

ORDINANCE NO. 533

AN ORDINANCE GRANTING TO SANTIAM CABLE TELEVISION A NON-EXCLUSIVE FRANCHISE FOR THE OPERATION OF A CABLE COMMUNICATIONS SYSTEM

THE CITY OF STAYTON DOES ORDAIN AS FOLLOWS:

Section 1. Purpose and Grant of Authority. A non-exclusive franchise is hereby granted to Santiam Cable Television, hereinafter referred to as "Company", to install, construct, operate, maintain, reconstruct, and expand a cable communications system within the public streets, ways, alleys, public utility easements and place of the City of Stayton, hereinafter referred to as "City". This franchise shall constitute both a right and an obligation to provide the service of a cable communications system as required by the provisions of this Ordinance.

Section 2. Definitions. For the purpose of this Ordinance, the following terms have the meaning given herein:

(1) "Access Channels" means those channels required by this Ordinance to be kept available by the Company for partial or total dedication to public access, educational access, local government access, or leased access.

(2) "Cable Communications System" or "system" means a system of antennas, cable, amplifiers, towers, microwave links, waveguides, laser beams, satellites, earth stations, or any other conductors, converters, equipment, or facilities, designed and constructed for the purpose of producing, receiving, amplifying, storing, processing or distributing audio, video, digital, or other forms of electronic or electrical signals.

(3) "City" means the City of Stayton.

(4) "Company" means Santiam Cable-vision, Inc.

(5) "Commission" means the Stayton Communications Commission.

(6) "Franchise Territory" means the area within the legal boundaries of the City and including any areas annexed during the term of the franchise.

(7) "Gross Annual Revenues" means any and all compensation in whatever form, granted, subsidy, exchange, or otherwise, directly or indirectly received by the Company.

(8) "Monitoring" means observing a one-way communications signal, or the absence of a signal, where the observer is neither the subscriber nor the programmer, where the signal is observed by visual or electronic means for any purpose whatsoever.

(9) "Pay Television" means television signals for which the Company pays a fee or charge other than statutory copyright fees, on a per program, per channel, per subscriber, or similar basis, and which are offered individually to subscribers on a similar additional cost basis over and above the charge for basic service.

(10) "Rate Schedule" means the charges for subscriber service approved by the Commission.

(11) "Standard Installation Charge" means the cost to the subscriber for connection to the cable communication system in the amount specified in the current rate schedule.

(12) "Streets" means the surface of and the space above and below any public street, sidewalk, alley, easement, or other dedicated public way of any type whatsoever, now or hereafter existing as such within the jurisdiction of the City.

(13) "Subscriber" means any person, firm, corporation, or other entity receiving electronic signals by means of the Company's cable communications system.

(14) "Technical Facilities" of "facilities" shall mean all real property, equipment and fixtures used by Company in the distribution of its services through its system, whether located in the City or out, and includes but is not limited to poles, cables, wires, microwave transmitters, antennas, amplifiers, etc.

(15) "Television System services" or "system services" or "services" shall mean all of the services provided by Company or available to Company to provide through its technical facilities by the grant of this franchise, and shall include but not be limited to the distribution of television and radio signals.

Section 3. Stayton Cable Communications Commission Authority. The Stayton Cable Communications Commission, established by separate ordinance, shall oversee, administer and enforce the terms and provisions of this Ordinance. In addition to those powers referred to in the above mentioned Ordinance establishing the Commission, said Commission shall have those powers referred to in this Ordinance.

Section 4. Compliance with Laws, Rules and Regulations. At all times during the term of this franchise Company shall comply with all applicable laws, rules, and regulations of the United States of America, the State of Oregon, and the City of Stayton; including all agencies and subdivisions thereof.

If at any time the requirements for coverage of broadcast signals, for technical standards, or other requirements now imposed on the Company by the Federal Communications Commission become invalidated, or are revoked, the areas of regulation covered by those requirements shall be subject to regulation by the City at the City's discretion.

Section 5. Services Provided.

(1) Basic Service. Company shall provide its subscribers within the City with good quality television and radio reception, station selection and other system services within the limits of its technical facilities; and

Company shall make available to its subscribers all signals, stations and state of art services available within the limits of the system's technical facilities and provide at least the following channels: KATU-2, KVDO-3, KOIN-6,

KOAC-7, KGW-8, KEZI-9, KPTV-12, KVAL-13 TV stations off the air. Also to provide satellite programming of Christian Broadcasting, Nickelodeon, WTBS-17 Atlanta, WGN-9 Chicago, Madison Square Garden, ESPN, and/or News UPI, the premium channel of either Showtime or HBO. There shall also be six (6) channels reserved for future expansion. A converter will be necessary for Showtime/HBO and two of the mid band channels.

(2) Performance Standards. The technical standards for system performance shall be equal to or better than those provided in "Appendix A", attached hereto. Those standards contained in "Appendix A" that exceed Federal Communications Standards shall be maintained throughout the life of this franchise. With respect to visual signal levels and other signal quality requirements not contained in "Appendix A" the Company shall maintain the minimum standards established by the F.C.C.

(3) Modifications and Improvements. Company shall maintain and improve the technical facilities of its system according to generally accepted practices and standards in the cable television industry.

Company shall not make or permit any change in system station selection without prior consultation and written approval of the City through its Cablevision Commission, except as may be required by any Federal or State agency having jurisdiction.

(4) Control Keys. Company shall provide at its cost of \$15.00 a key-operated parental control locking device for any of the pay channels.

(5) Service to Institutions. Upon request, the Company shall make single installations of its cable communication system facilities to each fire and police station, public school, City Hall, and public library within the franchise territory on terms provided in Section 6 (2) except no standard installation fee shall be imposed for such installations. No monthly service charge shall be made for distribution of service to these locations.

(6) Public Access. Company shall maintain a studio within the franchise territory with facilities and equipment for access program origination, and shall also provide at least one high quality black and white camera and video tape recorder with playback capacity which shall be made available at no charge to individuals or groups subject to conditions that are acceptable to the Cable Communications Commission.

The Company's studio and equipment shall be made available upon reasonable request (a minimum of 48 hours in advance unless arrangements are made with Company's representative in special circumstances) to authorized representatives of the City or to persons or groups wishing to originate programming, except that in event of public emergency, the City shall not be required to give any notice.

Reasonable charges acceptable to the Commission may be levied for use of the aforesaid studio, studio facilities, and equipment and Company shall be entitled to reimbursement from the party responsible for damages to any property of the Company.

Company shall maintain studio, facilities, and equipment in satisfactory condition both electronically and mechanically without charge to users, except as provided above. User shall supply performers, production crew, special properties, graphics, etc.

Subject to the foregoing, the Company shall prepare and make available to users rules governing the use of its studio, facilities, and equipment, such rules to be subject to the approval of the Cable Communications Commission, whose approval shall not be unreasonably withheld.

In addition to any other rights of appeal granted under this Ordinance, any person or group may appeal to the Cable Communications Commission from any decision by Company concerning use of public access channels, use of facilities provided for local origination programming, and concerning priority of public

access programming over other programming. The Cable Communications Commission at its discretion, may accept the appeal, and the Commission's decision shall be final and binding on the Company.

In the case of any emergency or disaster, the Company shall, upon request of the City, make available its facilities for emergency use during the emergency or disaster period at no cost to the City. The system shall be designed so that viewers on all channels can receive immediate notice of the emergency cablecast.

Section 6. Extension of Service.

(1) Scope. Company shall install its service to all applicants within the City boundaries of Stayton as they are now or hereafter may be constituted, pursuant to its schedule of charges (see attached schedule "Appendix B").

If applicant lives beyond City Limits the customer or customers may be required to pay the basic installation fee plus a charge of one-half the expense for extension of said trunk. The present day figure of \$1.00 (one dollar) per foot constitutes the expansion expense.

(2) Service to Individual Subscribers. Where a subscriber can be served from the Company's system, without extension of a trunk cable, the Company shall serve the potential subscriber upon request on the following terms and conditions:

(a) The dwelling unit shall be connected to cable at the standard installation charge if the connection can be made with an aerial drop and does not exceed 150 feet.

(b) If the aerial connection drop exceeds 150 feet, the potential subscriber may be charged the actual cost of the distance exceeding 150 feet plus standard installation charge, and Company may request advance payment of such installation.

(c) If the requested installation is to be placed underground, the

potential subscriber must pay for furnishing open trench, as specified by the Company, backfilling and restoring to original conditions and Company may request advance payment for such work.

(d) The potential subscriber shall arrange for all necessary easements over or under private property.

(3) Underground Extension of System.

(a) Installation of System. In cases of new construction or property development where utilities are to be placed underground, the developer or property owner shall give Company reasonable notice of such construction or development, including a copy of any final plat, and of the particular date on which open trenching will be available for Company's installation of conduit, pedestals and/or vaults, and laterals which are to be provided at Company's expense. Company shall also provide specifications as needed for trenching.

(b) Costs of trenching and easements required to bring service to the development shall be borne by the developer or property owner; except that if Company fails to install its conduit, pedestals and/or vaults, the laterals within two (2) working days of the date the trenches are available, as designated in the notice given by the developer or property owner, then should the trenches be closed after the two-day period, the cost of new trenching is to be borne by Company.

(4) Aerial Extension of System. In any area where utility lines are permitted above ground, Company shall extend its system and provide service upon request pursuant to Section 6 (2) herein, where the potential subscriber can be served by extension of distribution cable past occupied dwelling units equivalent to a density of 22 dwelling units per mile of cable contiguous to the activated system. Such density shall be computed on the basis of dwelling units which can be served on either side of the cable.

(5) Extension of Service by Agreement. Nothing herein shall be construed to

prevent Company from serving areas not covered under this section upon agreement with developers, property owners, or residents. Any such agreement shall be in writing and filed with the Commission.

(6) Franchise Limitations. This franchise shall be limited to the distribution of radio and television signals for entertainment and education purposes only. Any other use of the distribution system shall require prior approval of the Commission and/or the City Council of Stayton.

Section 7. Compliance with Construction and Technical Standards. Company shall construct, install, operate and maintain its system in a manner consistent with applicable local construction standards, governmental requirements, F.C.C. technical standards, and detailed standards submitted by Company and approved by the Commission prior to acceptance of this franchise, which standards are attached to this Ordinance as "Appendix A" and incorporated by reference herein. In addition, Company shall provide the Commission with a written report of the results of Company's annual proof of performance tests conducted pursuant to F.C.C. standards and requirements.

Section 8. Rates for Installation and Services.

(1) Schedule of Rates. Company shall keep on file with the Commission a current schedule of subscriber rates and charges which shall not be increased except as provided by this Ordinance. Company may, without approval or additional filing, temporarily reduce any such rates and charges in connection with its marketing or other business purpose. The initial rate schedule is attached as "Appendix B".

(2) Advance Charges. Company may require subscribers to pay for each month of basic service in advance at the beginning of each month.

(3) Prohibition of Discriminatory or Preferential Practices. The Company shall not, in its rates or charges, or in making available the service or facilities of



its system, or in its rules or regulations, or in any other respect, make or grant discriminatory preference or advantages to any subscriber or potential subscriber to the system, or to any user or potential user of the system; and shall not subject any such persons to any prejudice or disadvantage, provided nothing herein shall prevent Company from establishing different rates for uniform classes of subscribers or reducing rates as permitted by Section 8 (1) herein, unless approved by the Commission.

(4) Disconnections, Failure to Pay. There shall be no charge for disconnection from the system. If a subscriber has failed to pay a properly due monthly subscriber fee within 15 days after the due date of the fee, Company may cause disconnection of the subscriber's cable installation after ten (10) days prior written notice; however, upon payment in full of the delinquent monthly subscriber's fee, and the reconnection charge, plus the first and last month's service charge, the Company shall reinstate the subscriber's service.

(5) Subscriber Refunds. If any subscriber terminates, for personal reasons, any monthly service prior to the end of a prepaid period, a proportional amount of any prepaid monthly service fee, corresponding to the number of days remaining in the prepaid period, shall be refunded to the subscriber by the Company, if the amount equals \$1.00 or more.

(6) Rate Change Procedures.

(a) The Commission is hereby empowered to review and pass upon requests by the Company to change its rates for basic services. Any reference in this Section to a rate change shall also be applicable to charges for additional services where City is allowed to regulate such charges.

(b) Company may at any time submit to the Commission requests to change Company's rates for basic services. Requests shall be in writing and shall be supported by financial data conforming to a reporting format approved by and filed with the Commission. No rate change will be effective until the Commission approves the change or until 90 days from the date the request was submitted

should the Commission fail to either approve or reject the request within that time.

(c) In all rate review proceedings, the issue shall be whether the rate(s) under review produce a fair rate of return on the Company's investment in the system servicing the franchise area, and whether the Company is providing service and programming with reasonable standards in the industry. The burden of establishing the reasonableness of a rate change shall be upon the party requesting the rate change.

(d) The Commission shall conduct such public hearings as are necessary and appropriate to the above issues, but shall confine testimony in such hearings to the above issues. Whenever a public hearing is ordered, the Company shall give notice on its cable system to the general public between the hours of 7:00 and 9:00 p.m. for five consecutive days prior to the hearing, including information concerning the time and place of the hearing and where and when relevant documents may be examined.

#### Section 9. Use of Public Ways.

(1) Street Openings or Obstructions. Any opening or obstruction in or disturbance of the streets made by the Company in the exercise of its rights under this franchise agreement shall be done in compliance with the Standard Specifications of the City and all other applicable Federal, State, and local laws, ordinances, traffic manual and regulations. No hard surface pavement shall be cut or street broken by the Company without first obtaining a permit from the City, which requires a plan submittal and approval before installation begins.

(2) Undergrounding and Pole Use. The cable communications system cables, wires and associated equipment or facilities shall be place underground in areas of the franchise territory where telephone and electric utility lines are underground. At no time shall the cable system be the only aerial facility. Under-

grounding of Company's equipment and facilities shall be done in compliance with Code provisions of the City, and in cooperation with the telephone company and electric utility board operating in the area. In all matters relating to undergrounding, City shall not discriminate against Company with respect to any requirements imposed or benefits conferred upon telephone or electric utilities, except as such benefits to telephone or electric utilities are required by State Law. Arrangements shall be made by the Company with the telephone company or utility board for the use of existing poles in areas where the utilities are above ground, and no poles shall be erected by the Company without prior approval of the City. Before placing equipment or facilities underground, or above ground, it shall be the responsibility of the Company to determine whether necessary easements exist, and except as otherwise provided in the Ordinance, to secure easements, if needed, and to show said easements on each plan submitted for proposed construction.

(3) Restoration and Repair of Streets. Whenever the Company disturbs any of the streets, it shall restore them as soon as practicable, to good order and condition, as they were at the time of the disturbance, using the kind and quality of material with which the street was improved prior to the disturbance, and making the repair or restoration under the direction, and inspection, and to the satisfaction of the City. The City shall have the right to fix a reasonable time within which such restoration and repair of streets shall be completed, and upon failure of Company to make the restoration and repair within the allotted time, the City may cause such restoration and repair to be made at the expense of the Company.

(4) City's Use of Streets. Nothing in this franchise shall be construed in any way to prevent the proper authorities of the City from sewerage, grading, planking, rocking, paving, repairing, altering or improving any of the streets, alleys, easements, avenues, thoroughfares, and public ways within the franchise territory in or upon which the poles, wires or other equipment of said Company

shall be placed. All such work or improvements shall be done, if possible, so as not to obstruct or prevent the free use of said poles, wires, conduits, or other equipment.

(5) Tree Trimming. Where tree trimming is necessary on public streets for the operation of the lines, wires, cables and antennas or other appurtenances of the Company, the trimmings shall be done by competent employees, agents or contractors of the Company after application for and granting of a written permit by the City, and it shall be done without cost of expense to the City.

(6) City's Use of Poles. City reserves to itself the right at any time to use the poles and other installations of Company erected or installed under the authority granted in this Ordinance for any City-owned facilities of whatsoever nature, but it is agreed that such use shall not interfere or compete with Company's use thereof. The City shall hold the Company harmless from any and all liability which may arise as a result of its use of Company's poles or other installation.

(7) Equipment Maintenance. Company shall at all times keep and maintain all of its poles, fixtures, conduits, wires, and its entire system in a good state of repair and shall indemnify and save harmless the City of and from any and all damages of any kind or character growing out of or arising by reason of Company's failure to so maintain the cable communications system in the franchise territory.

(8) Temporary Removal of Facilities.

(a) Company shall, at its expense, protect, support, temporarily disconnect or relocate any of its equipment when required to do so by 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 the City or such duly established utility boards as the Santiam

Water Control District Board.

(b) Company shall, within seven (7) days' written request of any person holding an appropriate permit issued by the City, temporarily raise or lower its lines or other equipment to permit the moving of any building or structure, machinery, or object, and the actual expense of the same shall be paid by the person making the request. The person making the request will indemnify and save harmless said Company of any and all damages or claims of whatsoever kind or nature caused directly or indirectly from such temporary rearrangement of the equipment of the Company, and, if required by Company, shall provide a cash deposit or a good and sufficient bond to pay any and all such costs as estimated by Company.

(c) All installations, rearrangements, removals, lowering or raising of aerial cables or wiring or other apparatus shall be done in conformance with requirements of the National Electric Safety Code, and the laws of the State of Oregon and the Ordinances of the City.

(9) Maps and Records. The Company shall file with the City a system "as built" map drawn to accurate scale, and shall amend the map annually or as often as necessary to keep the City informed as to the location of all facilities installed in the franchise territory. The map shall clearly indicate location of trunks, distribution of lines, and amplifiers within the public rights-of-way. Location of subscriber service drops in a specified area shall be provided promptly by Company upon City's request in connection with activities set forth in Subsections (4) and (8) of this Section.

(10) Emergency Removal of Facilities. If at any time, in case of fire or disaster in the franchise territory, it shall become necessary in the reasonable judgement of the City to cut or move any of the wires, cables, amplifiers, or other appurtenances to the system of the Company, such cutting or moving may be done and any repairs rendered necessary thereby shall be made by the Company, at

its sole expense, provided that such repairs are not necessitated by a negligent act of the City, in which case costs for repairs shall be borne by the City.

(11) Alternate Routing of Facilities. In the event continued use of a street is denied to the Company by the City for any reason, the Company shall provide service to affected subscribers over such alternate routes as shall be determined by the Company within a reasonable period of time.

Section 10. Payment to City.

(1) Franchise Fee. As compensation for the permit granted herein and in consideration of permission to use the streets and public ways of the City in the franchise territory for the construction, operation, maintenance, and reconstruction, of a cable communications system within the franchise territory, the Company shall pay to the City an annual amount equal to three percent (3%) of the Company's gross annual revenues as defined at Section 2 (7) herein.

(2) Payment Schedule. Payments due the City under this provision shall be computed quarterly, for the preceding quarter, as of March 31, June 30, September 30 and December 31. Each quarterly payment shall be due and payable no later than sixty (60) days after the dates listed in the previous sentence.

(3) Late Penalty. The Company shall furnish to the City with each payment of compensation required by this section, a written statement under oath, executed by an authorized agent of the Company showing the amount of gross annual revenues of the Company within the franchise territory for the period covered by the payment computed on the basis set out in Subsection (1) of this section. The compensation for the period covered by the statement shall be computed on the basis of the gross annual revenues so reported. If the Company fails to pay the entire amount of compensation due the City, through error or otherwise, within the times allotted for payment in Subsection (2) above, the amount of the fee due for that quarter and not timely paid shall be subject to a late penalty of an additional ten percent (10%) plus interest of one percent (1%) per month

on the amount of fee due and unpaid from the date due until it is paid together with the late penalty.

(4) Verification of Amount Due. No acceptance of any payment shall be construed as an accord that the amount paid is in fact the correct amount, nor shall such acceptance of payment be construed as a release of any claim the City may have for further or additional sums payable under the provisions of this franchise. All amounts paid shall be subject to audit and recomputation by the City and all records required to conduct such an audit shall be made available to the City at the expense of the Company.

(5) Compensation Not a Credit Against Certain Taxes and Fees. Nothing contained in this franchise shall give the Company any credit against any non-discriminatory business tax, or ad valorem property tax now or hereafter levied against real or personal property within the City, or against any local improvement assessment imposed on the Company, or against any permit fees or inspection fees required by the construction codes or other ordinances of the City which are or may hereafter be adopted.

Section 11. Performance Bond and Liability Insurance.

(1) Performance Bond. Upon the filing of the acceptance required under Section 16 (1) hereof, the Company shall file with the City and shall thereafter, annually, during the entire term of such franchise, maintain in full force and effect a corporate surety bond or other adequate surety agreement in the amount of \$10,000.00. The bond or agreement shall be so conditioned that in the event that Company shall fail to materially comply with any one or more of the provisions of such franchise, then there shall be recoverable jointly and severally from the principal and surety any damages or loss, or costs suffered or incurred by the City as a result thereof, including attorneys' fees and costs of any action or proceeding, and including the full amount of any compensation, indemnification,

cost of removal or abandonment of any property or other costs which may be in default, up to the full principal amount of such bond. Such condition shall be a continuing obligation during the entire term of such franchise and thereafter until Company shall have satisfied in full any and all obligations to the City which arise out of or pertain to said franchise. In lieu of the bond agreement, Company may deposit cash with the City or in a Federal or State of Oregon bank or Savings and Loan Association on terms and conditions approved by the City and the Company. Neither the provisions of this Section, nor any bond accepted by the City pursuant thereto, nor any damages recovered by the City thereunder, nor any withdrawal from any cash deposit shall be construed to excuse faithful performance by the Company or to limit the liability of the Company under this Ordinance for damages, either to the full amount of the bond or otherwise.

(2) Proof of Performance Bond. Upon the effective date of this franchise, Company shall furnish to the City proof of a cash deposit as provided in Subsection (1), or shall furnish a bond, as required in Subsection (1), containing the following endorsement:

It is hereby understood and agreed that this bond may not be cancelled nor the intention not to renew be submitted until thirty (30) days after receipt by the City by registered mail of a written notice of such intent to cancel or not renew.

(3) Public Liability Insurance. Company shall indemnify and save the City free and harmless from any and all liability, loss, cost, damage or expense from accident or damage, either to itself or to persons or property of others which may occur by reason of the exercise of the rights and privileges herein granted; and shall, for the purpose of carrying out the provisions of this section, and prior to commencing construction of any kind, have in full force and effect, and file evidence thereof with the City, a good and sufficient policy (or policies) covering \$1,000,000.00 combined single limit liability for bodily injury, property damage, and personal injury liabilities with the policy (or policies) to be



executed by an insurance company (or companies) authorized and qualified to do business in the State of Oregon and conditioned to indemnify and save harmless the City from and against any and all claims, actions, suits, liability loss, cost, expense or damage of any kind or description which may accrue to or be suffered by the City or by anyone by reason of erection, construction, reconstruction, relocation, replacing, readjustment, repair, maintenance or operation of the coaxial cable and appurtenances thereto, or by reason of anything that has been done or may be done by the Company hereunder which may in any way cause liability by reason thereof.

(4) Reimbursement of Costs. The Company shall pay all expenses incurred by the City in defending itself with regard to all damages and penalties mentioned in Subsection (3) above. These expenses shall include all out-of-pocket expenses, such as consultants or attorney fees.

(5) Notice of Cancellation or Reduction in Coverage. The insurance policies mentioned above shall contain an endorsement stating that the policies are extended to cover the liability assumed by the Company under the terms of this Ordinance and shall contain the following endorsement:

It is hereby understood and agreed that this policy may not be cancelled nor the amount of coverage thereof reduced until thirty (30) days after receipt by the City of Stayton by registered mail of a written notice of such intent to cancel or reduce the coverage.

(6) Evidence of Insurance Filed with City. A certificate of insurance shall be filed and maintained with the City during the term of the franchise.

(7) No Waiver of Performance Bond. Neither the provisions of this franchise nor any insurance accepted by the City pursuant hereto, nor any damages recovered by the City thereunder, shall be construed to excuse faithful performance by the Company or limit the liability of the Company under the franchise for damages, either to the full amount of the bond or otherwise. Nor shall maintenance of insurance pursuant to this section be construed to impose liability to third parties on Company for loss expense or damages otherwise allocated under provisions

of this Ordinance.

Section 12. Responsibilities to Public.

(1) Repair. Any damage caused to the property of building owners or users or any person, by the Company shall be repaired fully and promptly by the Company.

(2) Removal of Facilities Upon Request. Upon termination of service to any subscriber, the Company shall remove promptly all its above ground external facilities and equipment from the premises of the subscriber at the owner's request.

(3) Complaint Procedures and Inquiries.

(a) Company shall maintain an office in the franchise area which shall be open during all the usual business hours with its telephone listed in directories of the telephone company serving the franchise territory, and be so operated that complaints and requests for repairs or adjustments may be received at any time, day or night, seven days a week. The phone number and address of this office shall be furnished to each subscriber by the Company.

(b) Original records including service records pertaining to complaints received by the Company, and of the office procedures followed to satisfy those complaints, shall be maintained by the Company for a period of not less than three years, and made available for inspection by the Commission on reasonable notice to the Company. This record shall be considered by the Commission in evaluating the system.

(4) Maintenance of Service.

(a) Company shall maintain a repair and troubleshooting force capable of responding to subscriber complaints within two working days after receipt of the complaint, other than as may be due to circumstances beyond the reasonable control of the Company. No charge shall be made to the subscriber for maintenance service.

(b) Company shall put, keep, and maintain all parts of the cable communications system in good condition throughout the entire period of this franchise.

(c) The Company shall render efficient service, make repairs promptly and interrupt service only for good cause and for the shortest time possible. Such interruptions, insofar as possible, shall be preceded by notice and shall occur during periods of minimum use of the system.

(d) In the event that a subscriber complaint is not resolved to the mutual satisfaction of the subscriber and the Company, either the subscriber or the Company may request that the matter be presented to the Commission for final resolution by the Commission or its designee.

(e) When there have been similar complaints made or where there exists other evidence, which in the judgement of the Commission casts doubt on the reliability of quality of cable service, the Commission shall have the right and authority to compel the Company to test, analyze, and report on the performance of the system. Such test or tests shall be made, and the reports of such test or tests shall be delivered to the Commission within fourteen (14) days after the same have been requested by the Commission. Such report(s) shall include the following information: The nature of the complaint(s) which precipitated the special tests; the system component(s) tested and the equipment used and procedures employed in said testing; the results of such tests; and the method(s) in which such complaints were resolved. Any other information pertinent to the special test(s) shall be recorded and reported.

At the Commission's option, said tests and analyses shall be supervised at the Company's expense by a professional engineer not on the permanent staff of the Company. The aforesaid engineer shall sign all records of special tests and forward the same to the Commission within the time prescribed, with a report interpreting the results of the tests and recommending actions to be taken by

the Commission and/or Company.

(f) In addition to testing under Section 12(4)(e), the Commission may at any time employ, at its own expense, a registered, qualified engineer to test, analyze and report on the performance of the system. Company agrees to make all of its testing equipment available at no charge or cost to the engineer selected by the Commission to perform these tests.

(5) Monitoring and Cable Tapping Prevention. Company shall not monitor or tap any subscriber terminal unless such procedures are necessary to insure the proper functioning of the system, or unless prior written authorization from the subscribers affected is first obtained.

(6) Sale of Subscriber Lists Prohibited. The Company shall not sell, or otherwise make available, lists of the names or addresses of its subscribers, or any list which identifies subscriber viewing habits by name or address, to any person, agency, or entity, except as needed to maintain current services or implement new services to subscribers in connection with Company's service.

(7) Company Rules, Regulations. The Company shall have the authority consistent with applicable laws and F.C.C. rules and regulations, to promulgate such rules, regulations, terms and conditions governing the conduct of its business with subscribers as shall be reasonable and necessary to enable the Company to exercise its rights and perform its obligations under this franchise. Two (2) copies of all rules, regulations, terms and conditions including subscriber agreements promulgated under this section, together with any amendments, additions or deletions thereto, shall be kept current on file with the Commission. An additional copy thereof shall be maintained for public inspection during normal business hours at Company's office in the City of Stayton and no such rules, regulations, terms, conditions, or amendments, additions or deletions thereto shall take effect unless and until so filed.

(8) Equal Employment Requirements. Company shall adhere strictly to the equal

employment opportunity requirements of the Federal Communications Commission, as expressed in Section 76.13(a)(8) and 76.311 of Chapter I of Title 47 of the Code of Federal Regulations. Company shall comply at all times with all other valid and applicable Federal, State, City and County laws, relating to non-discrimination.

(9) Theft of Services. It shall be unlawful for any person to obtain cable communication service by tapping into communication lines (or by any other means) to avoid making payment for the services. Violators will be prosecuted under the criminal laws of the State.

Section 13. Reports and Records.

(1) Annually, within one hundred fifty (150) days after the close of the fiscal year for which the financial records of the Company are maintained, Company shall file with the Commission the following reports:

(a) Total number of subscribers at the end of the fiscal year.

(b) Number of subscribers added during the year.

(c) Number of subscribers lost during the year.

(d) Number of miles of cable added to the system during the year.

(e) Number of miles of cable equipment rebuilt or replaced during the year.

(f) Summary of other additions to the system in terms of increased channel capacity or technological improvements made during the year.

(g) Outline of plans for expansion and improvement of the system in the next fiscal year.

(h) The financial status of the cable communications system, using the format specified in Section 6(6)(b) herein, or such uniform format as may be provided by the FCC. Financial information shall include but not be limited to the following reports: balance sheet, income statement, cash flow statement, statement of sources and applications of funds, statements of current and projected subscribers and penetration in the franchise territory; all such reports

to reflect the operation of the system. This report shall be signed by an authorized agent of the corporation and an accountant who participated in its preparation or review.

(2) Copies of Reports. Copies of all petitions, applications, and communications submitted by the Company to the Federal Communications Commission or any other Federal or State regulator, commission or agency having jurisdiction in respect to any matters relating specifically to operation of the cable communications system authorized pursuant to this franchise shall also be submitted simultaneously to the Commission or City.

(3) Cost of Reports. The cost of preparing and furnishing to the Commission the records and reports required by this section shall be borne by the Company.

(4) Documentation. Documentation for the financial report required by Subsection (1)(h) above shall be made available for inspection by the City at the Company's expense.

Section 14. Solicitation by Company. Company may solicit subscribers for any of the Company's services through house-to-house, or place-to-place solicitation without the necessity of obtaining a license, permit or other form of approval from the City; provided, Company shall maintain an up-to-date list of solicitors on file with the Commission and local law enforcement agencies.

Section 15. Resolution of Disputes.

(1) Intent. It is the intent of the City to provide for orderly resolution of disputes arising out of the enforcement or interpretation of provisions of this franchise, or any rule, regulation, or procedure relating to cable communications matters. To this end, the procedures set forth in subparagraphs (2) and (3) below may be implemented upon the election of either the Company or City where agreement has not been reached after a reasonable time and good faith negotiation. In addition, any controversy or dispute may be submitted to binding arbitration

as set forth in subparagraph (4) below, but only upon agreement of both the City and Company. As further incentive to utilize these informal procedures for resolution of disputes, the fees and expenses of fact finding, mediation, and arbitration (unless otherwise determined by the arbitration panel) shall be borne equally by the City and Company, but the costs and expenses of any court action arising from a dispute between the City and Company shall be borne by the non-prevailing party, pursuant to Section 18 herein. This Section 15 shall not apply to those matters referred to in Section 6(6).

(2) Fact Finding. Any controversy or dispute, upon the election of either the City or the Company, shall be submitted to an expert individual acceptable to both parties for an investigation of the facts and a report thereof. Such fact finding shall be for the purpose of developing better information for the use of both parties and shall not be binding on either party.

(3) Mediation. Any controversy or dispute, upon the election of either the City or the Company, shall be submitted to an expert individual acceptable to both parties for the purpose of facilitating discussion and receiving new perspectives on the issues and new proposals for compromise. Such mediation shall not be binding on either party.

(4) Arbitration. Upon agreement of the City and Company, any controversy or dispute may be submitted for arbitration to a single expert individual, if both parties agree, or to a three-member expert panel. Arbitration shall be binding on both parties and shall be held to have been finally adjudicated and settled in accordance with ORS 33.210--33-340.

(5) Selection Procedures.

(a) In the case of fact finding or mediation, both parties shall present a maximum total of three names each for possible service or experts. If there is no agreement on any of the names, the presiding judge of the Circuit Court of the State of Oregon, for the County of Marion, or his designee shall select a person

to fulfill the function of expert.

(b) In the case of arbitration, if both parties agree, one person may serve as arbitrator. In the absence of agreement, there shall be an arbitration panel of three members. If a single-member panel is agreed upon, the selection procedures established for fact finding and mediation shall be utilized to select the single arbitrator. If a three-member panel is to be used, one person shall be named by the Company, one person shall be named by the City, and a third person shall be named by agreement between the Company and the City. The third person shall serve as the presiding officer of the panel. If there is no agreement on the single arbitrator or the presiding officer of a three-member panel, the selection shall be made by the presiding judge of the Circuit Court of the State of Oregon, for the County of Marion, or his designee.

Section 16. Duration, Renewal and Renegotiation.

(1) Duration and Renewal. This franchise and the rights and privileges granted herein shall take effect thirty (30) days after the date this Ordinance is passed by the City and remain in effect for fifteen (15) years from that date unless terminated sooner under provisions of Subsection (4) of this section; provided, however, that the terms of the franchise must be unconditionally accepted by the Company in writing, signed by an officer of the Company within thirty (30) days after the date this Ordinance is passed by the City. At the end of the initial 15-year term, at the discretion of the City this franchise may be renewed for an additional ten (10) year term upon a showing by the Company that it is in substantial compliance with the terms and conditions of the franchise and is rendering service commensurate with standards generally adhered to in the cable television industry.

(2) Franchise Review.

(a) As need arises, and at least at the end of the 3rd, 6th, 9th, and



12th years of the term of the franchise, the Commission shall meet to review the franchise performance, generally, and in particular, the following matters:

(i) Use of channel space, including public access channels and programming, and the need for activation of additional channels as set forth in Section 5(4);

(ii) Service extension policies set forth in Section 6, including but not limited to changes in urban service boundaries affecting areas to be served by the Company;

(iii) Technical adequacy of the system, including, but not limited to picture quality, two-way transmission capacity, and compliance with standards set forth in Section 7;

(iv) New technological, regulatory, or legal developments affecting the franchise, Company's operation, or City's regulatory authority hereunder, and including changes in FCC authority, rules, or regulations; and

(v) The franchise fee set forth in Section 10.

(b) The Company shall be represented at these meetings by a representative of the Company authorized to speak on behalf of the Company on questions of Company practice, policy, plans, or other matter concerning the cable communications system in the franchise territory.

(c) Any matters within the categories enumerated in Subsection (2)(a) above, on which agreement is not reached after good faith negotiation in the course of these review proceedings, shall be submitted to binding arbitration pursuant to Section 15 herein, without need of further agreement to arbitrate, as otherwise required in Section 15(4). Upon decision of the arbitrator(s), this Ordinance shall be amended to the extent necessary to implement said decision.

(3) Additional Proposals. In the event that this franchise is terminated, or the City and the Company are unable to reach an accord on the terms of renewal or extension of this franchise, the City may elect to invite proposals from other

prospective operators for the operation of the entire system as it exists on the date of termination or expiration.

(4) Termination.

(a) The City reserves the right to terminate this franchise, and all rights and privileges pertaining thereto, in the event that:

(i) The Company violates any material provision of this franchise, except where such violation is without fault, or occurs by reason of excusable neglect; or,

(ii) The Company deliberately fails to operate the system without prior approval of the Commission or without just cause; or

(iii) The Company intentionally evades any of the provisions of this franchise, or is found to have practiced any fraud or deceit upon the City.

(b) Prior to any termination proceedings under this section, the Company shall be given sixty (60) day's notice in writing, which notice shall state with particularity the grounds upon which the City relies. If, at the end of the sixty (60) day period, the Company has not cured the matter which provides grounds for termination, the franchise shall be subject to termination.

(c) Termination under this subsection shall be accomplished only by the passage of an ordinance after proceedings affording the Company due process of law and full opportunity to be heard consistent with the hearing procedures set forth in the Stayton Code as such procedures exist at the time this Ordinance is adopted. Any such ordinance shall not take effect sooner than thirty (30) days after passage and shall be subject to judicial review.

Section 17. Change of Ownership.

(1) Transfers and Assignments.

(a) This franchise shall not be assigned or transferred, either in whole or in part, or leased, sublet, or mortgaged in any manner, nor shall title

thereto, either legal or equitable or any right, interest or property therein, pass to or vest in any person without the prior written consent of the City. The Company may, however, transfer or assign the franchise to a wholly-owned subsidiary of the Company and such subsidiary may transfer or assign the franchise back to the Company without such consent. The proposed assignee must show financial responsibility as determined by the City and must agree to comply with all provisions of the franchise. The City shall be deemed to have consented to a proposed transfer or assignment in the event its refusal to consent is not communicated in writing to the Company within sixty (60) days following receipt of written notice of the proposed transfer or assignment.

(b) The Company shall promptly notify the City of any actual or proposed change in, or transfer of, or acquisition by any other part of, control of the Company. The word "control" as used herein is not limited to major stockholders but includes actual working control in whatever manner exercised. Every change, transfer, or acquisition of control of the Company shall make the franchise subject to cancellation unless and until the City shall have consented thereto, which consent will not be unreasonably withheld. For the purpose of determining whether it shall consent to such change, transfer, or acquisition of control, the City may authorize the Commission to inquire into the qualifications of the prospective controlling party, and the Company shall assist the Commission in any such inquiry. If the City does not authorize an inquiry by the Commission within thirty (30) days after notice of change or proposed change is received from the Company, the City shall be deemed to have consented.

(2) City's Right to Purchase System Upon Termination. In the event that the City terminates the franchise prior to the end of the franchise term, the City shall have the right to purchase the Cable Communications System at a price based on Fair Market Value. This value shall be determined with generally accepted

appraisal and accounting principles. Under no circumstances shall any valuation be made for "good will" or any right or privilege granted by this permit.

(3) Continuity of Service Mandatory.

(a) It shall be the right of all subscribers to continue receiving service insofar as their financial and other obligations to the Company are honored. In the event that the Company elects to overbuild, rebuild, modify, or sell the system, or the City gives notice of intent to revoke or fails to renew this franchise, the Company shall do everything in its power to ensure that all subscribers receive continuous, uninterrupted service regardless of the circumstances. In the event of a change of company, or in the event a new operator acquires the system the current Company shall cooperate with the City in maintaining continuity of service to all subscribers, and shall be entitled to the revenues for any period during which the Company operates the system.

(b) In the event the Company fails to operate the system for seven (7) consecutive days without prior approval of the Commission or without just cause, the Commission shall operate the system until such time as a new operator is selected. If the Commission is required to fulfill this obligation for the Company, the Company shall reimburse the Commission for any costs or damages that are the result of the Company's failure to perform.

(4) Foreclosure. Upon the foreclosure or other judicial sale of all or a substantial part of the system, or upon the termination of any lease covering all or a substantial part of the equipment comprising the system, the City shall have the right, at its discretion, to terminate the franchise, which termination shall be final and binding upon both parties; such option shall be exercised not later than sixty (60) days following foreclosure, other judicial sale or termination of such lease, or City shall be deemed to approve of such successor in interest to the Company.

(5) Receivership. The City shall have the right to terminate this franchise one hundred and twenty (120) days after the appointment of a receiver, or trustee, to take over and conduct the business of the Company, whether in receivership, reorganization, bankruptcy, or other action or proceeding, unless such receivership or trusteeship shall have been vacated prior to the expiration of said one hundred and twenty (120 days), or unless:

(a) within one hundred and twenty (120) days after his election or appointment, such receiver or trustee shall have fully complied with all the provisions of this franchise and remedied all defaults thereunder; and

(b) such receiver or trustee, within said one hundred and twenty (120) days, shall have executed an agreement, duly approved by the court having jurisdiction in the premises, whereby such receiver or trustee assumes and agrees to be bound by each and every provision of this franchise.

(6) City Purchase of System Upon Expiration. The City shall have the right to purchase the cable communication system upon expiration of this franchise. Should the City decide to purchase the system, it shall do so at a price not to exceed its then fair market value. In determining the fair value of the system, the original cost of all tangible and intangible property, as well as the salvage value, the book value, the replacement cost, cash flow, and other factors may be considered.

(7) Disposition of Facilities.

(a) Upon expiration or termination of the franchise, the Company, upon request of the City, shall promptly remove all of its equipment above ground in the public right-of-way.

(b) In removing its equipment, the Company shall refill, at its own expense, any excavation that shall be made by it and shall leave all public ways and places in as good condition as that prevailing prior to the Company's removal of its equipment and appliances, without affecting the electric or telephone

cables, wires, or attachments. Such restoration of property shall not be considered completed until the City has inspected and approved the condition of the public ways and places. The liability insurance and indemnity as provided under Section 11 herein shall continue in full force and effect during the period of removal.

(c) In the event of a failure by the Company to complete any work required by Subsection (a) above or any work required by law or ordinance within the time as may be established by the City or to the satisfaction of the City, the City may cause such work to be done and the Company shall reimburse the City the costs thereof within thirty (30) days after receipt of an itemized list of such costs or the City may recover such costs as provided in Section 11.

Section 18. Payment of Litigation Costs. The non-prevailing party in any litigation shall reimburse to the other all costs including filing fees, costs of depositions, discovery, and expert witnesses, all other expenses of suit, and reasonable attorney fees.

Section 19. Penalties. Subject to the requirement of prior notice as set forth in Subsection (1) below, for violations of this Ordinance occurring without just cause or excusable neglect, City may, at its discretion, assess penalties against the Company as follows:

(1) For failure to adhere to material representations made in the plan submitted by the Company as defined in Section 3(14), \$200.00 per day for each representation not fulfilled.

(2) For failure to provide information or reports as required by terms of the Ordinance, \$50.00 per day for each failure to perform a specific requirement.

(3) For failure to comply with reasonable recommendations of the Commission relating to service to subscribers, \$50.00 per day for each recommendation, except that should the penalty amount to more than \$1,000 for any continuous period during

which a penalty(ies) under this section is being applied, Section 15 procedures may be invoked by either City or Company regarding any continuing penalties over \$1,000 and the arbitration procedure of Section 15 shall apply without agreement of both City and Company, but upon the request of either one. Should the arbitrator(s) determine that the Commission's recommendation was unreasonable, Company shall be refunded the penalty amount previously paid.

(4) As a condition precedent to imposition of a penalty, the City shall give the Company written notice specifying the nature of the Company's violation of this Ordinance with reasonable particularity. Notice shall be by certified U.S. mail with a return receipt requested, and shall be deemed given when actually delivered or as of 5:00 p.m. on the fifth day following the date actually mailed. The Company shall be subject to a penalty if the violation of the Ordinance is not cured within ten (10) days after notice is given or in the event the violation cannot be cured for reasons beyond the control of the Company within ten (10) days, it shall be sufficient if the Company initiates all reasonable measures to cure the violation within ten (10) days and continues thereafter with all reasonable dispatch to cure the violation, provided, in any event the violation must be cured not later than sixty (60) days after notice is given. Notice shall be directed to the manager of the Company.

Section 20. Remedies Not Exclusive. All remedies and penalties under this Ordinance including termination of the franchise, are cumulative, and the recovery or enforcement of one is not a bar to the recovery or enforcement of any other such remedy or penalty. The remedies and penalties contained in this Ordinance, including termination of the franchise, are not exclusive, and the City reserves the right to enforce the penal provisions of any Ordinance or Resolution and to avail itself of any and all remedies available at law or in equity. Failure to enforce shall not be construed as a waiver of any term, condition or obligation imposed upon the

Company pursuant to this Ordinance. A specific waiver of a particular term, condition or obligation imposed upon the Company by or pursuant to this Ordinance shall not be a waiver of any other or subsequent or future breach of the same or of any other term, condition or obligation itself.

Section 21. New Developments. The City may amend this franchise whenever necessary to enable the Company to take advantage of any developments in the field of transmission of communication signals which will afford it an opportunity to serve more effectively, efficiently or economically its customers; provided, however, that this section shall not be construed to require the City to make any such amendment.

Section 22. Federal Communication Commission Requirements. If, at any time, the requirements for coverage of broadcast signals, or for technical standards, or other requirements now imposed on the Company by the Federal Communications Commission become invalidated, or are revoked, the areas of regulation covered by those requirements shall be subject to regulation by the City at the City's discretion.

Section 23. 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 of competent jurisdiction, such decision shall not effect the validity of the remaining portions hereof. The City 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 other consideration or obligation required by the Company.



PASSED BY THE COMMON COUNCIL THIS 7<sup>th</sup> DAY OF APRIL, 1980

Signed by the Mayor this 9<sup>th</sup> day of April, 1980.

Henry A. Porter  
Mayor

ATTEST:

Ellis Vandenberg  
City Administrator

## APPENDIX A

### TECHNICAL REQUIREMENTS

#### 1. Scope

1.1 This exhibit sets forth the minimum technical, engineering, performance, installation, and construction requirements which shall be the basis of any new construction or rebuilds within the City of Stayton, under the Franchise Ordinance.

#### 2. Receiving Site

2.1 Antennas and Towers. Towers shall comply with all FAA safety requirements concerning lighting, marking and analogous features. Each antenna shall be of sufficient gain and directivity to provide adequate reserve signal-to-noise ratio. Co-channel interference levels shall be computed, and each antenna selected and oriented for a theoretical minimum of 46 db suppression of the desired co-channel station. If necessary, the antenna height may be adjusted (reduced) to achieve the required ratios. More than one station may be received on an individual antenna, provided all specifications are met, including co-channel suppression.

2.2 Converters and Preamplifiers. All active tower-mounted devices shall be designed to operate continuously and to meet full specifications under the most adverse weather and temperature conditions anticipated.

2.3 Heterodyne Processing Devices. All processing amplifiers shall be of solid state design and modular construction permitting ease of maintenance, installation and alignment. The design shall meet or exceed the following parameters:

Amplitude vs. Frequency Response:	Variations shall not exceed 2 db over the desired channel
Sensitivity:	-15 dBmv input level for +60 dBmv output
Adjacent Carried Rejection:	50 dB
Image Rejection:	60 dB
Output Level:	Adjustable to 57 dBmv Maximum
AGC Range:	+0.5 dBv output level variation for input levels of -20 dBmv to +30 dBmv
Ambient Temperature Range:	+32 <sup>0</sup> F to +120 <sup>0</sup> F
Frequency Stability:	On Channel: Phase locked to TV station Off Channel: +25 KHz of assigned frequency

2.4 Combining Networks, Couplers, Etc. Single channel processing amplifier outputs shall be combined in a network which shall result in isolation between channels that will assure no cross-channel interference. The network shall be designed so that a correct impedance match to each signal processor is maintained regardless of the condition of other processors in the system. A minimum return loss of 16 dB shall be maintained at all times at any input of the network. The network output driving impedance (feed to the cable) shall be 75 ohms with a minimum return loss of 16 dB.

### 3. Plant Specifications

3.1 General. All cabling shall be of a size and construction that will assure that the system functions as specified herein. All cable installed shall be wholly suitable for the conditions to which it may be exposed.

3.2 Trunk. All trunk cable shall be extruded aluminum sheath with the following dimensions: (0.750"/0.500"). Maximum attenuation of trunk cable shall be:

<u>Frequency</u>	<u>0.750"</u>	<u>0.500"</u>
50 MHz	0.47 dB/100 ft.	0.64 dB/100 ft.
216 MHz	0.95 dB/100 ft.	1.35 dB/100 ft.
240 MHz	1.00 dB/100 ft.	1.43 dB/100 ft.
300 MHz	1.13 dB/100 ft.	1.60 dB/100 ft.

Return loss shall be: 24 dB or better, 50-260 MHz.

3.3 Distribution. All distribution cable shall be extruded aluminum sheath, with the following dimensions: (0.412"/0.500"). Maximum attenuation of distribution cable shall be:

<u>Frequency</u>	<u>0.750"</u>	<u>0.500"</u>
50 MHz	0.75 dB/100 ft.	0.64 dB/100 ft.
216 MHz	1.65 dB/100 ft.	1.35 dB/100 ft.
240 MHz	1.75 dB/100 ft.	1.43 dB/100 ft.
300 MHz	1.95 dB/100 ft.	1.60 dB/100 ft.

Return loss shall be: 24 dB or better, 50-260 MHz.

3.4 Underground Cable. All underground cable (trunk and distribution) shall adhere to the specifications for aerial cable as applicable and, shall be of jacketed type installed in buried conduit.

3.5 Subscriber Drop Cables. Overhead drop cables shall be of the type to present a clean appearance; and will be the 100% shielded type. Where a drop is installed underground, it shall either be in plastic conduit or a cable type specifically designed for direct burial for the soil conditions indigenous to the area. Direct burial drop cables shall have a moisture flooding compound.

Nominal drop cable characteristics shall be:

<u>54 MHZ</u>	<u>216 MHZ</u>
1.9 dB/100 ft.	4.2 dB/100 ft.

3.6 Amplifiers (Trunk and Distribution). All amplifying equipment installed shall be capable of normal operations between 50 and 260 MHz, with ACC amplifiers located at every third location, as a minimum. To prevent power line (or cable induced) surges from causing component failure, power surge protective devices shall be designed into input and output circuits to protect amplifier components.

3.7 General specifications for single amplifiers shall be as follows:

	<u>Trunk</u>	<u>Distribution</u>	<u>Distribution (Line Extenders)</u>
Gain (min. full)	25 dB (ACC) 23 dB (man)	As required	As required
Response	$\pm 0.25$ dB (50-260MHz)	$\pm 0.75$ dB	$\pm 1.0$ dB
ACC Regulation	$\pm 0.6$ dB for input change of -3 to +5 dB		
Hum level (max)	-60 dB	-60 dB	-55 dB
Impedance Match Return Loss	16 dB	16 dB	16 dB
Noise Figure (max) (full gain)	10 dB	10 dB	12 dB
Cross Modulation at operating levels 20 chan operation	-90 dB	-59 dB	-57 dB

3.8 Passive Electronic Devices (splitters, couplers, taps, etc.). All passive equipment shall have a passband of from 10 to 300 MHz. All taps shall be of the directional coupler type. Minimum isolation between desired and undesired signal paths shall be 25 dB. The device shall be mechanically and electrically secure. General specifications:

Impedance Match Return Loss	18 dB
Bandwidth	10-300 MHz

3.9 Subscriber Installation Material. Cable fittings, grounding blocks, etc. shall be of a quality that will provide secure and safe construction. Where grounding wire, rod clamps, etc., are used, they shall be selected to conform to pertinent National Electric Code, local electrical safety specifications and pole attachment agreements. Subscriber terminal 75/300 ohm balun shall have an insertion loss of 0.7 dB or less over spectrum of 50 to 260 MHz.

4. Performance Specifications. The following technical performance specifications cover specified transmissions regardless of location or distance. The specifica-

tions that follow relate to factors affecting picture quality in the carriage of NTSC-TV signals within standard 6 MHz bandwidth channels.

4.1 Headend. This section covers performance of those portions of the system designed to receive, to process, and to transmit the signals of a television channel (visual and aural) from the source (off-the-air or local or distant cablevision origination) to the multiplex combiner located at the distribution hub.

4.2 Signal to Noise Ratio. If the headend is located within a standard FCC grade of service contour of a TV broadcast station carried on the CATV system, the antenna shall be designed and positioned such that the signal shall be equal to or better than the grade of service at the input to the distribution system. Signal-to-noise ratio of the headend processing equipment is not specified separately, but included in the overall system data.

4.3 Differential Phase and Gain. Differential gain shall not exceed 2 dB, and differential phase shall not exceed  $5^{\circ}$  for R-F input, or  $10^{\circ}$  for video input.

4.4 Frequency of Visual Carriers. The frequency of each visual carrier shall be  $1.25 \pm .025$  MHz above the lower boundary of channel assignment.

4.5 Center Frequency of FM Radio Carriers. The center frequency of all FM radio carriers shall be maintained within  $\pm 10$  KHz of the center.

4.6 Best Engineering Effort. Teleprompter shall employ a best engineering effort in antenna design, limited only by restrictions imposed by the feasible state of the art and zoning limitations, to avoid or to minimize co-channel interference, electrical noise interference, multipath signals, or excessive fading.

## 5. Distribution System.

5.1 The signal level of the visual carrier at the 75-ohm service drop terminator at any subscriber's TV (or at the drop terminal serving multiple dwellings with distribution system) on any channel at  $70^{\circ}\text{F}$  shall be designed for +6 dBmV

at each receiver input (TV set) installed. In no event, other than any local TV stations, will direct pick-up interference or excessive noise be acceptable.

5.2 The difference in level between any two channels at any particular subscriber terminals shall not exceed 12 dB at 70<sup>0</sup>F.

5.3 The difference in level between visual carriers in any two TV channels contiguous in frequency at any particular subscriber terminals shall not exceed 3 dB, at 70<sup>0</sup>F.

5.4 Signal level of the aural carrier in any TV channel shall be at least 13 dB and not more than 17 dB below the level of the associated visual carrier.

5.5 Signal level of FM radio carrier shall be between -14 dBmv and 0 dBmv, provided that FM carriers between 83 and 108 MHz shall be at least 10 dB below the Channel 6 visual carrier, if any.

5.6 Visual carrier to rms thermal noise power ratio on any channel, overall, with the antenna or video input terminals terminated, shall be no less than 40 dB (4MHz noise bandwidths) at any location, measured at approximately 70<sup>0</sup>F. (NOTE: If the limitations of site locations and permissible tower height make it impossible in spite of best engineering efforts to receive signals in excess of -5 dBmv at the antenna terminals from any station authorized for carriage on the system, the requirements of this paragraph shall be waived with respect to that station.)

5.7 Cross-modulation ratio to the visual carrier in any TV channel shall not exceed -46 dB, at any location, measured at approximately 70<sup>0</sup>F. The generation of spurious signals, particularly intermodulation products and harmonics shall be maintained as low as the state of the art permits, but in no case greater than -46 dB at approximately 70<sup>0</sup>F unless it can be shown that a particular spurious signal at higher level is not perceptible on a commercial TV set. There shall be no visible cross-modulation or intermodulation products generated within the cable

system if any channel carried on the system at any location, time, or temperature.

5.8 Hum modulation shall be no more than 5% at any time, regardless of location, temperature and with a primary voltage as specified in paragraph 5.12 below. (NOTE: Hum modulation is the ratio of one-half the peak-to-peak hum to the average carrier envelope.)

5.9 The peak-to-valley frequency response of the trunk distribution system measured at the output of any trunk amplifier shall not exceed 12 dB between 43 and 252 MHz, at any temperature between 0<sup>0</sup> and 100<sup>0</sup>F.

5.10 ACC shall be installed at not fewer than one trunk location in every three in cascade.

5.11 Direct pick-up causing leading ghosts or blanking bars shall not be visible on a thoroughly shielded test receiver or converter connected to any service drop. Ghosts, ringing, or reflections of any sort shall be eliminated, subject to limitations imposed by the technical state of the art. The design, construction, and operation of the entire system from antenna or video input to service drops shall be such as to minimize reflections.

5.12 All specifications shall be met for any primary supply voltage between 105 and 135 volts.

5.13 Isolation between any two TV sets, on the same or different premises, shall be a minimum of 18 dB with either set tuned to any channel on the system.

5.14 All relevant FCC technical performance rules shall be complied with.

5.15 Incidental radiation from any part of the system or service outlets shall conform with Subpart D or Part 15 of FCC rules, or such modifications thereof as may be adopted.

## 6. Measurement Methods.

6.1 Signal level measurements shall be made with a properly adjusted and accurately calibrated selective RF voltmeter, or signal level meter.

6.2 Video testing shall be performed in accordance with NCTA or IEEE standard



methods, where available, or by methods generally accepted in the TV and CATV Industries.

6.3 Noise levels shall be measured in accordance with NCTA Standard No. 005-0669.

6.4 Cross-modulation may be tested by substituting a CW carrier for each of the normally carried visual carriers in turn and inspecting the raster of a TV receiver connected to the cable. Measurements made in accordance with NCTA Standards shall be considered to be more reliable, but need not be performed unless the foregoing method produces results inconsistent with subscriber complaints or direct viewing in homes.

6.5 Spurious signals may be detected and measured with a spectrum analyzer or other suitable instrument.

APPENDIX B

PROPOSED RATES

Listed below are proposed rates to be charged  
for basic subscriber services.

<u>Basic Residential Subscriber Rates</u>	<u>PROPOSED RATES OFFERED BY APPLICANT</u>		
	<u>Aerial / Underground</u>		<u>Monthly</u>
All installations are free within first 30 days service is available	\$19.95	\$35.00	\$ 7.75
Additional outlet	10.00	10.00	1.25
FM	10.00	10.00	1.25
Relocation of outlet	10.00	10.00	N/A
Reconnect or transfer	10.00	10.00	N/A
Converter DEPOSIT	20.00	20.00	2.25
HBO/Showtime premium channel	10.00	10.00	10.25
Economy Premium	10.00	10.00	?

Set-top converter may be rented from the company for the above  
\$20.00 deposit and 2.25 per month.