

AN ORDINANCE GRANTING STAR CATV INVESTMENT CORP., ITS SUCCESSORS AND ASSIGNS, A PERMIT TO LOCATE, CONSTRUCT, MAINTAIN AND OPERATE A TELEVISION ANTENNA SERVICE IN THE CITY OF PELICAN BAY, TEXAS: AUTHORIZING THE USE, RIGHT, PRIVILEGE, POWER AND AUTHORITY TO CONSTRUCT, MAINTAIN, OPERATE AND REMOVE IN, OVER AND ACROSS THE STREETS, AVENUES, PARKWAYS AND PUBLIC PLACES THE NECESSARY EQUIPMENT FOR THE OPERATION OF A TELEVISION ANTENNA SERVICE AND ELECTRONIC DISTRIBUTION SYSTEM IN THE CITY OF PELICAN BAY, TEXAS.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PELICAN BAY, TEXAS;

SECTION 1. The word "City" as hereinafter used shall mean and designate the City of Pelican Bay, and the words "Company" or "Franchisee" as hereinafter used shall mean and designate Star CATV Investment Corp. "Cable System" or "Cable Communication System" or "CATV" or "System" as hereinafter used shall mean a system of coaxial cables or other electrical conductors and equipment used or to be used to originate or receive television or radio signals directly or indirectly off the air and to transmit them via cable to subscribers for a fixed or variable fee, including the originations, receipt, transmission and distribution of voices, sound signals, pictures, visual images, digital signals, telemetry, or any other type of closed circuit transmission by means of electrical impulses, whether or not directed to originating signals or receiving signals off the air. The word "Property" as hereinafter used shall mean and designate all rights and contracts of whatever kind, and all poles, wires, cables, apparatus and other appliances, appurtenances and fixtures owned by the Franchisee and located within the corporate limits of said city.

SECTION 2. There is hereby granted to the Franchisee the right, privilege and authority to construct, lay, maintain and operate, and remove a system of poles, wires, conduits and other fixtures in, upon and across, along, under and over streets, alleys, parkways, public grounds and other places in said City for the purpose of construction, maintaining and operating a cable television service and electronic distribution system in the City of Pelican Bay.

SECTION 3. The franchise hereby granted shall be effective from and after the date hereof and shall remain in full force and effect for a period of fifteen (15) years upon payment of the annual fee and tax as hereinafter provided and the said Company shall have a right or option to negotiate the terms of this lease for an additional fifteen (15) years after the expiration of the primary term under the same terms and provisions except that the sum paid by the Company for yearly street rental shall be subject to re-negotiation at the expiration of the primary term between the parties.

SECTION 4. The Company shall defend the City against all lawful claims for injury to any person or property caused by the installation and operation of the Company in the construction or operation of its property; and the Company does hereby agree to indemnify and hold harmless the City from any injury to any person or property as a result of installation and operation on the part of the Company, its successors and assigns hereunder, in whole or in part, arising out of construction, repair, extension, maintenance or operation of its equipment of any kind or character used in connection with its business.

SECTION 5. The Company shall at all times make and keep full and complete plats, maps and records showing the exact location of all cable television service and electronic distribution system equipment.

SECTION 6. All such installations of equipment shall be of a permanent nature, durable and of a location not to interfere in any manner with the rights of the public or individual property owners, and shall not interfere with the travel and use of public places by the public. The City reserves the right to regulate the erection and construction of any work by the Company, and to designate where such works and construction shall be placed. The Company agrees, when requested by the City, to make changes in its distribution system, in wires, poles, or apparatus to conform to the requirements of small localized areas, such changes to be effected when so requested within a reasonable time, and further agrees to comply with such ordinances as the City may now have or may hereafter pass regulating the installation and maintenance of such equipment.

SECTION 7. The Company shall have the right to operate a cable television service and electronic distribution system during the existence of this franchise, and have the right to extend its distribution system upon the streets, alleys and public grounds of any addition or additions hereafter made to the City's territory and to use the streets, alleys and public grounds to continue to points beyond the corporate limits of said City.

SECTION 8. The Company shall at all times during the existence of this franchise, maintain and require its contractors to maintain insurance as follows:

(a) Workman's Compensation Insurance in accordance with the laws of the State of Texas.

(b) The Franchisee shall be required to maintain insurance in such forms and in such companies as shall be approved by the City, such approval not to be unreasonably withheld, to protect the City and The Franchisee from and against any and all claims, injury and damage to person or property, both real and personal, caused by the construction, erection, operation or maintenance of any aspect of the System. The amount of such insurance shall not be less than the following:

<u>General Liability Insurance</u>	
Bodily injury per person	\$100,000
Bodily injury per occurrence	\$300,000
Property damage per occurrence	\$ 50,000
Property damage, aggregate	\$100,000

(c) Automobile Liability Insurance with the limits of not less than \$25,000.00 to any person and \$50,000.00 as to any one accident and automobile property damage insurance with a limit of not less than \$10,000.00 to cover all automobile equipment.

(d) Property damage insurance with a limit of not less than \$5,000.00

The Company is and shall be considered an independent contractor hereunder for all things.

SECTION 9. Failure or refusal to observe the terms and provisions of this franchise by the Company, its successors and assigns, shall entitle the City to cancel and terminate this franchise and all rights hereunder. The City may exercise such right ninety (90) days after serving notice upon the Company of failure to observe the terms thereof, and upon refusal by the Company during the said ninety (90) day period to perform or act as required by said notice, this franchise shall be subject to cancellation as hereinabove provided.

SECTION 10. All provisions of law provided and prescribed for the granting of this franchise and authority are hereby declared to have been fully complied with and the franchise shall be in full force and effect from and after its execution and approval. The Company's rate shall be as follows:

(a) A schedule of the maximum rates to be charged by Grantee for their services to subscribers shall be as specified in Appendix "A" attached hereto and incorporated herein for all purposes.

(b) All subsequent changes in said rates shall be subject to the prior approval of the City Commission of the City of Pelican Bay, Texas, after an appropriate public hearing is held thereon affording due process to all interested parties.

The Company shall pay the City as a franchise fee, and as compensation for the rights and privileges enjoyed hereunder, four percent (4%) of its gross subscriptions receipts, less state sales tax, federal excise tax and copyright received by the Company from all its connections to said cable television service and electronic distribution system in said City. The said gross subscription shall be computed quarterly and the amounts due to City shall be computed quarterly and the amounts due to City shall be paid on or before the 10th day of January, 10th day of April, 10th day of July, and 10th day of October.

A pre-payment of the franchise fee will be paid within forty-five (45) days of the passing of this ordinance by the City of Pelican Bay, in the amount of \$500.00. This pre-payment shall be credited toward future payments.

SECTION 11. The Pelican Bay Public School System will be furnished one (1) connection each to the designated school buildings and each connection will be placed in a readily accessible location, and the schools will be responsible for service beyond the said free connection, and by requesting said free connection, the school will hold said Company free of liability.

SECTION 12. The Cable Communication System Company (the Grantee) will maintain adequate personnel necessary to perform all duties.

SECTION 13. Provisions of the current requirements for the system shall be and shall remain in accordance with the specifications and requirements promulgated by the Federal Communications Commission, and Franchisee will:

- (a) Limit failures to a minimum by locating and correcting malfunctions promptly, but in no event longer than forty-eight (48) hours after notice, unless such failures are caused by the acts of God or circumstances beyond the control of the Franchisee.

(b) Demonstrate by instruments and otherwise to subscribers that a signal of adequate strength and quality is being delivered and meets all relevant specifications of the Federal Communications Commission and other applicable federal, state and local regulations. The commission may require proof of calibration of such test instruments if deemed necessary in order to arbitrate a specific complaint.

SECTION 14. The franchise granted by this ordinance cannot in any event be sold, transferred, leased, assigned or disposed of as a whole or in part, or otherwise, without prior consent of the City expressed by Resolution, and then only under such conditions as may be prescribed in the consenting Resolution; provided, however, that no such consent shall be unreasonably withheld, and further provided that no such consent shall be required for any transfer in trust, mortgage or other hypothecation, as a whole or in part, to secure an indebtedness. There shall be no restriction upon the transfer of this franchise to a controlled subsidiary or to a parent corporation.

SECTION 15. All installation costs of the Cable Communications System Company shall be paid by the Company itself and not by the City.

SECTION 16. The rights, privileges and franchise granted hereunder shall automatically terminate if Grantee has not diligently pursued and made all reasonable efforts to secure approval of its applications with the Federal Communications Commission to bring cable television to Pelican Bay, Texas.

SECTION 17. The Grantee will, upon seventy-two (72) hours request and payment in advance of a reasonable charge, which charge shall be subject to review at any time by the City Council, adjust, raise or lower its wires temporarily to permit the moving of houses or other bulky structures. The minimum height of all wires shall be eighteen (18) feet over streets and alleys and public places or conform to all applicable codes which may now be in effect or become effective hereafter. The Grantee may trim trees upon and overhanging the said streets, alleys, sidewalks and public places to the extent reasonably necessary to prevent the branches from coming into contact with the wires or cables of the Grantee, under the supervision of the City Manager of the City of Pelican Bay, Texas, at the expense of the Grantee.

SECTION 18. To the extent allowed by law, this is an exclusive franchise for a period of eighteen (18) months from this date and City will not grant a franchise to any other person for a cable system during that period of time. In the event that Franchisee has not completed construction of the system and commenced operation within fifteen (15) months from this date, this franchise will terminate and become null and void and of no further force or effect.

SECTION 19. Severability Clause. If any word, phrase, sentence, paragraph or section is found to be illegal, invalid, or unconstitutional, the remaining portion of this ordinance shall remain in full force and effect.

PASSED, APPROVED AND ADOPTED this the 5th day of April, 1983.


MAYOR

ATTEST:



APPENDIX "A"

BASIC SERVICE

Cost: \$8.95 per month

TIER 1: Basic Service plus 1 premium channel
Cost: \$19.95 per month

TIER 2: Basic Service plus 2 premium channels
Cost: \$26.95 per month

TIER 3: Basic Service plus 3 premium channels
Cost: \$29.95 per month

Installation charge per household - \$25.00
Installation charge, additional outlet-\$ 7.50
Charge for extra set, per month, each -\$ 2.00
Charge to move connection -\$15.00

Motel Rates:

	<u>Per Month</u>	<u>Per Month</u>
1st Set- Basic only	\$12.95	<u>1 Premium Channel</u> \$7.00
2nd Set- and up	\$ 3.00	\$4.00

Installation of rental of housing unit will be charged at our cost for the material plus 20%

Lock boxes available on request. This will be included in cost of material

Example:

Motel with 12 rooms- 1 Premium Channel in all rooms (cannot be installed in restaurant or lounge)

1st set (Manager's quarters or first set)	\$19.95
11 other sets or rooms	<u>\$77.00</u>
	\$96.95