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RECEIVED
MAY 13 1990

TCI Cablevision of Texas, Inc.

March 5, 1990

City of DeLeon
107 South Texas
DeLeon, TX 76444

RE: Franchise Extension

Ladies and Gentlemen:

On June 13, 1989, the DeLeon City Commissioners approved "renewing" the existing franchise with TCI Cablevision of Texas, Inc. (TCIT) for a period of 15 years provided an Emergency Alert System and a Local Origination Character Generator are added to the system. TCIT deems this "renewal" to be an extension of the existing franchise, which will extend the term of the franchise to November 26, 2005.

As of February 9, 1990, the Emergency Alert System and a Local Origination Character Generator which were added to the system have been operational.

Therefore, this letter will evidence that the condition for the granting of the extension has been met, that the grant by the City to TCIT of a 15 year extension of the existing franchise, Ordinance No. 993-75, is effective, and that TCIT hereby accepts the extension and hereby agrees to comply with and abide by all of the provisions, terms and conditions of the franchise, subject to federal and state law.

Very truly yours,

TCI Cablevision of Texas, Inc.


J.C. Sparkman
President

Rev 04/02/90

Fleming Wood



ORDINANCE NO. ~~75-103~~

ITS SUCCESSORS AND ASSIGNS TO CONSTRUCT,

Section 1. DEFINITIONS. For the purpose of this

(a) "City" shall mean the City of DE LEON, TEXAS

(c) "Company" shall mean the grantee of rights under this ordinance.

(e) "Franchise area" shall mean that area within the corporate limits of the City.¹

1 For, where appropriate:.....that area shown on
the map attached as Exhibit 1 and immediately
adjacent areas.

- (g) "Property of company" shall mean all property, owned, installed or used by the Company in the conduct of a CATV business in the city.
- (h) "CATV" shall mean a cable television system as hereinafter defined.
- (i) "Cable Television System" shall mean a system composed of, without limitation, antenna, cables, wires, lines, towers, wave guides, or any other conductors, converters, equipment or facilities, designed, constructed or wired for the purpose of producing, receiving, amplifying and distributing by coaxial cable audio and/or visual radio, television, electronic or electrical signals to and from persons, subscribers and locations in the franchise area.
- (j) "Basic CATV Service" shall mean the distribution of broadcast television signals by the Company.
- (k) "Subscriber" shall mean any person or entity receiving basic CATV service.
- (l) "Gross Annual Basic Subscriber Revenues" shall mean any and all compensation and other consideration received directly by the Company from subscribers in payment for regularly furnished basic CATV service. Gross annual basic subscriber revenue shall not include any taxes on services furnished by the Company imposed directly on any subscriber or user by any city, state or other governmental unit and collected by the Company for such governmental unit.

Section 2. GRANT OF AUTHORITY. Whereas the City has approved the legal, character, financial, technical and other qualifications of the Company and the adequacy and feasibility of the Company's construction arrangements as part of a full

Public proceedings affecting due process, including special

notice to members of the public of the line extension provisions of Section 7 hereof, there is hereby granted by the City to the Company the right and privilege to engage in the business of operating and providing a CATV system in the City, and for that purpose to erect, install, construct, repair, replace, reconstruct, maintain and retain in, on, over, under, upon, across and along any public street, public way and public place, now laid out or dedicated and all extensions thereof and additions thereto in the franchise area such poles, wires, cable, conductors, ducts, conduit vaults, manholes, amplifiers, appliances, attachments, and other property as may be necessary and appurtenant to the CATV system; and in addition, so to use, operate, and provide similar facilities or properties rented or leased from other persons, firms or corporations including but not limited to any public utility or other grantee franchised or permitted to do business in the City.

Section 3. NON-EXCLUSIVE GRANT. The right to use and occupy said street, and other public ways for the purpose herein set forth, shall not be exclusive, and the City reserves the right to grant a similar use in said streets to any other person.

Section 4. TERM OF FRANCHISE. The franchise and rights herein granted shall take effect and be in force 30 days from and after the final passage hereof and upon filing of acceptance by the Company and shall continue in force and effect for a term of 15 years after the effective date of this franchise. The franchise may be renewed for an additional fifteen year period following a full public proceeding affording due process.

Section 5. CONDITIONS OF STREET OCCUPANCY.

(a) All transmission and distribution structures, lines, and equipment erected by the Company within the franchise area shall be located as to cause minimum interference with the proper use of streets, and other public ways and places, and to cause minimum interference with the rights and reasonable

convenience of property owners who join any of the said street or other public ways and places. The CATV system shall be constructed and operated in compliance with all City, State and National construction and electrical codes and shall be kept current with new codes. The Company shall install and maintain its wires, cables, fixtures and other equipment in such manner that they will not interfere with any installation of the City or of a public utility serving the City.

(b) In case of disturbance of any street, public way, or paved area, the Company shall, at its own cost and expense and in a manner approved by the City, replace and restore such street, public way or paved area in as good condition as before the work involving such disturbance was done.

(c) If at any time during the period of franchise the City shall lawfully elect to alter or change the grade of any street, sidewalk, alley, or other public way, the Company, upon reasonable notice by the City, shall remove, relay, and relocate its poles, wires, cables, underground conduits, manholes, and other fixtures at its own expense.

(d) Any poles or other fixtures placed in any public way by the Company shall be placed in such manner as not to interfere with the usual travel of such public way.

(e) The Company shall, on the request of any person holding a building moving permit issued by the City, temporarily raise or lower its wires to permit the moving of buildings. The expense of such temporary removal or raising or lowering of wires shall be paid by the person requesting the same, and the Company shall have the authority to require such payment, in advance. The Company shall be given not less than forty-eight (48) hours' advance notice to arrange for such temporary wire changes.

(f) The Company shall have the authority to trim trees upon and overhanging streets and public ways and places of the franchise area so as to prevent the branches of such trees from coming in contact with the wires and cables of the Company,

except that at the option of the City, such trimming may be done by it or under its supervision and direction at the expense of the Company.

(g) The Company shall, at its expense, protect, support, temporarily disconnect, relocate in the same street or other public place, or remove from the street or other public place, any property of the Company when required by the City by reason of traffic conditions, public safety, street vacation, freeway and street construction, change or establishment of street grade, installation of sewers, drains, water pipes, power lines, signal lines, and tracks or any other type of structures or improvements by public agencies; provided, however, that the Company shall in all such cases have the rights and obligations of abandonment of property of the Company, subject to City ordinances.

(h) The City shall have the right to make additional use, for any public or municipal purpose, of any poles or conduits controlled or maintained exclusively by or for Company in any street, provided such use by City does not interfere with the use by Company. The City shall indemnify and hold harmless Company against and from any and all claims, demands, causes of action, actions, suits, proceedings, damages, costs or liabilities of every kind and nature whatsoever arising out of such use of Company's poles or conduits.

Section 6. SAFETY REQUIREMENTS.

(a) The Company shall at all times employ ordinary care and shall install and maintain in use commonly accepted methods and devices for preventing failures and accidents which are likely to cause damage, injuries, or nuisances to the public.

(b) All structures and all lines, equipment and connection in, over, under, and upon the streets, sidewalks, alleys, and public ways or places of the franchise area, wherever situated or located, shall at all times be kept and maintained in a safe, suitable condition, and in good order and repair.

Section 7. SYSTEM CONSTRUCTION AND EXTENSION.

(a) Option for fully constructed system: ✓ Whereas Company has installed energized trunk cable throughout at least 90% of the franchise area, the CATV system as presently constructed is hereby approved as to extent of service area. Company is hereby authorized to extend the system as necessary within the franchise area.

(a) Option for new system: ✓ Within one year of the receipt of final orders granting all necessary permits and authorizations which are required in the conduct of its business, including but not limited to any utility joint use attachment agreements, microwave carrier licenses, a Certificate of Compliance as issued by the Federal Communications Commission, and any other permits, licenses, and authorizations to be granted by duly constituted regulatory agencies having jurisdiction over the operation of cable television systems or their associated microwave transmission facilities, Company shall have an operable headend completed, and shall have extended energized trunk cable to at least 20% of the franchise area. Thereafter, Company shall extend energized trunk cable to at least 20% of the franchise area each year until not less than 90% of the homes in the franchise area are accessible to energized trunk cable.

(b) Company, whenever it shall receive a request for service from at least ten subscribers within 1320 cable feet of its trunk cable, shall extend its system to such subscribers at no cost to the subscribers for system extension other than the usual connection fees for all subscribers, provided that such extension is technically and physically feasible. The 1320 feet shall be measured in extension length of Company's cable required for service located within the public way or easement and shall not include length of necessary service drop to the subscriber's home or premises.

(c) No person, firm or corporation in the Company's service area shall be arbitrarily refused service. However, in ✓

recognition of the capital costs involved, for unusual circumstances, such as requirement for underground cable, or more than 150 feet of distance from distribution cable to connection of service to subscribers, or a density of less than ten subscribers per 1320 feet of cable system, in order to prevent inequitable burdens on potential cable subscribers in more densely populated areas, service may be made available on the bases of cost of materials, labor and easement.

(d) In the event additional adjacent territory is incorporated within the City's limits, by annexation or otherwise, Company's rights and duties under this Ordinance shall be deemed to include such additional territory.

Section 8. OPERATIONAL STANDARDS. The Company shall operate and maintain its cable television system in full compliance with the standards set forth by the Federal Communications Commission.

Section 9. LOCAL OFFICE; COMPLAINTS. The Company shall maintain a local business office or agent which subscribers may telephone during regular business hours without incurring added message or toll charges, so that complaints regarding cable television operations may be promptly reported to the Company. Should a subscriber have an unresolved complaint regarding cable television operations, the subscriber shall be entitled to file his complaint with the City Clerk, who has primary responsibility for the continuing administration of the franchise and the procedures for resolving complaints, and thereafter to meet jointly with a representative of the Council and a representative of the Company within thirty (30) days to fully discuss and resolve such matters. The Company shall notify each subscriber, at the time of initial subscription to the service of the Company, of the procedures for reporting and resolving such complaints.

Section 10. RATES. The Company's rates shall be no more than:

140.00 No. Weather Add

1.50 3-1-81

First 70 0.71-1 = 800

<u>Single Dwelling Units</u>	<u>Connection Charge</u>	<u>Monthly Charge</u>
First TV Outlet	\$15.00	\$7.50
Additional TV or FM Outlet	7.50	2.50
Relocation of Outlet	7.50	
Reconnection of Outlet	7.50	
<u>Multiple Dwelling Units</u> (contained within one structure or group, where all service is billed to one customer)	7.50	4.00 - 450

Apartments

Dwelling Units Served:

10-19	\$15.00 First Outlet	4.00
20-49	7.50 each additional	
50-99		
Over 100		

Hotels and Motels

Rooms served:

10-19	\$15.00 First Outlet	2.50
20-49	7.50 each additional	
50-99		
Over 100		

These rates may be increased only with prior approval of the Council after an appropriate public hearing affording due process. From time to time Company may seek approval of the Council for a rate increase; however, rates approved shall remain in effect for not less than 12 calendar months after effective date. City Council approval of subscriber rates shall not be unreasonably withheld. Following an appropriate public hearing, Company may pass along to subscribers such additional fees as may be imposed on it, including but not limited to direct taxes, copyright fees and permit fees.

Section 11. PREFERENTIAL OR DISCRIMINATORY PRACTICES

PROHIBITED. The Company shall not as to rates, charges, service facilities, rules, regulations or in any other respect make or grant any preference or advantage to any person nor subject any person to any prejudice or disadvantage, provided that nothing

in this franchise shall be deemed to prohibit the establishment of a graduated scale of charges and classified rate schedules to which any customer coming within such classification would be entitled, and provided further that connection and service charges may be waived or modified during promotional campaigns of Company.

Section 12. FRANCHISE PAYMENTS. The Company shall pay to the City, on or before March 31 of each year, a 2%* franchise fee based on gross annual basic subscriber revenues received for cable television operations in the City for the preceding calendar year. No other fee, charge or consideration shall be imposed. Sales tax or other taxes levied directly on a per subscription basis and collected by the Company shall be deducted from the gross annual basic subscriber revenues before computation of sums due the City is made. The Company shall provide an annual summary report showing gross annual basic subscriber revenues received during the preceding year.

Section 13. INDEMNIFICATION OF CITY.

(a) The Company shall at all times protect and hold harmless the City from all claims actions, suits, liability, loss, expense or damages of every kind and description, including investigation costs, court costs, and attorney's fees, which may accrue to or be suffered or claimed by any person or persons arising out of the negligence of the Company in the ownership, construction, repair, replacement, maintenance and operation of said cable television system and by reason of any license, copyright, property right or patent of any article or system used in the construction or use of said system. City shall give Company prompt notice of any such claims, actions, and suits, without limitation, in writing.

*Note: Franchise fee cannot exceed three percent without specific justification to the FCC in accordance with Section 76.31(b) of the FCC Rules.

The Company shall maintain in full force and effect during the life of any franchise, public liability insurance in a solvent insurance company authorized to do business in the State of TEXAS, at no less than in the following amounts:

- a. \$50,000 property damage in any one accident;
- b. \$100,000 for personal injury to any one person;
- c. \$300,000 for personal injury in any one accident;

Provided that all such insurance may contain reasonable deductible provisions not to exceed \$1,000.00 for any type of coverage, and provided further, the City may require that any and all investigation of claims made by any person, firm, or corporation against the City arising out of any use or misuse of privileges granted to the Company hereunder shall be made by, or at the expense of the Company or its insurer.

Section 14. PROCEDURES.

(a) Any inquiry, proceeding, investigation or other action to be taken or proposed to be taken by the City in regard to the operations of Company's cable television system, including action in regard to a change in subscription rates, shall be taken only after thirty (30) days public notice of such action or proposed action is published in a local daily or weekly newspaper having general circulation in the City; a copy of such action or proposed action is served directly on Company; and, the Company has been given an opportunity to respond in writing and/or at hearing as may be specified by the City, and members of the general public have been given an opportunity to respond or comment in writing on the action or proposed action.

(b) The public notice required by this section shall state clearly the action or proposed action to be taken, the time provided for response and the person or persons in authority to whom such responses should be addressed, and such other procedures as may be specified by the City. If a hearing is to be held, the public notice shall give the date and time of such hearing, whether public participation will be allowed and the procedures

by which such participation may be obtained. The Company shall be a necessary party to any hearing conducted in regard to its operations.

Section 15. PROCEDURE UPON TERMINATION. Upon expiration of the franchise, if the Company shall not have acquired an extension or renewal thereof and accepted the same, it may have and it is hereby granted, the right to enter upon the streets, and public ways of the City, for the purpose of removing therefrom any or all of its property and otherwise. In so removing said property the Company shall refill, at its own expense, any excavation that shall be made by it, and shall leave said streets and public ways and places in as good condition as that prevailing prior to the Company's removal of its property.

Section 16. APPROVAL OF TRANSFER. The Company shall not sell or transfer its plant or system to another, other than a parent company or a wholly-owned subsidiary of the Company, nor transfer any rights under this franchise to another without Council approval. Provided, that no sale or transfer shall be effective until the vendee, assignee or lessee has filed in the office of the City Clerk an instrument duly executed reciting the fact of such sale, assignment or lease accepting the terms of the franchise and agreeing to perform all the conditions thereof. Such Council approval will not be unreasonably withheld and neither this Section nor other Sections of this franchise shall preclude the mortgaging, hypothecating, or the assignment of certain rights in the system, or the pledge of stock by the Company for the purpose of financing.

Section 17. NEW DEVELOPMENTS. It shall be the policy of the City liberally to amend this franchise upon application of the Company, when necessary to enable the Company to take advantage of any developments in the field of transmission of television and radio signals which will afford it an opportunity more effectively, efficiently or economically to serve its customers.

Section 18. MISCELLANEOUS PROVISIONS.

(a) When not otherwise prescribed herein, all matters herein required to be filed with the City shall be filed with the City Clerk.

(b) The Company shall assume the cost of publication of this franchise as such publication is required by law. A bill for publication costs shall be presented to the Company by the City Clerk upon the Company's filing of acceptance and shall be paid at that time.

(c) The Company shall provide without charge one outlet to each governmental office building, fire station, police station, and public and non-profit private school building that is passed by its cable. The distribution of the cable facility inside such buildings and the extent thereof shall be the option, duty and expense of the building owner.

(d) In the case of any emergency or disaster, the Company shall, upon request of the City make available its facilities to the City for emergency use during the emergency or disaster period.

Section 19. COMPLIANCE WITH APPLICABLE LAWS AND

ORDINANCES. The Company shall at all times during the life of this franchise be subject to all lawful exercise of the police power by the City. The City reserves the right to adopt from time to time in addition to the provisions herein contained such ordinances as may be deemed necessary to exercise police power. Such regulation shall be reasonable and not destructive to the rights herein granted and not in conflict with the laws of the State or other local laws or regulations.

Section 20. VIOLATIONS.

(a) From and after the effective date of this ordinance, it shall be unlawful for any person to construct, install or maintain within any public street in the City, or within any other public property of the City, or within any privately-owned area within the City which has not yet become a public street but

is designated or delineated as a proposed public street on any tentative subdivision map approved by the City, any equipment or facilities for distributing any television signals or radio signals through a CATV system, unless a franchise authorizing such use of such street or property or area has first been obtained, and unless such franchise is in full force and effect.

(b) It shall be unlawful for any person, firm or corporation to make any unauthorized connection, whether physically, electrically, acoustically, inductively or otherwise, with any part of the franchised CATV system within this City for the purpose of enabling himself or others to receive any television signal, radio signal, picture, program or sound, without payment to the operator of said system.

(c) It shall be unlawful for any person, without the consent of the owner, to wilfully tamper with, remove or injure any cables, wires or equipment used for distribution of television signals, radio signals, pictures, programs or sound.

Section 21. PENALTIES. Any person violating or failing to comply with any of the provisions of Section 20 of this ordinance shall be guilty of a misdemeanor and for each day of violation or failure to comply may be punished by a fine not to exceed \$100.00 or by imprisonment for a term of not to exceed thirty (30) days or by both such fine and imprisonment.

Section 22. SEVERABILITY. If any section, subsection, sentence, clause or phrase of this ordinance is for any reason held illegal, invalid or unconstitutional by the decision of any court or regulatory body of competent jurisdiction, such decision shall not affect the validity of the remaining portion hereof. The Council hereby declares that it would have passed this ordinance and each section, subsection, sentence, clause, and phrase hereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared illegal, invalid or unconstitutional. The invalidity of any

portion of this ordinance shall not abate, reduce or otherwise affect any consideration or other obligation required of the Company. All ordinances and parts of ordinances in conflict with the provisions of this ordinance are hereby repealed.

Section 23. FEDERAL REGULATION. Any modification resulting from amendment of Section 76.31 (Franchise Standards) of the Rules and Regulations of the Federal Communications Commission shall be incorporated into this franchise as of the date such modifications become obligatory under FCC regulations, within one year of adoption or at the time of franchise renewal, whichever occurs first.

Section 24. EFFECTIVE DATE. This ordinance shall take effect and be in force thirty (30) days from and after its passage, subject to acceptance by the Company within said thirty (30) day period.

Section 25. NON-EXCLUSIVE FRANCHISE. It shall be expressly understood by the Company and the City that this franchise shall be NON-EXCLUSIVE.

Section 26. TECHNICAL STANDARDS. Part 76 of the Federal Communications Commissions Rules and Regulations regarding (Technical Standards) for CATV systems shall be complied with.

Section 27. NEW PLANT CONSTRUCTION PERFORMANCE. Company agrees to begin plant reconstruction within forty-five (45) days of signing of this franchise and completion of construction within ninety (90) days, provided however Acts of God, Strike, Riots and uncontrollable manufacturer delays be recognized by City Council.

Passed the City Council

OCT 28 1978, 1978

Edith Edwards
Mayor
M. R. Stewart
Mayor

SEAL