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## FRANCHISE AGREEMENT

SATVIEW BROADBAND LTD CORP

April 2011

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## FRANCHISE AGREEMENT

This Franchise Agreement (this "Franchise") is between the City of Fillmore, a municipal corporation hereinafter referred to as "Franchising Authority" and Satview Broadband LTD Corp., a Nevada corporation registered to do business in the State of Utah of 3550 Barron Way, Suite 13A, Reno, NV 89511, hereinafter referred to as "Grantee."

The Franchising Authority, having determined that the financial, legal, and technical ability of the Grantee is reasonably sufficient to provide services, facilities, and equipment necessary to meet the future cable-related needs of the community, desires to enter into this Franchise Agreement with the Grantee for the construction and operation of a cable system on the terms set forth herein.

### SECTION 1

#### Definition of Terms

1.1 **Terms.** For the purpose of this Franchise, the following terms, phrases, words, and abbreviations shall have the meanings ascribed to them below. When not inconsistent with the context, words used in the present tense include the future tense, words in the plural number include the singular number, and words in the singular number include the plural number:

1.1.1 "Basic Cable" is the lowest priced tier of service that includes the retransmission of local broadcast television signals.

1.1.2 "Cable Act" collectively means the Cable Communications Policy Act of 1984 and the Cable Television Consumer Protection and Competition Act of 1992, as amended by the Telecommunications Act of 1996.

1.1.3 "Cable Services" shall mean (A) the one-way transmission to Subscribers of (1) video programming, or (2) other programming service, and (B) Subscriber interaction, if any, which is required for the selection or use of such video programming or other programming service.

1.1.4 "Cable 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 a community, but such term does not include (A) a facility that serves only to retransmit the television signals of one or more television broadcast stations; (B) a facility that serves Subscribers without using any Public Way; (C) a facility of a common carrier which is subject, in whole or in part, to the provisions of title II of the Cable Act, except that such facility shall be considered a Cable System (other than for purposes of Section 621(c)) to the extent such facility is used in transmission of video programming directly to Subscribers unless the extent of such use is solely to provide interactive on-demand services; (D) an open video system that complies with Section 653 of title VI of the Cable Act; or (E) any facilities of any electric utility used solely for operating its electric utility system.

1.1.5 "FCC" means Federal Communications Commission, or successor governmental entity thereto.

1.1.6 "Franchise" shall mean the initial authorization, or renewal thereof, issued by the Franchising Authority, whether such authorization is designated as a franchise, permit, license, resolution, contract, certificate, or otherwise, which authorizes construction and operation of the Cable System.

1.1.7 "Franchising Authority" means the City of Fillmore, or the lawful successor, transferee, or assignee thereof.

1.1.8 "Grantee" means Satview Broadband LTD Corp. or the lawful successor, transferee, or assignee thereof.

1.1.9 "Gross Revenues" mean any revenue received by the Grantee from the operation of the Cable System to provide Cable Services in the Service Area, provided, however, that such phrase shall not include any fees or taxes which are imposed directly or indirectly on any Subscriber thereof by any governmental unit or agency, and which are collected by the Grantee on behalf of such governmental unit or agency.

1.1.10 "Person" means an individual, partnership, association, limited liability company, joint stock company, trust, corporation, or governmental entity.

1.1.11 "Public Way" shall mean the surface of, and the space above and below, any public street, highway, freeway, bridge, land path, alley, court, boulevard, sidewalk, parkway, way, lane, public way, drive, circle, or other public right-of-way, including, but not limited to, public utility easements, dedicated utility strips, or rights-of-way dedicated for compatible uses and any temporary or permanent fixtures or improvements located thereon now or hereafter held by the Franchising Authority in the Service Area which shall entitle the Franchising Authority and the Grantee to the use thereof for the purpose of installing, operating, repairing, and maintaining the Cable System. Public Way shall also mean any easement now or hereafter held by the Franchising Authority within the Service Area for the purpose of public travel, or for utility or public service use dedicated for compatible uses, and shall include other easements or rights-of-way as shall within their proper use and meaning entitle the Franchising Authority and the Grantee to the use thereof for the purposes of installing and operating the Grantee's Cable System over poles, wires, cables, conductors, ducts, conduits vaults, manholes, amplifiers, appliances, attachments, and other property as may be ordinarily necessary and pertinent to the Cable System.

1.1.12 "Service Area" means the present municipal boundaries of the Franchising Authority, and shall include any additions thereto by annexation or other legal means.

1.1.13 "Subscriber" means a Person who lawfully receives services of the Cable System with the Grantee's express permission.

## **SECTION 2**

### **Grant of Franchise**

2.1 Grant. The Franchising Authority hereby grants to the Grantee a nonexclusive Franchise which authorizes the Grantee to construct and operate a Cable System in, along, among, upon, across, above, over, under, or in any manner connected with Public Ways within the Service Area

and for that purpose to erect, install, construct, repair, replace, reconstruct, maintain, or retain in, on, over, under, upon, across, or along any Public Way and all extensions thereof and additions thereto, such poles, wires, cables, conductors, ducts, conduits, vaults, manholes, pedestals, amplifiers, appliances, attachments, and other related property or equipment as may be necessary or appurtenant to the Cable System. Nothing in this Franchise shall be construed to prohibit the Grantee from offering any Service over its Cable System that is not prohibited by federal or state law.

2.2 Term. The Franchise granted hereunder shall be for an initial term of 10 years commencing on Jan. 1, 2010 and ending December 31, 2019, unless otherwise lawfully terminated in accordance with the terms of this Franchise.

### **SECTION 3 Standards of Service**

3.1 Pre-Construction Clearances. All Construction or installation work performed subject to the provisions of this franchise agreement shall be subject to the prior written approval of the Planning administrator, City Engineer and Power Department and to such inspection as they shall find necessary to insure compliance with governing ordinances.

3.2 Conditions of Street Occupancy. All transmission and distribution structures, poles, other lines, and equipment installed or erected by the Grantee pursuant to the terms hereof shall be located so as to cause no interference with the proper use of Public Ways and with the rights and reasonable convenience of property owners who own property that adjoins any of such Public Ways.

3.3 Restoration of Public Ways. If during the course of the Grantee's construction, operation, or maintenance of the Cable System there occurs a disturbance of any Public Way by the Grantee, it shall, at its expense, replace and restore such Public Way to a condition reasonably comparable to the condition of the Public Way existing immediately prior to such disturbance.

3.4 Relocation at Request of the Franchising Authority. Upon its receipt of reasonable advance notice, not to be less than five business days, the Grantee shall, at its own expense, protect, support, temporarily disconnect, relocate in the Public Way, or remove from the Public Way, any property of the Grantee when lawfully required by the Franchising Authority by reason of traffic conditions, public safety, street abandonment, freeway and street construction, change or establishment of street grade, installation of sewers, drains, gas or water pipes, or any other type of structures or improvements by the Franchising Authority; but, the Grantee shall in all cases have the right of abandonment of its property. If public funds are available to any Person using such street, easement, or right of way for the purpose of defraying the cost of any of the foregoing, the Franchising Authority shall make application, for such funds on behalf of the Grantee.

3.5 Relocation at Request of Third Party. The Grantee shall, on the request of any Person holding a building moving permit issued by the Franchising Authority, temporarily raise or lower its wires to permit the moving of such building, provided: (a) the expense of such temporary raising or lowering of wires is paid by said Person, including, if required by the Grantee, making such payment in advance; and (b) the Grantee is given not less than 5 business days advance written notice to arrange for such temporary wire changes.

3.6 Trimming of Trees and Shrubbery. The Grantee shall have the authority, under City supervision, to trim trees or other natural growth overhanging any of its Cable System in the Service Area so as to prevent branches from coming in contact with the Grantee's wires, cables, or other equipment. The Grantee shall reasonably compensate the Franchising Authority for any damages caused by such trimming, or shall, in its sole discretion and at its own cost and expense, reasonably replace all trees or shrubs damaged as a result of any construction of the Cable System undertaken by the Grantee. Such replacement shall satisfy any and all obligations the Grantee may have to the Franchising Authority pursuant to the terms of this Section.

3.7 Safety Requirements. Construction, installation, and maintenance of the Cable System shall be performed in an orderly and workmanlike manner. All such work shall be performed in substantial accordance with applicable FCC or other federal, State, and local regulations and the National Electric Safety Code. The Cable System shall not unreasonably endanger or interfere with the safety of Persons or property in the Service Area.

3.8 Down Cable Lines. The Franchisee shall attach its lines to City utility or power poles in a professional and workmanlike manner in order to minimize the amount of lines that fall or become unattached to the poles. If City Electrical Repair Crews are called out by citizens and find the reason for the call is a cable line that has become unattached to a pole, such Crew may choose, in its sole discretion, to re-attach the cable line to the power pole to prevent repeat calls. The City may bill the cost of such re-attachment to the Franchisee. The Franchisee is expected to promptly (within 24 hours) respond to calls of downed lines and to reattach them securely to poles. If the Franchisee establishes a pattern of slow response and re-attachment of downed cable lines, the City may terminate the Franchise.

3.9 Aerial and Underground Construction. In those areas of the Service Area where all of the transmission or distribution facilities of the respective public utilities providing telephone communications and electric services are underground, the Grantee likewise shall construct, operate, and maintain all of its transmission and distribution facilities underground; provided that such facilities are actually capable of receiving the Grantee's cable and other equipment without technical degradation of the Cable System's signal quality. In those areas of the Service Area where the transmission or distribution facilities of the respective public utilities providing telephone communications, and electric services are both aerial and underground, the Grantee shall have the sole discretion to construct, operate, and maintain, all of its transmission and distribution facilities, or any part thereof, aurally or underground. Nothing contained in this Section shall require the Grantee to construct, operate, and maintain underground any ground-mounted appurtenances such as Subscriber taps, line extenders, system passive devices (splitters, directional couplers), amplifiers, power supplies, pedestals, or other related equipment. Notwithstanding anything to the contrary contained in this Section, in the event that all of the transmission or distribution facilities of the respective public utilities providing telephone communications and electric services are placed underground after the effective date of this Franchise, the Grantee shall only be required to construct, operate, and maintain all of its transmission and distribution facilities underground if it is given reasonable notice and access to the public utilities' facilities at the time that such are placed underground.

3.9.1 New Developments. The Franchising Authority shall provide the Grantee with written notice of the issuance of building or development permits for planned commercial/residential developments within the Service Area requiring undergrounding of cable facilities. The Franchising Authority agrees to require as a condition of issuing the permit that Developer give the Grantee access to open trenches for deployment of cable facilities and written notice of the date of availability of trenches. Such notice must be received by the Grantee at least 10 business days prior to availability. Developer shall be responsible for the digging and backfilling of all trenches. The Grantee shall be responsible for engineering, deployment labor, and cable facilities. Installation from utility easements to individual homes or other structures shall be at the cost of the home/building owner or Developer unless otherwise provided.

3.9.2 Local Improvement District. If an ordinance is passed creating a local improvement district which involves placing underground certain utilities including that of the Grantee which are then located overhead, the Grantee shall participate in such underground project and shall remove poles, cables and wires from the surface of the streets within such district and shall place them underground in conformity with the requirements of the Franchising Authority. The Grantee may include its costs of relocating facilities associated with the undergrounding project in said local improvement district if allowed under applicable law.

3.10 Required Extensions of Service. The Cable System, as constructed as of the date of the passage and final adoption of this Franchise, substantially complies with the material provisions hereof. Whenever the Grantee shall receive a request for service from at least 15 residences within 1,320 cable-bearing strand feet (one-quarter cable mile) of its trunk or distribution cable, it shall extend its Cable System to such Subscribers at no cost to said Subscribers for Cable System extension, other than the usual connection fees for all Subscribers; provided that such extension is technically feasible, and if it will not adversely affect the operation, financial condition, or market development of the Cable System, or as provided for under Section 3.10 of this Franchise Agreement.

3.11 Subscriber Charges for Extensions of Service. No Subscriber shall be refused service arbitrarily. However, for unusual circumstances, such as a Subscriber's request to locate his cable drop underground, existence of more than 150 feet of distance from distribution cable to connection of service to Subscribers, or a density of less than 15 residences per 1,320 cable-bearing strand feet of trunk or distribution cable, service may be made available on the basis of capital contribution in aid of construction, including cost of material, labor, and easements. For the purpose of determining the amount of capital contribution in aid of construction to be borne by the Grantee and Subscribers in the area in which service may be expanded, the Grantee will contribute an amount equal to the construction and other costs per mile, multiplied by a fraction whose numerator equals the actual number of residences per 1,320 cable-bearing strand feet of its trunks or distribution cable, and whose denominator equals 15 residences. Subscribers who request service hereunder will bear the remainder of the construction and other costs on a pro rata basis. The Grantee may require that the payment of the capital contribution in aid of construction borne by such potential Subscribers be paid in advance.

3.12 Service to Public Buildings. The Grantee shall, upon request, provide without charge, one outlet of Basic Service to those Franchising Authority offices, fire station(s), police station(s), and

public school building(s) that are passed by its Cable System. The outlets of Basic Service shall not be used to distribute or sell services in or throughout such buildings, nor shall such outlets be located in areas open to the public. The Franchising Authority shall take reasonable precautions to prevent any use of the Grantee's Cable System in any manner that results in the inappropriate use thereof or any loss or damage to the Cable System. Users of such outlets shall hold the Grantee harmless from any and all liability or claims arising out of their use of such outlets, including but not limited to, those arising from copyright liability. The Grantee shall not be required to provide an outlet to such buildings where the drop line from the feeder cable to said buildings or premises exceeds 150 feet or unless the appropriate governmental entity agrees to pay the incremental cost of such drop line in excess of 150 cable feet. If additional outlets of Basic Service are provided to such buildings, the building owner shall pay the usual installation fees associated therewith, including, but not limited to, labor and materials.

### 3.13 Emergency Use.

3.13.1 In accordance with the provisions of FCC Regulations Part 11, subpart D, Section 11.51(h)(1), and as such provisions may from time to time be amended, the Grantee shall install, if it has not already done so, and maintain an Emergency Alert System (EAS) for use in transmitting Emergency Act Notifications (EAN) and Emergency Act Terminations (EAT) in local and state-wide situations as may be designated to be an emergency by the Local Primary (LP), the State Primary (SP) and/or the State Emergency Operations Center (SEOC), as those authorities are identified and defined within FCC Reg. Section 11.51.

3.13.2 The Franchising Authority shall permit only appropriately trained and authorized Persons to operate the EAS equipment and shall indemnify and hold harmless the Grantee, its employees, officers and assigns from any claims arising from use of the Cable System or the EAS equipment by the Franchising Authority, its employees, authorized representatives, or designees, including, but not limited to, reasonable attorneys' fees. Additionally, the Franchising Authority shall indemnify, save and hold harmless the Grantee against damage, loss or inappropriate use of the equipment and shall agree to use due care and to take reasonable precautions against such damage, loss or inappropriate use of the EAS equipment or other Cable System equipment which may be used, during a declared emergency.

### 3.14 Customer Service Standards.

#### 3.14.1 Cable System office hours and telephone availability.

(A) The Grantee will maintain a local, toll-free or collect call telephone access line which will be available to Subscribers 24 hours a day, seven days a week.

(i) Trained representatives of the Grantee will be available to respond to Subscriber telephone inquiries during Normal Business Hours, as defined herein.

(ii) After Normal Business Hours, an access line will be available to be answered by a service or an automated response system, including a phone answering system. Inquiries received after Normal Business Hours must be responded to by a trained representative of the



Grantee on the next business day.

(B) Under Normal, Operating Conditions, as defined herein, telephone answer time by a customer representative, including wait time, will not exceed 30 seconds when the connection is made. If the call needs to be transferred, transfer time will not exceed 30 seconds. These standards will be met no less than 90 percent of the time under Normal Operating Conditions, as measured by the Grantee on a quarterly basis.

(C) The Grantee shall not be required to acquire equipment or perform surveys to measure compliance with the telephone answering standards set forth above unless an historical record of complaints indicates a clear failure to comply with such standards.

(D) Under Normal Operating Conditions, the Subscriber will receive a busy signal less than 3 percent of the time.

(E) Customer Service center and bill payment locations will be open at least during Normal Business Hours and will be conveniently located.

3.14.2 Installations, outages and service calls. Under Normal Operating Conditions, each of the following four standards will be met no less than 95 percent of the time, as measured by the Grantee on a quarterly basis:

(A) Standard installations will be performed within seven business days after an order has been placed. "Standard" installations are those that are located up to 125 feet from the existing distribution system.

(B) Excluding conditions beyond its control, the Grantee will begin working on Service Interruptions, as defined herein, promptly and in no event later than 24 hours after the interruption becomes known. The Grantee will begin actions to correct other service problems the next business day after notification of the service problem.

(C) The Grantee will provide "appointment window" alternatives for installations, service calls, and other installation activities, which will be either a specific time or, at maximum, a four-hour time block during Normal Business Hours.

(D) The Grantee shall not cancel an appointment with a Subscriber after the close of business on the business day prior to the scheduled appointment.

(E) If a representative of the Grantee is running late for an appointment with a Subscriber and will not be able to keep the appointment as scheduled, the Subscriber will be contacted. The appointment will be rescheduled, as necessary, at a time which is convenient for the Subscriber.

3.14.3 Communications between the Grantee and Subscribers.

(A) Notifications to Subscribers:

(i) The Grantee shall provide written information on each of the following areas at the time of installation of service, at least annually to all Subscribers, and at any time upon request:

- a. products and services offered;
- b. prices and options for services and conditions of subscription to programming and other services;
- c. installation and service maintenance policies;
- d. instructions on how to use the service;
- e. channel positions of programming carried on the Cable System; and
- f. billing and complaint procedures, including the address and telephone number of the local Franchising Authority's cable office.

(ii) Subscribers will be notified of any changes in rates, programming services or channel positions as soon as possible through announcements on the Cable System and in writing. Notice will be given to Subscribers a minimum of 30 days in advance of such changes, if the change is within the control of the Grantee. In addition, the Grantee shall notify Subscribers 30 days in advance of any significant changes in the other information required by the preceding paragraph.

(B) Billing:

(i) Bills will be clear, concise and understandable. Bills will be fully itemized, with itemizations including, but not limited to, basic and premium service charges and equipment charges. Bills will also clearly delineate all activity during the billing period, including optional charges, rebates and credits.

(ii) In case of a billing dispute, the Grantee will respond to a written complaint from a Subscriber within 30 days from receipt of the complaint.

(C) Refund checks will be issued promptly, but no later than either (i) the Subscriber's next billing cycle following resolution of the request or 30 days, whichever is earlier, or (ii) the return of the equipment supplied by the Grantee if service is terminated.

(D) Credits for service will be issued no later than the Subscriber's next billing cycle following the determination that a credit is warranted.

3.14.4 Definitions: For purposes of this Section, the following definitions shall apply:

(A) Normal Business Hours - The term "Normal, Business Hours" means those hours during which most similar businesses in the community are open to serve Subscribers. In all cases, "Normal Business Hours" shall include some evening hours at least one night per week and/or some weekend hours. The Grantee will notify its Subscribers and the Franchising Authority of its Normal

## Business Hours.

(B) Normal Operating Conditions - The term "Normal Operating Conditions" means those service conditions which are within the control of the Grantee. Those conditions which are not within the control of the Grantee include, but are not limited to, natural disasters, civil disturbances, power outages, telephone network outages, and severe or unusual weather conditions. Those conditions which are ordinarily within the control of the Grantee include, but are not limited to, special promotions, pay-per-view events, rate increases, regular peak or seasonal demand periods, and maintenance or upgrade of the Cable System.

(C) Service Interruption - The term "service interruption" means the loss of picture or sound on one or more channels.

## **SECTION 4** **Regulation by the Franchising Authority**

### 4.1 Franchise Fee.

4.1.1 The Grantee shall pay to the Franchising Authority a franchise fee equal to (5%) percent of Gross Revenues (as defined in Section 1.1 of this Franchise Agreement) received by the Grantee from the operation of the Cable System to provide Cable Services on an annual basis; provided, however, Gross Revenues shall not include: (A) any tax, fee, or assessment of any kind imposed by the Franchising Authority or other governmental entity on a cable operator, or Subscriber, or both, solely because of their status as such; (B) any tax, fee or assessment of general applicability which is unduly discriminatory against cable operators or Subscribers (including any such tax fee, or assessment imposed, both on utilities and cable operators and their services), and (C) any other special tax, assessment, or fee such as a business, occupation, and entertainment tax. For the purpose of this Section, the 12-month period applicable under the Franchise for the computation of the franchise fee shall be a calendar year, unless otherwise agreed to in writing by the Franchising Authority and the Grantee. The franchise fee payment shall be due and payable 90 days after the close of the preceding calendar year. Each payment shall be accompanied by a brief report from a representative of the Grantee showing the basis for the computation.

4.1.2 Limitation on Franchise Fee Actions. The period of limitation for recovery of any franchise fee payable hereunder shall be five years from the date on which payment by the Grantee is due. Unless the Franchising Authority initiates a lawsuit for recovery of such franchise fees in a court of competent jurisdiction, within five years from and after such payment due date, such recovery shall be barred and the Franchising Authority shall be estopped from asserting any claims whatsoever against the Grantee relating to any such alleged deficiencies.

4.2 Rates and Charges. The Franchising Authority may regulate rates for the provision of Basic Cable and equipment as expressly permitted by applicable law.

### 4.3 Renewal of Franchise.

4.3.1 The Franchising Authority and the Grantee agree that any proceedings undertaken by the

Franchising Authority that relate to the renewal of the Grantee's Franchise shall be governed by and comply with the provisions of Section 626 of the Cable Act, as amended, unless the procedures and substantive protections set forth therein shall be deemed to be preempted and superseded by the provisions of any subsequent provision of federal or state law.

4.3.2 In addition to the procedures set forth in said Section 626(a), the Franchising Authority agrees to notify the Grantee of all of its assessments regarding the identity of future cable-related community needs and interests, as well as, the past performance of the Grantee under the then current Franchise term. The Franchising Authority further agrees that such a preliminary assessments shall be provided to the Grantee promptly so that the Grantee has adequate time to submit a proposal under Section 626(b) of the Cable Act and complete renewal of the Franchise prior to expiration of its term. Notwithstanding anything to the contrary set forth in this Section, the Grantee and the Franchising Authority agree that at any time during the term of the then current Franchise, while affording the public appropriate notice and, opportunity to comment, the Franchising Authority, and the Grantee may agree to undertake and finalize informal negotiations regarding renewal of the then current Franchise and the Franchising Authority may grant a renewal thereof. The Grantee and the Franchising Authority consider the terms set forth in this Section to be consistent with the express provisions of Section 626 of the Cable Act.

4.4 Conditions of Sale. If a renewal or extension of the Grantee's Franchise is denied or the Franchise is lawfully terminated, and the Franchising Authority either lawfully acquires ownership of the Cable System, or by its actions lawfully effects a transfer of ownership of the Cable System to another party, any such acquisition or transfer shall be at the price determined pursuant to the provisions set forth in Section 627 of the Cable Act.

The Grantee and the Franchising Authority agree that in the case of a final determination of a lawful revocation of the Franchise, at the Grantee's request, which shall be made in its sole discretion, the Grantee shall be given a reasonable opportunity to effectuate, a transfer of its Cable System to a qualified third party. The Franchising Authority further agrees that during such a period of time it shall authorize the Grantee to continue to operate pursuant to the terms of its prior Franchise; however, in no event shall such authorization exceed a period of time greater than six months from the effective date of such revocation. If, at the end of that time, the Grantee is unsuccessful in procuring a qualified transferee or assignee of its Cable System which is reasonably acceptable to the Franchising Authority, the Grantee and the Franchising Authority may avail themselves of any rights they may have pursuant to federal or state law; it being further, agreed that the Grantee's continued operation of its Cable System during the six month period shall not be deemed to be a waiver, nor an extinguishment of, any rights of either the Franchising Authority or the Grantee.

4.5 Transfer of Franchise. The Grantee's right, title, or interest in the Franchise shall not be sold, transferred, assigned, or otherwise encumbered, other than to an entity controlling, controlled by, or under common control with the Grantee, without the prior consent of the Franchising Authority, such consent not to be unreasonably withheld. No such consent shall be required, however, for a transfer in trust, by mortgage, by other hypothecation or by assignment of any rights, title, or interest of the Grantee in the Franchise or Cable System in order to secure indebtedness. Within 30 days of receiving the request for transfer, the Franchising Authority shall, in accordance with FCC rules and

regulations, notify the Grantee in writing of the information it requires to determine the legal, financial and technical qualifications of the transferee. If the Franchising Authority has not taken action on the Grantee's request for transfer within 120 days after receiving such request, consent by the Franchising Authority shall be deemed given.

4.6 Additional Regulations. The right is hereby reserved to the City to adopt, in addition to the provisions herein contained and existing applicable ordinances, such additional regulations as it shall find necessary in the exercise of the general health, safety, welfare and police power, provided that such regulations, by ordinance or otherwise, shall be reasonable, and not in conflict with the rights herein granted, and shall not be in conflict with the laws of the State of Utah or the Cable Act.

## **SECTION 5**

### **Compliance and Monitoring**

5.1 Books and Records. The Grantee agrees that the Franchising Authority upon reasonable notice to the Grantee may review such of its books and records at the Grantee's business office, during normal business hours and on a nondisruptive basis, as is reasonably necessary to ensure compliance with the terms hereof. Such records shall include, but shall not be limited to, any public records required to be kept by the Grantee pursuant to the rules and regulations of the FCC. Notwithstanding anything to the contrary set forth herein, the Grantee shall not be required to disclose information which it reasonably deems to be proprietary or confidential in nature. The Franchising Authority agrees to treat any information disclosed by the Grantee as confidential and only to disclose it to employees, representatives, and agents thereof that have a need to know, or in order to enforce the provisions hereof. The Grantee shall not be required to provide Subscriber information in violation of Section 631 of the Cable Act.

## **SECTION 6**

### **Insurance and Indemnification**

6.1 Insurance Requirements. The Grantee shall maintain in full force and effect, at its own cost and expense, during the term of the Franchise, Commercial General Liability Insurance in the amount of \$1,000,000 combined single limit for bodily injury, and property damage, The Grantee shall provide a Certificate of Insurance designating the Franchising Authority as an additional insured. Such insurance shall be noncancellable except upon 30 days prior written notice to the Franchising Authority.

6.2 Indemnification. The Grantee agrees to indemnify, save and hold harmless, and defend the Franchising Authority, its officers, boards and employees, from and against any liability for damages and for any liability or claims resulting from property damage or bodily injury (including accidental death), which arise out of the Grantee's construction, operation, or maintenance of its Cable System, including, but not limited to, reasonable attorneys' fees and costs, provided that the Franchising Authority shall give the Grantee written notice of its obligation to indemnify the Franchising Authority within 10 days of receipt of a claim or action pursuant to this Section. If the Franchising Authority determines that it is necessary for it to employ separate counsel, the costs for such separate counsel shall be the responsibility of the Franchising Authority.

**SECTION 7**  
**Enforcement and Termination of Franchise**

7.1 Notice of Violation. In the event that the Franchising Authority believes that the Grantee has not complied with the terms of the Franchise, it shall notify the Grantee in writing of the exact nature of the alleged noncompliance.

7.2 The Grantee's Right to Cure or Respond. The Grantee shall have 30 days from receipt of the notice described in Section 7.1: (a) to respond to the Franchising Authority, contesting the assertion of noncompliance, or (b) to cure such default, or (c) in the event that, by the nature of default, such default cannot be cured within the 30-day period, initiate reasonable steps to remedy such default and notify the Franchising Authority of the steps being taken and the projected date that they will be completed.

7.3 Public Hearing. In the event that the Grantee fails to respond to the notice described in Section 7.1 pursuant to the procedures set forth in Section 7.2, or in the event that the alleged default is not remedied within 30 days or the date projected pursuant to 7.2(c) above, the Franchising Authority shall schedule a public hearing to investigate the default. Such public hearing shall be held at the next regularly scheduled meeting of the Franchising Authority which is scheduled at a time which is no less than five business days therefrom, The Franchising Authority shall notify the Grantee in writing of the time and place of such meeting and provide the Grantee with an opportunity to be heard.

7.4 Enforcement. Subject to applicable federal and state law, in the event the Franchising Authority, after such meeting, determines that the Grantee is in default of any provision of the Franchise, the Franchising Authority may:

7.4.1 Seek specific performance of any provision, which reasonably lends itself to such remedy, as an alternative to damages;

7.4.2 Commence an action at law for monetary damages or seek other equitable relief,  
or

7.4.3 In the case of a substantial default of a material provision of the Franchise, declare the Franchise Agreement to be revoked in accordance with the following:

The Franchising Authority shall give written notice to the Grantee of its intent to revoke the Franchise on the basis of a pattern of noncompliance by the Grantee, including one or more instances of substantial noncompliance with a material provision of the Franchise. The notice shall set forth the exact nature of the noncompliance. The Grantee shall have 90 days from such notice to object in writing and to state its reasons for such objection. In the event the Franchising Authority has not received a response satisfactory from the Grantee, it may then seek termination of the Franchise at a public meeting. The Franchising Authority shall cause to be served upon the Grantee, at least 10 days prior to such public meeting, a written notice specifying the time and place of such meeting and stating its intent to request such termination.

At the designated meeting, the Franchising Authority shall give the Grantee an opportunity to state its position on the matter, after which it shall determine whether or not the Franchise shall be revoked. The Grantee may appeal such determination to an appropriate court, which shall have the power to review the decision of the Franchising Authority "de novo" and to modify or reverse such decision as justice may require. Such appeal to the appropriate court must be taken within 60 days of the issuance of the determination of the Franchising Authority.

The Franchising Authority may, at its sole discretion, take any lawful action which it deems appropriate to enforce the Franchising Authority's rights under the Franchise in lieu of revocation of the Franchise.

7.5 Technical Violations. The parties hereby agree that it is not the Franchising Authority's intention to subject the Grantee to penalties, fines, forfeitures or revocation of the Franchise for so-called "technical" breach(es) or violation(s) of the Franchise or local cable ordinance, which shall include but are not limited to the following:

7.5.1 In instances or for matters where a violation or a breach by the Grantee of the Franchise or local cable ordinance was good faith error that resulted in no or minimal negative impact on the customers within the Service Area; or

7.5.2 Where there existed circumstances reasonably beyond the control of the Grantee and which precipitated a violation by the Grantee of the Franchise or local cable ordinance, or which were deemed to have prevented the Grantee from complying with a term or condition of the Franchise or local cable ordinance.

## **SECTION 8**

### **Miscellaneous Provisions**

8.1 Actions of Parties. In any action by the Franchising Authority or the Grantee that is mandated or permitted under the terms hereof, such party shall act in a reasonable, expeditious, and timely manner. Furthermore, in any instance where approval or consent is required under the terms hereof, such approval or consent shall not be unreasonably withheld.

8.2 Force Majeure.

8.2.1 The Grantee shall not be held in default: under, or in noncompliance with, the provisions of the Franchise, nor suffer any enforcement or penalty relating to noncompliance or default (including termination, cancellation or revocation of the Franchise), where such noncompliance or alleged defaults occurred or were caused by strike, riot, war, earthquake, flood, tidal wave, unusually severe rain or snow storm, hurricane, tornado or other catastrophic act of nature, labor disputes, governmental, administrative or judicial order or regulation or other event that is reasonably beyond the Grantee's ability to anticipate and control. This provision also covers work delays caused by waiting for utility providers to service or monitor their own utility poles on which the Grantee's cable and/or equipment is attached, as well as unavailability of materials and/or qualified labor to perform the work necessary.

8.3 Equal Protection. In the event the Franchising Authority enters into a Franchise, permit, license, authorization, or other agreement of any kind with any other Person or entity other than the Grantee to enter into the Franchising Authority's Public Ways for the purpose of constructing or operating a Cable System or providing Cable Service to any part of the Service Area, the material provisions thereof shall be reasonably comparable to those contained herein, in order that one operator not be granted an unfair competitive advantage over another, and to provide all parties equal protection under the law.

8.4 Notice. Unless expressly otherwise agreed between the parties, every notice or response required by this Franchise to be served upon the Franchising Authority or the Grantee shall be in writing, and shall be deemed to have been duly given to the required party five business days after having been posted in a properly sealed and correctly addressed envelope when hand delivered or sent by certified or registered mail, postage prepaid.

The notices or responses to the Franchising Authority shall be addressed as follows:

Fillmore City  
75 West Center  
Fillmore, Utah 84631

The notices or responses to the Grantee shall be addressed as follows:

Satview Broadband LTD Corp.  
3550 Barron Way, Suite 13A  
Reno, NV 89511

The Franchising Authority and the Grantee may designate such other address or addresses from time to time by giving notice to the other.

8.5 Descriptive Headings. The captions to sections contained herein are intended solely to facilitate the reading thereof. Such captions shall not affect the meaning or interpretation of the text herein.

8.6 Severability. If any section, sentence, paragraph, term, or provision hereof is determined to be illegal, invalid, or unconstitutional, by any court of competent jurisdiction or by any state or federal regulatory authority having jurisdiction thereof, such determination shall have no effect on the validity of any other Section, sentence, paragraph, term or provision hereof, all of which will remain in full force and effect for the term of the Franchise, or any renewal or renewals thereof.

8.7 Effective Date. The effective date of this Franchise is January 1, 2010, pursuant to the provisions of applicable law. This Franchise shall expire on December 31, 2019, unless extended by the mutual agreement of the parties.

PASSED AND ADOPTED this 5<sup>th</sup> day of April, 2011, subject to applicable federal, state and local law.



IN WITNESS WHEREOF, the parties hereto have entered into this Franchise Agreement.



Fillmore City:

By: Eugene R. Larsen  
EUGENE LARSEN, Mayor

Attest: Marlene Cummings  
MARLENE CUMMINGS, City Recorder

Satview Broadband LTD Corp.

By: Tariq Ahmad  
Its President

Attest: \_\_\_\_\_  
Its Secretary

STATE OF NEVADA        )  
  : ss.  
COUNTY OF WASHOE    )

On the 15 day of March, 2011, personally appeared before me Tariq Ahmad and \_\_\_\_\_, who, being by me duly sworn, did say, each for himself, that \_\_\_\_\_, the said Tariq Ahmad is the President, and \_\_\_\_\_, the said \_\_\_\_\_ is the Secretary of Satview Boradband LTD Corp., and that the within and foregoing instrument was signed in behalf of said corporation by authority of its Board of Directors and the said \_\_\_\_\_ and \_\_\_\_\_ each duly acknowledged to me that said corporation executed the same.



\_\_\_\_\_  
Notary Public