



**AN ORDINANCE TO PROVIDE FOR THE
REGULATION OF BASIC SERVICE TIER RATES
AND RELATED EQUIPMENT, INSTALLATION AND
SERVICE CHARGES OF ANY CABLE TELEVISION SYSTEM
OPERATING IN THE TOWN OF PINE LEVEL**

WHEREAS, on October 5, 1992, Congress enacted the Cable Television Consumer Protection and Competition Act of 1992 which, among other things, provided that the basic service tier rates, and the charges for related equipment, installation and services, of a cable television system (hereinafter, "Basic Service Rates and Charges") shall be subject to regulation by a franchising authority in accordance with regulations prescribed by the Federal Communications Commission (hereinafter the "FCC"); and

WHEREAS, on April 1, 1993, the FCC prescribed such regulations in the **Report and Order, In the Matter of Implementation of Sections of Cable Television Consumer Protection and competition Act of 1992: Rate Regulation**, MM Docket 92-266, FCC 93-177 (released May 3, 1993) (hereinafter the "FCC Rate Regulations"); and

WHEREAS, the Town of Pine Level (hereinafter, the "Town") is a franchising authority with the legal authority to adopt, and the personnel to administer, regulations with respect to the Basic Service Rates and Charges of any cable television system operating in the Town, including, without limitation, the system currently being operated by CableVision Industries (hereinafter "the Company") pursuant to "An Ordinance Granting a Franchise to Alert Cable TV of N. C., Inc. to Construct, Install, and Maintain a Cable Television System in the Town of Pine Level, N. C." (hereinafter called "the Franchise"); and

WHEREAS, the Town desires to regulate the Basic Service Rates and Charges of the Company and any other cable television system operating in the Town and shall do so in accordance with the FCC Rate Regulations, notwithstanding any different or inconsistent provisions in the Franchise;

NOW THEREFORE, BE IT ORDAINED BY THE BOARD OF COMMISSIONERS OF THE TOWN OF PINE LEVEL, THAT:

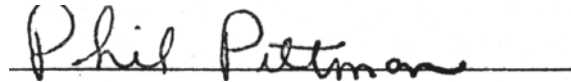
1. The Town will follow the FCC Rate Regulations in its regulation of the Basic Service Rates and Charges of the Company and any other cable television system operating in the Town, notwithstanding any different or inconsistent provisions in the Franchise; and

2. In connection with such regulation, the Town will ensure a reasonable opportunity for consideration of the views of interested parties; and

3. The Mayor or his designee, is authorized to execute on behalf of the Town and file with the FCC such certification forms or other instruments as are now or may hereafter be required by the FCC Rate Regulations in order to enable the Town to regulate Basic Service Rates and Charges; and

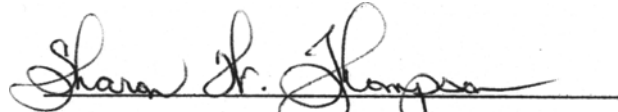
4. This ordinance shall be effective immediately.

DULY ADOPTED, THIS THE NINTH DAY OF NOVEMBER 1993.



Phil Pittman, Mayor

ATTEST:



Sharon W. Thompson, Town Clerk

(SEAL)



**AN ORDINANCE GRANTING A FRANCHISE TO Alert Cable TV of N.C., Inc.
TO CONSTRUCT, INSTALL, AND MAINTAIN A CABLE TELEVISION SYSTEM
IN THE TOWN OF PINE LEVEL, N.C.**

The Town Council of the town of Pine Level does ordain as follows:

Section I. The town of Pine Level, N.C. does hereby find, determine and declare as follows:

1. That after due notice to all interested parties and the public in general, the council held a public hearing affording all interested parties an opportunity to address the Council concerning the granting of a Cable Television Franchise to Alert Cable TV of N.C., Inc..
2. That after due deliberation, including the consideration of evidence of the legal, character, financial and technical qualifications of Alert Cable TV of N.C., Inc. and the adequacy and feasibility of its construction arrangements, the Council in open session at its regular meeting of
voted to award a franchise to Alert Cable TV of N.C., Inc.
3. That the grant of this franchise is in the public interest.

Section II. Alert Cable TV of N.C., Inc. is hereby granted the right, privilege and franchise to construct, operate and maintain a Cable Television System in the town upon the terms and conditions as set forth herein.

Section III.

Town - shall mean the town of Pine Level, N.C. and all the territory within its existing and future territorial corporate limits.

Franchise - shall include this franchise and all rights, powers and privileges there under.

Franchisee - shall mean Alert Cable TV of N.C., Inc. and shall include all persons having any rights, powers, privileges, duties, liabilities or obligations under this franchise agreement and also all persons having or claiming any title or interest in or to the system whether by reason, pledge, hypothecations, security agreement, management or operating agreement, or otherwise arising or created.

Cable Television System or System - shall mean a system of antennas, cables, amplifiers, towers, microwave links, wave guides, satellites, 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 capable of being transmitted by wire or cable to subscribing members of the public who pay for such services.

Gross Subscriber Revenue - shall mean subscriber revenues derived from regular subscriber services within the town, including monthly service charges and fees for regular cable benefits including the transmission of broadcast signals and access and origination channels if any; it does not include installation fees or reconnect charges or revenues derived from per-program or per-channel charged,-leased channel revenues, advertising revenues, or any other such income derived from the system.

Section IV. This franchise shall take effect and be in full force from and after the final passage hereof, subject to the acceptance by the franchisee and subject further to the grant of a certificate of compliance by the Federal Communications Commission and acquisition of necessary permits, and the same shall continue in full force and effect for a term of fifteen (15) years beginning with the date of acceptance or award of certificate of compliance or necessary permits whichever is latest. Franchisee shall have the option to request a renewal of this franchise for an additional term of fifteen (15) years not more than two (2) years prior to the execution of this franchise. Upon exercise of this option by the franchisee the town shall conduct a full, open, and public renewal proceeding upon prior notice and opportunity for all interested parties to be heard.

Section V. Franchise Fee

- 1.** During the term of this franchise, the franchisee shall pay to the town an annual franchise fee in the amount of three (3) percent of the annual gross subscriber revenues received exclusive of any installation, disconnect and reconnect charges, advertising, or per-channel service charges.
- 2.** Sales taxes or other taxes or fees levied directly on a per-subscriber basis by any governmental body or agency shall be deducted from the gross subscriber revenues before computation of the annual franchise fee is made.
- 3.** The franchisee shall file with the town within sixty (60) days after the expiration of each calendar year, during the period the franchise shall be in effect, a financial statement showing in detail the gross subscriber revenues of the franchisee within the town during the preceding year. The statement shall be certified as correct by an officer of the franchisee. The franchisee shall at the time of filing the financial statement pay to the town the sum due.
- 4.** No acceptance of any payment shall be construed as a release or an accord or satisfaction of any claim the town may have for further or additional sums payable as a franchise fee pursuant to this franchise or for the performance of any other obligation hereunder.

Section VI. Insurance and Indemnification

1. The franchisee shall indemnify and hold harmless the town at all times during the term of the franchise and any renewal term thereof, as a result of the grant of this franchise. Such indemnification shall be for but not limited to damages arising out of maintenance of the CATV System authorized herein.

2. The franchisee shall maintain insurance with a reputable company or companies licensed to do business in the state of North Carolina to protect the town and franchisee from any and all claims, injury, or damage to persons or property both real and personal caused by the construction, erection, operation or maintenance of any aspect of the CATV System, the amount of such insurance shall not be less than:

General Liability Insurance

Bodily injury per person	\$100,000.00
Bodily injury per occurrence	\$300,000.00
Property damage per occurrence	\$100,000.00
Property damage aggregate	\$300,000.00

Automobile Insurance

Bodily injury per person	\$100,000.00
Bodily injury per occurrence	\$300,000.00

3. Workmen's Compensation Insurance shall also be maintained as required by the laws of North Carolina.

Section VII. Subscriber Rates

1. The service and installation charges made to subscribers for services of the franchisee hereunder shall be fair and reasonable. The charges will be set so as to provide a fair return on the original cost, less depreciation of the properties devoted to the service rendered.

2. No adjustments to charges or rates authorized hereunder shall be made unless franchisee has filed a schedule of such adjustments with the Town Clerk at least sixty (60) days prior to the effective date thereof.

3. The rate and charges authorized are:

Residential Rates - Single family unit or single unit of multi-family unit.

<u>Installation Charges</u>	<u>Amount</u>
Converter Deposit	\$10.00

Aerial

First Outlet	15.00
Additional Outlet: When first outlet is installed	7.50
Subsequently	15.00

Underground

First Outlet	30.00
Additional Outlet: When first outlet is installed	7.50
Subsequently	15.00

All installation charges are based on standard drops not exceeding 200 feet aerial/100 feet underground, and not requiring fishing of walls. Special installation charges will be quoted.

Reconnect after disconnect	7.50
----------------------------	------

<u>Monthly Service Fees</u>	<u>Amount</u>
First Outlet	\$ 7.00
Each Additional Outlet	1.50
Converter Rental	2.00

Multi-Family Rates

Hotel, Motel, Apartment Buildings, Hospitals, or similar establishments where service is billed to one customer.

<u>Monthly Service Fee</u>	<u>Amount Per Unit</u> <u>One Outlet</u>
-----------------------------------	---

<u>Number of Units</u>	<u>Amount</u>
1 – 5	\$ 7.00
6 – 20	6.50
21 – 50	6.00
51 – 100	5.00
101 – 300	4.00
301 – UP	3.50

These rates are based on the following conditions:

1. Rates are for total units served at one location.
2. Invoices rendered to and payable by landlord.
3. Signals are delivered to existing distribution system, which is compatible with Alert's Cable System.
4. Landlord is responsible for maintenance and repair of internal distribution system.

Section VIII. The franchisee agrees upon acceptance of this franchise to construct the Cable TV System within the corporate limits of the town of Pine Level, N.C., as they exist on January 1, 1980 within one (1) year of the effective date of the franchise. The franchisee agrees to extend service to any area annexed by the town within one (1) year of such annexation except that the franchisee shall not be obligated to extend service to any area so annexed which does not contain at least forty (40) potential subscribers per mile of plant necessary to serve the area.

Section IX. Construction Standards

1. All of the franchisee's plant and equipment, including but not limited to the antenna site, head-end and distribution system, towers, house connections, structures, poles, wire, cable, coaxial cable, fixtures, and appurtenances shall be installed, located, erected, constructed, re-constructed, replaced, removed, repaired, maintained and operated in accordance with good engineering practices, performed by experienced pole-line construction crews and so as not to endanger or interfere with improvements the town may deem proper to make, or to interfere in any manner with the rights of any property owner, or to unnecessarily hinder or obstruct pedestrian or vehicular traffic on public properties. Further, all such plant and equipment and all construction shall meet all relevant specifications of the Federal Communications Commission, and other applicable federal, state and local regulations.
2. An opening or obstructions in or disturbances of the streets, public ways, or other municipal properties made by the franchisee in the exercise of its rights under a franchise agreement shall be done in compliance with the town ordinances which regulate work in the public ways of the town. Further, the franchisee expressly agrees to install the cable system underground where all other public utilities are installed underground.
3. The franchisee shall at its expense, protect, support, temporarily disconnect, relocate in the same street or other public place or municipal property, and property of franchisee when required by the Town Council or its designee by reason of traffic conditions, public safety, street vacation, freeway and street construction, change or establishment of street grade installations of sewers, drains, water pipes, power lines, signal lines, and tracks, or any other type of structures or improvements by public agencies.

4. The franchisee shall, on the request of any private party holding an appropriate permit issued by the town temporarily raise or lower its lines to permit the moving of any building or other structure, and the actual expense of the same shall be paid by the party requesting the same.

5. Upon failure of the franchisee to commence, pursue, or complete any work required by law or by the provisions of this franchise to be done in any street or other public place or municipal property within the time prescribed, and to the satisfaction of the Town Council or its designee, the Town Council or its designee may, at its option, cause such work to be done and the franchisee shall pay to the town the cost thereof in the itemized amounts reported by the Town Council or its designee to the franchisee within thirty (30) days after receipt of such itemized report.

Section X. Transactions Affecting Ownership of Control Franchise Facilities

1. To protect the interests of the town under this franchise and the ordinance, the franchisee shall not make, execute or enter into any deed, deed of trust, mortgage, contract, conditional sales contract, or any loan, lease, pledge, sale, or any other agreement concerning any of the facilities or property, real or personal, of the system, where such transaction would be inimical to the rights of the town under this franchise or the ordinance, if consummated without adherence to the provisions of Subsections (a) and (b) hereinafter set forth:

a. Without the express approval of the Town Council which shall not be unreasonably withheld, and-

b. Without a written assent filed with the Town Council binding upon the person in whom any right, power, privilege, duty, title, interest, claim or demand in or to the franchise of the system is created or vested, or the effect that such right, power, privilege, duty, title, interest, claim or demand is and shall be held exercised subject to all the terms and provisions of this franchise, including this provision, and the ordinance. The Town Council may require such written assent to be contained in the instrument or document creating or vesting such right, power, privilege, duty, title, interest, claim or demand.

Section XI.

1. _____ is hereby designated as the official of the town having primary responsibility for the continuing administration of this franchise, and for the investigation and resolution of subscriber complaints as to service or operations of the franchise.

2 Complaints concerning cable service which are unresolved by the franchisee shall be directed to _____. Upon receipt of such a complaint the _____ shall forward a copy to the local office of the franchisee. Within such period of time as may be prescribed by the _____, franchisee shall inform the _____ that he cannot or will not resolve the complaint the shall bring the complaint to the attention of the Town Council for resolution.

Section XII. Miscellaneous

1. Should the Federal Communications Commission or any other federal or state agency having legal authority over Cable TV Systems modify their rules or regulations concerning the operation of Cable Television Systems, such changes shall be incorporated as part of this franchise within six (6) months after the effective date of such changes.

Accepted June 3, 1980
Read Second Time July 8, 1980