

AN ORDINANCE GRANTING THE FRANCHISE FOR THE CONSTRUCTION AND OPERATION OF
COMMUNITY AND TENANT TELEVISION SYSTEMS IN CLAY COUNTY, NORTH CAROLINA.

The Board of Commissioners of Clay County, N. C., met in regular session on January 5, 1981, at the community services building, Hayesville, N. C., the regular meeting place, at 9:00 o'clock, A.M.

Commissioners present: B. Howard Wimpey, Chairman
Wayne G. West, Member
Max Payne, Member

Chairman Wimpey stated that one of the objectives of this meeting was to award the cablevision franchise to one of the 5 companies which had submitted proposals.

They were: Tri-City Cable T.V., Blue Ridge, Georgia
Howard Gibson, Hayesville, North Carolina
Murphy Cable T.V., Murphy, North Carolina
Standard Telephone, Hiawassee, Georgia
Towns-Union C.A.T.V., Inc., Lawrenceville, Georgia

Chairman Wimpey announced that the special meeting of the board was held on November 17, 1980, at 7:00 o'clock, P.M., for the purpose of giving all persons an opportunity to speak out concerning the cable television franchise, particularly including any persons or companies desiring to make any presentation of their goals and objectives if awarded the franchise.

A period of discussion followed.

Upon motion of Commissioner Payne, seconded by Commissioner West, with all commissioners voting, "Yes", the board moved to award the following cablevision franchise to Towns-Union CATV, Inc. by the following ordinance:

WHEREAS, the Board of Commissioners for Clay County has adopted an ordinance entitled, "An ordinance governing the granting of franchises for the construction and operation of community and tenant television systems in Clay County, N.C.", and,

WHEREAS the Board of Commissioners desire to enter into a franchise agreement and grant a franchise to Towns-Union CATV, Inc.

WHEREUPON, the Board has made inquiry and investigation concerning the company and has approved the company's legal, financial and technical qualifications and the feasibility of company's construction arrangements.

NOW, THEREFORE, BE IT ORDAINED by the Board of Commissioners of Clay County:

SECTION 1. That Clay County (hereinafter referred to as "the County") hereby grants the non-exclusive right, privilege and franchise to Towns-Union CATV, Inc. (hereinafter referred to as "the Company") to construct, operate and maintain a cable television system in Clay County for a period of fifteen (15) years from and after the date of acceptance

Each FM outlet	\$1.50
Regular pay cable service	\$8.95
Each additional connection	\$3.50
Mini-pay cable service	\$4.95

Commercial Service

First TV outlet	\$7.50
Each additional TV or FM outlet	\$2.50

SECTION 3. The company by accepting the rights hereby granted, covenants that it will perform and keep all acts, covenants and obligations imposed, represented or promised by the provisions of this ordinance, the CATV ordinance and the proposal, including the completion of the construction of its plant and the activation of its system in accordance with, to the extent of and within the periods of time shown on its construction schedule in its proposal, and any failure to do so will be grounds for termination of the rights hereby granted in accordance with the provisions of the CATV ordinance.

SECTION 4. The effective date of this ordinance shall be the date of its final adoption, and said date shall be utilized for the commencement of the timetable for construction contained in the proposal and for all other purposes.

SECTION 5. Company shall maintain at its expense the following insurance policies:

A general comprehensive public liability insurance policy indemnifying, demanding and saving harmless the County, its officers, boards, commissioners, agents or employees from any and all claims by any person whatsoever for injury to or death of a person or persons occasioned or alleged to have been occasioned by the construction, operation or maintenance of the cable television system by the company under the franchise granted herein for a single limit of not less than ONE MILLION (\$1,000,000.00) DOLLARS in one (1) accident or occurrence including both personal injury and/or property damage. Insurance in the amount of THREE HUNDRED THOUSAND (\$300,000.00) DOLLARS for all other types of liability. Workmen's Compensation insurance as required by the laws of the State of N.C. shall be continually maintained.

All of the foregoing insurance contracts shall be in a form satisfactory to the County, shall be issued and maintained by companies authorized to do business in the State of North Carolina, and acceptable to the County and shall be kept in full force and effect by company during the term of this franchise and until completion of all obligations of this franchise, including any required removal of equipment, structures, facilities, apparatus and appurtenances. The contracts shall contain provisions requiring that thirty (30) days written notice of any cancellation shall be given to both the County and the company. A copy of each policy shall be filed with the County by the Company.

SECTION 6. It shall be unlawful to operate a cable television system in Clay County without a franchise to do so duly granted by the Board of Commissioners of Clay County.

SECTION 7. This ordinance shall not be valid unless it is accepted by the company within fifteen (15) days of its effective date, which acceptance shall be in writing in such form and executed in such manner as to be a valid and legally binding acceptance.

SECTION 8. The acceptance of this franchise ordinance by the company shall constitute representations and covenants by it that:

(a) It accepts and agrees to all of the provisions of this ordinance and those instruments incorporated herein by reference;

(b) It has examined all of the provisions of this and the CATV ordinance and waives any claims that any provisions hereof are unreasonable, arbitrary or void.

(c) It recognizes the right of the county to make reasonable amendments to the franchise ordinance or franchise agreement during the term of the franchise, provided, that no such change shall compromise the franchisee's ability to perform satisfactorily its obligations or rights under this ordinance or the franchise agreement. It further recognizes and agrees that the county shall in no way be bound to renew the franchise at the end of the franchise term.

(d) It acknowledges that its rights hereunder are subject to the police power of the county to adopt and enforce general ordinances necessary to the safety and welfare of the public; and it agrees to comply with all applicable general laws enacted by the county pursuant to such power.

(e) In addition to the standards of construction, maintenance, and operation set forth in the CATV ordinance, and in its proposal, it will meet the standards of the CATV Industry related to signal quality and technical standards of construction, operation and maintenance of the system and the state of the art of the industry.

(f) With reference to the provisions of the CATV ordinance, it will make single installations of its standard community service facilities in accordance with the terms of said section at such additional county-owned facilities as may from time to time be designated by the County Manager.

(g) That it will secure all necessary certificates of authority to do business in the State of N.C. from the office of the Secretary of State of N.C. or any other necessary office.

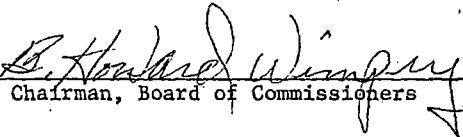
(h) The company shall pay to the county, the County Attorney's fees associated with the preparation and granting of this franchise.

(i) Construction, maintenance and operation of the transmission and distribution system, including connection made to the system to provide service to subscribers, shall be in accordance with any and all ordinances and regulations of the County, the National

Electrical Code as prepared by the National Bureau of Standards and the National Electrical Code of the National Board of Underwriters and shall conform to all rules and regulations of the Federal Communications Commission (FCC) applicable thereto or which become applicable in the future.

SECTION 9. When this franchise ordinance is accepted by the company as above provided, it (together with those instruments incorporated therein by reference) shall constitute the Franchise Agreement referred to in the CATV Ordinance.

FIRST PASSED, this the 5th day of January, 19 81.


Chairman, Board of Commissioners

Chairman Wimpey stated that the second reading of the awarding of the cablevision franchise would be at the next regularly scheduled Board meeting on February 2, 1981.