF THE FRANCHISE

The City Council of New Munich Ordains:

Section 1. TITLE

This Ordinance shall be known and cited as the "City of New Munich Cable Television Franchise Ordinance."

Section 2. DEFINITIONS

For the purpose of this Ordinance, the following terms, phrases, words and their derivations shall have the meaning given herein. When not consistent with the context, words used in the present tense include the future, words in the plural number include the singular number, and words in the singular number shall include the plural number. The word "shall" is always mandatory and not merely directory.

- 2.01. "Cable Service" means the transmission of telecommunication signals including the retransmission of broadcast and satellite received signals, and the origination of the programming by the Grantee.
- 2.02 "City" is the City of New Munich.
- 2.03 "Council" is the governing body of the City of New Munich.
- 2.04 "Cable Television System" or "Cable System" is a system utilizing certain electronic and other components which deliver to subscribing members of the public various communications service.
- 2.05. "Cable Television Reception Service" means the delivery by the Grantee to television receivers (or any other suitable type of electronic signals and other communications service-carried over said system).
- 2.06 "FCC" shall mean Federal Communications Commission.
- 2.07 "Grantee" is Mid North 1 Cablesystems Inc., of Mt Clemens Michigan, in accordance with the provisions of this Ordinance.
- 2.08 "Subscribers" or "Customers" are those persons contracting to receive cable television reception service furnished under this Ordinance by the Grantee.

Section 3. GRANT OF NON-EXCLUSIVE AUTHORITY

3.01 There is hereby granted by the City to the Grantee and to its successors, assigns or designees, the non-exclusive right to erect, maintain and operate in, under, over, along, across and upon the present and future streets, lanes, avenues, sidewalks, alleys, bridges, highways, easements dedicated for compatible uses and other public places in the City of New Munich, and subsequent additions thereof towers, poles, lines, cables, wires, manholes and all other fixtures and equipment necessary for the maintenance and operation in the City of cable television system, for the purpose of transmission and distribution of audio, visual, electronic and electric impulses in order to furnish television and radio programs and various other communication services by what is commonly called a Community Antenna Television System, for a period of Twenty (20) years, commencing from and after the effective date of this Ordinance, provided that all applicable permits are applied for and granted, all fees paid and all other codes and ordinances are otherwise complied with.

3.02 The right to use and occupy said streets and places for the purposes herein set forth exclusive.

Section 4. COMPLIANCE WITH APPLICABLE LAWS AND ORDINANCES
The Grantee shall, during the term hereof, which have been preempted by the Cable Communications Act of 1984, or by any other statute or rule, or which are subject to the Federal Communications Commission, be subject to the regulating and police powers of the City.

Section 5. TERRITORIAL AREA INVOLVED
This Ordinance relates to the present territory of the City and to any area annexed thereto during the term of the Grantee shall not be required to service residential areas of the City that are beyond four hundred feet from existing distribution lines except where feasible, but shall not be required to serve areas or individual customers but outside the City limits, that may be served from existing facilities. The Grantee may negotiate directly with the customer for the amount to be charged for the bringing of the service to the customer.

Section 6. LIABILITY AND INDEMNIFICATION
The Grantee shall, at all times, keep in effect the following types of insurance coverage:

- (a) Worker's Compensation upon its employees in any manner in the installation or serving of plant and equipment in amounts required by Minnesota statutes.
- (b) Property Damage Liability insurance to the extent of \$500,000.00/1,000,000.00 as to each occurrence of personal injury to the extent of \$500,000.00 as to each occurrence and Automobile bodily injury insurance of \$100,000.00/300,000.00 as to each occurrence of property damage liability of \$500,000.00/1,000,000.00 as to each occurrence.

The Grantee shall indemnify, protect, and save the City from and against losses and physical damage to persons, including payments made under the Worker's Compensation law which may arise out of the maintenance, presence, use or removal of said attached poles within the City, or by any act of the Grantee or its employees. The Grantee shall carry insurance in the amount of such claims, demands, actions, judgments, costs, expenses, which may arise or result, directly or indirectly, from such loss, injury or damage. The Grantee shall carry insurance as it deems necessary to protect it from and against the Worker's Compensation law as in effect that may be required of the Grantee. All insurance required shall be and have the same force and effect for the entire life of the rights granted under this Ordinance. Insurance certificates evidencing such insurance shall be maintained with and kept on file by the City.

These damages or penalties shall include, but not be limited to, damages arising out of copyright infringement, other damages arising out of the installation, operation or maintenance of a Cable Television System authorized by this Ordinance, or any act of omission complained of is authorized or prohibited by this Ordinance.

Section 7. CONSTRUCTION TIMETABLE

The Grantee shall complete construction of the Cable System provided for under this ordinance within sixteen (16) months from the date of its acceptance of the Franchise. If the Grantee fails to do so, the Grantee will reimburse the City fifty dollars (\$50.00) to cover the administrative costs incurred by the City in preparing this Franchise Ordinance.

Section 8. GENERAL SYSTEM SPECIFICATIONS

8.01 The facilities used by the Grantee shall have a minimum capacity of 42 channels.

8.02 The Grantee shall provide, upon construction of the cable system, an as built construction drawing.

Section 9. TECHNICAL STANDARD

Grantee shall be governed by technical standards as may be established by the FCC from time to time.

Section 10. OPERATION AND MAINTENANCE OF SYSTEM

10.01 The Grantee shall render efficient service, make repairs promptly and interrupt service only for a good cause and for the shortest possible time.

10.02 All non-emergency service requests and complaints shall be responded to within seven (7) days of receipt. (Non-emergency service could consist of relocation of existing cable outlet, VCR hookup, etc.)

Section 11. BASIC RATE CHANGES

The initial rates, upon the completion of the Cable System shall be as set forth in Exhibit II attached hereto and incorporated herein by reference. The City reserves the right to regulate rates for Basic Service to the extent allowable under federal or state law, through approval or disapproval of a rate revision request. The following procedures shall apply.

A. The Grantee shall give written notice to the City of the need for any Basic Service rate increase and the proposed increase. After receipt of the notice, the City shall have thirty (30) days within which to notify the Grantee that further review of the proposed change is necessary. If the City does not so notify Grantee, the rate change may be implemented.

B. If City review is deemed necessary, the Grantee shall provide the City a written proposal for the rate change supported by statistical and other proof indicating that the existing Basic Service rate or charge is inadequate and unreasonable and that the proposed changes are required and will enable the Grantee to render service, to fulfill its obligations under the Ordinance and to derive a reasonable profit therefrom. The Grantee shall provide, at the request of the City, current information and financial information with at least the following concerning the cost of serving the City: a balance sheet; income statement; statement of sources and applications of funds; detailed supporting schedules of expenses, income, assets, and other items as required by the City; statement of current and projected subscribers; and a current list of rates and charges of Grantee applicable to its Systems owned and operated in Minnesota.

C. The City will notify the Grantee and schedule a public hearing on the request within eight (8) weeks from the date of receipt of the application and the determination by the City of its completeness. The Grantee will provide a minimum of five (5) days advance written notice to subscribers of the date, place and time of the hearing. The City will publish notice ten (10) days prior to the hearing in its official newspaper. After closing the public hearing, the City will have thirty (30) days within which to make its determination. Any approved revision in the rate schedule shall become effective upon the date of approval.

Section 12. EMERGENCY USE OF FACILITIES

In the case of any emergency or disaster, the Grantee shall, upon the request of the City Council, make available its facilities to the City for emergency use during the emergency or disaster. If the City wishes to operate a Civil Emergency Alert System on a plan that is mutually acceptable to the City and the Grantee, the Grantee will provide the City with the necessary equipment for such a system and will permit the system to be used on the Cable System.

Section 13. SAFETY REQUIREMENTS

The Grantee shall, at all times, employ ordinary care and shall use and maintain commonly accepted methods and devices for preventing failures and accidents which are likely to cause damages, injuries or nuisances to the public.

Section 14. LIMITATIONS ON RIGHTS GRANTED

1. All transmission and distribution structures, lines and equipment erected by the Grantee within the City shall be so located as to cause minimum interference with the proper use of streets, alleys and other public ways and places, and to cause minimum interference with the rights and reasonable convenience of property owners who adjoin any of the said streets, alleys or other public ways and places and said poles and towers shall be removed by the Grantee whenever the City reasonably finds that the same restrict or obstruct the operation or location of any future streets or public places in the City of New Munich.

2. Construction and maintenance of the transmission distribution system shall be in accordance with the provision of the National Electrical Safety Code, the National Electrical Code, and such applicable Ordinances and regulations of the City of New Munich, affecting electrical installation, which may be presently in effect, or changed by future Ordinances.

3. The Grantee shall have the authority to trim trees upon the overhanging streets, alleys, sidewalks and public ways and places of the City so as to prevent the branches of such trees from coming in contact with the wires and cables of the Grantee. This work will be done with good forestry practices.

4. The Grantee shall, in the case of disturbance of any street, sidewalk, alley public way or paved area, at the Grantee's expense, restore same to its original condition.

Section 15. OWNERSHIP AND REMOVAL OF FACILITIES

All cable and passive equipment for cable television reception service installed by the Grantee at a subscriber's location shall remain the property of the Grantee and the Grantee shall have the right to remove said cable and equipment. Upon termination of its above ground facilities, said equipment may be removed from the premises of said subscriber upon his request.

Section 16. TRANSFER OF FRANCHISE

Upon construction of said cable system, the Grantee may assign this Franchise to another person or corporation with approval of the Council, but this approval will not be unreasonably withheld. The City shall be entitled to the right of first refusal of any bona fide offer to purchase said cable system made to the Grantee. The City shall notify the Grantee of its decision to purchase within sixty (60) days of the City's receipt from the Grantee of a copy of the written bona fide offer.

Section 17. DURATION AND RENEWAL OF FRANCHISE

The rights granted to the Grantee herein shall, except as provided in this Section, terminate twenty (20) years from the effective date of this Franchise, which Franchise shall be subject to renewal pursuant to the provisions of the Cable Communications Policy Act of 1984, Section 626, applicable to new ordinances that are in the nature of a franchise. Pending final completion of renewal proceedings, the Franchise shall remain in effect even if the original twenty (20) year term has expired.

Section 18. REVOCATION OF FRANCHISE

In addition to all other rights which the City has pursuant to law or equity the City reserves the right to revoke, terminate, or cancel this Franchise, all rights and privileges pertaining thereto, in the event that:

- A. The Grantee substantially violates any provision of this Franchise; or
- B. The Grantee attempts to evade any of the provisions of this Franchise; or
- C. The Grantee practices any fraud or deceit upon the City or a subscriber; or
- D. The Grantee becomes insolvent, unable or unwilling to pay its debts, or is adjudged a bankrupt; or
- E. The Grantee materially misrepresents a fact in the application for or negotiation of, or renegotiation of, or renewal of, the Franchise.

Section 19. REMOVAL AFTER REVOCATION OR EXPIRATION

A. Subject to applicable state and federal law, at the expiration of the term for which the Franchise is granted, or upon its revocation, as provided for, the City shall have the right to require the Grantee to remove, at the Grantee's expense, all or any portion of the Cable System from all streets and public property within the City. In so removing the System, the Grantee shall refill and compact at its own expense, any excavation that shall be made and shall leave all streets, public property and private property in as good a condition as that prevailing prior to the Grantee's removal of the System, and without affecting, altering or disturbing in any way electric, telephone or utility cables, wires or attachments. The City, or its delegation, shall have the right to inspect and approve the condition of such streets and public property after removal.

B. If, in the sole discretion of the City, the Grantee has failed to commence removal of the System, or such part thereof as was designated, within thirty (30) days after written notice of the City's demand for removal is given, or if the Grantee has failed to complete such removal within one (1) year after written notice of the City's demand for removal is given, the City shall have the right, subject to applicable state and federal law, to exercise one of the following options:

1. Declare all right, title and interest to the System to be in the City or its delegator with all rights or ownership including,

not limited to, the right to operate the System or transfer the System to another for operation by it; or
2. Declare the System abandoned and cause the System, or such part thereof as the City shall designate, to be removed at cost to the City. The cost of said removal shall be recoverable from the Grantee directly.

Section 20. MODIFICATIONS OF OBLIGATIONS

In addition to any other remedies provided by law or regulation, the Grantee's obligations under this Franchise may be modified, at its request, in accordance with Section 625 of Cable Communication Policy Act of 1984 as it now exists, or as hereafter amended.

Section 21. SEVERABILITY

If any section, subsection, sentence, clause, phrase or portion of this Ordinance is, for any reason, held invalid or unconstitutional by any court or competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity of the remaining portions hereof.


Section 22. EFFECTIVE DATE; PUBLICATION; AND TIME OF ACCEPTANCE

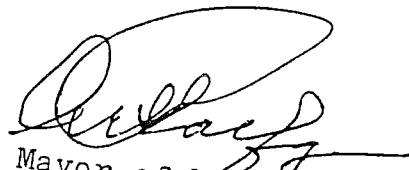
22.01 This Franchise Ordinance shall be signed by the Mayor or acting Mayor and attested by the City Clerk. The summary of this Ordinance, attached hereto as Exhibit III, shall be published at least once in the official newspaper of the City to clearly inform the public of the intent of this Ordinance. This Franchise shall take effect upon acceptance by the Grantee.

22.02 The Grantee shall have thirty (30) days from the date of adoption of this Ordinance to accept this Ordinance in form and substance acceptable to the City. Upon acceptance of this Franchise, the Grantee shall be bound by all the terms and conditions contained herein and shall deliver to the City a certified resolution of the Grantee evidencing its power and authority to accept the Franchise.

22.03 With its acceptance, the Grantee shall also deliver any insurance certificates and bonds required herein. The Grantee shall also pay promptly the costs incurred by the City in publishing the franchise summary in the official newspaper upon receipt of an itemized statement from the City.

Passed and adopted this 2nd day of April, 1990.

ATTEST

City Clerk of New Munich


Mayor of New Munich

MID NORTH 1 CABLE SYSTEM

CHANNEL LINE UP

Satellite Channels:

SHOWTIME
ESPN
WTBS
WGN
CNN HEADLINE NEWS
CBN-FAMILY
USA NETWORK
THE NASHVILLE NETWORK
THE DISCOVERY CHANNEL
SHOPPING NETWORK
ARTS & ENTERTAINMENT
TNT
AMERICAN MOVIE CLASSICS
THE LIFE TIME CHANNEL
COUNTRY MUSIC

Offair Channels:

ABC
NBC
CBS
PBS
(2) INDEPENDENT

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)	\$ 5.00
Installation Fee (standard)	\$50.00
Reconnect	\$20.00
Installation of Extra Outlet	\$10.00
Disconnect	Free
VCR hook-up (standard)	Free
Service Calls	Free
Seasonal Rate (Seasonal households only)	\$180.00 for the year.(prepaid)

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

** Plus applicable taxes.

FOR THE FIRST MONTH EVERYBODY RECEIVES FREE INSTALLATION AND A FREE MONTH OF SERVICE.

EXHIBIT III

OFFICIAL TITLE AND SUMMARY

ORDINANCE NO. 59

CITY OF NEW MUNICH
CABLE TELEVISION FRANCHISE ORDINANCE

I. TITLE

AN ORDINANCE GRANTING A FRANCHISE TO LID NORTH 1 CABLESYSTEMS INC., TO OPERATE AND MAINTAIN A CABLE TELEVISION SYSTEM IN THE CITY OF NEW MUNICH, AND SETTING FORTH CONDITIONS ACCOMPANYING THE GRANT OF THE FRANCHISE.

II. SUMMARY

The City Council of New Munich Ordains:

That the following summary shall clearly inform the public of the intent and effect of the ordinance and shall be published in the official newspaper of the City.

1. In order to bring about the development of a cable television system that will contribute to the communication needs and desires of the citizens of New Munich, the City has awarded a non-exclusive franchise to Lid North 1 Cablesystems of Mt. Clemens, Michigan, the Grantee.

2. Initial services are as follows:

Satellite Channels:	Showtime	The Nashville Network
	ESPN	The Discovery Channel
	WTBS	Shopping Network
	WGN	Arts & Entertainment
	CNN Headline News	TNT
	CBN-Family	American Movie Classics
	USA Network	The Life Time Channel
	Country Music	
Offair Channels:	ABC	
	NBC	
	CBS	
	PGS	
	Independent	
	Independent	

3. Initial rates and charges for cable service will be as follows:

Super basic cable (21 channels)	\$24.95/month
Extra outlet for additional TV sets	\$ 3.00/month
Converter deposit if needed (sat top)	\$10.00
(remote control)	\$20.00
Remote control charge	\$ 3.00/month
A/B Switch	\$10.00
Parental Lock	\$ 5.00
Installation Fee (standard)	\$50.00
Reconnect	\$20.00
Installation of Extra Outlet	\$10.00
Disconnect	Free
VCR hook-up (standard)	Free
Service Calls	Free
Seasonal Rate (Seasonal households only)	\$180.00/year

For the first month everybody receives free installation and a free month of service.

4. The Grantee will pay the cost of publishing this summary Ordinance to the City upon receipt of a bill.

5. The Grantee will hold the City harmless for any damages or penalties resulting from the operation of the Franchise and will furnish insurance to provide

comprehensive coverage in the event of damages resulting from System operation.

6. The City has reserved the right to revoke the Franchise in the event that the Grantee substantially violates the terms of the Ordinance.

7. For the purpose of operating a System, the City has authorized the Grantee to make use of public ways to install equipment.

8. All non-emergency service requests and complaints from the City or subscribers shall be responded to within seven (7) days of receipt.

9. At the expiration of the term of the Franchise, the City has reserved the right to elect to review or extend the Franchise, invite additional Franchise applications, terminate the Franchise, or purchase the System.

III. NOTICE:

This title and summary have been published to clearly inform the public of the intent and effect of the City of ^{New Munich} Cable Television Franchise Ordinance. A copy of the Ordinance in its entirety is available for inspection by any person during regular office hours at the office of the City. This Ordinance shall be in full force and effect from and after its passage and publication of this title and summary.

Mayor of New Munich

ATTEST

City Clerk of New Munich