

Colorado Springs, Colorado, 80903;

(D) "Cable Television System", hereinafter also referred to as CATV System, means a system for transmission of audio and/or video signals by coaxial cable or other means and such related services as the State of the Art permits and as Grantee chooses to provide upon application, consideration, and approval of the Town Council. These services include, but are not limited to "basic services" or "premium services";

(E) "Basic Service" shall consist of those television broadcast station signals required to be carried by the Grantee's CATV System pursuant to rules and regulations of the Federal Communications Commission. Basic Service shall include not less than ten educational and independent stations to be selected by the Town Council that are receivable in the town off-the-air directly from television broadcast stations. Additional program services may be included in "Basic Service", at the option of the grantee;

(F) "Premium Service" is comprised of any communication or program service not included within the definition of "Basic Service" such as, but not limited to, movie services, sporting events, and other satellite-delivered programming, as well as advertising, leased channels, shopping services, and the transmission of other programming and electronic information for which a per-program or per-channel charge is made;

(G) "Gross Revenues" shall mean all revenue derived directly or indirectly by the grantee, its affiliates, subsidiaries, parent and any person in which the grantee has a financial interest, from or in connection with the operation of a cable television system pursuant to this Ordinance; PROVIDED, HOWEVER, that all revenue shall include, but not be limited to, basic and premium subscriber service monthly fees, pay-cable fees, leased channel fees, converter rentals, and advertising revenues; but specifically excluding installation and reconnection fees, and that this shall not include any taxes on services furnished by the grantee herein imposed directly upon any subscriber or user by the state, town, or other governmental unit and collected by the company on behalf of said governmental unit;

(H) "Person" is any person, firm partnership, association, corporation, company, or organization of any kind;

(I) "Subscriber" is a person who purchases a service offered by the CATV System; and

(J) "Franchise" is a term applied to this Ordinance following adoption by the Town Council and acceptance by the Grantees.

SECTION 2 - GRANT OF AUTHORITY: For construction and operation of a CATV System, there is hereby granted to the Grantee for a period of fifteen (15) years, from the effective date of this franchise, the nonexclusive right and privilege to erect, operate and maintain in, upon, along, across, above, over, and under the streets, alleys, public ways and public places now laid out or dedicated, and all extensions thereof and addition thereto, and on the town poles, wires, cables, underground conduits, manholes, and other conductors and fixtures necessary for the construction, maintenance, and operation in the town of a CATV System. This franchise is nonexclusive and it is further reserved unto the town the right to grant such additional franchises as the members of the Town Council may deem fit and proper under the circumstances to other legal entities engaged in providing similar service.

SECTION 3 - COMPLIANCE WITH APPLICABLE LAWS AND ORDINANCES: The grantee shall, at all times during the life of this franchise, be subject to the lawful exercise of the police power of the town and such reasonable regulations as the town shall hereafter adopt in the exercise of the police power; PROVIDED, HOWEVER, that such additional ordinances shall be reasonable and lawful.

SECTION 4 - CONSTRUCTION AND MAINTENANCE: (A) All structures, lines, and equipment erected by the grantee within the town shall be so located as to cause minimum interference with the proper use of streets, alleys, public utility easements, and other public places and to cause minimum interference with the rights of reasonable convenience of property owners, and grantee shall comply with all reasonable, proper, and lawful ordinances of the town now or hereafter in force. Grantee is authorized to use existing poles, posts, conduits, and other such structures of any electrical power system, telephone company, or other public utility said facilities with any other companies which have an interest, ownership, or otherwise, in said facilities. To the extent that existing poles, posts, conduits, and other structures are not available or are not available under reasonable terms and conditions, including excessive costs or unreasonable limitation upon the use of grantee's cable television system, grantee shall be permitted to make efforts to purchase, or lease, rights of way or easements upon or under which to erect or maintain its own poles, conduits, and other structures as may be necessary for the construction and maintenance of its cable television system.

(B) In case of any disturbance by grantee of pavement, sidewalk, driveway, or other surfacing, grantee shall, at its own cost and expense, replace and restore all paving, sidewalk, driveway, or surface so disturbed in as good condition as before said work was commenced.

(C) In the event that at any time during the period of this franchise the town shall lawfully elect to alter or change any street, alley, public utility easement or other public way requiring the relocation of grantee's facilities, then in such event grantee, upon reasonable notice by the town, shall remove, relay, and relocate the same of its own expense; PROVIDED, HOWEVER, that where public funds are available for such relocation pursuant to law, grantee shall not be required to pay the cost.

(D) Grantee shall have the authority to trim trees upon and overhanging on streets, alleys, public utility easements, sidewalks, and public places of the town so as

Ordinance No. 1986-4

TITLE AND PURPOSE

AN ORDINANCE GRANTING A FRANCHISE TO KELLER C.A.T.V. CONSTRUCTION, INC., ITS SUCCESSORS AND ASSIGNS, TO CONSTRUCT, OPERATE, AND MAINTAIN A CABLE TELEVISION SYSTEM IN THE TOWN OF LA JARA, COUNTY OF CONEJOS, AND STATE OF COLORADO, AND SETTING FORTH CONDITIONS ACCOMPANYING THE GRANT OF THIS FRANCHISE.

SECTION 1 - DEFINITION: For purpose of this Ordinance, the following terms shall have the meaning set forth below. The word "shall" is mandatory and not merely directory or discretionary;

(A) "Town" is the town of La Jara, County of Conejos, State of Colorado;

(B) "Town Council" is the Board of Trustees of the Town of La Jara;

(C) "Grantee" is KELLER C.A.T.V. CONSTRUCTION, INC., a corporation, its successors and assigns as may be in accordance with the provisions of the franchise. The corporation's principal office and place of business is located at Holly Sugar Building, Suite 1050,

to prevent the branches of such trees from coming into contact with grantee's facilities.

(C) All poles, lines, structures, and other facilities of grantee in, on, over, and under the streets, sidewalks, alleys, public utility easement, and public grounds or places of the town shall be kept by grantee at all times in a safe and substantial condition and in good order and repair.

SECTION 5 - CATV SERVICE AREA AND LINE EXTENSIONS: Grantee shall make CATV service available to not less than all of the area lying within the exterior boundaries of the Town of La Jara as such boundaries presently exist as a result of and at the conclusion of pending or contemplated annexation proceedings. However, the agents and officers of the grantee, in their discretion, may designate an "initial service area". The designation of the "initial service area" will be governed by the economic considerations involved in extending service to the various subscribers. After the designation of the "initial service area" the grantee shall, whenever it shall receive requests for service from at least one potential subscriber within 1,000 feet from its existing system, extend such system to said subscriber at no cost to the subscriber for system extension other than the usual connect fees for all subscribers. The 1,000 feet shall be measured in a straight line from the nearest cable required for service to the location of the public way or easement and shall not include length of the necessary service brought to the subscriber's home or premises. In addition, the town council may, on complaint from any potential subscriber residing within the town, order the extension of the system to such subscriber after opportunity for hearing and notice to grantee, provided costs of the extension are paid by such subscriber.

SECTION 6 - PAYMENT TO THE TOWN: In consideration of the terms of this franchise, grantee agrees to pay the town a sum of money equal to three percent (3%) per year of grantee's gross revenues as said term has heretofore been defined. Such annual sum shall be payable one half thereof at the end of each semiannual period. The semiannual anniversary shall be the last day of June and the last day of December of each year, and each semiannual payment shall be paid within sixty (60) days thereafter. Grantee shall file with the town with each semiannual payment a sworn statement of the number of its subscribers within the town, a statement of its gross revenues as that term has heretofore been defined upon which payment to the town is based, and a computation of the franchise fee due the town. All other license fees or taxes levied upon grantee by the town shall be credited against the payment required herein.

SECTION 7 - RIGHTS RESERVED TO TOWN: (A) The right is hereby reserved to the town to adopt, in addition to the provisions contained herein, and in existing applicable ordinances, such additional regulations as it shall find necessary for the exercise of its police power, provided that such regulation, by ordinance or otherwise, shall be reasonable.

(B) The Town Council shall have the right to inspect and the grantee shall make available its books, records, maps, plans, and/or other material of the grantee pertaining to the operation of said CATV System at any time during normal business hours, provided that thirty days (30) notice shall have been given to grantee as to what records are to be produced for such inspection.

(C) The Town Council may hold hearings on any matter pertaining to this franchise, and grantee shall make available its representatives or agents at such hearings.

SECTION 8 - DURATION AND ACCEPTANCE OF FRANCHISE: (A) This franchise is hereby granted to operate a CATV System in the Town of La Jara, Colorado, and shall take effect and be in force from and after adoption hereof by the Town Council as provided by law and shall continue in force and effect for a term of fifteen (15) years. The original term of this franchise shall be automatically extended for successive additional five-year periods unless one of the parties hereto shall give six (6) month written notice to the other party of its intention not to extend this franchise or any extension thereof on the same terms and conditions. Notwithstanding such notice, the town and grantee agree to negotiate in good faith changes proposed by either party which would apply to a renewal or extension of this franchise so as to ensure continuity of service to the public.

SECTION 9 - FORFEITURE: If grantee should violate any of the material terms, conditions, or provisions of this franchise, or if grantee should fail to comply with any reasonable provisions of any ordinance of the town regulation the use by grantee of the streets, alleys, public utility easements, or public ways of the town, and should grantee further continue to violate or fail to comply with the same for a period of thirty (30) days after grantee shall have been notified in writing by the town to cease and desist from any such violation or failure to comply as so described, grantee may be deemed to have forfeited and annulled, and shall thereby forfeit and annul all the rights and privileges granted by this franchise; PROVIDED, HOWEVER, that such forfeiture shall be declared only by written decision of the Town Council after an appropriate public proceeding before the Town Council affording grantee due process and full opportunity to be heard and to respond to any such notice of violation or failure to comply; and further provided that the Town Council may, in its discretion and upon finding of violation or failure to comply, impose a lesser penalty than forfeiture of this franchise or excuse the violation or failure to comply upon a showing by grantee of mitigating circumstances. Grantee shall have the right to appeal any finding of violation or failure to comply and any result of penalty to any court of competent jurisdiction. In the event that forfeiture is imposed upon grantee, it shall be afforded a period of six (6) months within which to sell, transfer, or convey this Cable Television System to a qualified purchaser at fair

market value. The qualifications of the purchaser shall be subject to review by the members of the Town Council and any sale, transfer, or conveyance shall be subject to its approval. During this six month period, which shall run from the effective date of the final order or decision imposing forfeiture, including any appeal, grantee shall have the right to operate this cable television system pursuant to the provisions of this franchise.

SECTION 10 - SURRENDER RIGHTS: Grantee may surrender this franchise to the town by notifying the Town Clerk of the town a written notice of its intention to do so at least six (6) months before the surrender date. On the surrender date specified in that notice, all of the rights and privileges and all of the obligations, duties, and liabilities of grantee in connection with the franchise shall terminate. In the event the grantee exercises any of the rights afforded by this section, grantee agrees to leave in place all transmission lines, poles, guidewires, and other structures which have been placed upon the town's property, rights of way, and easements and in furtherance of its original objectives.

SECTION 11 - TRANSFERS: All of the rights and privileges and all of the obligations, duties, and liabilities created by this franchise shall be passed to and be binding upon the successors of the town and the successors and assigns of grantee, and the same shall not be assigned or transferred without the written approval of the Town Council, which approval shall not be unreasonably withheld; PROVIDED, HOWEVER, that this section shall not prevent the assignment or hypothecation of the franchise by the grantee or its debt without such approval; PROVIDED, further, that transfers or assignment of this franchise between any parent and subsidiary corporation or between entities of which at least fifty percent (50%) of the beneficial ownership is held by the same person, persons, or entities shall be permitted without the prior approval of the Town Council.

SECTION 12 - LIABILITY, INDEMNIFICATION, AND INSURANCE: Grantee shall save the town harmless from all losses sustained by the town on account of this section shall not be liable for any claim, demand, or suit against the town resulting from negligence on the part of the grantee in the construction, operation, or maintenance of this cable television system in the town. For this purpose, grantee shall carry property damage and personal injury insurance as follows:

(1) A general comprehensive public liability insurance policy indemnifying, defending, and saving harmless the town, its officers, boards, committees, agents, or employees from any and all claim by any person whatsoever for injury to or death of a person or person occasioned or alleged to have been occasioned by the operation of grantee under the franchise granted herein, in the amount of at least TWO HUNDRED THOUSAND DOLLARS (\$200,000) per personal injury or death for any one person and SIX HUNDRED THOUSAND DOLLARS (\$600,000) for personal injury or death of two or more persons in any one occurrence;

(2) Property damage insurance indemnifying, defending, and saving harmless the town, its officers, boards, committees, agents, or employees from or against all claims by any person whatsoever for property damage occasioned or alleged to have been occasioned by the operation of grantee under the franchise granted herein, in the amount of at least TWO HUNDRED THOUSAND DOLLARS (\$200,000) for property damage of any person and SIX HUNDRED THOUSAND DOLLARS (\$600,000) for property damage of two or more persons in any one occurrence;

(3) All of the foregoing insurance contracts shall be in force in a form satisfactory to the town, shall be issued and maintained by companies authorized to do business in the State of Colorado and acceptable to the town and shall be kept in full force and effect by grantee during the term of this franchise and until completion of all obligations of this franchise and until complete final removal of equipment, structures, facilities, apparatus, and appurtenances. The insurance contracts shall contain provisions requiring that ninety (90) days written notice of any cancellation be given to both the town and grantee.

(4) During the construction phase of this franchise agreement, the grantee shall ensure the town, its own crews are involved in the construction of said facilities, that adequate workmen's compensation coverage has been purchased by grantee and will further assure the town that any independent contractor who is engaged by the grantee to assist in during the construction phase has purchased adequate workmen's compensation coverage in compliance with the laws of the State of Colorado.

SECTION 13 - UNLAWFUL ACTS: (A) It shall be unlawful for any person to make any unauthorized connection, whether physically, electrically, acoustically, inductively, or otherwise, with any part of grantee's cable television system for the purpose of enabling himself or others to receive any television signals, radio signals, pictures, programs, sounds, or any other information or intelligence transmitted over grantee's cable system without payment to grantee or its lessee.

(B) It shall be unlawful for any person, without the consent of the owner, to willfully tamper with, remove, or enter any cable, wires, or other equipment used for the distribution of television signals, radio signals, pictures, programs, sounds, or any other information or intelligence transmitted over grantee's cable system.

(C) It shall be a misdemeanor punishable by fine of not more than THREE HUNDRED DOLLARS (\$300) or imprisonment for a term not to exceed ninety (90) days or both for any person to violate any of the provisions of this section.

SECTION 14 - GRANTEE'S CABLE TV

PROPOSAL INCORPORATED: By its acceptance of the franchise, grantee specifically grants and agrees that its cable television proposal and statements made by its representatives during the submission of said proposal shall be incorporated by reference and made a part of this Ordinance. Included in the foregoing is the assurance given by the representatives of the grantee to the members of the Board of Trustees of the Town of La Jara that if the grantee shall intend to receive and transmit its CATV system any one or more of the TV signals presently emanating from the TV translator facility on top of San Antonio Mountain northern New Mexico, such translator system otherwise commonly known in this area as the "San Antonio Mountain T.V. System" formerly operated by the representatives of the Town of La Jara, then and in that event, but before such retransmission of such signals, the grantee, through its authorized officers and agents, shall meet with the Governing Board of the San Luis Valley Television Authority, hereinafter referred to as the "Authority," a quasi-independent governmental entity created and existing pursuant to the terms and provisions of Colo. Rev. Stat. 29-1303 and 29-1304 through 29-1308 for the purpose of negotiating with such Governing Board such terms and provisions as such Governing Board shall deem necessary and proper, and as permitted by law, such to include, but not necessarily limited to, the possible imposition of a surcharge fee by the Authority to its subscribers to be paid over directly to the Authority so as to enable the Authority to continue operation of the San Antonio Mountain translator facility and any other ancillary equipment or translator sites for the benefit of the viewing public not otherwise having access to or availability of a CATV system. In this regard, said Authority shall be deemed to have the status of a party beneficiary to this franchise agreement. In the event of a conflict between proposed services listed in said cable television proposal and the provisions of this Ordinance, that provision which would provide the greatest benefit to the town, in the opinion of the Town Council, shall prevail. Failure to provide services as promised in grantee's cable television proposal shall be deemed a breach of this Ordinance to which the foregoing provisions of the previous sections of this Ordinance shall apply.

SECTION 15 - RATE: The maximum rate which may be charged by grantee to subscribers shall be as set forth in its rate schedule which is attached hereto as Attachment "A" and incorporated herein by reference. All requests for rate increases and/or charges shall be subject to the approval or disapproval of the Town Council after an appropriate public hearing is held at which all interested parties are heard. The Town Council may, by resolution, adopt such rules and regulations governing the review of such requests as it may deem necessary for a fair and intelligible discussion and to promote the purposes of this ordinance.

SECTION 16 - SERVICE AND PERFORMANCE STANDARDS: The grantee shall install such equipment and have the necessary equipment and personnel to maintain its facilities so as to assure proper efficient service, make repairs in a timely and expeditious manner, and interrupt service only for good cause and for the shortest time possible. Such interruptions, in so far as possible, shall be preceded by notice and shall occur during periods of minimum system use.

The grantee shall maintain all parts of this TV cable system in good condition throughout the entire franchise period.

Upon termination of service to any subscriber, the grantee shall promptly remove all of its facilities and equipment from the premises of such subscriber upon his request.

Grantee shall not allow its cable or other operations to interfere with television reception of persons not served by grantee, nor shall the system interfere with, obstruct, or hinder in any manner, the operation of the various utilities serving the residents of the town and county.

Copies of all petitions, applications, reports, and communications submitted by grantee to the Federal Communications Commission or State Regulatory Commission, or other agency having jurisdiction in respect to any matter or affecting the cable television operations authorized by this franchise shall be submitted simultaneously to the town's clerk.

Grantee shall file with the town copies of all rules, regulations, terms and conditions which it has adopted for the conduct of its business and which affect its subscribers.

SECTION 17 - COMPLAINT PROCEDURES: The grantee shall establish procedures for receiving, acting upon, and resolving subscriber complaints to the satisfaction of the Town Council. The grantee shall furnish a notice of such procedures to each subscriber at the time of initial subscription to the system.

In the event that a customer complaint is not resolved to the mutual satisfaction of the customer and the grantee, either the customer or the grantee may request that the matter be presented to the Town Council for a hearing and resolution.

When there have been similar complaints made or when there exists other evidence, which in the judgment of the members of the Town Council, casts doubt on the reliability or quality of cable service, the Town Council shall have the right and authority to compel the grantee to test, analyze, and report on the performance of the system. The Town Council shall cause the grantee to be served notice of a determination to require testing and the grantee shall have a reasonable period thereafter, in no event to exceed thirty (30) days, within which to conduct test tests and to submit a report in writing to the Town Council after completion of the same.

SECTION 18 - PREFERENTIAL OR DISCRIMINATORY PRACTICES: Grantee shall not, as to rates, charges, service, service facilities, rules,

regulations, employment or in any other respect, make or grant any undue preference or advantage to any party, nor subject any party to any prejudice or disadvantage. This Section shall not be construed to prohibit the establishment or regulation of commercial and non-commercial user rates.

SECTION 19 - PRIVACY: (A) Subscriber data, including names, addresses, and phone numbers, shall not be distributed and used by the grantee for other than the normal conduct of business activities. Reasonable protection shall be provided by the grantee to avoid access thereto by outside parties and to protect the rights of privacy of subscribers.

SECTION 20 - ACCEPTANCE OF FRANCHISE: Within thirty (30) days after adoption of this ordinance awarding the franchise, the grantee shall file with the Town Clerk its written acceptance of the Franchise and its agreement to be bound by and to comply with all the terms and conditions set forth in the provisions of this ordinance. In the event such acceptance and agreement are not filed within thirty (30) days after the adoption of this ordinance, the Town Council may declare the franchise null and void. In accepting this franchise, the grantee shall reimburse the town for all actual expenses incurred by the town including, but not limited to the cost of preparation, drafting, and publication of this ordinance up to the sum of SEVEN HUNDRED FIFTY DOLLARS (\$750). Said actual expenses will be paid by the town within thirty (30) days after the award of the franchise. It will be deemed upon agent of the town to submit to the grantee evidence of actual expenses incurred.

SECTION 21 - SEVERABILITY: If any section, subsection, sentence, clause, phrase, or portion of this ordinance is for any reason held invalid or unconstitutional by any federal or state jurisdiction, specifically including the Federal Communications Commission, such portion shall be deemed a separate, distinct, and independent provision, and such holdings shall not affect the validity of the remaining portions hereof.

PASSED, APPROVED AND ADOPTED this 8th day of January, 1986.

THE BOARD OF TRUSTEES OF THE TOWN OF LA JARA
By: s/ Calvin C. Graber, Mayor

ATTEST:
s/ Helen J. Hutchins, Town Clerk

ACCEPTED KELLER C.A.T.V. CONSTRUCTION, INC., a corporation.
By: s/ Richard L. Keller, President
Sharon L. Olney

State of Colorado
County of Conejos
The above and foregoing Acceptance was acknowledged before me this 13th day of February, 1986, by RICHARD L. KELLER, as President of KELLER C.A.T.V. CONSTRUCTION, INC., a corporation, heretofore referred to as grantee.

WITNESS My hand and official seal.
Raymond Valdez
Notary Public

My Commission expires: Dec. 15, 1986.

State of Colorado
County of El Paso
The above and foregoing Acceptance was acknowledged before me this 17th day of February, 1986, by Sharon Olney as Secretary of KELLER C.A.T.V. CONSTRUCTION, INC., a corporation, heretofore referred to as grantee.

WITNESS My hand and official seal.
Deborah Hong
Notary Public

My Commission expires: Aug. 30, 1987

ATTACHMENT A
RESIDENTIAL - INCLUDING APARTMENTS

First Outlet:	
Installation Charge	\$20.00
Inside Wall Outlets - Extra	\$18.00
Additional Outlet (each):	
Installation Charge	\$5.00
Monthly Service Charge	\$2.00
Monthly Service Charge:	
Basic	\$9.95
Basic plus 1 movie channel	\$19.95
Basic plus 2 movie channels	\$27.95

COMMERCIAL

Installation Charge	Time and Materials
Additional Outlets	\$3.00
Monthly Service Charge:	
Basic	\$9.95
Basic plus 1 movie channel	\$19.95
Basic plus 2 movie channels	\$27.95

MISCELLANEOUS CHARGES

Reconnect Charge	\$10.00
Relocate Charge	\$5.00
Move Charge (New Location Wired)	\$5.00
Move Charge (New Location Not Wired)	\$10.00

+ Does not include applicable tax
(Published in The Citizen March 20, 1986)