

**WATAB TOWNSHIP ORDINANCE NO.
SEVEN**

ORDINANCE GRANTING A FRANCHISE TO BENTON CABLEVISION, INC. TO
CONSTRUCT AND MAINTAIN A CABLE TELEVISION SYSTEM IN THE
TOWNSHIP OF WATAB, MINNESOTA; SETTING FORTH CONDITIONS
ACCOMPANYING THE GRANT OF THE FRANCHISE; PROVIDING FOR
REGULATION AND USE OF THE SYSTEM; AND PRESCRIBING PENALTIES
FOR THE VIOLATION OF ITS PROVISIONS

WHEREAS, the City of Rice and Township of Watab entered into a Joint Powers Agreement on June 5, 1984 for a cable communications franchise, and

WHEREAS, the City of Rice and Benton Communications and Sales Corp, now known as Benton Cablevision entered into a 15-year cable communications franchise on June 18, 1984, and

WHEREAS, the City of Rice extended the existing franchise for a temporary period on August 16, 1999, and

WHEREAS, the City of Rice and Benton Cablevision entered into a new 8-year cable communication franchise on January 1, 2001, and

WHEREAS, the City of Rice and Benton Cablevision, continued to operate under the expired January 1, 2001 agreement from January 1, 2009 through December 31, 2015, and

WHEREAS, the City of Rice and Township of Watab no longer have a joint powers agreement, it is the desire of the Township of Watab and Benton Cablevision to enter into a new cable communication franchise for a period of 10 years beginning January 1, 2016, now

Therefore be it ordained:

STATEMENT OF INTENT AND PURPOSE

The Watab Township intends, by the adoption of this Franchise, to bring about the development of a Cable Communications System, and the continued operation of it. Such a development can contribute significantly to the communication needs and desires of many. Further, the Watab Township may achieve better utilization and improvement of public services with the development and operation of a Cable Communication System.

Past studies by the Watab Township have led the way for organizing a means of procuring and securing of Cable Communications System which, in the judgment of the Supervisors, is best suited to the Watab Township. This has resulted in the preparation and adoption of this Franchise.

FINDINGS

In the review of the Renewal Proposal and application of Benton Cablevision ("Grantee"), and as a result of a public hearing, the Watab Township Supervisors make the following findings:

- 1.) The Grantee's technical ability, financial condition, legal qualifications, and character were considered and approved in a full public proceeding after due notice and a reasonable opportunity to be heard;
- 2.) Grantee's plans for constructing, upgrading, and operating the System were considered and found adequate and feasible in a full public proceeding after due notice and a reasonable opportunity to be heard;
- 3.) The Franchise granted to Grantee by the Watab Township complies with the existing applicable Minnesota Statutes, federal laws and regulations; and
- 4.) The Franchise granted to Grantee is nonexclusive and the Watab Township reserves the option to grant additional cable franchises.

SECTION 1.

SHORT TITLE AND DEFINITIONS

- 1.) Short Title. This Franchise Ordinance shall be known and cited as the Cable Communications Ordinance.
- 2.) Definitions. For the purposes of this Franchise, the following terms, phrases, words, and their derivations shall have the meaning given herein. When not inconsistent with the context, words in the singular number include the plural number. The word "shall" is always mandatory and not merely directory. The word "may" is directory and discretionary and not mandatory.
 - (a) "Basic Cable Service" means any service tier which includes the lawful retransmission of local television broadcast signals and any public, educational, and governmental access programming required by the franchise to be carried on the basic tier. Basic Cable Service as defined herein shall not be inconsistent with 47 U.S.C. § 543(b) (7) (1993).
 - (b) "Watab Township" means Watab Township, in the State of Minnesota, acting by and through its Watab Township Supervisors.
 - (c) "Watab Township Supervisors" means the Watab Township Supervisors.
 - (d) "Cable Programming Service" means any video programming provided over a cable system, regardless of service tier, including installation or rental of equipment used for the receipt of such video programming, other than:
 - (1) Video programming carried on the Basic Service Tier;
 - (2) Video programming offered on a pay-per-channel or pay-per-program basis; or

(3) A combination of multiple channels of pay-per-channel or pay-per-program video programming offered on a multiplexed or time-shifted basis so long as the combined service:

- a. consists of commonly-identified video programming; and
- b. is not bundled with any regulated tier of service.

Cable Programming Service as defined herein shall not be inconsistent with the definition as set forth in 47 U.S.C. § 543(1) (2) (1993) and 47 C.F.R. 76.901(b) (1993).

(e) "Cable Service" means the one-way transmission to subscribers of video programming, or other programming service, and subscriber interaction, if any, which is required for the selection or use of such video programming or other programming service.

(f) "Cable System" or "System" means a facility, consisting of a set of closed transmission paths and associated signal generation, reception, and control equipment that is designed to provide cable service which includes video programming and which is provided to multiple subscribers within a community, but such term does not include:

- (1) a facility that serves only to retransmit the television signals of one or more television broadcast stations;
- (2) a facility that serves subscribers without using any public right-of-way;
- (3) a facility of a common carrier which is subject, in whole or in part, to the provisions of 47 U.S.C. §§ 201 et seq., except that such facility shall be considered a cable system (other than for purposes of 47 U.S.C. § 541 (c)) to the extent such facility is used in the transmission of video programming directly to subscribers, unless the extent of such use is solely to provide interactive on-demand services;
- (4) an open video system that complies with 47 U.S.C. § 653.
- (5) any facilities of any electric utility used solely for operating its electric utility systems.

(g) "Class IV Cable Communications 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 System.

(h) "Converter" means an electronic device which converts signals to a frequency acceptable to a television receiver of a Subscriber and by an appropriate

selector permits a Subscriber to view all Subscriber signals included in the service.

(i) "Drop" means the cable that connects the ground block on the Subscriber's residence to the nearest feeder cable of the System.

U) "FCC" means the Federal Communications Commission and any legally appointed, designated or elected agent or successor.

(k) "Franchise" means an initial authorization, or renewal thereof (including a renewal of an authorization which has been granted subject to 47 U.S .C. § 546) issued by a franchising authority, whether such authorization is designated as a franchise, permit, license, resolution, contract, certificate, agreement, or otherwise, which authorizes the construction or operation of a cable system.

(l) "Grantee" is, Benton Cablevision, Inc., its agents and employees, lawful successors, transferees or assignees.

(m) "Installation" means the connection of the System from feeder cable to the point of connection, including Standard Installations and custom installations.

(n) "Lockout Device" means an optional mechanical or electrical accessory to a Subscriber's terminal which inhibits the viewing of a certain program, certain channel, or certain channels provided by way of the Cable Communication System.

(o) "Pay Television" means the delivery over the System of pay-per-channel or pay-per-program audio-visual signals to Subscribers for a fee or charge, in addition to the charge for Basic Cable Service or Cable Programming Services.

(p) "Person" is any person, firm, partnership, association, corporation, company, or other legal entity.

(q) "Public, Educational, or Governmental Access Facilities" ("PEG") means channel capacity designated for public, educational, or governmental use and facilities and equipment for the use of such channel capacity.

(r) "Standard Installation" means any residential installation which can be completed using a Drop of one hundred twenty-five (125) feet or less.

(s) "Street" means the surface of, and the space above and below, any public street, road, highway, freeway, lane, alley, path, court, sidewalk, parkway, or drive, or any easement or right-of-way now or hereafter held by Watab Township.

(t) "Subscriber" means any Person who lawfully receives Cable Television Service.

(u) "Video Programming "means programming provided by, or generally considered comparable to programming provided by, a television broadcast station.

SECTION 2.

GRANT OF AUTHORITY AND GENERAL PROVISIONS

1.) Franchise Required. It shall be unlawful for any Person to construct, operate or maintain a Cable Communications System in Watab Township unless such Person or the Person for whom such action is being taken shall have first obtained and shall currently hold a valid Franchise Ordinance. It shall also be unlawful for any Person to provide Cable Television Service in Watab Township unless such Person shall have first obtained and shall currently hold a valid Franchise Ordinance. All Cable Communications Franchises granted by Watab Township shall contain the same substantive terms and conditions.

2.) Grant of Franchise. This Franchise is granted pursuant to the terms and conditions contained herein.

3.) Grant of Nonexclusive Authority.

(a) The Grantee shall have the right and privilege to construct, erect, operate, and maintain, in, upon, along, across, above, over and under the Streets, alleys, public ways and public places now laid out or dedicated and all extensions thereof, and additions thereto in Watab Township, poles, wires, cables, underground conduits, manholes, and other television conductors and fixtures necessary for the maintenance and operation in Watab Township of a Cable Communications System as herein defined. The Cable Communications System constructed and maintained by Grantee or its agents shall not interfere with other uses of Streets. Grantee shall make use of existing poles and other facilities available to Grantee to the extent it is technically and economically feasible to do so.

(b) Notwithstanding the above grant to use Streets, no Street shall be used by Grantee if Watab Township, in its sole opinion, determines that such use is inconsistent with the terms, conditions, or provisions by which such Street was created or dedicated, or with the present use of the Street.

(c) This Franchise shall be nonexclusive, and Watab Township reserves the right to grant a similar use of said Streets, alleys, public ways and places, to any Person at any time during the period of this Franchise, provided , however, that any additional Cable Franchise grants shall be under the same substantive terms and conditions as this Franchise .

(d) Grantee shall have the authority to use Watab Township easements, public rights-of-way, Streets and other conduits for the distribution of Grantee's System.

The Watab Township may require all developers of future subdivisions to allow and accommodate the construction of the System as part of any provisions for utilities to serve such subdivisions.

4.) Franchise Term. This Franchise shall be in effect for a period of ten (10) years beginning January 1, 2016, after acceptance by Grantee, revoked or terminated sooner as herein provided. Thereafter, this franchise agreement will renew for five (5) additional one (1) year term(s), unless either party notifies the other party of its intent to terminate or renew the franchise at least one hundred and eighty (180) days before the termination of the current term. The additional term shall be deemed a continuation of the franchise and not as a new franchise or amendment.

5.) Previous Franchises. Upon acceptance by Grantee as required by Section 13 herein, this Franchise shall supersede and replace any previous Ordinance or Agreement granting a Franchise to Grantee to own, operate and maintain a Cable Communications System within Watab Township. Ordinance No. 33 is hereby expressly repealed.

6.) Compliance with Applicable Laws, Resolutions and Ordinances. The Grantee shall at all times during the life of this Franchise be subject to all lawful exercise of the police power, statutory rights and the right of eminent domain by Watab Township. This Franchise shall comply with the Minnesota franchise standards contained in Minn. Stat. § 238.1 et seq.

7.) Rules of Grantee. The Grantee shall have the authority to promulgate such rules, regulations, terms and conditions governing the conduct of its business as shall be reasonably necessary to enable said Grantee to exercise its rights and perform its obligation under this Franchise and to assure uninterrupted service to each and all of its Subscribers; provided that such rules, regulations, terms and conditions shall not be in conflict with provisions hereto, the rules of the FCC, the laws of the State of Minnesota, Watab Township, or any other body having lawful jurisdiction thereof.

8.) Territorial Area Involved. This Franchise is granted for the corporate boundaries of Watab Township, as it exists from time to time. In the event of annexation by Watab Township, or as development occurs, any new territory shall become part of the area covered, provided, however, that Grantee shall not be required to extend service beyond its present System boundaries unless there is a minimum of twelve (12) homes per cable mile as measured from the last fiber node or terminating amplifier. Access to cable service shall not be denied to any group of potential residential cable Subscribers because of the income of the residents of the area in which such group resides. Grantee shall be given a reasonable period of time to construct and activate cable plant to service annexed or newly developed areas.

9.) Written Notice. All notices, reports, or demands required to be given in writing under this Franchise shall be deemed to be given when delivered personally to any officer of Grantee or Watab Township's Administrator of this Franchise or forty-eight (48) hours after it is deposited in the United States mail in a sealed envelope, with registered or

certified mail postage prepaid thereon , addressed to the party to whom notice is being given, as follows:

lfto Watab Township: Watab Township
8900 Lakewood Shore Rd NW
Rice, MN 56367
Attn: Watab Township Clerk

lfto Grantee: Benton Cablevision, Inc
2220 125¹¹¹ St NW
Rice, MN 56367-9701
Attention: General Manager

Such addresses may be changed by either party upon notice to the other party given as provided in this Section.

10.) Drops to Public Buildings. Grantee shall provide Installation of one (1) cable Drop, one (1) cable outlet, and monthly Basic Cable Service without charge to the following institutions and such other public or educational institutions located within one hundred twenty-five (125) feet of the System which Watab Township may designate:

The Rice Watab Township Hall

No redistribution of the free Basic Cable Service provided pursuant to this Section shall be allowed. Additional Drops and/or outlets in any of the above locations will be provided by Grantee at the cost of Grantee's time and material. Alternatively, at the institution's request, said institution may add outlets at its own expense, as long as such installation meets Grantee's standards and provided that any fees for Cable Communications Services are paid. Nothing herein shall be construed as requiring Grantee to extend the System to serve additional institutions as may be designated by Watab Township. Grantee shall have one (1) year from the date of Watab Township Supervisors designation of additional institution(s) to complete construction of the Drop and outlet.

SECTION 3.

CONSTRUCTION STANDARDS

1.) Construction Standards. If the System, or subsequent rebuilds or extensions, proposed for the Franchise area consist of fewer than one hundred (100) plant miles of cable:

(a) Within ninety (90) days of the granting of the Franchise, the Grantee shall apply for the necessary governmental permits, licenses, certificates, and authorizations;

(b) The energized trunk cable must be extended substantially throughout the authorized area within one (1) year after receipt of the necessary governmental permits, licenses, certificates, and authorizations and the Persons along the route of the energized cable shall have individual Drops as desired during the same period of time; and

(c) The above-stated requirements may be waived by Watab Township only upon occurrence of acts beyond the reasonable control of Grantee or acts of God.

2.) Construction Codes and Permits.

(a) Grantee shall obtain all required permits from Watab Township before commencing any construction upgrade or extension of the System, including the opening or disturbance of any Street, or private or public property within Watab Township. Grantee shall substantially comply with all state and local laws and building and zoning codes currently or hereafter applicable to construction, operation or maintenance of the System in Watab Township and give due consideration at all times to the aesthetics of the property.

(b) The Watab Township shall have the right to inspect all construction or installation work performed pursuant to the provisions of the Franchise and to make such tests at its own expense as it shall find necessary to ensure compliance with the terms of the Franchise and applicable provisions of local, state and federal law.

3.) Repair of Streets and Property. Any and all Streets or public property or private property, which are disturbed or damaged during the construction, repair, replacement, relocation, operation, maintenance or reconstruction of the System shall be promptly and fully restored by Grantee, at its expense, to a condition as good as that prevailing prior to Grantee's work, as approved by Watab Township in the case of Streets and other public property. If Grantee shall fail to promptly perform the restoration required herein, Watab Township shall have the right to put the streets, public, or private property back into good condition. The Grantee shall reimburse the Watab Township for such restoration, including all costs of collecting the same.

4.) Conditions on Street Use.

(a) Nothing in this Franchise shall be construed to prevent Watab Township from constructing, maintaining, repairing or relocating sewers; grading, paving, maintaining, repairing, relocating and/or altering any Street; constructing, laying down, repairing, maintaining or relocating any water mains; or constructing, maintaining, relocating, or repairing any sidewalk or other public work.

(b) All System transmission and distribution structures, lines and equipment erected by the Grantee within Watab Township shall be located so as not to obstruct or interfere with the proper use of Streets, alleys and other public ways

and places, and to cause minimum interference with the rights of property owners who abut any of the said Streets, alleys and other public ways and places, and not to interfere with existing public utility installations. The Grantee shall furnish to and file with Watab Township Clerk the maps, plats, and/or permanent records of the location and character of all facilities constructed, including underground facilities.

(c) If at any time during the period of this Franchise Watab Township shall elect to alter, or change the grade or location of any Street, alley or other public way, the Grantee shall, at its own expense, upon reasonable notice by Watab Township, remove and relocate its poles, wires, cables, conduits, manholes and other fixtures of the System, and in each instance comply with the standards and specifications of Watab Township. If Watab Township reimburses other occupants of the Street, Grantee shall be likewise reimbursed.

(d) The Grantee shall not place poles, conduits, or other fixtures of System above or below ground where the same will interfere with any gas, electric, telephone, water or other utility fixtures and all such poles, conduits, or other fixtures placed in any Street shall be so placed as to comply with all requirements of Watab Township.

(e) The Grantee shall, on request of any Person holding a moving permit issued by Watab Township, temporarily move its wires or fixtures to permit the moving of buildings with the expense of such temporary removal to be paid by the Person requesting the same, and the Grantee shall be given not less than ten (10) days advance notice to arrange for such temporary changes.

(f) The Grantee shall have the authority to trim any trees upon and overhanging the Streets, alleys, sidewalks, or public easements of Watab Township so as to prevent the branches of such trees from coming in contact with pedestals and cables of the Grantee. Such trimming shall be accomplished in a manner that results in the least damage to the trees involved.

(g) Nothing contained in this Franchise shall relieve any Person from liability arising out of the failure to exercise reasonable care to avoid injuring Grantee's facilities.

5.) Undergrounding of Cable.

(a) In all areas of Watab Township Grantee shall construct and install its cables, wires and other facilities underground. Amplifier boxes and pedestal mounted terminal boxes may be placed above ground if existing technology reasonably requires, but shall be of such size and design and shall be so located as not to be unsightly or unsafe.

(b) In any area of Watab Township where there are certain cables, wires and other like facilities of a public utility or public utility district underground and at least one operable cable, wire or like facility of a public utility or public utility district suspended above the ground from poles Grantee may construct and install its cables, wires and other facilities from the same pole with the consent of the owner of the pole.

(c) Grantee shall be granted access to any easements granted to a public utility, municipal utility or utility district in any areas annexed by Watab Township or new developments.

6.) Safety Requirements.

(a) The Grantee shall at all times employ ordinary and reasonable care and shall install and maintain in use nothing less than commonly accepted methods and devices for preventing failures and accidents which are likely to cause damage, injuries, or nuisances to the public.

(b) The Grantee shall install and maintain its System wires, cables, fixtures and other equipment in substantial compliance with the requirements of the National Electric Safety Code and all FCC, state and local regulations, and in such manner that they will not interfere with any installations of Watab Township or of any public utility serving Watab Township.

(c) All System structures and all System lines, equipment and connections in, over, under and upon the Streets, sidewalks, alleys, and public ways and places of Watab Township, wherever situated or located, shall at all times be kept and maintained in good condition, order, and repair so that the same shall not menace or endanger the life or property of any Person.

SECTION 4.

DESIGN PROVISIONS

1.) Minimum Channel Capacity. Grantee shall provide a System which utilizes 750 MHz equipment and which is capable of delivering a minimum of 125 analog channels as of the Effective Date of this Ordinance.

2.) Operation and Maintenance of System. The Grantee shall render effective service, make repairs promptly, and interrupt service only for good cause and for the shortest time possible. Such interruption, to the extent feasible, shall be preceded by notice in accordance with Section 2.9 herein and shall occur during periods of minimum use of the System.

3.) Technical Standards. The technical standards used in the operation of the System shall comply, at minimum, with the technical standards promulgated by the FCC relating to cable communications systems pursuant to the Federal Communications Commission's

rules and regulations and found in Title 47, Section 76.601 to 76.617, as may be amended or modified from time to time, which regulations are expressly incorporated herein by reference.

4.) Nonvoice Return Capability. Grantee is required to use cable having the technical capacity for nonvoice return communications.

5.) Lockout Device. Upon the request of a Subscriber, Grantee shall provide by sale or lease a Lockout Device.

SECTION 5.

SERVICES PROVISIONS

1.) Sales Procedures. Grantee shall not exercise deceptive sales procedures when marketing its Cable Television Services within Watab Township. Grantee shall have the right to market its cable services door-to-door during reasonable hours consistent with local ordinances and regulation.

2.) Subscriber Inquiry and Complaint Procedures.

(a) Grantee shall have a publicly listed toll-free telephone number and be operated so as to receive Subscriber complaints and requests.

(b) Subscriber requests for repairs shall be performed, to the extent possible, within twenty-four (24) hours of the request unless conditions beyond the control of Grantee prevent such performance.

SECTION 6.

PUBLIC ACCESS PROVISIONS

1.) Public, Educational and Government Access.

(a) Watab Township or its designee is hereby designated to operate, administer, promote, and manage access (public, education, and government programming) (hereinafter "PEG access") to the cable system established pursuant to this Section 6. Grantee shall have no responsibility whatsoever for PEG access except as expressly stated in this Section 6.

(b) Grantee shall provide to each of its Subscribers who receive all, or part of, the total services offered on the System, reception on at least one (1) specially designated access channel available for use by the general public on a first-come, first-served, nondiscriminatory basis. The specially designated access channel may be used by local education authorities and local government on a first-come, first served, nondiscriminatory basis during those hours when the channel is not in use by the general public. During those hours that the specially designated access

channel is not being used by the general public, local educational authorities or local government, the Grantee shall lease time to commercial or noncommercial users on a first-come, first-served, nondiscriminatory basis if the demand for that time arises. The Grantee may also use the specially designated access channel for local origination during those hours when the channel is not in use by the general public, local educational authorities, local government or commercial or noncommercial users who have leased time. The VHF spectrum must be used for the first specially designated access channel required in the section. Grantee shall designate the channel locations of any other access channels.

2.) Charges for Use. Channel time and playback of prerecorded programming on the specially designated access channel must be provided without charge to the general public, except that personnel, equipment and production costs may be assessed for live studio presentations exceeding five (5) minutes in length. Charges for production costs must be consistent with the goal of affording the public a low-cost means of television access.

3.) Access Rules.

(a) Watab Township shall implement rules for use of any specially designated access channels. The initial access rules and any amendments thereto shall be maintained on file with Watab Township and available for public inspection during normal business hours.

(b) Prior to the cablecast of any program on any PEG access channel established herein, Watab Township shall require any Person who requests access (public, education, and government) to the System to provide written certification in a form and substance acceptable to Grantee and Watab Township which releases, indemnifies, and holds harmless Watab Township, Grantee and their respective employees, offices, agents, and assigns from any liability, cost, damages and expenses, including reasonable expenses for legal fees, arising or connected in any way with said program. It shall be the responsibility of Grantee to develop the necessary forms and to implement the provision of this Section 6.3b.

SECTION 7.

OPERATION AND ADMINISTRATION PROVISIONS

1.) Franchise Fee. The Watab Township hereby charges the Grantee a monthly franchise fee of three percent (3%) of Grantee's monthly Gross Revenues for cable services. The franchise fee does not apply to charges for labor or equipment. The payment shall be made monthly together with a brief report showing the basis for the computation.

2.) Access to Records. The Watab Township shall have the right to inspect, upon reasonable notice, at any time during normal business hours, those records maintained by Grantee which relate to System operations and to Gross Revenues, subject to the privacy provisions of 47 U.S.C. § 521 et seq.

SECTION 8.

GENERAL FINANCIAL AND INSURANCE PROVISIONS

1.) Indemnification of Watab Township.

(a) Watab Township, its officers, boards, committees, commissions, elected officials, employees and agents shall not be liable for any loss or damage to any real or personal property of any Person, or for any injury to or death of any Person, arising out of or in connection with the construction, operation, maintenance, repair or removal of, or other action or event with respect to the System.

(b) Grantee shall indemnify, defend, and hold harmless Watab Township, its officers, boards, committees, commissions, elected officials, employees and agents, from and against all liability, damages, and penalties which they may legally be required to pay as a result of the exercise of the franchise, except claims because of Watab Township's own programming.

(c) Nothing in this Franchise relieves a Person from liability arising out of the failure to exercise reasonable care to avoid injuring the Grantee's facilities while performing work connected with grading, regarding, or changing the line of a Street or public place or with the construction or reconstruction of a sewer or water system.

(d) In order for Watab Township to assert its rights to be indemnified, defended, and held harmless, Watab Township must with respect to each claim:

(1) Promptly notify Grantee in writing of any claim or legal proceeding which gives rise to such right;

(2) Afford Grantee the opportunity to participate in and fully control any compromise, settlement or other resolution or disposition of any claim or proceeding; and

(3) Fully cooperate with reasonable requests of Grantee, at Grantee's expense, in its participation in, and control, compromise, settlement or resolution or other disposition of such claim or proceeding subject to paragraph two (2) above.

2.) Insurance.

(a) As a part of the indemnification provided in Section 8.1, but without limiting the foregoing, Grantee shall file with its acceptance of this Franchise, and at all times thereafter maintain in full force and effect at its sole expense, a comprehensive general liability insurance policy, including contractual liability coverage, in protection of Watab Township in its capacity as such, its officers, elected officials, boards, commissions, agents and employees. The policy or policies shall name as additional insured Watab Township, and their capacity as such, their officers, agents and employees. The policies of insurance shall be in the sum of not less than One Million Dollars (\$1,000,000) for personal injury or death of any one Person, and Two Million Dollars (\$2,000,000) for personal injury or death of two or more Persons in any one occurrence, Three Hundred Thousand Dollars (\$300,000) for property damage to any one person and One Million Dollars (\$1,000,000) for property damage resulting from any one act or occurrence. These amounts shall be increased by 5% per year following discussion between Watab Township and Grantee if justified like increases in inflation in the State of Minnesota.

(b) The policy or policies of insurance shall be maintained by Grantee in full force and effect during the entire term of the Franchise. Each policy of insurance shall contain a statement on its face that the insurer will not cancel the policy or fail to renew the policy, whether for nonpayment of premium, or otherwise, and whether at the request of Grantee or for other reasons, except after thirty (30) days' advance written notice have been provided to Watab Township.

SECTION 9.

SALE, ABANDONMENT, TRANSFER AND REVOCATION OF FRANCHISE

1.) Watab Township's Right to Revoke.

(c) In addition to all other rights which Watab Township has pursuant to law or equity, Watab Township reserves the right to revoke, terminate or cancel this Franchise, and all rights and privileges pertaining thereto, if after the hearing required by 9.2B herein, it is determined that:

- (1) Grantee has violated any material provision of this Franchise; or
- (2) Grantee has attempted to evade any of the material provisions of the Franchise; or
- (3) Grantee has practiced fraud or deceit upon Watab Township or Subscriber.
- (4) Watab Township may revoke this Franchise without the hearing required by 9.2B herein if Grantee is adjudged a bankrupt.

2.) Procedures for Revocation.

(a) Watab Township shall provide Grantee with written notice of a cause for revocation and the intent to revoke and shall allow Grantee sixty (60) days subsequent to receipt of the notice in which to correct the violation or to provide adequate assurance of performance in compliance with the Franchise. Together with the notice required herein, Watab Township shall provide Grantee with written findings of fact which are the basis of the revocation.

(b) Grantee shall be provided the right to a public hearing affording due process before the Watab Township Supervisors prior to revocation, which public hearing shall follow the sixty (60) day notice provided in paragraph (A) above. Watab Township shall provide Grantee with written notice of its decision together with written findings of fact supplementing said decision.

(c) After the public hearing and upon written determination by Watab Township to revoke the Franchise, Grantee may appeal said decision with an appropriate state or federal court or agency.

(d) During the appeal period, the Franchise shall remain in full force and effect unless the term thereof sooner expires.

(e) Upon satisfactory correction by Grantee of the violation upon which said notice was given as determined in the Watab Township's sole discretion, the initial notice shall become void.

3.) Abandonment of Service. Grantee may not abandon the System or any portion thereof without having first given three (3) months written notice to Watab Township. Grantee may not abandon the System or any portion thereof without compensating Watab Township for damages resulting from the abandonment.

4.) Sale or Transfer of Franchise.

(a) No sale, transfer, or "fundamental corporate change", as defined in Minn. Stat. § 238.083, of this Franchise shall take place until the parties to the sale, transfer, or fundamental corporate change files a written request with Watab Township for its approval, provided, however, that said approval shall not be required where Grantee grants a security interest in its Franchise and assets to secure an indebtedness.

(b) Watab Township shall have thirty (30) days from the time of the request to reply in writing and indicate approval of the request or its determination that a public hearing is necessary due to potential adverse effect on Grantee's Subscribers resulting from the sale or transfer. Such approval or determination shall be expressed by Supervisors Resolution within thirty (30) days of receipt of said request, or the request shall be deemed approved as a matter of law.

(c) If a public hearing is deemed necessary pursuant to (B.) above, such hearing shall be commenced within thirty (30) days of such determination and

notice of any such hearing shall be given in accordance with local law or fourteen (14) days prior to the hearing by publishing notice thereof once in the Watab Township's "Official Newspaper." The notice shall contain the date, time and place of the hearing and shall briefly state the substance of the action to be considered by Watab Township. Said hearing may be continued only with Grantee's written consent.

(d) Within thirty (30) days after the closing of the public hearing, Watab Township shall approve or deny in writing the sale or transfer request. Watab Township shall set forth in writing with particularity its reason(s) for denying approval. Watab Township shall not unreasonably withhold its approval.

(e) The parties to the sale or transfer of the Franchise only, without the inclusion of the System in which substantial construction has commenced, shall establish that the sale or transfer of only the Franchise will be in the public interest.

(f) Any sale or transfer of stock in Grantee so as to create a new controlling interest in the System shall be subject to the requirements of this Section 9.4. The term "controlling interest" as used herein is not limited to majority stock ownership, but includes actual working control in whatever manner exercised.

(g) In no event shall a transfer or assignment of ownership or control be approved without the transferee becoming a signatory to this Franchise and assuming all rights and obligations thereunder, and assuming all other rights and obligations of the transferor to the Watab Township.

(h) In the event of any proposed sale or assignment pursuant to paragraph (A.) of this Section Watab Township shall have the right of first refusal of any bona fide offer to purchase the System. Bona fide offer, as used in this Section, means an offer received by the Grantee which it intends to accept subject to Watab Township's rights under this Section. This written offer must be conveyed to Watab Township along with the Grantee's written acceptance of the offer contingent upon the rights of Watab Township provided for in this Section.

Watab Township shall be deemed to have waived its rights under this Section in the following circumstances:

- (1) If it does not indicate to Grantee in writing, within 30 days of notice of a proposed sale or assignment, its intention to exercise its right of purchase; or
- (2) It approves the assignment or sale of the Franchise as provided within this Section.

SECTION 10.

PROTECTION OF INDIVIDUAL RIGHTS

1.) Discriminatory Practices Prohibited. Grantee shall not deny service, deny access, or otherwise discriminate against Subscribers or general citizens on the basis of race, color, religion, national origin, sex or age, however, they must be of legal age to enter into a contractual agreement. Grantee shall comply at all times with all other applicable federal, state, and Watab Township laws, and all executive and administrative orders relating to nondiscrimination.

2.) Subscriber Privacy.

(a) No signals including signals of a Class IV 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 (1) year which shall be renewed 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 Channel activity planned for the purpose of monitoring individual viewing patterns or practices.

(b) No information or data obtained by monitoring transmission of a signal from a Subscriber terminal, or any other means, including but not limited to lists of the names and addresses of such Subscribers or any lists that identify the viewing habits of Subscribers shall be sold or otherwise made available to any party other than to Grantee and its employees for internal business use, and also to the Subscriber subject of that information, unless Grantee has received specific written authorization from the Subscriber to make such data available.

(c) Written permission from the Subscriber shall not be required for the conducting of System wide or individually addressed electronic sweeps for the purpose of verifying System integrity or monitoring for the purpose of billing. Confidentiality of such information shall be subject to the provision set forth in paragraph (B.) of this Section.

SECTION 11.

UNAUTHORIZED CONNECTIONS AND MODIFICATIONS

I.) Unauthorized Connections or Modifications Prohibited. It shall be unlawful for any firm, Person, group, company, corporation, or governmental body or agency, without the express consent of the Grantee, to make or possess, or assist anybody in making or

possessing, any connection, extension, or division, whether physically, acoustically, inductively, electronically or otherwise, with or to any segment of the System .

2.) Removal or Destruction Prohibited. It shall be unlawful for any firm, Person, group, company, corporation, or government body or agency to willfully interfere, tamper, remove, obstruct, or damage, or assist thereof, any part or segment of the System for any purpose whatsoever .

3.) Penalty. Violation of this ordinance constitutes a misdemeanor. Any firm, Person, group, company, corporation or government body or agency found guilty of violating this section may be fined not less than Two Hundred Dollars (\$200.00) and the costs of the action nor more than One Thousand Dollars (\$1,000.00) and the costs of the action for each and every subsequent offense. Each continuing day of the violation shall be considered a separate occurrence.

SECTION 12.

MISCELLANEOUS PROVISIONS

1.) Franchise Renewal. Any renewal of this Franchise shall be done in accordance with applicable federal, state and local laws and regulations .

2.) Amendment of Franchise Ordinance. Grantee and Watab Township may agree, from time to time, to amend this Franchise. Such written amendments may be made subsequent to a review session pursuant to Section 12.7 or at any other time if Watab Township and Grantee agree that such an amendment will be in the public interest or if such an amendment is required due to changes in federal, state or local laws. Watab Township shall act pursuant to local law pertaining to the ordinance amendment process.

3.) Compliance with Federal, State and Local Laws.

(a) If any federal or state law or regulation shall require or permit Watab Township or Grantee to perform any service or act or shall prohibit Watab Township or Grantee from performing any service or act which may be in conflict with the terms of this Franchise, then as soon as possible following knowledge thereof, either party shall notify the other of the point in conflict believed to exist between such law or regulation. Grantee and Watab Township shall conform to state laws and rules regarding cable communications not later than one year after they become effective, unless otherwise stated, and to conform to federal laws and regulations regarding cable as they become effective.

(b) If any term, condition or provision of this Franchise or the application thereof to any Person or circumstance shall, to any extent, be held to be invalid or unenforceable, the remainder hereof and the application of such term, condition or provision to Persons or circumstances other than those as to whom it shall be held invalid or unenforceable shall not be affected thereby, and this Franchise and all the terms, provisions and conditions hereof shall, in all other respects, continue to

be effective and complied with provided the loss of the invalid or unenforceable clause does not substantially alter the agreement between the parties. In the event such law, rule or regulation is subsequently repealed, rescinded, amended or otherwise changed so that the provision which had been held invalid or modified is no longer in conflict with the law, rules and regulations then in effect, said provision shall thereupon return to full force and effect and shall thereafter be binding on Grantee and Watab Township.

4.) Nonenforcement by Watab Township. Grantee shall not be relieved of its obligations to comply with any of the provisions of this Franchise by reason of any failure or delay of Watab Township to enforce prompt compliance. Any waiver by Watab Township of a breach or violation of any provision of this Franchise shall not operate as or be construed to be a waiver of any subsequent breach or violation.

5.) Administration of Franchise. The Watab Township Administrator or other Watab Township designee shall have continuing regulatory jurisdiction and supervision over the System and the Grantee's operation under the Franchise. The Watab Township may issue such reasonable rules and regulations concerning the construction, operation and maintenance of the System as are consistent with the provisions of the Franchise and law.

6.) Rights Cumulative. All rights and remedies given to Watab Township by this Franchise shall be in addition to and cumulative with any and all other rights and remedies, existing or implied, now or hereafter available to Watab Township, at law or in equity, and such rights and remedies shall not be exclusive, but each and every right and remedy specifically given by this Franchise or otherwise existing or given may be exercised from time to time and as often and in such order as may be deemed expedient by Watab Township and the exercise of one or more rights or remedies shall not be deemed a waiver of the right to exercise at the same time or thereafter any other right or remedy.

7.) Grantee Acknowledgment of Validity of Franchise. Grantee acknowledges that it has had an opportunity to review the terms and conditions of this Franchise and that under current law Grantee believes that said terms and conditions are not unreasonable or arbitrary, and that Grantee believes Watab Township has the power to make the terms and conditions contained in this Franchise.

SECTION 13.

SPECIAL PROVISIONS

1.) A representative from Benton Cablevision will meet biennially (once every two years) with a representative of Watab Township, upon their request, to discuss mutual areas of interest, etc. (In making suggestions to Benton Cablevision, they will act in an advisory capacity only.)

SECTION 14.

PUBLICATION EFFECTIVE DATE; ACCEPTANCE AND EXHIBITS

1.) Publication; Effective Date. This Franchise shall be published in accordance with applicable Minnesota law. The effective date of this Franchise shall be the date of acceptance by Grantee in accordance with the provisions of Section 13.2.

2.) Acceptance.

(a) Grantee shall accept this Franchise in writing. Such acceptance by the Grantee shall be deemed the grant of this Franchise for all purposes.

(b) Upon acceptance of this Franchise, Grantee shall be bound by all the terms and conditions contained herein.

(c) Grantee shall accept this Franchise in the following manner:

(1) This Franchise will be properly executed and acknowledged by Grantee and delivered to Watab Township.

(2) With its acceptance, Grantee shall also deliver any performance bond and insurance certificates required herein that have not previously been delivered.

Passed and adopted this ____ day of _____, 2016.

ATTEST:

WATAB TOWNSHIP, MINNESOTA

By: _____

By: _____

Its: _____

Its: _____

ACCEPTED: This Franchise is accepted and we agree to be bound by its terms and conditions.

BENTON CABLEVISION, INC

Dated: _____

By: _____

Its: _____