

ORDNANCE NO. 40

AN ORDINANCE GRANTING A FRANCHISE WITH ALL ITS RIGHTS AND PRIVILEGES TO OPERATE A COMMUNITY ANTENNA TELEVISION SYSTEM AND RELATED SERVICES TO ROSS TELECOMMUNICATIONS ENGINEERING CORPORATION

Whereas the Commissioners of Leonardtown, Maryland, hereinafter referred to as the "Town" desires high-quality reception of television, radio and other signals, using the most suitable transmission medium, and

Whereas Ross Telecommunications Engineering Corporation, hereinafter referred to as the "Company", desires to conduct a cable television business and to provide related services in the Town, and

Whereas the contemplated cable television system will, in part, be located in, upon, along, across, above, over and under the streets, alleys and public ways of Leonardtown,

Now, therefore, be it resolved that:

Section 1

The Company is hereby granted the exclusive right and privilege for ten years to erect buildings, to construct, maintain and operate, in the present and future, towers, cable and related equipment for the interception and distribution of television, radio and other signals and to sell services related thereto to the Town and the inhabitants thereof.

This Franchise shall be automatically renewed for one additional period of ten years unless the Company shall be notified in writing by the Town that it does not intend to renew the Franchise, said notification to be given no later than six months before the termination of this first Franchise.

The territorial area covered by this Franchise consists of the present territorial limits of the Town and any area henceforth added thereto during the term of this Franchise.

Section 2

The Company shall have the right to enter into appropriate agreements with telephone and power companies and other suppliers of public utilities and services for the purpose of attaching distribution cables and associated equipment to poles or towers or through underground conduits provided by such companies.

### Section 3

All transmission and distribution structures, lines, and equipment erected by the Company within the Town shall be so located as to cause minimum interference with the proper use of streets, alleys and other public ways and places, and to cause minimum interference with the rights and reasonable convenience of property owners who join any of the said streets, alleys or other public ways and places.

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

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

Any poles or other fixture placed in any public way by the Company shall be placed in such manner as not to interfere with the usual travel on such public way.

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

The Company shall have the authority to trim trees upon and overhanging streets, alleys, sidewalks, and public ways and places of the Town so as to prevent the branches of such trees from coming in contact with the wires and cables of the Company, except that at the option of the Town, such trimming may be done by it or under its supervision and direction at the expense of the Company.

In all sections of the Town where the cables, wires, or other like facilities of public utilities are or hereafter placed underground, the Company shall place its cables, wires or other like facilities underground to the maximum extent that existing technology reasonably permits the Company to do so.

#### Section 4

The Company shall be subject to all ordinances in force or that may be hereafter enacted.

#### Section 5

The Company shall hold the Town harmless from any and all claims or damages as a result of this Franchise, including damages arising out of the construction, maintenance, and operations of the cable television system authorized herein.

The Company shall insure the Town and the Company with regard to all damages mentioned above in the minimum amounts of: \$100,000 for bodily injury or death to any one person, \$300,000 for bodily injury or death resulting from any one accident, and \$25,000 for property damage resulting from any one accident. Said insurance is to be provided by a recognized insurance company authorized to do business in Maryland.

The Company shall furnish a \$5,000 bond or escrow account to the Town guaranteeing payment for any damages that may result from the failure of the Company to observe and perform the provisions of this Franchise.

#### Section 6

The Company shall, during the term of this Franchise, operate facilities capable of delivering a regular service providing up to 11 television channels plus frequency-modulated radio signals received from Baltimore, Maryland; Washington, D.C.; and possibly other cities. The television signals shall be of high-quality color, and monochrome, as transmitted, and will be consistent with the present state of the art. One channel will be reserved for television signals originated within the Town. Locally originated signals will be offered on this channel on a regular basis beginning no later than one year after the initial construction of the system. Special television and other services may also be provided on other channels of the proposed CATV system to customers equipped and authorized to use these additional services.

#### Section 7

The Company shall pay to the Town a Franchise fee in the amount of 3% of gross revenue from CATV service and connection charges starting with the date that the first subscribers are connected and are able to receive therefrom a minimum of six television signals. Payment of said fee shall be made on an annual basis no later than thirty (30) days after the end of each year of operation of the CATV system constructed under this Franchise.

#### Section 8

The Company shall maintain an office within the territorial limits of the Town. Said office shall be open during all usual business hours, have a listed telephone, and be so operated that complaints and requests for repairs or adjustments may be received at any reasonable time. The Company shall provide maintenance service sufficient to attend to these complaints and requests within a reasonable period of time. The Company shall provide data to the Town on the quality of signals and maintenance service provided.

#### Section 9

The Company shall furnish one free connection for each 100 students or fraction thereof to public school locations within the Town for educational purposes upon request by the Town and at no cost to the Town or to the public school system. The Company may at its election provide similar services without cost to private schools, including parochial or other religious schools. The Company shall furnish upon request of the Town Commissioners one free connection each to the Police and Fire departments and to the Office of the Town Commissioners.

#### Section 10

In the case of any emergency or disaster, the Company shall, upon request of the Town, make available its facilities to the Town and/or to the County Commissioners of St. Mary's County for emergency use during the emergency or disaster period.

### Section 11

Before starting construction of the CATV system, and within 90 days of the granting of this Franchise, the Company shall demonstrate to the Town that funds are committed and available to the Company sufficient to ensure the completion of the initial system and to defray any operating losses that may be anticipated in the initial operation of the system. Failure of the Company to meet this requirement shall constitute grounds for forfeiture of this Franchise.

### Section 12

The Company shall construct the cable television system so as to offer service to all areas served by water or sewer systems within the territorial limits of Leonardtown within 12 months after the date of granting this Franchise. It is understood that any delays caused by Federal or State Governments including the United States Congress, Federal Communications Commission, Federal Trade Commission, Public Services Commission of Maryland, shortages of critical materials, national defense emergencies, labor strikes, severe weather conditions, or other similar causes shall not be included in computing the 12-month period. Failure of the Company to meet this requirement shall constitute grounds for forfeiture of this Franchise.

Within three years of the date of this Franchise, the Company shall complete construction of the system so as to offer service to substantially all citizens of the Town as presently constituted.

### Section 13

The Company will bring the signal of at least one educational television channel into the Franchise area and will make every effort to bring in more than one such channel.

Section 14

The Company shall charge reasonable fees and shall file a copy of such schedule of fees with the Town Commissioners. The fees applying to subscribers in Leonardtown shall be set initially as follows:

Private residence connection fee, single tap (non-recurring charge): Not more than \$10.00 for up to a maximum of three TV and/or FM receivers.

Private residence, single-connection service: Not more than \$5.00/month.

Private residence, additional TV set services: Not more than \$1.00/month per additional connection.

Private residence, additional services for frequency modulation and/or stereo radio services and other audio broadcasting services: Not more than \$1.00/month per connection.

Commercial rates, apartment rates and rates for multi-family dwellings may vary from those stated for private residences.

All listed charges do not include State and/or local sales taxes.

Rates for services not described above shall be presented to the Town Commissioners for approval prior to their application.

A "connection" shall be construed to mean an above-ground entrance into any private residence, apartment house, multi-family dwelling or place of business, entering the building in a manner similar to the above-ground provision of electric or telephone services. In the event that the distance from the cable tap to the building exceeds 150 feet, or if the Company should be requested to provide other than the usual above-ground entrance, the Company shall negotiate with the subscriber to provide such service at a reasonable connection charge.

The Company shall charge not more than \$5.00 for the moving of connection taps, terminal blocks or associated fixtures over short distances at the request of a subscriber and not more than \$5.00 for any simple re-connection of service previously established and disconnected.

#### Section 15

Rates may be lowered or increased by the Company, due to expense adjustments including payments of fees for copyrights, for distant signal importation, tariffs and other expenses and incurred costs of operation, rules and orders of the Federal Communications Commission and other State and Federal regulatory bodies provided, however, that under no circumstances shall more than two increases per year be allowed.

New rates shall be filed by the Company with the Town Commissioners and shall become effective within 10 days of filing for decreases and within 30 days for increases provided that no objections to the new rates have been raised by the Town Commissioners prior to the effective date. If objections are raised prior to the effective date, new rates will be negotiated between the Company and a representative of the Town who shall be appointed by the Town Commissioners.

#### Section 16

The Company will, without charge, make available to any bona fide civic group or educational institution within the Town the facilities of the system for local origination and distribution of television or radio programs. It is, however, understood that any production costs of such programs will be borne by the educational or civic group. Furthermore, the Company reserves the right to reject requests for such originations due to reasons related to system scheduling, availability of facilities and similar problems. Administration of this policy shall be consistent with applicable regulations pertaining to equal opportunity and fairness doctrines such as those of the Federal Communications Commission.

#### Section 17

The Company is prohibited from directly or indirectly engaging, within the area served by the CATV system to be constructed under this Franchise, in the retail sale, service, rental, leasing or repair of home TV receivers and from engaging in the sale of parts for such receivers.

#### Section 18

The Franchise rights and privileges herein described shall not be assignable except as herein provided without the consent of the Town.

For convenience in management, accounting and ownership, the Company may organize a limited partnership or corporation (in which it would hold a partial ownership interest) that would have the sole purpose of serving Leonardtown and environs. The Company shall be permitted by the Town to assign this Franchise to such limited partnership or corporation, provided that the Company shall be responsible for the management of such limited partnership as general partner or of such corporation through a management contract, and provided that the Town shall review and approve the partnership agreement or the certificate of incorporation and management contract.

#### Section 19

By this Ordinance the Town does hereby cancel all Franchises previously granted for the provision of services as herein described. Any provision of a previous Ordinance in conflict with the provisions of this CATV Ordinance is hereby repealed.

#### Section 20

In the event that any section or part of this Franchise shall be held invalid, such invalidity shall not affect the remaining sections or portions of the Franchise.

#### Section 21

If the Company shall fail to perform any of the agreements herein by it to be performed or to make any payments herein provided for within 90 days after having been given written notice by the Town to so perform or to make such payment, the Town may by giving the Company written notice cancel and terminate this Franchise and contract.



Section 22

This Ordinance, when passed by the Town and made effective in the manner prescribed by law, if accepted by the Company by signed acceptance within thirty (30) days of the date upon which the same may become effective as prescribed by law, shall have the force and effect of a contract binding upon the Company and the Town.

Introduced, read and adopted by the Commissioners of Leonardtown, Maryland, on the 9th day of November 1970.

Milton J. Dakis  
Milton J. Dakis

R. B. Broun III  
R. B. Broun III, President

Jeanne B. Dorsey  
Jeanne B. Dorsey

Raymond H. Hall  
Raymond H. Hall

ATTEST:

Sarah S. Guy  
SARAH S. GUY, CLERK

Frederick J. McWilliams  
Frederick J. McWilliams

Accepted by the Company this 9th day of November 1970.

ROSS TELECOMMUNICATIONS  
ENGINEERING CORPORATION

by Dan C. Ross  
Dan C. Ross, President

Witness my hand and the corporate seal.

F. Richard Zitzmann  
F. Richard Zitzmann, Secretary