# CABLE TELEVISION FRANCHISE ORDINANCE

FOR

PELL CITY, ALABAMA

AND

HARGRAY OF ALABAMA, LLC

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### ORDINANCE NO. <u>2024 - 6111</u>

AN ORDINANCE GRANTING A FRANCHISE TO HARGRAY OF ALABAMA, LLC DBA SPARKLIGHT TO CONSTRUCT, OPERATE, AND MAINTAIN A CABLE SYSTEM IN PELL CITY, ALABAMA SETTING FORTH CONDITIONS ACCOMPANYING THE GRANT OF THE FRANCHISE; PROVIDING FOR REGULATION AND USE OF THE SYSTEM AND THE PUBLIC RIGHTS-OF-WAY AND PRESCRIBING PENALTIES FOR THE VIOLATION OF THE PROVISIONS HEREIN;

The City Council of Pell City Alabama ordains:

#### STATEMENT OF INTENT AND PURPOSE

City intends, by the adoption of this Franchise, to bring about the further development of a Cable System, and the continued operation of it. Such development can contribute significantly to the communication needs and desires of the residents and citizens of City and the public generally. Further, City may achieve better utilization and improvement of public services and enhanced economic development with the development and operation of a Cable System.

Adoption of this Franchise is, in the judgment of the City Council, in the best interests of City and its residents.

#### FINDINGS

In the review of the request for renewal by Grantee and negotiations related thereto, and as a result of a public hearing, the City Council makes the following findings:

- 1. Grantee's technical ability, financial condition, legal qualifications, and character were considered and approved in a full public proceeding after due notice and a reasonable opportunity to be heard;
- 2. Grantee's plans for constructing and operating the Cable System were considered and found adequate and feasible in a full public proceeding after due notice and a reasonable opportunity to be heard;
- 3. The Franchise granted to Grantee by City complies with the existing applicable state statutes, federal laws and regulations; and
- 4. The Franchise granted to Grantee is nonexclusive.

### SECTION 1. SHORT TITLE AND DEFINITIONS

- 1. <u>Short Title</u>. This Franchise Ordinance shall be known and cited as the Cable Television Franchise Ordinance.
- 2. <u>Definitions</u>. For the purposes of this Franchise, the following terms, phrases, words, and their derivations shall have the meaning ascribed to them in the Cable Communications

Policy Act of 1984, as amended from time to time (the "Cable Act"), unless otherwise defined herein. When not inconsistent with the context, words in the singular number include the plural number, and words in the plural number include the singular number. The word "shall" is always mandatory and not merely directory. The word "may" is directory and discretionary and not mandatory. Words not defined shall be given their common and ordinary meaning.

- a. "<u>Applicable Laws</u>" means any law, statute, charter, ordinance, rule, regulation, code, license, certificate, franchise, permit, writ, ruling, award, executive order, directive, requirement, injunction (whether temporary, preliminary or permanent), judgment, decree or other order issued, executed, entered or deemed applicable by any governmental authority.
- b. "<u>Basic Cable Service</u>" means any Service tier which includes the lawful retransmission of local television broadcast signals and any public, educational, and governmental access programming required by the Franchise to be carried on the basic tier. Basic Cable Service as defined herein shall be the definition set forth in 47 U.S.C. § 543(b) (7).
- c. "<u>City Council</u>" means the governing body of Pell City, Alabama.
- d. "<u>Cable Act</u>" shall mean the Cable Communications Act of 1984, as amended, 47 U.S.C. §§ 521, et. seq.
- e. "<u>Cable Service</u>" or "<u>Service</u>" means (A) the one-way transmission to Subscribers of (i) Video Programming or (ii) Other Programming Service, and (B) Subscriber interaction, if any, which is required for the selection or use of such Video Programming or Other Programming Service. Cable Service as defined herein shall be the definition set forth in 47 U.S.C. § 522(6).
- f. "<u>Cable System</u>" or "<u>System</u>" means a facility, consisting of a set of closed transmission paths and associated signal generation, reception, and control equipment that is designed to provide Cable Service which includes Video Programming and which is provided to multiple Subscribers within a community, but such term does not include:
  - i. a facility that serves only to retransmit the television signals of one (1) or more television broadcast stations;
  - ii. a facility that serves Subscribers without using any public Right-of-Way;
  - iii. a facility of common carrier which is subject, in whole or in part, to the provisions of 47 U.S.C. § 201 et seq., except that such facility shall be considered a Cable System (other than for purposes of 47 U.S.C. § 541(c)) to the extent such facility is used in the transmission of Video Programming directly to Subscribers, unless the extent of such use is solely to provide interactive on-demand services;

- iv. an open video system that complies with 47 U.S.C. § 573; or
- v. any facilities of any electric utility used solely for operating its electric utility systems.
- vi. Cable System as defined herein shall be the definition set forth in 47 U.S.C. § 522(7).
- g. "<u>Channel</u>" or "<u>Cable Channel</u>" means a portion of the electromagnetic frequency spectrum which is used in a Cable System and which is capable of delivering a television Channel as defined by the FCC. Cable Channel as defined herein shall be the definition set forth in 47 U.S.C. § 522(4).
- h. "<u>City</u>" or "<u>Grantor</u>" means Pell City, a municipal corporation, in the State of Alabama, acting by and through its City Council, or its lawfully appointed designee.
- i. "<u>Drop</u>" means the cable that connects the ground block on the Subscriber's residence to the nearest distribution point of the System.
- j. "<u>FCC</u>" means the Federal Communications Commission and any legally appointed, designated or elected agent or successor.
- k. "<u>Franchise</u>" or "<u>Cable Franchise</u>" means this franchise ordinance and the regulatory and contractual relationship established hereby.
- "Franchise Fee" includes any tax, fee, or assessment of any kind imposed by the City or other governmental entity on Grantee or Subscriber, or both, solely because of their status as such. It does not include any tax, fee, or assessment of general applicability (including any such tax, fee, or assessment imposed on both utilities and cable operators or their services but not including a tax, fee, or assessment which is unduly discriminatory against cable operators or cable Subscribers); capital costs which are required by the Franchise to be incurred by Grantee for public, educational, or governmental access facilities; requirements or charges incidental to the awarding or enforcing of the Franchise, including payments for bonds, security funds, letters of credit, insurance, indemnification, penalties, or liquidated damages; or any fee imposed under Title 17 of the United States Code. Franchise Fee defined herein shall be the definition set forth in 47 U.S.C. § 542(g).
- m. "<u>Grantee</u>" is Hargray of Alabama, LLC currently dba Hargray Communications, but soon to be dba Sparklight, its lawful successors, transferees or assignees. Cable One, Inc. is the parent company of Hargray of Alabama, LLC.
- n. "<u>Gross Revenue</u>" means any and all revenue derived by Grantee from the operation of its Cable System to provide Cable Service within the City including, but not limited to, 1) all Cable Service fees, 2) Franchise Fees, 3) late fees and, 4) Installation and reconnection fees, 5) upgrade and downgrade fees, 6) local, state

and national advertising revenue, 7) home shopping commissions, 8) equipment rental fees, and 9) written or electronic Channel guide revenue. The term "Gross Revenue" shall not include launch fees, bad debts or any taxes or fees on Services furnished by Grantee imposed upon Subscribers by any municipality, state or other governmental unit, credits, refunds and any amounts collected from Subscribers for deposits. City and Grantee acknowledge and agree that Grantee will maintain its books and records in accordance with generally accepted accounting principles (GAAP).

- o. "<u>Installation</u>" means any connection of the System from distribution cable to the point of connection including Standard Installations and custom Installations with the Subscriber Converter or other terminal equipment.
- p. "<u>Normal Business Hours</u>" means those hours during which most similar businesses in City are open to serve customers. In all cases, "Normal Business Hours" must include some evening hours, at least one (1) night per week and/or some weekend hours. Normal Business Hours as defined herein shall be the definition set forth in 47 C.F.R. § 76.309.
- q. "<u>Normal Operating Conditions</u>" means those Service conditions which are within the control of Grantee. Those conditions which are not within the control of Grantee include, but are not limited to, natural disasters, civil disturbances, power outages, telephone network outages, and severe or unusual weather conditions. Those conditions which are ordinarily within the control of Grantee include, but are not limited to, special promotions, pay-per-view events, rate increases, regular peak or seasonal demand periods, and maintenance or upgrade of the Cable System. Normal Operating Conditions as defined herein shall be the definition set forth in 47 C.F.R. § 76.309.
- r. "<u>Other Programming Service</u>" means information that a cable operator makes available to all Subscribers generally. Other Programming Services as defined herein shall be the definition set forth in 47 U.S.C. § 522 (14).
- s. "<u>Person</u>" is any person, firm, partnership, association, corporation, company, limited liability entity or other legal entity.
- t. "<u>Right-of-Way</u>" or "<u>Rights-of-Way</u>" means the area on, below, or above any real property in City in which the City has an interest including, but not limited to any street, road, highway, alley, sidewalk, parkway, utility easements or any other place, area, or real property owned by or under the control of City which are dedicated for compatible use.
- u. "<u>Right-of-Way Ordinance</u>" means any ordinance or other applicable code requirements regarding regulation, management and use of Rights-of-Way in City, including permitting requirements.
- v. "<u>Service Area</u>" or "<u>Franchise Area</u>" means the entire geographic area within the City as it is now constituted or may in the future be constituted.

- w. "<u>Service Interruption</u>" means the loss of picture or sound on one (1) or more Cable Channels. Service Interruption as defined herein shall be the definition set forth in 47 C.F.R. § 76.309.
- x. "<u>Standard Installation</u>" means any residential Installation which can be completed using an aerial Drop of one hundred twenty-five (125) feet or less.
- y. "<u>Subscriber</u>" means any Person who receives broadcast programming distributed by a Cable System and does not further distribute it. Subscriber as defined herein shall be the definition set forth in 47 C.F.R. § 76.5(ee).
- <u>Video Programming</u>" means programming provided by, or generally considered comparable to programming provided by, a television broadcast station. Video Programming as defined herein shall be the definition set forth in 47 U.S.C. § 522(20).

#### SECTION 2. GRANT OF AUTHORITY AND GENERAL PROVISIONS

- 1. <u>Grant of Franchise</u>. This Franchise is granted pursuant to the terms and conditions contained herein.
- 2. <u>Grant of Nonexclusive Authority</u>.
  - a. The Grantee shall have the right and privilege, subject to the permitting and other lawful requirements of City ordinance, rule or procedure, to construct, erect, and maintain, in, upon, along, across, above, over and under the Rights-of-Way in City a Cable System and shall have the right and privilege to provide Cable Service under the Franchise Agreement. The System constructed and maintained by Grantee or its agents shall not interfere with other uses of the Rights-of-Way. Grantee shall make use of existing poles and other above and below ground facilities available to Grantee to the extent it is technically and economically feasible to do so.
  - b. This Franchise shall be nonexclusive, and City reserves the right to grant use of said Rights-of-Way to any Person at any time during the period of this Franchise for the provision of Cable Service. Prior to initiating construction in the City, Grantee may terminate this Franchise without penalty upon written notice to the City.
  - c. If any other wireline provider of cable services or video services (without regard to the technology used to deliver such services) is lawfully authorized by the Grantor to provide such services using facilities located wholly or partly in the public rights-of-way of the Grantor, the Grantor shall within thirty (30) days of a written request from Grantee, modify this Franchise to insure that the obligations applicable to Grantee are no more burdensome than those imposed on the new competing provider. If the Grantor fails to make modifications consistent with this requirement, Grantee's Franchise shall be deemed so modified thirty (30) days after

the Grantee's initial written notice. Nothing herein shall be deemed a waiver of any remedies available to Grantee under Applicable Laws, including the right to seek judicial review to mandate Grantor amend the franchise to ensure competitive equity between similarly situated competitive providers.

- 3. <u>Franchise Term</u>. This Franchise shall be in effect for a period of ten (10) years from July 1, 2024 until June 30, 2034, unless sooner renewed, revoked or terminated as herein provided.
- 4. <u>Compliance with Applicable Laws, Resolutions and Ordinances.</u>
  - a. The terms of this Franchise shall define the contractual rights and obligations of Grantee with respect to the provision of Cable Service and operation of the System in City. However, Grantee shall at all times during the term of this Franchise be subject to all lawful exercise of the police power, of the City. This Franchise may also be modified or amended with the mutual written consent of City and Grantee as provided in Section 10.3 herein.
  - b. Grantor shall at all times be subject to and comply with all Applicable Laws with respect to this Franchise.
  - c. Grantee shall comply with the terms of any City ordinance or regulation of general applicability which addresses usage of the Rights-of-Way within City, provided that it does not discriminate between different users of the Rights-of-Way.
  - d. In the event of any conflict between this Franchise and any City ordinance or regulation which addresses usage of the Rights-of-Way, the terms of this Franchise shall govern, provided however Grantee shall at all times comply with City ordinances of general applicability promulgated by the City in accordance with its police powers.
- 5. <u>Written Notice</u>. All notices, reports, or demands required to be given in writing under this Franchise shall be sent via registered or certified mail or shall be deemed to be given when delivered personally to any officer of Grantee or City Clerk or forty-eight (48) hours after it is deposited in the United States mail in a sealed envelope, postage prepaid thereon, addressed to the party to whom notice is being given, as follows:

If to City:	City of Pell City Attn: City Manager 1905 1st Avenue North Pell City, Al 35125
If to Grantee:	Hargray of Alabama LLC 1621 Cogswell Ave Pell City, AL 35125

Cable One, Inc. Attn: General Counsel 210 E. Earll Dr. Sixth Floor Phoenix, AZ 85012

Such addresses may be changed by either party upon notice to the other party given as provided in this section.

### SECTION 3. CONSTRUCTION STANDARDS

#### 1. Registration, Permits, Construction Codes, and Cooperation.

- a. Grantee shall comply with the construction requirements of local, state and federal laws.
- b. Grantee agrees to obtain a permit as required by City prior to removing, abandoning, relocating or reconstructing, if necessary, any portion of its facilities. Notwithstanding the foregoing, City understands and acknowledges there may be instances when Grantee is required to make repairs, in compliance with federal or state laws, that are of an emergency nature. Grantee will notify City prior to such repairs, if practicable, and will obtain the necessary permits in a reasonable time after notification to City.
- c. City may issue reasonable policy guidelines to all grantees to establish procedures for determining how to control issuance of engineering permits to multiple grantees for the use of the same Rights-of-Way for their facilities. Grantee shall cooperate with City in establishing such policy and comply, to the extent technically feasible, with the procedures established by the Mayor or his or her designee to coordinate the issuance of multiple engineering permits in the same Right-of-Way segments.
- d. Failure to obtain permits or comply with permit requirements shall subject Grantee to all enforcement remedies available to City under Applicable Laws or this Franchise.
- e. Grantee shall have the opportunity to meet with developers and be present at preconstruction meetings to ensure that the newly constructed Cable System facilities are installed in new developments, within the City where extension of service is economically feasible at Grantee's discretion, in a timely manner upon written notification of such meetings to the Grantee.
- f. If requested by the City, Grantee shall meet with the City within 90 days to hold an annual meeting with City to coordinate construction plans of both parties for the upcoming year.

g. Subject to Applicable Laws, when City uses its prior superior right to the Rightsof-Way and public ways, Grantee shall move its property that is located in the Rights-of-Way and public ways, at its own cost, to such a location as City directs. Grantee's System construction shall at all times comply with Applicable Laws, which City agrees shall be applied on a nondiscriminatory basis. Nothing in this Franchise shall be construed to prevent City from constructing, maintaining, repairing or relocating sewers; grading, paving, maintaining, repairing, relocating and/or altering any Right-of-Way; constructing, laying down, repairing, maintaining, or repairing any sidewalk or other public work.

### 2. <u>Minimum Interference.</u>

- a. Grantee shall use commercially reasonable efforts to give reasonable prior notice to any adjacent private property owners who will be negatively affected or impacted by Grantee's work in the Rights-of-Way.
- b. All transmission and distribution structures, lines and equipment erected by Grantee shall be located so as to cause minimum interference with the unencumbered use of Rights-of-Way and other public places and minimum interference with the rights and reasonable convenience of property owners who adjoin any of the Rights-of-Way and public places.
- 3. <u>Disturbance or damage.</u> Any and all Rights-of-Way, or public or private property, which are disturbed or damaged during the construction, repair, replacement, relocation, operation, maintenance, expansion, extension or reconstruction of the System shall be promptly and fully restored by Grantee, at its expense, to a condition as good as that prevailing prior to Grantee's work, as determined by City. If Grantee shall fail to promptly perform the restoration required herein, after written request of City and a thirty (30) day opportunity to satisfy that request, City shall have the right to put the Rights-of-Way back into condition as good as that prevailing prior to Grantee is responsible for such disturbance or damage, Grantee shall be obligated to fully reimburse City for such restoration within thirty (30) days after its receipt of City's invoice thereof.

#### 4. <u>Temporary Relocation.</u>

a. At any time during the period of the Franchise, Grantee shall, at its own expense, protect, support, temporarily disconnect, relocate or remove any of its property when, in the opinion of City, (i) the same is required by reason of traffic conditions, public safety, Rights-of-Way vacation, freeway or Rights-of-Way construction, alteration to or establishment of any Rights-of-Way or any facility within the Rights-of-Way, sidewalk, or other public place, including but not limited to, installation of sewers, drains, waterlines, power lines, traffic signal lines or transportation facilities; or (ii) a City project or activity makes disconnection, removal, or relocation necessary or less expensive for City.

- b. Grantee shall, on request of any Person holding a permit to move a building, temporarily raise or lower its wires to permit the movement of such buildings. The expense of such temporary removal or raising or lowering of wires shall be paid by the Person requesting the same, and Grantee shall have the authority to require such payment in advance. Grantee shall be given not less than ten (10) days advance notice to arrange such temporary wire alterations.
- 5. <u>Emergency.</u> Whenever, in case of fire or other emergency, it becomes necessary in the judgment of the Mayor, police chief, fire chief, or their delegates, to remove or damage any of Grantee's facilities, no charge shall be made by Grantee against City for restoration, repair or damages.
- 6. <u>Tree Trimming.</u> Grantee shall comply with all applicable provisions of the Code of Ordinances of the City regarding the trimming of any trees on public property or in the Rights-of-Way.
- 7. <u>Protection of facilities.</u> Nothing contained in this section shall relieve any Person from liability arising out of the failure to exercise reasonable care to avoid damaging Grantee's facilities while performing any work connected with grading, regarding or changing the line of any Rights-of-Way or public place or the construction or reconstruction of any sewer or water system.
- 8. <u>Installation records.</u> Grantee shall keep accurate Installation records of the location of all facilities in the Rights-of-Way and public ways and, upon written request of City, will make them available for viewing to City at Grantee's office or in a mutually agreed upon location.
- 9. <u>Locating facilities.</u>
  - a. If, during the design process for public improvements, City discovers a potential conflict with proposed construction, Grantee shall either: (a) locate and, if necessary, expose its facilities in conflict or (b) use a location service under contract with City to locate or expose its facilities. Grantee is obligated to furnish the location information in a timely manner, but in no case longer than thirty (30) days.
  - b. City reserves the prior and superior right to lay, construct, erect, install, use, operate, repair, replace, remove, relocate, regrade, widen, realign, or maintain any Rights-of-Way and public ways, aerial, surface, or subsurface improvement, including but not limited to water mains, traffic control conduits, cable and devices, sanitary or storm sewers, subways, tunnels, bridges, viaducts, or any other public construction within the Rights-of-Way of City limits.

#### 10. <u>Relocation delays.</u>

In cases where the City undertakes work in the Right-of-Way, the Grantee shall, upon reasonable notice from City, relocate its facilities as reasonably necessary to accommodate the City's work. The Grantee must promptly provide notice to City of any potential delay involving relocation of Grantee's facilities. If Grantee's relocation effort so delays construction of a public project causing City to be liable for delay damages, Grantee shall reimburse City for those damages attributable to the delay created by Grantee, however payment by Grantee shall in no way limit Grantee's relocation work shall be done in strict compliance with the rules, regulations and ordinances of the City and any applicable state and federal laws.

### 11. Interference with City Facilities.

The Installation, use and maintenance of the Grantee's facilities within the Rights-of-Way and public ways authorized herein shall be in such a manner as not to interfere with the placement, construction, use and maintenance of its Rights-of-Way and public ways, Rights-of-Way lighting, water pipes, drains, sewers, traffic signal systems or other systems that have been installed, maintained, used or authorized by City.

### 12. Safety Requirements.

- a. Grantee shall at all times employ ordinary and reasonable care and shall install and maintain in use nothing less than commonly accepted methods and devices for preventing failures and accidents which are likely to cause damage or injuries.
- b. Grantee shall install and maintain its System and other equipment in accordance with City's codes and the requirements of the National Electric Safety Code and all other applicable FCC, state and local regulations, and in such manner that they will not interfere with City communications technology related to health, safety and welfare of the residents.
- b. Cable System structures, and lines, equipment and connections in, over, under and upon the Rights-of-Way of City, wherever situated or located, shall at all times be kept and maintained in good condition, order, and repair so that the same shall not menace or endanger the life or property of City or any Person.

### SECTION 4. DESIGN PROVISIONS

#### 1. <u>System Upgrade/Construction: Minimum Channel Capacity</u>.

a. Upon completion of construction of the Cable System, Grantee shall operate and maintain for the term of this Franchise a System capable of providing a minimum of 100 Channels.

- b. All final programming decisions remain the discretion of Grantee in accordance with this Franchise and pursuant to 47 U.S.C. §§ 531, 542 and 545.
- 2. <u>System Construction</u>. All transmission lines, equipment and structures shall be so installed and located as to cause minimum interference with the rights and reasonable convenience of property owners and at all times shall be kept and maintained in a safe, adequate and substantial condition, and in good order and repair. The Grantee shall, at all times, employ ordinary care and use commonly accepted methods and devices for preventing failures and accidents which are likely to cause damage, injuries, or nuisances to the public. Suitable barricades, flags, lights, flares or other devices shall be used at such times and places as are reasonably required for the safety of all members of the public. Any poles or other fixtures placed in any public way by the Grantee shall be placed in such a manner as not to interfere with the usual travel on such public way.
- 3. <u>Interruption of Service</u>. Grantee shall interrupt Service only for good cause and for the shortest time possible. Such interruption shall occur during periods of minimum use of the System. If Service is interrupted for a total period of more than twenty-four (24) continuous hours in any thirty (30) day period, Subscribers shall be credited pro rata for such interruption, upon request by Subscriber.
- 4. <u>Emergency Alert Capability</u>. Grantee shall at all times comply with the Emergency Alert System standards pursuant to Title 47, Section 11, Subparts A-E of the Code of Federal Regulations, as may be amended or modified from time to time.
- 5. <u>Technical Standards</u>. The technical standards used in the operation of the System shall comply, at minimum, with the technical standards promulgated by the FCC relating to Cable Systems pursuant to Title 47, Section 76, Subpart K of the Code of Federal Regulations, as may be amended or modified from time to time, which regulations are expressly incorporated herein by reference.
- 6. <u>FCC Reports</u>. The results of any tests required to be filed by Grantee with the FCC shall upon request of City also be filed with City or its designee within ten (10) days of the date of request.
- 7. <u>Annexation.</u> Upon the annexation of any additional land area by the City, if the annexed area is not currently served by a cable operator it will be subject to the other provisions of this Section 4. If the annexed area is served by a cable operator, Grantee has the option to extend its Cable System to the newly annexed area if Grantee determines that it is economically feasible to do so. Upon the annexation of any additional land area by the City, the annexed area shall be subject to all the terms of this Franchise upon sixty (60) days of written notification by the City to Grantee. A cable operator other than Grantee whose Cable System already passes homes in an annexed area shall not extend its Cable System beyond those homes which it passes at the time the annexation occurs unless it otherwise obtains a franchise from the City shall provide at least sixty (60) days prior notice to the Grantee. The City shall also notify Grantee of all new street address assignments or changes within the Service Area. Said notice shall be in writing to the

address set forth below by U.S. certified mail, return receipt requested. City shall provide detail and information, including address files and maps in sufficient detail and in an acceptable digital format, if feasible. Grantee shall begin to collect Franchise Fees from Subscribers in any annexed area within ninety (90) days of such notice and address information as described above. Grantee shall not be obligated to collect and remit Franchise Fees until such notice and information has been received by Grantee.

All notices provided under this subsection shall be delivered to the Grantee at the following addresses:

Hargray of Alabama LLC 1621 Cogswell Ave. Pell City, AL 35125

Cable One, Inc. Attn: General Counsel 210 E. Earll Dr. Sixth Floor Phoenix, AZ 85012

Grantee shall provide Grantor thirty (30) days written notice of address changes affecting this subsection pursuant to section 2, paragraph 7.

8. <u>Service Area</u>. The Grantee shall have the right, but not the obligation, to extend the Cable System into any portion of the City, including annexed areas. Cable Service offered to Subscribers pursuant to this Franchise shall be conditioned upon Grantee having legal access to any such Subscriber's dwelling unit or other units wherein such Cable Service is provided.

#### SECTION 5. SERVICE PROVISIONS

- 1. <u>Sales Procedures</u>. Grantee shall have the right to market door-to-door during reasonable hours consistent with local ordinances and regulation. Grantee's sales personnel will not be required to compensate City for any permit that may be required.
- 2. <u>Consumer Protection and Service Standards</u>. The Grantee shall comply with all applicable federal regulations relating to customer service obligations, including any amendments to 47 C.F.R. § 76.309 during the term of this Franchise, which for the parties' convenience are set forth below as they exist on the Effective Date.
  - a. Cable System office hours and telephone availability.
    - i. Grantee will maintain a local, toll-free or collect call telephone access line which will be available to its Subscribers twenty-four (24) hours a day, seven (7) days a week.
      - (1) Trained Grantee representatives will be available to respond to customer telephone inquiries during Normal Business Hours.

- (2) After Normal Business Hours, the access line may be answered by a service or an automated response system, including an answering machine. Inquiries received after Normal Business Hours must be responded to by a trained Grantee representative on the next business day.
- Under Normal Operating Conditions, telephone answer time by a customer representative, including wait time, shall not exceed thirty (30) seconds when the connection is made. If the call needs to be transferred, transfer time shall not exceed thirty (30) seconds. These standards shall be met no less then ninety percent (90%) of the time under Normal Operating Conditions, measured on a quarterly basis.
- iii. Grantee shall not be required to acquire equipment or perform surveys to measure compliance with the telephone answering standards above unless an historical record of complaints indicates a clear failure to comply.
- iv. Under Normal Operating Conditions, the customer will receive a busy signal less than three percent (3%) of the time.
- v. Customer service center and bill payment locations will be open at least during Normal Business Hours and will be conveniently located.
- b. Installations, Outages and Service Calls. Under Normal Operating Conditions, each of the following standards will be met no less than ninety-five percent (95%) of the time measured on a quarterly basis.
  - i. Standard Installations will be performed within seven (7) business days after an order has been placed. "Standard" Installations are those that are located up to one hundred twenty-five (125) feet from the connection point of the existing distribution system.
  - Excluding conditions beyond the control of Grantee, Grantee will begin working on "Service Interruptions" promptly and in no event later than twenty-four (24) hours after the interruption becomes known. Grantee must begin actions to correct other Service problems the next business day after notification of the Service problem.
  - iii. The "appointment window" alternatives for Installations, Service calls, and other Installation activities will be either a specific time or, at maximum, a four (4) hour time block during Normal Business Hours. (Grantee may schedule Service calls and other Installation activities outside of Normal Business Hours for the express convenience of the customer.)
  - iv. Grantee may not cancel an appointment with a customer after the close of business on the business day prior to the scheduled appointment.
  - v. If Grantee's representative is running late for an appointment with a customer and will not be able to keep the appointment as scheduled, the customer will be contacted. The appointment will be rescheduled, as necessary, at a time which is convenient for the customer.

- c. Communications between Grantee and Subscribers.
  - i. Notifications to Subscribers:
    - (1) Grantee will provide written information on each of the following areas at the time of Installation of Service, at least annually to all Subscribers, and at any time upon request:
      - (a) Products and Services offered;
      - (b) Prices and options for programming Services and conditions of subscription to programming and other Services;
      - (c) Installation and Service maintenance policies;
      - (d) Instructions on how to use the Cable Service;
      - (e) Channel positions of programming carried on the System; and
      - (f) Billing and complaint procedures, including the address and telephone number of the nearest customer service center.
    - (2) Subscribers will be notified of any changes in rates, programming Services or Channel positions as soon as possible in writing. Notice must be given to Subscribers a minimum of thirty (30) days in advance of such changes if the change is within the control of the Grantee. In addition, the Grantee shall notify Subscribers thirty (30) days in advance of any significant changes in the other information required by Section 76.1602.
    - (3) In addition to the requirement of subparagraph (2) of this section regarding advance notification to Subscribers of any changes in rates, programming services or Channel positions, Grantee shall give thirty (30) days written notice to both Subscribers and the City before implementing any rate or Service change. Such notice shall state the precise amount of any rate change and briefly explain in readily understandable fashion the cause of the rate change (e.g., inflation, change in external costs or the addition/deletion of Channels). When the change involves the deletion of Channels, each Channel deleted must be separately identified. For purposes of the carriage of digital broadcast signals, the Grantee need only identify for Subscribers, the television signal location and not whether that signal may be multiplexed during certain day parts.
    - (4) To the extent Grantee is required to provide notice of Service and rate changes to Subscribers, the Grantee may provide such notice using any reasonable written means at its sole discretion.

(5) Notwithstanding any other provision of this section, Grantee shall not be required to provide prior notice of any rate change that is the result of a regulatory fee, Franchise Fee, or any other fee, tax, assessment, or charge of any kind imposed by any federal agency, state, or City on the transaction between the Grantee and the Subscriber.

### ii. Billing:

- (1) Consistent with 47 C.F.R. § 76.1619, bills will be clear, concise and understandable. Bills must be fully itemized, with itemizations including, but not limited to, Basic Cable Service and premium Service charges and equipment charges. Bills will also clearly delineate all activity during the billing period, including optional charges, rebates and credits.
- (2) In case of a billing dispute, the Grantee must respond to a written complaint from a Subscriber within thirty (30) days.
- iii. Refunds: Refund checks will be issued promptly, but no later than either:
  - (1) The Subscriber's next billing cycle following resolution of the request or thirty (30) days, whichever is earlier, or
  - (2) The return of the equipment supplied by Grantee if Service is terminated.
- iv. Credits: Credits for Service will be issued no later than the Subscriber's next billing cycle following the determination that a credit is warranted.
- 3. <u>Subscriber Contracts</u>. Upon request, Grantee shall file with City any standard form residential Subscriber contract utilized by Grantee. If no such written contract exists, upon request, Grantee shall file with the City a document completely and concisely stating the length and terms of the Subscriber contract offered to customers. The length and terms of any Subscriber contract(s) shall be available for public inspection during Normal Business Hours. A list of Grantee's current Subscriber rates and charges for Cable Service is maintained in Grantee's public file, and upon request, shall be available for public inspection. After construction completion, a copy of Grantee's rate card and channel line-up for Pell City, AL will be available on Grantee's website or upon request, Grantee shall file a copy of the rate card and channel line-up applicable for the City of Pell City with the City.
- 4. <u>Late Fees</u>. Grantee shall comply with all applicable state and federal laws with respect to any assessment, charge, cost, fee or sum, however characterized, that the Grantee imposes upon a Subscriber for late payment of a bill. The City reserves the right to enforce Grantee's compliance with all Applicable Laws to the maximum extent legally permissible.
- 5. <u>Service to Public Buildings</u>. Grantee shall provide free of charge, throughout the term of this Franchise, Installation of one (1) Drop, one (1) cable outlet, and Basic Cable Service, and if necessary to receive Basic Cable Service, one set-top box, without charge to the

Public Buildings identified on Schedule 1 attached. The free Basic Cable Service set forth about shall be used by the Public Buildings in a manner consistent with the government purpose for the eligible building and shall not be resold. Internal distribution of the free Basic Cable Service in any Public Building will be the responsibility of the Public Building owner. If internal distribution of the free Basic Cable Service results in signal leakage in excess of limits established by the FCC: (i) the Public Building owner shall reimburse Grantee any costs associated with FCC action arising from the leakage; and (ii) Grantee may suspend free Basic Cable Service to that Public Building until the Public Building owner corrects the signal leakage to Grantee's reasonable satisfaction. Grantee shall not impose any charges for such additional extension or outlets with the exception of any additional terminal equipment which may be required.

#### SECTION 6. OPERATION AND ADMINISTRATION PROVISIONS

- 1. <u>Administration of Franchise</u>. The Mayor or other designee shall have continuing regulatory jurisdiction and supervision over the System and the Grantee's operation under the Franchise; provided, however, that the City Council shall retain the sole authority to take enforcement action pursuant to this Franchise.
- 2. <u>Franchise Fee</u>.
  - a. During the term of the Franchise, Grantee shall pay quarterly to City a Franchise Fee in an amount equal to five percent (5%) of its quarterly Gross Revenues,
  - b. Any payments due under this provision shall be payable quarterly. The payment shall be made within forty-five (45) days of the end of each of Grantee's fiscal quarters together with a report showing the basis for the computation in form and substance substantially the same as Exhibit A attached hereto. In the event that a Franchise Fee payment or other sum due is not received by the City on or before the date due, or is underpaid, Grantee shall pay in addition to the payment, or sum due, interest from the due date at the state legal interest rate of 6% annually (Alabama Code § 8.8.1).
  - c. All amounts paid shall be subject to audit and recomputation by City and acceptance of any payment shall not be construed as an accord that the amount paid is in fact the correct amount. In the event the City should conduct a review of Grantee's books and records pursuant to Section 6.6 of this Franchise and such review indicates a Franchise Fee underpayment of seven percent (7%) or more during the entire period reviewed, the Grantee shall, subject to Applicable Law, assume all reasonable documented costs of such audit, and pay same upon demand by the City.
- 3. <u>Discounted Rates</u>. For the purposes of this section, in the case of a Cable Service that may be bundled or integrated functionally with other services, capabilities, or applications, the Franchise Fee shall be applied only to the gross revenue, as defined in

Section 1.2.n., attributable to Cable Service. Where Grantee bundles, integrates, ties, or combines Cable Services with non-video services creating a bundled package, so that subscribers pay a single fee for more than one class of service or receive a discount on Cable Services, gross revenues shall be determined based on an equal allocation of the package discount, that is, the total price of the individual classes of service at advertised rates compared to the package price, among all classes of service comprising the package. The fact that the Grantee offers a bundled package shall not be deemed a promotional activity. If the Grantee does not offer any component of the bundled package separately, the Grantee shall declare a stated retail value for each component based on reasonable comparable prices for the product or service for the purpose of determining Franchise Fees based on the package discount described above. For the purposes of determining gross revenue for bundled or integrated services, Grantee shall use the same method of determining revenues under generally accepted accounting principles.

- 4. <u>Access to Records</u>. The City shall have the right to inspect, upon reasonable notice and during Normal Business Hours, or require Grantee to provide within a reasonable time copies of any records maintained by Grantee which relate to System operations including specifically Grantee's accounting and financial records. The Grantee shall not be required to maintain any books and records for Franchise compliance purposes longer than required by applicable state statute of limitations, as may be amended from time to time, except for service complaints which shall be kept for one (1) year. City acknowledges that some of the records which may be provided by Grantee may be classified as confidential and therefore may subject Grantee to competitive disadvantage if made public. City shall therefore maintain the confidentiality of any and all records provided to it by Grantee which are not required to be made public pursuant to Applicable Laws. Grantee shall produce such books and records for City's inspection at any mutually agreed upon location within the City.
- 5. <u>Reports to be Filed with City</u>.
  - a. Grantee shall file with the City, at the time of payment of the Franchise Fee, a report of all Gross Revenues in form and substance as Exhibit A attached hereto.
  - b. City and Grantee shall mutually agree, at the times and in the form prescribed, such other reasonable reports with respect to Grantee's operations pursuant to this Franchise.
  - c. Upon reasonable notice by City, Grantee shall deliver its System maps and plats to City's office located at 1905 1st Avenue North, Pell City, Al 35125or at a mutually agreed upon location, for viewing, however, for confidential and proprietary reasons, Grantee shall not be required to provide copies of its maps and plats to City.

#### SECTION 7. GENERAL FINANCIAL AND INSURANCE PROVISIONS

#### 1. Liability Insurance.

Grantee shall obtain with its acceptance of this Franchise, and at all times a. thereafter maintain in full force and effect at its sole expense, an occurrence-based comprehensive general liability insurance policy, including contractual liability coverage with standard insurance exclusions, in protection of City, its officers, elected officials, boards, commissions, agents and employees. The policy or policies shall name as additional insured the City, its officers, elected officials, boards, commissions, agents and employees. The Commercial General Liability shall be \$2,000,000 per occurrence for bodily injury, death or property damage and \$3,000,000 aggregate. The policy or policies of insurance shall be maintained by Grantee in full force and effect during the entire term of the Franchise and shall be issued by company licensed to do business in the State of Alabama with a rating by A.M. Best & Co. of not less than "A" upon the Effective Date of this Franchise or at the time a sale or transfer of ownership is approved by City. Grantee shall furnish City with current certificates of insurance evidencing such coverage upon request. Cancellation notice will be provided for any reason other than non-payment of premium and requires the City provide Grantee a valid contact name and e-mail address (with any changes to the contact name or e-mail address being the responsibility of the City).

#### 2. <u>Indemnification</u>

- Grantee shall indemnify, defend and hold City, its officers, boards, commissions, a. agents and employees (collectively the "Indemnified Parties") harmless from and against any and all lawsuits, claims, causes or action, actions, liabilities, demands, damages, judgments, settlements, disability, losses, expenses (including attorney's fees and disbursements of counsel) and costs of any nature that any of the Indemnified Parties may at any time suffer, sustain or incur arising out of, based upon or in any way connected with the Grantee's negligent operations, the exercise of the Franchise, the breach of Grantee of its obligations under this Franchise and/or the negligent activities of Grantee, it subcontractors, employees and agents hereunder. Grantee shall be solely responsible for and shall indemnify, defend and hold the Indemnified Parties harmless from and against any and all matters relative to payment of Grantee's employees, including compliance with Social Security and withholdings. Grantee shall not be required to indemnify City for negligence or misconduct on the part of City or its officials, boards, commissions, agents, or employees.
- b. The indemnification obligations of Grantee set forth in this Franchise are not limited in any way by the amount or type of damages or compensation payable by or for Grantee under Workers' Compensation, disability or other employee

benefit acts, acceptance of insurance certificates required under this Franchise or the terms, applicability or limitations of any insurance held by Grantee.

- c. City does not, and shall not, waive any rights against Grantee which it may have by reason of the indemnification provided for in this Franchise, because of the acceptance by City, or the deposit with City by Grantee, of any of the certificates of insurance described in this Franchise.
- d. The indemnification of City by Grantee provided for in this Franchise shall apply regardless of whether or not such insurance policies shall have been determined to be applicable to any such damages or claims for damages.
- e. In order for City to assert its rights to be indemnified, defended, and held harmless, City must, with respect to each claim:
  - i. Promptly notify Grantee within ten (10) business days in writing of any claim or legal proceeding which gives rise to such right;
  - ii. Afford Grantee the opportunity to participate in and fully control any compromise, settlement or other resolution or disposition of any claim or proceeding; and
  - iii. Fully cooperate with reasonable requests of Grantee, at Grantee's expense, in its participation in, and control, compromise, settlement or resolution or other disposition of such claim or proceeding subject to subparagraph (ii) above.

#### **SECTION 8.**

### SALE, ABANDONMENT, TRANSFER AND REVOCATION OF FRANCHISE

1. <u>City's Right to Revoke</u>.

In addition to all other rights which City has pursuant to law or equity, City reserves the right to commence proceedings to revoke, terminate or cancel this Franchise, and all rights and privileges pertaining thereto, if it is determined by City that after notice and an opportunity to cure as reordered herein;

- i. Grantee has repeatedly and substantially violated material provisions(s) of this Franchise and has not put forth a reasonable proposal to cure such violations; or
- ii. Grantee has intentionally and materially evaded any of the provisions of the Franchise; or
- iii. Grantee has practiced a material fraud or a material deceit upon City.

### 2. <u>Procedures for Revocation</u>.

- a. City shall provide Grantee with written notice of a cause for revocation and the intent to revoke and shall allow Grantee thirty (30) days subsequent to receipt of the notice in which to correct the violation or to provide adequate assurance of performance in compliance with the Franchise. In the notice required therein, City shall provide Grantee with the basis of the revocation.
- b. Should City determine to proceed with a revocation proceeding, Grantee shall be provided the right to a public hearing affording due process before the City Council prior to the effective date of revocation. The due process to be afforded Grantee shall include the Grantee's right to present any written or verbal testimony or other relevant evidence to the City Council for consideration. Such information presented by Grantee shall be considered part of the record of the proceeding. City shall provide Grantee with written notice of its decision together with written findings of fact supplementing said decision.
- c. Only after the public hearing and upon written notice of the determination by City to revoke the Franchise may Grantee appeal said decision with an appropriate state or federal court or agency. Nothing in this Franchise, including the enforcement provisions set forth in this Section 8, shall prevent Grantee from filing at any time a legal action in any permissible court or tribunal seeking a declaration or enforcement of Grantee's rights or obligations under the Franchise.
- d. During the appeal period or pendency of any legal action, the Franchise shall remain in full force and effect unless the term thereof sooner expires and Grantee is not pursuing renewal under Applicable Law or unless continuation of the Franchise would endanger the health, safety and welfare of any Person or the public.
- 3. <u>Removal After Abandonment, Termination or Forfeiture</u>. In the event of termination or forfeiture of the Franchise or abandonment of the System, City shall have the right to require Grantee to remove all or any portion of the System from all Rights-of-Way and public property within City, unless there is other authorization for the System to remain.
- 4. <u>Franchise Transfer</u>. The Franchise granted hereunder shall not be assigned, other than to an entity controlling, controlled by, or under common control with the Grantee, without the prior written consent of the Grantor, such consent not to be unreasonably withheld or delayed. No such consent shall be required, however, for a transfer in trust, by mortgage, by other hypothecation, or by assignment of any rights, title, or interest of the Grantee in the Franchise or Cable System to secure indebtedness. Within thirty (30) days of receiving a request for transfer, the Grantor shall notify the Grantee in writing of any additional information it reasonably requires to determine the legal, financial and technical qualifications of the transferee. If the Grantor has not taken action on the Grantee's request for transfer within one hundred twenty (120) days after receiving such request, consent by the Grantor shall be deemed given.

### SECTION 9. PROTECTION OF INDIVIDUAL RIGHTS

- 1. <u>Discriminatory Practices Prohibited</u>. Grantee shall not deny Service, deny access, or otherwise discriminate against Subscribers or general citizens on the basis of race, color, religion, national origin, sex, age, status as to public assistance, affectional preference, or disability. Grantee shall comply at all times with all other Applicable Laws, and all executive and administrative orders relating to nondiscrimination.
- 2. <u>Subscriber Privacy</u>. Grantee shall at all times comply with all applicable provisions of 47 U.S.C. 551 governing subscriber privacy. Grantor reserves any and all rights it may have now or in the future to enforce compliance with all applicable state and federal laws and regulations governing subscriber privacy.

#### SECTION 10. MISCELLANEOUS PROVISIONS

- 1. <u>Franchise Renewal</u>. Any renewal of this Franchise shall be performed in accordance with Applicable Laws.
- 2. <u>Work Performed by Others</u>. All applicable obligations of this Franchise shall apply to any subcontractor or others performing any work or services pursuant to the provisions of this Franchise. Grantee shall provide notice to City of the name(s) and address(es) of any entity, other than Grantee, which performs substantial services pursuant to this Franchise.
- 3. <u>Amendment of Franchise Ordinance</u>. Grantee and City may agree, from time to time, to amend this Franchise. Such written amendments may be made at any time if City and Grantee agree that such an amendment will be in the public interest or if such an amendment is required due to changes in federal, state or local laws.
- 4. <u>Compliance with Federal, State and Local Laws</u>.
  - a. If any federal or state law or regulation shall require or permit City or Grantee to perform any service or act or shall prohibit City or Grantee from performing any service or act which may be in conflict with the terms of this Franchise, then as soon as possible following knowledge thereof, either party shall notify the other of the point in conflict believed to exist between such law or regulation.
  - b. If any term, condition or provision of this Franchise or the application thereof to any Person or circumstance shall, to any extent, be held to be invalid or unenforceable, the remainder hereof and the application of such term, condition or provision to Persons or circumstances other than those as to whom it shall be held invalid or unenforceable shall not be affected thereby, and this Franchise and all the terms, provisions and conditions hereof shall, in all other respects, continue to be effective and complied with provided the loss of the invalid or unenforceable clause does not substantially alter the agreement between the parties. In the event such law, rule or regulation is subsequently repealed, rescinded, amended or

otherwise changed so that the provision which had been held invalid or modified is no longer in conflict with the law, rules and regulations then in effect, said provision shall thereupon return to full force and effect and shall thereafter be binding on Grantee and City.

- 5. <u>Non-enforcement by City</u>. Grantee shall not be relieved of its obligations to comply with any of the provisions of this Franchise by reason of any failure or delay of City to enforce prompt compliance. City may only waive its rights hereunder by expressly so stating in writing. Any such written waiver by City of a breach or violation of any provision of this Franchise shall not operate as or be construed to be a waiver of any subsequent breach or violation.
- 6. <u>Rights Cumulative</u>. The rights and remedies reserved to the City and Grantee by this Franchise are cumulative and shall be in addition to and not in derogation of any other legal or equitable rights or remedies which the City and Grantee may have with respect to the subject matter of this Franchise, and a waiver thereof at any time shall have no effect on the enforcement of such rights or remedies at a future time.
- 7. <u>Force Majeure</u>. Neither party shall be in default under this Agreement if any failure or delay in performance is caused by acts of God; fire; flood; earthquake; lightning; unusually severe weather; material or facility shortages or unavailability not resulting from such party's failure to timely place orders therefore; war or civil disorder; or any other cause beyond the reasonable control of either party hereto. The excused party shall use reasonable efforts under the circumstances to avoid or remove such causes of non-performance and shall proceed to perform with reasonable dispatch whenever such causes are removed or ceased. Notification shall be given by the excused party to the other party, of the cause and of the estimated duration, when possible.

### SECTION 11. PUBLICATION EFFECTIVE DATE; ACCEPTANCE AND EXHIBITS

- 1. <u>Publication, Effective Date</u>. This Franchise shall be published in accordance with applicable local and state law. The effective date of this Franchise shall be the date of acceptance by Grantee in accordance with the provisions of Section 11.2.
- 2. <u>Acceptance</u>.
  - a. Grantee shall accept this Franchise within thirty (30) days of its enactment by the City Council, unless the time for acceptance is extended by City. Such acceptance by the Grantee shall be deemed the grant of this Franchise for all purposes.
  - b. Upon acceptance of this Franchise, Grantee and City shall be bound by all the terms and conditions contained herein.
  - c. Grantee shall accept this Franchise in the following manner:

- i. This Franchise will be properly executed and acknowledged by Grantee and delivered to City.
- ii. With its acceptance, Grantee shall also deliver any insurance certificates as required herein that have not previously been delivered.

Passed and adopted by the City Council this 12th day of September 2024.

PELL CITY, ALABAMA ATTEST D thuitt By: By: Its: 🔤 🤇 Its:

ACCEPTED: This Franchise is accepted, and we agree to be bound by its terms and conditions.

#### HARGRAY OF ALABAMA, LLC

Date: September 11th 2024

By: Hargray of Alabama, LLC

By:

Print Name: Charlie Oakes

Its: Senior Director, Regional Operations Gulf Coast

### **SCHEDULE 1**

## List of Designated Locations for Free Drop, Outlet and Basic Cable Service

Civic Center

Senior Citizens Building

Armory

City Shop

City Hall Upstairs

Police Department

Sewer Treatment Plant

Fire Station #1

Fire Station #2

Fire Station #3

Fire Station #4

### EXHIBIT A FRANCHISE FEE PAYMENT WORKSHEET

### <u>TRADE SECRET – CONFIDENTIAL</u>

#### ATTACHMENT B. FRANCHISE FEE PAYMENT WORKSHEET

### TRADE SECRET - CONFIDENTIAL

	Month/Year	Month/Year	Month/Year	Total
Cable Service Revenue				
Installation Charge				
Franchise Fee Revenue				
Advertising Revenue				
Home Shopping Revenue				
Other Revenue				
Equipment rental				
REVENUE				
Fee Calculated				

Fee Factor: 5%