

ORDINANCE # 210
CABLE T.V. FRANCHISE ORDINANCE
STOCKBRIDGE TOWNSHIP, MICHIGAN

THE TOWNSHIP OF STOCKBRIDGE ORDAINS:

An ordinance establishing a policy concerning cable communications; to establish franchise procedures and standards which encourage the growth and development of cable systems and assure that cable systems are responsive to the needs and interests of the township; to establish guidelines with respect to the regulation of cable systems; to assure that cable communications provide and are encouraged to provide the widest possible diversity of information sources and services to the public; to establish an orderly procedure to grant and renew franchises; to promote competition in cable communications and minimize unnecessary regulation that would impose an undue economic burden on cable systems; to regulate rates pursuant to the Federal Communications Act, to grant a franchise to MILLENNIUM DIGITAL MEDIA SYSTEM LLC, and to repeal all ordinances or parts of ordinances inconsistent with this ordinance.

Sec. 1. DEFINITIONS.

For the purpose of this Ordinance, the following terms, phrases, words and their derivations shall have the meanings given herein unless the context clearly indicates that a different meaning is intended. The word shall is always mandatory and not merely directory.

- 1) **"Affiliate"** when used in relation to any person, means another person, who owns or controls, is owned or controlled by, or is under common ownership or control with such person.
- 2) **"Basic Cable Service"** shall mean "Basic Service" as defined in the FCC Rules, and any other cable television service which is subject to rate regulation by the Township pursuant to the Act and FCC rules.
- 3) **"Board"** is the Board of Trustees of the Township of Stockbridge.
- 4) **"Cable Channel" or "Channel"** means a portion of the electromagnetic frequency spectrum which is used in a cable system and which is capable of delivering a television channel.
- 5) **"Cable Operator"** means any person or group of persons who provides cable service over a cable system and directly or through

one or more affiliates owns a significant interest in such cable system, or who otherwise controls or is responsible for, through any arrangement the management and operation of such a cable system.

6) **"Cable Service"** means the only transmission to subscribers of video programming, or other programming service and subscriber interaction, if any, which is required for the selection of such video programming or other programming service.

7) **"Cable System", "Community Antenna Television System", "CATV", "System"** shall mean 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 the Township, but does not include:

A) Exclusion - retransmission of TV signal. A facility that serves only to retransmit the television signal of one or more television broadcast stations.

B) Exclusion - multiple unit dwelling. A facility that serves only subscribers in one or more multiple unit dwellings under common ownership, control, or management, unless such facility or facilities use any public right-of-way.

C) Exclusion - common carrier. A facility of a common carrier being excluded by federal law from franchise regulation, except that such facility shall be considered a cable system to the extent such facility is used in the transmission of video programming directly to subscribers.

D) Exclusion - electric utility. Any facility of any electric utility used solely for operating its electric utility system.

8) **"Commercial Use"** means the provision of video programming, whether or not for profit.

9) **"Commercially Impracticable"** with respect to any requirement applicable to a cable operator, that it is commercially impracticable for the cable operator to comply with such requirement as a result of a change in conditions which is beyond the control of the cable operator and the nonoccurrence of which was a basic assumption on which the requirement was based.

10) **"FCC"** shall mean the Federal Communications Commission.

- 11) **"FCC Rules"** shall mean all rules of the FCC promulgated from time to time pursuant to the Act.
- 12) **"Franchise"** means an initial authorization, or renewal thereof, 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.
- 13) **"Franchise Expiration"** means the date of the expiration of the term of the franchise as provided under the franchise agreement.
- 14) **"Franchise Fee"** means the fee to be paid by a cable operator pursuant to this Ordinance and includes any tax, fee, or assessment or any kind imposed by the Township on a cable operator or cable subscriber, or both, solely because of their status as such. The term does not include:
- A) Any tax, fee, or assessment of general applicability (including any such tax, fee or assessment imposed on both utilities and cable operators or their service but not including a tax, fee, or assessment which is unduly discriminatory against cable operators or cable subscribers);
 - B) Capital costs which are required by the franchise to be incurred by the cable operator for public, educational, or governmental access facilities;
 - C) Requirements or charges incidental to the awarding or enforcing of the franchise, including payments for bonds, security funds, letters of credit, insurance, indemnification, penalties, or liquidated damages;
 - D) Any fee imposed under title 17, United States Code.
- 15) **"Franchising Authority"** means any governmental entity empowered by Federal, State or local law to grant a franchise.
- 16) **"Gross Revenues"** unless otherwise provided by Federal or State law, means the total revenues received by the cable operator from all cable services in the Township being subject to this Ordinance and includes all forms of consideration such as initial lump sum payments or connection charges, advertising and security services.
- 17) **"Other Programming Service"** means information that cable operator makes available to all subscribers generally.

18) **"Person"** means an individual, partnership, LLC, association, joint stock company, trust, corporation, or governmental entity.

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

20) **"Service Tier"** means a category of cable service or other services provided by a cable operator and for which a separate rate is charged by the cable operator.

21) **"State"** means the State of Michigan or political subdivision or agency thereof.

22) **"Street"** means streets, avenues, highways, boulevards, concourses, driveways, bridges, tunnels, parks, parkways, waterways, alleys, all other public rights of way, and public grounds or waters within or belonging to this Township being subject to this Ordinance.

23) **"Township"** is the Township of Stockbridge.

24) **"Video Programming"** means programming provided by, or generally considered comparable to programming provided by, a television broadcasting station.

Sec. 2. GENERAL FRANCHISE REQUIREMENTS.

1) **PURPOSES.** The purposes of this Ordinance are:

A) National Policy. Establish policies consistent with national policies concerning cable communications.

B) Growth, Development, Needs. Establish franchise procedures and which encourage the growth and development of cable systems and which assure that cable systems subject to this Ordinance are responsive to the needs and interests of the Township.

C) Regulation of Cable Systems. Establish guidelines for the exercise of Township authority with respect to the regulation of cable systems.

D) Diversity of Information and Services. Assure that cable communications subject to this Ordinance provide and are encouraged to provide the widest possible diversity of information sources and services to the public.

E) Renewals. Establish an orderly procedure for franchise renewal which protects cable operators against unfair denials of renewal where the operator's past performance and proposal for future performance meet the standards established by this Ordinance.

F) Competition, Unnecessary Regulation. Promote competition in cable communications and minimize unnecessary regulation that would impose an undue economic burden on cable systems.

G) Compensation. Require fair and reasonable compensation from franchisees on a competitively neutral and nondiscriminatory basis, for the use of the public rights of way and property on a nondiscriminatory basis and publicly disclosed. Compensation shall be an annual payment of three (3%) percent of gross revenues derived from services furnished within the Township, or such other amount determined by the Township Board, in addition to the payment of any Application or Renewal Fees.

2) FRANCHISE REQUIRED. A cable operator shall not provide cable service in the Township without a franchise granted pursuant to this Ordinance, except where a cable operator provides cable service to those areas in the Township which are within the boundary of a franchising authority other than the Township.

Sec. 3. GRANT TO MILLENNIUM DIGITAL MEDIA SYSTEM LLC.

The Township of Stockbridge, Ingham County, Michigan, hereby grants to the MILLENNIUM DIGITAL MEDIA SYSTEM LLC, a Delaware LLC, its successors and assigns, hereinafter called the "Franchisee," the right, power and authority to maintain, operate and commercially use electric lines over the towers, masts, poles, crossarms, guys, braces, feeders, transmission and distribution wires, transformers, and other electrical appliances of Detroit Edison Company, Consumers Power Company, and other utilities, previously franchised by the Township of Stockbridge, and on, along, across and under the highways, streets, alleys, bridges and other public places, and to do a local cable T.V. business in the Township of Stockbridge, Ingham County, Michigan, for a period of fifteen (15) years, subject to the payment of the Application Fee, payment of compensation for use of the public rights of way, compliance with this Ordinance, and the execution of a franchise agreement pursuant to this Ordinance.

Sec. 4. CONSIDERATION.

In consideration of the rights, power and authority hereby granted, said Franchisee shall faithfully performs all things required by the terms hereof.

Sec. 5. CONDITIONS.

Any right to construct or erect new structures, towers, poles, or lines granted to Franchisee, are the conditions of this Ordinance and any subsequently imposed conditions shall be performed. These conditions shall include the following:

A) Safety, Appearance. The safety, functioning and appearance of the property and the convenience and safety of other persons shall not be adversely affected by the installation, maintenance, or construction of facilities necessary for a cable system.

B) Distribution of Expense. The cost of the installation, construction, operation, maintenance, or removal of such facilities shall be borne by Franchisee or subscriber, or a combination of both.

C) Just Compensation. The owner of the property shall be justly compensated by Franchisee for any damages caused by the installation, construction, operation, maintenance, or removal of such by Franchisee.

D) Minimum Interference. All transmission and distribution structures, lines, and equipment erected by Franchisee, within the Township, shall be so located as to cause minimum interference with the proper use of streets, alleys, and other public ways and public places, and to cause minimum interference with the rights and reasonable convenience of property owners who adjoin any of the said streets, alleys, or public ways and public places.

E) Damage to Public Property. In case of disturbances of any street, sidewalk, alley, public way, or paved area, Franchisee shall, at its own cost and in a manner approved by the Township Board or its representative(s), replace and restore such street, sidewalk, alley, public way or paved area in as good a condition as existed before such disturbance.

F) Relocation of Equipment and Materials. If at any time during the period of a franchise granted pursuant to this Ordinance, the Township shall lawfully elect to alter or change the grade of any street, sidewalk, alley, or other public way, Franchisee, upon reasonable notice by the Township, shall remove or relocate its poles, towers, lines, wires, cables, conduits, manholes, and other fixtures at its own expense, whether above ground or underground.

G) Interference with Travel. Any poles or other fixtures placed in any public way by Franchisee shall be placed in such a manner so as not to endanger persons or property and so as not to interfere with the usual travel on such public way.

H) Engineering Standards & Specifications. All of Franchisee's structures and equipment, including but not limited to the distribution system, towers, house connections, structures, poles, lines, wires, cables, fixtures, and appurtenances shall be installed, located, erected, constructed, reconstructed, replaced, removed, repaired, maintained, and operated in accordance with good engineering practices and meet all relevant specifications of Federal, State and local law. All plans must be reviewed and approved by the Township Board or its designee in accordance with the above standards.

I) Rights of Permit Holders. Franchisee shall, at the request of any private party holding an appropriate permit issued by the Township, temporarily raise or lower its lines to permit the moving of any building or other structure, and the actual expense of such shall be paid by the party so requesting. Franchisee may require that such expense be paid before its raising or lowering its lines.

J) Franchise Subject to Police Power. Franchisee shall, at all times during the period of a franchise granted hereunder, be subject to all lawful exercise of the police power of the Township and to such reasonable regulations as the Township shall hereinafter provide. Such regulations may include prohibiting Franchisee's use of the Township roads, public places, streets or alleys for the installation of additional towers, conduits, poles or lines, and may include regulations requiring, future transmission systems to be installed and maintained underground. The police power may be exercised through amendment of this Ordinance as well as through enactment of separate ordinances and regulations. Unless provided for in a franchise granted pursuant to this Ordinance, such amendments, enactments, and regulations may be adopted without consultation with Franchisee.

K) Supervision, Inspection. The Township shall have the right to supervise all construction or installation work performed subject to the provisions of the franchise and make such inspections as it shall find necessary to insure compliance with the terms of the franchise and all other pertinent provisions of law. At the expiration of the franchise or upon its termination or cancellation, as provided for herein, the Township shall have the right to require Franchisee to remove at its own expense all portions of the cable system from all public streets, alleys, ways, and areas within the Township.

L) Security. Financial guarantees in the form of an irrevocable bank letter of credit or security deposit shall be furnished the Township prior to commencement of construction or erection of any

structure, tower, line or pole in the public rights of way, streets, alleys or places in order to insure construction and removal. The irrevocable bank letter of credit or security deposit shall be in the amount determined by the Township Board. The Township Board is authorized to withdraw funds from the security deposit to reimburse the Township for the costs of road and street maintenance and repair caused or contributed to the utility construction, repair or removal or the failure to construct, repair, remove or maintain as required hereunder from time to time. The release of the irrevocable bank letter of credit or security deposit or any portion thereof shall require Township Board approval.

Sec. 6. HOLD HARMLESS.

Said Franchisee shall at all times keep and save the Township free and harmless from all loss, costs and expense to which it may be subject by reason of the negligent construction and maintenance of the structures and equipment hereby authorized. In case any action is commenced against the Township on account of the permission herein granted, said Franchisee shall, upon notice, defend the Township and save it free and harmless from all loss, cost and damage arising out of such negligent construction and maintenance. The cable operator shall, at all times during the term of a franchise granted pursuant to this Ordinance, carry and require their contractors to carry:

A) Insurance in such forms and in such companies as shall be approved by the Township, such approval not to be unreasonably withheld, to protect the Township and cable operator from and against any and all claims, injury or damage to persons or property, both real and personal, caused by the construction, erection, operation and maintenance of any structure, equipment, or appliance.

B) Workers Compensation Insurance as required by the laws of the State of Michigan, as amended.

C) All of said insurance shall provide a thirty (30) day notice to the Township Clerk in the event of material alteration or cancellation of any coverage afforded in said policies prior to the date said material alteration or cancellation shall become effective.

D) Copies of all policies required hereunder shall be furnished to and filed with the Township Clerk prior to the commencement of the franchise agreement or the expiration of prior policies, as the case may be.

Sec. 7. FRANCHISE NOT EXCLUSIVE.

Franchises granted pursuant to this Ordinance shall be nonexclusive and shall not affect the right of the Township to grant to any other cable operator a franchise to occupy and use the streets or any part thereof for the construction, operation, and maintenance of a cable service within the Township. The cable operator shall not take a legal position contesting the Board's right to authorize such use of the streets or any part thereto; provided, however, the Board shall give an existing franchise cable operator no less than two (2) weeks notice of the date of hearing on an application for a franchise and provide such cable operator an opportunity to appear and be heard before the Board, prior to the Board's acting on said application.

Sec. 8. PROTECTION OF SUBSCRIBERS:

A) DISCRIMINATION, HEARING IMPAIRED. The Township has the authority to prohibit the cable operator from discriminating among customers of the basic cable service. The Township may require and regulate the installation or rental of equipment which facilitates the reception of basic cable service by hearing impaired individuals.

B) PROTECTION OF SUBSCRIBER PRIVACY. The Township may adopt such rules, regulations or ordinances for the protection of subscriber privacy as is consistent with Federal and State law.

C) OBSCENE OR INDECENT PROGRAMMING. Nothing in this Ordinance shall be construed as prohibiting the Board and a cable operator from specifying, in a franchise agreement or renewal thereof, that certain cable service shall not be provided or shall be provided subject to conditions if such cable service is obscene or is in conflict with community standards in that it is lewd, lascivious, filthy, or indecent or is otherwise unprotected by the Constitution of the United States.

A) Device, Prohibit Viewing. In order to restrict the viewing of programming which is obscene or indecent, upon the request of a subscriber, a cable operator shall provide (by sale or lease) a device by which the subscriber can prohibit viewing of a particular cable service during periods selected by that subscriber.

Sec. 9. FUTURE GRANTS OF FRANCHISES.

1) FRANCHISE AGREEMENT. The Board by resolution may grant a nonexclusive franchise by approving the terms of a franchise agreement.

2) APPLICATION. A person making application for a non-exclusive franchise shall provide the following information: name, address and

telephone number of the applicant; if a corporation, copy of Articles of Incorporation, By-Laws, certificate of incorporation, and/or certificate to transact business in Michigan, list of major shareholders, affiliates and corporate officers; if a partnership or LLC, Articles of Incorporation, name, addresses of partners, copy of certificate of partnership; if other than a corporation or partnership, name and address of owner(s), copy of any agreement between the owners, copy of certification of doing business as filed with the Ingham County Clerk; map of area to be serviced by the cable system and construction schedule; projected capital costs, revenues and operating expenses; technical performance standards; list of all franchise authorities (including their addresses and telephone numbers) in which the applicant, or its or their affiliate(s) has provided cable service within three (3) years of the date of the application; map of service area showing location of all facilities; equipment and poles to be utilized by the applicant; statement setting forth the applicant's proposal for public, educational, and governmental access; financial statement prepared by a Certified Public Accountant stating the financial condition and net worth of the applicant; and such other and further information as requested by the Board.

3. **TERM OF FRANCHISE.** The term of the franchise shall be specified in the franchise agreement, but in no event shall the period exceed thirty (30) years. The franchise shall commence upon the date in which the cable operator meets the requirements of subparagraphs A, B, and C below. In the event said conditions are not met within thirty (30) days from the date of the resolution approving the franchise agreement, the franchise agreement will be null, void and of no effect.

A) Unconditional Acceptance. A duly authorized representative of the owner of the cable system shall ratify the franchise agreement and file with the Township Clerk its unconditional acceptance of the terms, provisions, and conditions of the franchise as approved by the Board and agree to comply and abide by all its provisions, terms and conditions. Such acceptance shall be in writing and sworn to before a Notary Public or other officer authorized by law to administer oaths.

B) Proof of Insurance, Bond. The cable operator shall file with the Township Clerk copies of all policies provided for in this Ordinance, which shall be approved by the Township Attorney.

C) Payment of Application Fee and Compensation for use of Rights of Way. Payment in full of the Application Fee and Compensation for use of Rights of Way as provided herein.

4) APPLICATION FEE. The Board shall establish a non-refundable application fee which fee shall be the expenses incurred by the Township for processing the application, to include publication and notice requirements and attorney fees. The Board may require the application fee to be paid prior to the Board acting on the resolution to approve the franchise agreement.

5) COMPENSATION FOR USE OF RIGHTS OF WAY. As a condition of the granting of the Franchise, the Board and the Franchisee shall enter into a written agreement for the payment of fair and reasonable compensation for the use of highways, streets, public roads, and public places outside of the incorporated limits of the Village of Stockbridge.

6) CONDITIONS PRECEDENT TO GRANT OF FRANCHISE. No franchise shall be issued by the Board to any applicant until:

A) Complaint Procedure. Procedures have been adopted by the applicant and the Board for the investigation and resolving of all complaints regarding the operation of the cable service.

B) Business Office Hours. The applicant shall establish and maintain either a regular business office, or a twenty-four (24) hour, seven day-a-week toll-free telephone number to receive subscriber complaints.

C) Notice to Subscribers. The franchise shall provide that the application shall give notice to subscribers at the time of the initial subscription of the procedure for reporting and resolving complaints.

7) EFFECT OF NON-SERVICE AREA. In considering an application or renewal thereof, the Board shall consider the effect which the proposed franchise may have on the economic feasibility of providing cable service to areas within the Township not currently receiving cable service.

Sec. 10. RENEWAL OF FRANCHISE.

1) PRE-PROPOSAL PROCEDURE. During the six (6) month period which begins with the 36th month before the franchise expiration, the Township may, on its own initiative and shall at the request of the cable operator, including MILLENNIUM DIGITAL MEDIA SYSTEM LLC, commence proceedings which afford the public in the Township appropriate notice and participation for the purpose of identifying the future cable-related community needs and interests and reviewing the performance of the cable operator under the franchise during the then current franchise terms. Upon completion of these proceedings, the cable operator seeking renewal of the franchise may, on its own initiative or at the request of the Township, submit a proposal for renewal.

2) INFORMATION REQUIRED. Any such proposal shall contain such material as the Township may require, including proposals for an upgrade of the cable system. The Township may establish a date by which such proposal shall be submitted.

3) RENEWAL FEE. The Board by resolution shall establish a renewal fee which shall be the reasonable expenses incurred by the Township for processing a renewal of a franchise, to include notice expenses and attorney fees.

Sec. 11. TRANSFER OR CHANGE OF CONTROL OF FRANCHISE.

1) TRANSFERABILITY. Except with the express approval of the Board, and as provided herein, a franchise granted pursuant to this Ordinance is nontransferable by the holder of the franchise to any other person or group of persons acting in concert, none of whom already own or control an interest in the cable operator. Such approval shall not unduly be withheld.

2) TRANSFERS LESS THAN 25 PERCENT OF OWNERSHIP OR CONTROL. A franchise issued pursuant to this Ordinance shall not require Township approval when ownership or control of less than twenty-five (25%) percent of the right of control or ownership in the cable system is acquired by a person or group of persons acting in concert, none of whom already own or control twenty-five (25%) percent of the right of control or ownership, singularly or collectively. Any transfer, singularly or in the aggregate of more than a twenty-five (25%) percent of the right of control or ownership interest, without Township approval, shall be deemed a substantial breach of the franchise agreement and grounds for revocation pursuant to this Ordinance. The cable operator shall file annually with the Township Clerk not later than ninety (90) days after the cable operator's fiscal year a complete list of the names of persons having a twenty-five (25%) percent or greater ownership interest in the cable system.

3) PROCEDURE. Prior to the Board acting upon a request to transfer control or ownership, the Board shall obtain from the transferor and transferee such information and documents as is necessary or beneficial to determine that the transferee has the legal, technical and financial ability to fulfill the terms of the franchise, that the transferee has such bonds and insurance as provided for in this Ordinance, that the transferor accounts for all fees due the Township, and that the interests of the public shall not be adversely affected by such transfer. The Board, prior to acting upon a request to transfer in a newspaper of general circulation in the Township, shall publish a notice stating the date time and place of a Public

Hearing at which an opportunity shall be provided for interested persons to address the Board.

4) RECEIVERSHIP; FORECLOSURE; BANKRUPTCY. A franchise granted pursuant to this Ordinance shall, at the option of the Township, cease and terminate one hundred and twenty (120) days after the appointment of a receiver or receivers or trustee(s) to take over and conduct bankruptcy or other action or proceeding, unless such receivership or trusteeship, shall have been vacated prior to the expiration of said one hundred twenty (120) days.

5) TRANSFER FEE. The Board by resolution shall establish a transfer fee which shall be the reasonable expenses incurred by the Township for processing a transfer of a franchise, to include notice expenses and attorney fees.

Sec. 12. MODIFICATION OF FRANCHISE.

1) MODIFICATION OF FRANCHISE REQUIREMENTS. During the period of a franchise, the cable operator may obtain from the Township modifications of requirements in such franchise.

A) Facilities, Equipment. In the case of any such requirement for facilities or equipment, including public, educational, or governmental access facilities or equipment, if the cable operator demonstrates that it is commercially impracticable for the operator to comply with such requirement, and the proposal by the cable operator for modification of such requirement is appropriate because of commercial impracticability.

B) Service. In the case of any such requirement for service, if the cable operator demonstrates that the mix, quality, and level of services required by the franchise at the time it was granted will be maintained after such modification.

2) PUBLIC PROCEEDING. Any final decision by the Township under Section 7 shall be made in a public proceeding. Such decision shall be made within 120 days after receipt of such request by the Township, unless such 120-day period is extended by mutual agreement of the cable operator and this Township.

3) MODIFICATION WITHOUT TOWNSHIP APPROVAL. Notwithstanding subsection 1 above, a cable operator may, upon 30 days advance notice to the Township, rearrange, replace, or remove a particular cable service required by the franchise if:

A) Availability. Such service is no longer available to the cable operator; or

B) Royalty. Such service is available to the cable operator only upon the payment of a royalty required under Section 801(b)(2) of title 17, United States Code, which the cable operator can document is substantially in excess of the amount of such payment required on the date of the cable operator's offer to provide such service, and has not been specifically compensated through a rate increase or other adjustment.

4) SERVICE EXCEPTION. A cable operator may take such actions to rearrange a particular service from one service tier to another or otherwise offer the service, if the rates for all of the service tiers involved in such actions are not subject to regulation under Section 10 of this Ordinance.

5) PUBLIC, EDUCATIONAL, GOVERNMENTAL ACCESS. A cable operator may not obtain modification under this Section of any requirement for services relating to public, educational or governmental access.

6) NEW TECHNOLOGIC DEVELOPMENTS. It shall be the policy of the Township to liberally amend a franchise granted pursuant to this Ordinance upon application of the cable operator or the Township, whenever necessary to enable the cable operator or the township to take advantage of any developments in the field of transmission of television and radio signals which will afford it an opportunity to more effectively, efficiently, or economically serve its customers; provided, however, that this Section shall not be construed to require the Township to make any amendment or to prohibit it from unilaterally changing its policies as stated herein.

Sec. 13. REVOCATION OF FRANCHISE.

1) GROUNDS FOR REVOCATION. A franchise granted hereunder shall be subject to the right of the Township by resolution of a majority of the Board to revoke the franchise based on the following:

A) Breach of Franchise. The cable operator has substantially failed to comply with the material terms of the existing franchise.

B) Violation of Law. The cable operator has substantially failed to comply with applicable law, including, but not limited to, this Ordinance.

C) Community Needs. The quality of the cable operator's service, including signal quality, response to consumer complaints, and

billing practices, but without regard to the mix, quality, or level of cable services or other services provided over the system, has not been reasonable in light of community needs.

D) Inability to Provide Service. The cable operator has demonstrated the financial, legal, or technical inability to provide the services, facilities, or equipment as set forth in the franchise agreement.

E) Change In Community Needs. A substantial change in the needs or interests of the Township has occurred since the granting of the franchise, which needs or interests the cable operator, taking into account the cost of meeting such needs or interests, has the ability to provide but refuses or neglects to so provide.

2) NOTICE TO CORRECT. Upon a determination by the Board that grounds for revocation exist, the Township Clerk shall send notice to the cable operator's business address and, if a corporation, its resident agent, setting forth one or more of the grounds provided in A through E above with sufficient specificity to inform the cable operator of the nature of the grounds such as to provide the cable operator an opportunity to correct such infraction. The Board shall provide the cable operator a reasonable opportunity to correct such deficiency.

3) ADMINISTRATIVE PROCEEDING. In the event the deficiency is not corrected, as provided in subsection 2 above, the Township shall commence an administrative proceeding after providing prompt public notice of such proceeding.

4) NOTICE, FAIR HEARING. In any proceeding, the cable operator shall be afforded adequate notice and right to introduce evidence, to require the production of evidence, and to question with a transcript shall be made of any such proceeding. At the completion of a proceeding under this subsection, the Township shall issue a written decision stating whether the franchise is revoked based upon the record of such proceeding and transmit a copy of such decision to the cable operator. Such decision shall state the reasons therefor. A revocation shall be based on one or more adverse findings made with respect to the factors described in subparagraphs A through E above, pursuant to the record of the proceedings under this subsection.

5) CONDITIONS OF SALE. If the franchise is revoked for cause and the Township acquires ownership of the cable system or effects a transfer of ownership of the system to another person, any such acquisition or transfer shall be at an equitable price.

6) PROPRIETARY INFORMATION. If this Ordinance, any rules or regulations adopted by the Township or any request for information requires the production of proprietary information, the cable operator shall produce the information unless permitted by

applicable law (which includes the FCC Rules) to withhold it. However, at the time the allegedly proprietary information is submitted, a cable operator may request that specific, identified portions of its response be treated as confidential and withheld from public disclosure. The request must state the reason why the information should be treated as proprietary and the facts that support those reasons. The request for confidentiality will be granted if the Township determines that the preponderance of the evidence shows that non-disclosure is consistent with the provisions of the Freedom of Information Act, 5 V.S.C. § 552. The Township shall place in a public file for inspection by decision that results in information being withheld. If the cable operator requests confidentiality and the request is denied, (1) where the cable operator is proposing a rate increase, it may withdraw the proposal, in which case the allegedly proprietary information will be returned to it; or (2) the cable operator may seek review within five (5) working days of the denial in any appropriate forum. Release of the information will be stayed pending review.

a) Any interested party may file a request to inspect material withheld as proprietary with the Township. The Township shall weigh the policy considerations favoring non-disclosure against the reasons cited for permitting inspection in light of the facts of the particular case. It will then promptly notify the requesting entity and the cable operator that submitted the information as to the disposition of the request. It may grant, deny or condition a request. The requesting party of the cable operator may seek review of the decision by filing an appeal with any appropriate forum. Disclosure will be stayed pending resolution of any appeal.

b) The procedures set forth in this section shall be construed to make them as analogous to and consistent with the rules of the FCC regarding requests for confidentiality including, without limitation, 47 CFR § 0.459.

Sec. 14. CABLE CHANNELS FOR PUBUC, EDUCATIONAL OR GOVERNMENTAL USE.

1) TOWNSHIP'S AUTHORITY. The Board may establish requirements in a franchise agreement with respect to the designation or use of channel capacity of public, educational or governmental use. The Board may request as part of the cable operator's initial proposal for a franchise and may require as part of a cable operator's proposal for a franchise renewal, that channel capacity be designated for public, educational or governmental use and channel capacity on institutional networks be designated for educational or governmental use, and may require rules and procedures for the use of the channel capacity designated pursuant to this subsection.

2) ENFORCEMENT. The Township may enforce any requirement in this Ordinance, or franchise granted pursuant to this Ordinance,

regarding the providing or use of such channel capacity, Such enforcement authority includes the authority to enforce any provisions of the franchise agreement for services, facilities or equipment proposed by the cable operator which relate to public, educational or governmental use of channel capacity, whether or not required by the Township.

3) RULES AND PROCEDURES. In the case of any franchise agreement under which channel capacity is designated, the Township shall prescribe (i) rules and procedures under which the cable operator is permitted to use such channel capacity for the provision of other services if such channel capacity is not being used for the purposes designated, and (ii) rules and procedures under which such permitted use shall cease.

4) EDITORIAL CONTROL. A cable operator shall not exercise any editorial control over any public, educational or governmental use of channel capacity provided pursuant to this Section.

5) PUBLIC SERVICE INSTALLATIONS. The cable operator shall, without charge for installation, maintenance or service, make single installations of its standard community antenna service, facilities at each fire and police station, Township Hall, public school and public library, provided it is not more than two hundred (200) feet from the service facilities of the cable system.

Sec. 15. CONSTRUCTION, ERECTION, AND COMMON USE OF POLES

1) CONSTRUCTION AND INSTALIATION OF SYSTEM. Subject to the provisions and restrictions of the franchise, this Ordinance, and Federal and State law, the cable operator shall have the right 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 the Township, poles, wires, cables, underground conduits, manholes, and other conductors and fixtures necessary for the maintenance and operation of a CATV system in the Township; and to lease, rent, or in any other lawful manner, obtain the use of towers, poles, lines, cables, and other equipment and facilities from any and all holders of public licenses and franchises within the limits of the Township, including, but not limited to, Detroit Edison Company and Consumers Power Company, Altel Telephone Company, Ameriteck Telephone Company, and to use same on such terms as agreed upon subject to all existing and future ordinances of the Township. The poles used for the cable operator's distribution system shall be those erected and maintained by other utilities when and where

applicable, providing mutually satisfactory rental arrangements can be entered into with said companies.

2) ERECTION, REMOVAL, AND COMMON USE OF POLES. No poles or other wire holding structures shall be erected by the cable operator without prior approval of the Township with regard to location, height, type, and other pertinent aspect. It is the policy of the Township to require co-location of utilities to the extent commercially feasible. However, no location of any pole or wire holding structure of a cable operator at its expense whenever the Township determines that the public convenience would be enhanced thereby. Where poles or other wire holding structures already in existence for the use in serving the Township are available for use by the cable operator, but it does not make arrangements for such use, the Township may require the cable operator to use such poles and structures if the Township determines that the public convenience would be enhanced thereby and the terms of the use available to the operator are just and reasonable. Where the Township or a public utility serving the Township desires to make use of the poles or other wire holding structures of the cable operator, but agreement therefor with the cable operator cannot be reached, the Township may require the cable operator to permit such use for such consideration and upon such terms as the Township Board shall determine to be just and reasonable, if the Township Board determines that the use would enhance the public convenience and would not unduly interfere with the cable operator's operation.

3) UNDERGROUND LOCATIONS. In those areas of the Township where transmission or distribution facilities of both the current public utility providing telephone service and the utility providing electric service are underground or hereafter may be placed underground, then the cable operator shall likewise construct operate and maintain all of its transmission and distribution facilities underground to the maximum extent that then existing technology permits, and in conformance with the then existing National Safety Codes, The Bureau of Standards Handbook and Telephone Systems Practices governing joint attachments and practices, as well as in conformance with all applicable state and local ordinances and codes. If and when necessary amplifiers and/or transformers in the cable operator's transmission and distribution lines may be appropriate housings upon the surface of the ground. Said housings and the location and construction of all work required by or pursuant to this Ordinance shall be approved in advance by the Township.

4) CONSRUCTION, TOWNSHIP APPROVAL. Prior to the commencement of construction, the cable operator shall obtain the Township's approval, which shall not be unreasonably withheld. The cable operator where practicable shall utilize existing poles in the Township. It is the stated intention of the Township that all holders

of public franchises and rights within the corporate limits of the Township will cooperate with the cable operator's usage of their poles and pole line facilities whenever possible so that the number of new or additional pole line facilities installed within the Township may be minimized.

Sec. 16. REMOVAL OF CATV SYSTEMS. At the expiration of the term of a franchise granted pursuant to this Ordinance or upon the termination and cancellation as provided therein, the Township shall have the right to require the cable operator to remove at its own expense any and all visible portions of the Cable System from the public ways within the Township.

A) SURETY. Every cable operator, shall, within thirty (30) days of the grant of franchise to it pursuant to *this* Ordinance file with the Township, and at all times thereafter maintain in full force and effect for the term of the franchise, at the cable operator's expense, a corporate surety bond, or letter of credit, or such other surety arrangement as the Board may approve, in such amount as the Township Board shall determine as necessary to remove the CATV Systems at the expiration of the term of a franchise, but not less than Two Thousand (\$2,000.00) Dollars for the first (50) fifty customers of the system in the unincorporated portions of the Township, and One Thousand (\$1,000.00) Dollars for each fifty (50) customers thereafter in the unincorporated portions of the Township, conditioned upon the faithful performance by such cable operator of it's obligations under any franchise granted under *this* Ordinance, and upon the further condition that if such cable operator shall fail to comply with any provision of this Ordinance. There shall be recovery from such surety of any damages or loss suffered by the Township as a result thereof, including the full amount of the cost of removal of any property of such cable operator as provided in this Ordinance plus attorney's fees and costs, up to the full amount of the surety, said condition to be a continuing obligation for the duration of any franchise granted under this Ordinance and any renewal thereof and thereafter until such cable operator has liquidated all of it's obligations with the Township which may have arisen under the franchise or from the exercise of any privilege or right granted thereby. Any surety provided under this section shall provide that at least thirty (30) days prior notice of any intention not to renew, to cancel or to make a material change therein shall be filed with the Township. Nothing herein shall be construed to excuse faithful performance by any cable communications company or in any way to limits it's liability for damages or otherwise.

Sec. 17. MAPS, PIATS, AND REPORTS.

INSPECTION OF RECORDS. The Township or its authorized designee shall have full and complete access to the cable operator's records and books relating to the cable system and such other cable systems which transmit from the headend(s) which transmit to the Township, or such cable systems which have access to the public, educational or governmental channels utilized by the Township. Such records to include the cable operator's plans, contracts, engineering, accounting, financial, statistical, customer and service records, reports to stockholders, Affiliates, partners and owners of the cable systems, agreements and franchises with other franchising authorities having access to the public, educational or governmental channels utilized by the Township or transmitting from the headend(s) which transmits to the Township. Such inspections shall be conducted at the business office of the cable operator during business hours or at such other place and time as is mutually agreed to by the Township and cable operator. The Township shall have the right to audit any and all amounts paid pursuant to this Ordinance or a franchise granted pursuant to this Ordinance.

Sec. 18. RIGHTS RESERVED TO THE TOWNSHIP.

1) FRANCHISE SUBJECT TO POLICE POWER. The cable operator shall, at all times during the period of a franchise granted hereunder, be subject to all lawful exercise of the policy power of the Township and to such reasonable regulations as the Township shall hereinafter provided. Such regulations may include prohibiting the cable operator's use of the Township streets or alleys for the installation of additional poles or underground cable, and may include regulations requiring, the transmission systems to be installed and maintained underground. The police power may be exercised through amendment of this Ordinance as well as through enactment of separate ordinances and regulations. Unless provided for in a franchise granted pursuant to this Ordinance, such amendments, enactments, and regulations may be adopted without consultation with the cable operator.

2) POLICY OR FIRE ALARM SYSTEM. The Township shall have the right to install and maintain free of charge upon the poles and cables of the cable operator any wire and pole fixtures necessary for a police or fire alarm system, on the condition that such wire or pole fixtures do not interfere with the cable communications operations of the cable operator and that such installations shall be installed in a safe manner in conformance with State and Township regulations.

3) SUPERVISION, INSPECTION. The Township shall have the right to supervise all construction or installation work performed subject to the provisions of the franchise and make such inspections as it shall find necessary to insure compliance with the terms of the

franchise and all other pertinent provisions of law, At the expiration of the franchise or upon its termination or cancellation, as provided for herein, the Township shall have the right to require the cable operator to remove at its own expense all portions of the cable communications system from all public streets, alleys, ways, and areas within the Township.

Sec. 19. MISCELLANEOUS PROVISIONS.

1) TIME OF THE ESSENCE IN THIS FRANCHISE. The cable operator shall not be relieved of its obligation to comply promptly with any of the provisions of this Ordinance or franchise granted pursuant to this Ordinance by any failure of the Township to enforce prompt compliance.

2) RECOURSE OF CABLE OPERATOR AGAINST TOWNSHIP. The cable operator shall have no recourse whatsoever against the Township or its officers, boards, commissions, agents or employees for any loss, cost, expense or damage arising out of any provisions or requirement of this Ordinance or because of its enforcement.

3) EMERGENCY USE OF FACILITIES. In the case of emergency or disaster, the cable operator shall, upon request of the Township of its designated agent, make available its facilities to the Township for emergency use for the duration of such emergency or disaster. The cable system will be engineered to provide an audio alert system. This cable system would allow certain authorized officials to automatically override the "audio" signal of all channels and transmit and report emergency information. In the event of any such use by the Township, the Township will hold harmless and indemnify the cable operator from any damages or penalties resulting from the use of this service.

4) TOWNSHIP RIGHT TO INTERVENTION. A cable operator who is granted a franchise pursuant to this Ordinance agrees to not oppose intervention by the Township in any suit or proceeding to which the cable operator is a party.

5) TOWNSHIP ENFORCEMENT EXPENSE. A cable operator who is granted a franchise pursuant to this Ordinance agrees to pay to the Township its actual cost incurred to enforce the provisions of this Ordinance, to include without limitation proceedings pursuant to Section 8 of this Ordinance, or the terms of a franchise agreement granted pursuant to this Ordinance. Such costs to include, but not by way of limitation, filing fees, discovery expenses, expert witness fees, attorney fees, expenses incurred to enforce a judgment or incurred on appeal.

6) CAPTIONS. Captions or headings to sections or subsections thereof are intended to provide ready access to this Ordinance and shall not be construed in any manner to interpret the content of any section or subsection thereof.

7) VALIDITY OF ORDINANCE; SECTIONS NOT INVALIDATED. If any section, subsection, subparagraph, sentence, clause, phrase, or portion of this Ordinance is for any reason held invalid or unconstitutional by any court of 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.

8) TERM OF ORDINANCE; APPLICATION TO SUBSEQUENT CABLE OPERATORS. This Ordinance does not cease to be effective upon the expiration date of a franchise agreement or change in the identity of the cable operator.

9) EFFECTIVE DATE; PUBUCATION. This Ordinance shall be published as provided by law and shall be recorded in the Ordinance Book of the Township and such recording authenticated by the signatures of the Supervisor and the Township Clerk.

This ordinance shall take effect upon the day after the date of publication thereof, provided, it shall cease and be of no effect after thirty days from its adoption unless within said period the Franchisee shall accept the same in writing filed with the Township Clerk. Upon acceptance and publication hereof, this ordinance shall constitute a contract between said Township and said Franchisee.

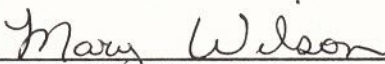
NOTICE OF ORDINANCE ADOPTION

PLEASE TAKE NOTICE that the above Ordinance was adopted by the Stockbridge Township Board on April 19, 1999.

The above is the full text of the Ordinance.

The effective date is May 5, 1999.

A copy of the Ordinance may be purchased or inspected at the Stockbridge Township Hall, South Clinton Street, Stockbridge, Michigan, during regular business hours by appointment with the Clerk, Phone: 1.517.851.7530.



MARY WILSON, clerk

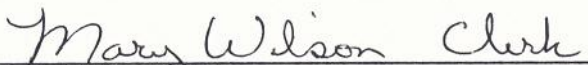
Dated: April 19, 1999.

STATE OF MICHIGAN)
COUNTY OF INGHAM) "

I, MARY Wilson, Stockbridge Township Clerk, do hereby certify that the within Ordinance was adopted by the Stockbridge Township Board at a regular meeting held on the 19th day of April, 1999, by the following roll call vote:

AYES - 5- Allen, Curtis, Fay, R Wilson & M Wilson

NAYS - 0-



Mary Wilson, Stockbridge Township Clerk

Prepared by:

KEUSCH AND FLINTOFT, P .C. Attorneys at Law

BY: PETER C. FLINTOFT (P-13531) 119 South Main Street PO Box 187
Chelsea, Michigan 48118