

**BALDWIN TOWNSHIP, MINNESOTA  
RESOLUTION 09-04**

**APPROVING SALE OF THE CABLE SYSTEM  
AND ASSIGNMENT OF THE FRANCHISE  
FROM CONNECTIONS ETC. TO LAKEDALE COMMUNICATIONS**

**WHEREAS**, Baldwin Township ("Township") granted a cable franchise to Sherburne Cable-Com, Inc. d/b/a Connections, Etc., a Minnesota corporation ("Connections") pursuant to Ordinance No. 2002-06 ("Franchise"); and

**WHEREAS**, Connections is a subsidiary of Sherburne Tele Systems, Inc., a Minnesota corporation ("STS"); and

**WHEREAS**, pursuant to the Franchise, Connections provides cable television service and operates a cable communications system in the Township ("System"); and

**WHEREAS**, the Franchise requires the Township's written approval prior to transfer of ownership or control over the Franchise or System; and

**WHEREAS**, the Township has received a Federal Communications Commission ("FCC") Form 394 and related documentation including an Asset Purchase Agreement dated November 21, 2008 by and between various parties including STS, as seller, and Iowa Telecommunications Services, Inc., an Iowa corporation ("ITS"), as buyer; and

**WHEREAS**, ITS intends for its wholly-owned subsidiary Lakedale Telephone Company, a Minnesota corporation ("Lakedale"), to operate the System; and

**WHEREAS**, STS and ITS request that the Township approve assignment of the Franchise to Lakedale ("Transfer Request"); and

**WHEREAS**, STS and ITS further request that the Township waive its rights under the Franchise and Minn. Stat. § 238.084 to acquire the System as a result of the Transfer Request; and

**WHEREAS**, by letter dated March 9, 2009, STS and ITS responded to certain questions posed by the Township concerning the Transfer Request; and

**WHEREAS**, on March 18, 2009, ITS provided a December 31, 2008 income statement and balance sheet for Lakedale as requested by Township; and

**WHEREAS**, Connections and STS have agreed to reimburse the Township's reasonable fees and costs incurred in reviewing the Transfer Request; and

**WHEREAS**, under federal law (47 U.S.C. § 537) and associated FCC rules, the Township has 120 days to act on the Transfer Request and inconsistent Minnesota state procedures (Minn. Stat. § 238.083) are preempted and superseded (47 U.S.C. § 556(c)); and

**WHEREAS**, another STS subsidiary, Sherburne County Rural Telephone Company d/b/a Connections, Etc. (therefore, also referred to herein as "Connections"), provides telephone and other telecommunications services in, among other locations, the Township and over the System; and

**WHEREAS**, Connections provides telephone and telecommunications services under the regulatory jurisdiction of the Minnesota Public Utilities Commission ("MPUC"); and

**WHEREAS**, the MPUC has completed review of similar considerations regarding the proposed assignment of Connections' telephone service authority under Minn Stat. § 237.16, subd. 1(b), to wit: whether ITS (and its subsidiary Lakedale) has the technical, managerial and financial capability to operate a telephone network and provide telephone service; and

**WHEREAS**, by Order dated March 20, 2009 (Docket No. P5882 *et al*/ PA-09-122), the MPUC approved the transfer of Connections' telephone authority to Lakedale; and

**WHEREAS**, the Township has reviewed the Transfer Request and finds that Lakedale has the requisite financial, technical and legal/managerial qualifications to operate the System and hold the Franchise.

**NOW, THEREFORE, BE IT RESOLVED THAT** the Township consents to the Transfer Request and waives any right to purchase the System, subject to the following conditions:

1. STS, ITS, Connections and Lakedale shall be bound by the representations made by them, or on their behalf, in documents submitted to the Township in support of the Transfer Request;
2. Lakedale shall be bound by the Franchise for the term thereof, and all applicable laws, codes and regulations related to operation of the System or delivery of cable service in the Township. Lakedale shall accept this Resolution and the Franchise as provided below.
3. Within fifteen (15) days of submission of appropriate invoices, Connections and/or STS or other party to the Transfer Request shall reimburse the Township's reasonable fees and costs incurred in review of the Transfer Request.

**BE IT RESOLVED FURTHER THAT** the Township does not waive and expressly reserves its rights regarding any Franchise compliance matters regardless of when the acts, failures to act, or other events giving rise to such compliance matters occurred, subject to any applicable claim limitations periods. Lakedale will be fully subject to any liabilities or obligations to the

