

AN ORDINANCE GRANTING A FRANCHISE TO TELENATIONAL COMMUNICATIONS, INC., ITS SUCCESSORS AND ASSIGNS, TO CONSTRUCT, OPERATE AND MAINTAIN A CABLE TELEVISION SYSTEM IN THE TOWN OF HUDSON, COLORADO, AND SETTING FORTH CONDITIONS ACCOMPANYING THE GRANT OF THIS FRANCHISE.

SECTION I
DEFINITIONS

For the purpose of this Ordinance, the following terms shall have the meaning set forth below. The word "shall" is mandatory and not merely directory.

- (A) "Town" is the Town of Hudson, Colorado;
- (B) "Town Council" is the Town Council of Hudson, Colorado'
- (C) "Grantee" is TeleNational Communications, Inc., its successors and assigns as may be in accordance with the provisions of the Franchise. TeleNational Communications, Inc. is a corporation organized and existing under the laws of the State of ~~NEBRASKA~~ ^{NEBRASKA}, with its principal office and place of business located at 428 East Government Street, Pensacola, Florida;

(D) "Cable Television System", herein after also referred to as CATV System, means a system for the transmission of audio and/or video signals by coaxial cable or other means and such related services as the State-of-the-Art permits and Grantee chooses to provide. These services include, but are not limited to "Basic Service" or "Premium Service"; and not to be less than 12 channels;

(E) "Basic Service" shall consist of those television broadcast station signals required to be carried by Grantee's CATV system pursuant to Rules and Regulations of the Federal Communications Commission. Basic Service generally includes each of the three major networks (ABC, CBS and NBC) and most educational and independent stations that are receivable in the Town off-the-air directly from the television broadcast station. Additional program services may be included in "Basic Service," at the option of the Grantee;

(F) "Premium Service" is comprised of any communications or program service not included within the definition of Basic Service such as, but not limited to, movie services, sporting events, and other satellite delivered programming, as well as advertising, leased channels, shopping services and the transmission of other programming and electronic information for which a per program or per channel charge is made;

(G) "Basic Service Revenue" is the revenue collected by Grantee from Subscribers for the provision of Basic Service and shall not include revenues collected for Premium Services;

(H) "Person" is any person, firm partnership, association, corporation, company, or organization of any kind;

(I) "Subscriber" is a person who purchases a service offered by the CATV System; and

(J) "Franchise" is the term applied to this Ordinance following adoption by the Town Council and acceptance by the Grantee.

SECTION II
GRANT OF AUTHORITY

For construction and operation of a CATV system, there is hereby granted to the Grantee for a period of fifteen (15) years from the effective date of this Franchise the right and privilege to construct, erect, operate, and maintain in, upon, along, across, above, over, and under the streets, alleys, public ways, and public places now laid out or dedicated, and all extension thereof and additions thereto, in the town, poles, wires, cables, underground conduits, manholes, and other conductors and fixtures necessary for the construction maintenance and operation in the town of a CATV System.

SECTION III
COMPLIANCE WITH APPLICABLE LAWS AND ORDINANCES

The Grantee shall, at all times during the life of this Franchise, be subject to the lawful exercise of the police power by the town and to such reasonable regulations as the town shall hereafter adopt in the exercise of its police power; provided, however, that such additional ordinances shall be reasonable and lawful and shall not conflict with or alter in any manner the rights granted herein.

File

[Signature]
NEBRASKA

SECTION IV
OPERATION AND MAINTENANCE OF THE SYSTEM

The Grantee, shall install such equipment and have the necessary equipment and personnel to maintain its facilities so as to assure efficient service, and it shall have the necessary equipment and personnel to make repairs promptly, and interrupt service only for good cause and for the shortest time possible.

SECTION V
CONSTRUCTION AND MAINTENANCE

(A) All structures, lines and equipment erected by Grantee within the town shall be so located as to cause minimum interference with the proper use of streets, alleys, public utility easements and other public ways and places and to cause minimum interference with the rights or reasonable convenience of property owners, and Grantee shall comply with all reasonable, proper and lawful ordinances of the town now or hereafter in force. Existing poles, posts, conduits, and other such structures of any electric power system, telephone company, or other public utility located in the town shall be made available to Grantee for leasing or licensing upon reasonable terms and rates and shall be used to the extent practicable in order to minimize interference with travel and avoid unnecessary duplication of facilities. The town shall actively assist Grantee in obtaining reasonable joint pole or conduit use agreements from the owners of existing poles or conduits. To the extent that existing poles, posts, conduits and other such structures are not available, or are not available under reasonable terms and conditions, including excessive cost or unreasonable limitation upon the use by Grantee's cable television system, Grantee shall have the right to purchase, lease, or in any other manner acquire land, rights-of-way, or public utility easements upon or under which to erect and maintain its own poles, conduits, and other such structures as may be necessary for the construction and maintenance of its cable television system.

(B) In case of any disturbance by Grantee of pavement, sidewalk, driveway or other surfacing, Grantee shall, at its own cost and expense replace and restore all paving, sidewalk, driveway or surface so disturbed in as good condition as before said work was commenced.

(C) In the event that at any time during the period of this Franchise the town shall lawfully elect to alter or change any street, alley, public utility easement, or other public way requiring the relocation of Grantee's facilities, then in such event Grantee, upon reasonable notice by the town, shall remove, relay and relocate the same at its own expense; provided, however, that where public funds are available for such relocation pursuant to law, Grantee shall not be required to pay the cost.

(D) Grantee shall have the authority to trim trees upon and overhanging all streets, alleys, public utility easements, sidewalks and public places of the town so as to prevent the branches of such trees from coming into contact with Grantee's facilities.

(E) All poles, lines, structures and other facilities of Grantee in, on over and under the streets, sidewalks, alleys, public utility easements and public grounds or places of the town shall be kept by Grantee at all times in a safe and substantial condition and in good order and repair.

SECTION VI
CATV SERVICE AREA AND LINE EXTENSIONS

Grantee shall make CATV service available to all of the areas designated on the map and plan of construction which is attached as Attachment A and made part of this Franchise, which areas shall be termed initial service areas. Grantee shall not be obligated to extend its CATV lines and service beyond the Initial Service Areas designated in Attachment A, but Grantee may at its option make any such line and service extensions. Grantee may condition line extensions beyond these Initial Service Areas upon payment of a reasonable one time construction assessment by potential subscribers in particular the line extension area to be served.

SECTION VII
REMOVAL OF FACILITIES

The Grantee upon termination by any Subscriber of the Grantee's service shall promptly remove all of its facilities and equipment from the premises of a Subscriber upon said Subscriber's written request.

SECTION VIII
PAYMENT TO THE CITY

In consideration of the terms of this Franchise, Grantee agrees to pay the town a sum of money equal to three percent (3%) per year of Grantee's revenues derived from Basic Service provided within the town limits of Hudson, Colorado, (not including revenues from Premium Services, installation fees or late charges). Such annual sum shall be payable one-half ($\frac{1}{2}$) thereof at the end of each semi-annual period. The semi-annual anniversary shall be the last day of June and last day of December of each year, and each semi-annual payment shall be paid within sixty (60) days thereafter. Grantee shall file with the town with each semi-annual payment a sworn statement of the number of its Subscribers within the town, its Basic Service revenues upon which the payment to the town is based, and a computation of the Franchise fee due to the town. All other license fees or taxes levied upon Grantee by the town shall be credited against the payment required herein.

SECTION IX
RIGHTS RESERVED TO TOWN

- (A) The right is hereby reserved to the town to adopt, in addition to the provisions contained herein and in existing applicable ordinances, such additional regulations as it shall find necessary in the exercise of its police power, provided that such regulations, by ordinance or otherwise, shall be reasonable and not in conflict with the basic rights herein granted.
- (B) The Town Council shall have the right to inspect and the Grantee shall make available its books, records, maps, plans, and/or other like materials of the Grantee pertaining to the operation of said CATV System at any time during normal business hours, provided that thirty (30) days notice shall have been given to Grantee as to what records are to be produced for such inspection;
- (C) The Town Council may hold hearing on any matter pertaining to this Franchise, and Grantee shall make available its representatives or agents for such hearing.

SECTION X
DURATION AND ACCEPTANCE OF FRANCHISE

- (A) This Franchise is hereby granted to operate a CATV System in the Town of Hudson, Colorado, and shall take effect and be in force from and after passage hereof by the Town Council as provided by law, and shall continue in force and effect for a term of fifteen (15) years. The original term of this Franchise shall be automatically extended for successive additional five (5) year periods unless one of the parties hereto shall give twelve (12) months written notice to the other party of its intention not to extend this Franchise (or any extension thereof) on these terms and conditions. Notwithstanding such notice, the town and Grantee agree to negotiate in good faith changes proposed by either party which would apply to a renewal or extension of this Franchise so as to insure continuity of service to the public.

SECTION XI
FORFEITURE

If Grantee should violate any of the material terms, conditions, or provisions of this franchise or if Grantee should fail to comply with any reasonable provisions of any ordinance of the town regulating the use by Grantee of the streets, alleys, public utility easements or public ways of the town, and should Grantee further continue to violate or fail to comply with the same for a period of thirty (30) days after Grantee shall have been notified in writing by the town to cease and desist from any such violation or failure to comply so specified, then Grantee may be deemed to have forfeited and annulled and shall thereby forfeit and annul all the rights and privileges granted by this franchise; provided, however, that such forfeiture shall be declared only by written decision of the Town Council after an appropriate public proceeding before the Town Council affording Grantee due process and full opportunity to be heard and to respond to any such notice of violation or failure to comply; and provided further that the Town Council may, in its discretion and upon a finding of violation or failure to comply, impose a lesser penalty than forfeiture of this franchise or excuse the violation or failure to comply upon a showing by Grantee of

mitigating circumstances. Grantee shall have the right to appeal any finding of violation or failure to comply and any resultant penalty to any court of competent jurisdiction. In the event that forfeiture is imposed upon Grantee, it shall be afforded a period of six (6) months within which to sell, transfer, or convey this cable television system to a qualified purchaser at fair market value. During this six month period, which shall run from the effective date of the final order or decision imposing forfeiture, including any appeal, Grantee shall have the right to operate this cable television system pursuant to the provisions of this franchise.

Grantee may be deemed to have forfeited all rights and privileges granted by this franchise if, after a period of one year from the date the Grantee accepts this franchise, the CATV System is not installed and, at least 90% of the initial subscribers are not hooked-up and receiving the services provided for in Section I, Parts D and E of this ordinance.

SECTION XII
SURRENDER RIGHT

Grantee may surrender this franchise at any time upon filing with the Town Clerk of the town a written notice of its intention to do so at least six (6) months before the surrender date. On the surrender date specified in that notice, all of the rights and privileges and all of the obligations, duties and liabilities of Grantee in connection with the franchise shall terminate.

SECTION XIII
TRANSFERS

All of the rights and privileges and all of the obligations, duties and liabilities created by this franchise shall pass to and be binding upon the successors of the town and the successors and assigns of Grantee; and the same shall not be assigned or transferred without the written approval of the Town Council, which approval shall not be unreasonably withheld; provided, however, that this Section shall not prevent the assignment or hypothecation of the franchise by Grantee as security for debt without such approval; and provided further that transfers or assignments of this franchise between any parent and subsidiary corporation or between entities of which at least fifty percent (50%) of the beneficial ownership is held by the same person, persons, or entities shall be permitted without the prior approval of the Town Council.

SECTION XIV
LIABILITY, INDEMNIFICATION, AND INSURANCE

Grantee shall save the town harmless from all loss sustained by the town on account of any suit, judgement, execution, claim or demand whatsoever against the town resulting from negligence on the part of the Grantee in the construction, operation or maintenance of its cable television system in the town. For this purpose Grantee shall carry property damage and personal injury insurance as follows:

- (1) A general comprehensive public liability insurance policy indemnifying, defending, and saving harmless the town, its officers, boards, council members, agents or employees from any and all claims by any person whatsoever for injury to or death of a person or persons occasioned or alleged to have been occasioned by the operations of Grantee under the Franchise granted herein; and, from or against all claims by any person whatsoever for property damage occasioned or alleged to have been occasioned by the operation of Grantee under the Franchise granted herein, in the amount of at least five hundred thousand (\$500,000) dollars bodily injury and property damage combined single limit and a one million (\$1,000,000) dollar umbrella.
- (2) All of the foregoing insurance contracts shall be in force in a form satisfactory to the town, shall be issued, and maintained by companies authorized to do business in the State of Colorado and acceptable to the town and shall be kept in full force and effect by Grantee during the term of this Franchise and until completion of all obligations of this Franchise, including any required removal of equipment, structures, facilities, apparatus, and appurtenances. The contracts shall contain provisions requiring that ninety (90) days written notice of any cancellation be given to both the town and Grantee.

SECTION XV
UNLAWFUL ACTS

(A) It shall be unlawful for any person to make any unauthorized connection, whether physically, electrically, acoustically, inductively or otherwise, with any part of Grantee's cable television system for the purpose of enabling himself or others to receive any television signals, radio signals, pictures, programs, sounds, or any other information or intelligence transmitted over Grantee's cable system without payment to Grantee or its lessee.

(B) It shall be unlawful for any person, without the consent of the owner, to willfully tamper with, remove, or injure any cable, wires, or other equipment used for the distribution of television signals, radio signals, pictures, programs, sounds, or any other information or intelligence transmitted over Grantee's cable system.

(C) It shall be a misdemeanor punishable by a fine of not more than Three Hundred Dollars (\$300), or by imprisonment for a term not to exceed six (6) months, or both, for any person to violate any of the provisions of this Section.

SECTION XVI
SEVERABILITY

If any section, subsection, sentence, clause, phrase or portion of this Ordinance is for any reason held invalid or unconstitutional by any Federal or State jurisdiction, specifically including the Federal Communications Commission, such portion shall be deemed a separate, distinct and independent provision, and such holding shall not affect the validity of the remaining portions hereof.

PASSED AND APPROVED this 8 day of December, 1982.

Donald Woods
BY: Name and Title
Town of Hewson

ATTEST:

Shirley L. Robertson
Town Clerk

ACCEPTED: With adjustments specified in letter dated 12/21/82, attached.

James Meador
For TeleNational Communications, Inc.

V.P. Franchising
BY: (Title)

Sworn to and subscribed before me
this 21 day of December, 1982.

James Lawson
Notary Public

5434 Grande Lagoons Ct.
Address
Alhambra, FL 32801

My Commission Expires MY COMMISSION EXPIRES DEC. 6, 1985

ATTACHMENT A

The limited service area, also referred to as Initial Service Area, will be identified and provided to the Town of Hudson following engineering strand mapping.

James Mueller
Dec. 21, 1982

OPTIONAL PROVISIONS RELATING TO LINE EXTENSION CLAUSE

Option A Upon request for service Grantee shall extend its lines and CATV service within the town beyond the Initial Service Area to any location in which there are at least 45 homes per mile of cable required to extend CATV service from the Initial Service Area.

Option B Grantee shall, whenever it shall receive request for service from at least eight (8) potential Subscribers within one thousand (1,000) feet from its existing system, extend such system to said Subscribers at no cost to the Subscriber for system extension other than usual connect fees for all Subscribers. The 1,000 feet shall be measured in extension length of Grantee's cable required for service located within the public way or easements and shall not include length of the necessary service drop to the Subscriber's home or premises. In addition, the Town Council may on complaint from any potential Subscriber residing in the town, order the extension of the system to such Subscriber after opportunity for hearing and notice to Grantee provided costs of the extension are paid by such Subscriber.

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