

TOWN OF ROCKFORD, MINNESOTA
ORDINANCE NO. 89-2

AN ORDINANCE GRANTING AN EXTENSION PERMIT TO CABLE TV FUND
14-A, LTD., TO CONSTRUCT, EXTEND, OPERATE, AND MAINTAIN A CABLE
COMMUNICATIONS SYSTEM IN THE TOWN

WHEREAS, Minn. Stat. §238.08, subd. 1, provides that a municipality shall require a franchise or extension permit of any cable communications system providing service within the municipality; and

WHEREAS, Cable TV Fund 14-A, Ltd., a Colorado limited partnership (hereinafter called the "Company"), has requested the authorization of the Town of Rockford (hereinafter also called the "Town") to extend service from its cable communications system currently operating under a lawful franchise within the City of Buffalo, Minnesota, which is the "core service unit" as defined by Minn. Stat. §238.02, subd. 14; and

WHEREAS, the Town of Rockford extension area as defined by Minn. Stat. §238.02, subd. 15, is not within the Twin Cities Metropolitan Area as defined in Minn. Stat. §473.121, subd. 2; and

WHEREAS, pursuant to Minn. Stat. §238.17, the request by the Company has been considered in a public proceeding, affording reasonable notice and opportunity to be heard.

NOW, THEREFORE, the Town Board of Supervisors of the Town of Rockford hereby ordains that there is hereby granted to the Company a nonexclusive extension permit to construct, operate, and maintain a cable communications system extension within the Town of Rockford, subject to the following terms and conditions:

Section 1. Term of Extension Permit. The extension permit shall expire at the same time as the cable communications franchise currently in effect in the City of Buffalo, the core service unit. Any change in the expiration date of the franchise by way of either renewal or amendment to the franchise, shall automatically apply to the extension permit, unless the Town of Rockford acts to terminate or limit the term of the extension permit within thirty (30) days of passage of the renewal amendment to the franchise.

Section 2. Applicable Provisions of Franchise. The Company and the Town of Rockford agree to abide by all of the applicable provisions of the core service unit franchise, as the same may from time to time be amended or renewed by the City of Buffalo, subject to the approval of the Town of Rockford, and particularly those which relate to the following:

- a. system-wide channel capacity;
- b. capability for two-way communications;
- c. standards for system installation, maintenance, and operation;
- d. indemnification of franchisor and liability insurance;
- e. abandonment of service;
- f. termination or cancellation of the franchise;
- g. removal of equipment;
- h. equipment for production and reproduction or playback of programming;
- i. access channels;
- j. other terms and conditions of said franchise that are applicable.

Section 3. Construction Permits; Performance Bond.

- a. The Company recognizes and acknowledges its obligation under the terms of the franchise of the core service unit to obtain a permit from the Town prior to commencing any construction activities in Town rights-of-way or on any other Town property.
- b. As a condition to receiving a construction permit from the Town as set forth above, the Company shall post a performance bond in an amount not less than one hundred (100%) percent of the estimated costs of construction, insuring faithful compliance with the terms of this extension permit, the core service unit franchise, and all other applicable local, state, and federal laws and regulations governing the conduct of such construction activity by the Company.

Section 4. Rates. Prior to offering service to any member of the general public, the Company shall prepare a clear and concise list of all current subscription rates and charges, including all installation and disconnection charges, charges for optional services, and charges or deposits for the use of equipment offered to subscribers for use with the services offered by the Company. A verified copy of this list of rates and charges shall then be filed with the Town Clerk and shall be available for public inspection at the offices of the Town. An amended list of rates and charges shall be prepared and filed with the Town Clerk at any time there is any change or adjustment in the subscription rates and charges.

Section 5. Fees, Charges, and Deposits.

- a. No fee, charge, deposit, or associated term or condition shall be imposed by the Company or any affiliated person, firm, or corporation for any service unless it is filed with the Town Clerk as said filings may be amended from time to time by the Company. The fees, charges, deposits, and associated terms and conditions for basic services shall be set forth in said filings.

as well as those rates for extra services and for service-related activities and all other services, facilities, equipment, and other matters. All such fees, charges, deposits, and associated terms and conditions shall be nondiscriminatory, provided that this requirement shall not prevent: (i) the use of sales promotions, other special discounts, waiver of charges, reduced charges, or changes in associated terms and conditions to identifiable classes of subscribers; (ii) the negotiation of bulk rates, discounts, reduced charges, or changes in associated terms and conditions for the provision of services; and (iii) the offering of specialized services at negotiated rates, provided that the Company shall ensure that no residential subscriber is charged any fee, charge, or deposit in excess of those set forth in filings required by this extension permit, as may be amended from from time to time by the Company.

- b. Except as provided in rate filings required by the core service unit franchise, this ordinance, or state or federal law or regulation, the Company shall not impose any fee or charge on any subscriber for: (i) any service call to said subscriber's premises to perform any repair or maintenance work, except any such work necessitated by a negligent or wrongful act of said subscriber; or (ii) the disconnection of services to a subscriber, provided that the Company may impose appropriate charges if, at the time of disconnection, some or all of the Company's equipment is not returned to the Company or the subscriber has not paid all outstanding fees and charges due to the Company.

Section 6. Franchise Extension Fee. During the term of the franchise extension permit granted hereunder, the Company shall pay to the Town annually an amount equal to three (3%) percent of all basic and all tiered gross service receipts derived from within the Town. This payment shall be made to the Town within thirty (30) days after the last day of each year. Service receipts shall include service charges, fees arising from the communications and transmittal of information of any nature including fees for fire or other protection, but shall not include monies received as installation charges, and charges and fees for reconnections, inspections, repairs, or modification of any installation, nor state or federal taxes relating thereto.

Section 7. Revised Filings by Company. Within at least thirty (30) days prior to the effective date of any change in any rate, charge, deposit, or associated terms or conditions set forth in filings required by the core service unit franchise, this ordinance, or other applicable state or federal law or regulation, the Company shall: (i) submit the revised

filing to the Town Clerk together with a description of the proposed change and (ii) provide a written notice of such proposed change to each affected subscriber and other person utilizing the affected service.

Section 8. Hypothecation. The Town hereby consents to the grant by the Company or any affiliate of the Company who may from time to time hold the franchise of a security interest in all of its rights, powers and privileges under the franchise and all of its other assets to such lending institution or institutions as may be designated by the Company or any affiliate of the Company, which lending institution or institutions shall have all of the rights or remedies of a secured party under the applicable Uniform Commercial Code.

Section 9. Severability and Repealer. All ordinances or portions of ordinances in conflict herewith are hereby repealed. Should any section of this ordinance be held by a court of competent jurisdiction to be unconstitutional or void, the remaining provisions shall remain in full force and effect.

Section 10. Effective Date of Ordinance. This ordinance shall be effective from and after its adoption and publication as provided by law.

Enacted by the Town Board of Supervisors of the Town of Rockford the 13th day of June, 1989.

Attest:

James O. Taylor
/s/ James O. Taylor
Town Clerk

TOWN OF ROCKFORD:

Duane H. Rolstad
By /s/ Duane H. Rolstad
Chairman, Town Board of Supervisors