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ORDINANCE NO. 84-4

NASSAU COUNTY, FLORIDA

AN ORDINANCE GRANTING A NONEXCLUSIVE FRANCHISE TO SOUTHLAND CABLEVISION, A DIVISION OF SOUTHLAND UNDERGROUND, INC., A FLORIDA CORPORATION, ITS SUCCESSORS AND ASSIGNS, TO BUILD, CONSTRUCT, OPERATE AND MAINTAIN A CABLE TELEVISION SYSTEM IN THE UNINCORPORATED AREAS OF NASSAU COUNTY, FLORIDA, SETTING FORTH CONDITIONS ACCOMPANYING THE GRANTING OF THIS FRANCHISE; PROVIDING INITIAL RATE SCHEDULING, PENALTIES FOR UNAUTHORIZED CONNECTIONS, TAMPERING WITH, REMOVING, OR INJURING ANY CABLE, WIRES AND EQUIPMENT; AND PROVIDING FOR AN EFFECTIVE DATE.

BE IT ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF NASSAU COUNTY, FLORIDA:

SECTION 1: TITLE

This Ordinance shall be known and may be cited as the "Southland Cable Television Franchise Ordinance".

SECTION 2: PREAMBLE

This Ordinance was passed after a full, open and public hearing upon prior notice and opportunity of all interested parties to be heard and upon careful consideration of Grantee's qualification, including its legal, character, financial and technical qualifications and the adequacy and feasibility of its construction arrangements.

SECTION 3: DEFINITIONS

For the purpose of this Ordinance, and when not inconsistent with the context, words used herein in the present tense include the future; words in plural include the singular, and vice versa. The word "shall" is always mandatory. The captions supplied herein for each section are for convenience only. Said captions have no force of law, are not part of the section, and are not to be used in construing the language of the section. The following

terms and phrases, as used herein, shall be given the meaning set forth below:

A.) "COUNTY" is NASSAU COUNTY, FLORIDA, a political subdivision of the State of Florida.

B.) "GRANTEE" is Southland Cablevision, a proposed corporation to be organized and exist under the laws of the State of Florida, and it is the GRANTEE of rights under this franchise.

C.) "BOARD" is the BOARD OF COUNTY COMMISSIONERS OF NASSAU COUNTY, FLORIDA, or its designated representative.

D.) "FEDERAL COMMUNICATIONS COMMISSION" or "FCC" is the present Federal agency of that name as constituted by the Communications Act of 1934, or any successor agency created by the United States Congress.

E.) "PERSON" is any individual, firm, partnership, association, corporation, company or organization of any kind.

F.) "GROSS SUBSCRIBER REVENUES" shall include any and all compensation or receipts derived by GRANTEE from installation, disconnection and reinstallation charges and periodic service charges in connection with the carriage of broadcast signals and Federal Communications Commission mandated non-broadcast services within the COUNTY but shall not include any refunds or credits made to subscribers or any taxes imposed upon the services furnished by GRANTEE. Nor shall it include revenue from "ancillary" or "auxiliary" service, which include, but are not limited to, advertising, leased channels, and programming supplied on a per program or per channel charge basis, if any.

G.) "REGULAR SUBSCRIBER SERVICES" shall include the carriage of broadcast signals and FCC mandated non-broadcast services, but shall not include "ancillary" or "auxiliary" services, which include, but are not limited to, advertising, leased channels and programming supplied on a per program or per channel charge basis, if any.

SECTION 4: GRANT OF NONEXCLUSIVE AUTHORITY

There is hereby granted by the COUNTY to GRANTEE the right and privilege to construct, erect, operate and maintain in, upon, along, across, above, over or under the streets, alleys, public Utility easement, public ways and public places now laid out or dedicated and all extensions thereof and additions thereto, in the COUNTY, all poles, wires, cables, underground conduits, manholes and other conductors and fixtures necessary for the maintenance and operation in the COUNTY of a cable television system for the transmission of television signals and all other signals permitted by the FCC, either separately or upon or in conjunction with any public utility maintaining the same in the COUNTY, with all of the necessary and desirable appliances and appurtenances pertaining thereto. Without limiting the generality of the foregoing, this franchise and grant shall and does hereby include the right in, over, under and upon the streets, sidewalk, alleys, public utility easements and public grounds and places in the COUNTY to install, erect, operate or in any way acquire the use of, as by leasing or licensing, all lines and equipment necessary to a cable television system and the right to make connections to subscribers and the right to repair, replace, enlarge and extend said lines, equipment and connections. The rights herein granted for the purposes herein set forth shall not be exclusive, and the COUNTY reserves the right to grant a similar use of said streets, alleys, public utility easements, public ways and places to any person at any time during the period of this franchise; provided, however, that nothing contained herein shall be deemed to require the granting of additional CATV franchises, if, in the opinion of the BOARD, it is in the public interest to restrict such franchises to one or more.

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SECTION 5: POLICE POWER

GRANTEE shall at all times during the term of this franchise be subject to all lawful exercise of the police power of the COUNTY. The right is hereby reserved to the COUNTY to adopt, in addition to the provisions herein contained and any other existing applicable ordinances, such additional applicable ordinances as it shall find necessary in the exercise of its police power; provided, however, that such additional ordinances shall be reasonable, shall not conflict with or alter in any manner the rights granted herein, and shall not conflict with the laws of the State of Florida, the laws of the United States of America, or the rules, regulations, and policies of the FCC.

SECTION 6: TERRITORIAL AREA

This franchise relates to an area west of Intercoastal Waterway, the present unincorporated areas of NASSAU COUNTY, FLORIDA, as shown on map attached as exhibit "A". Initial service will be provided to those areas as shown in the shaded areas in a map attached hereto as EXHIBIT "A", and by reference incorporated herein. Service shall be provided to those residents in any of the shaded areas with a minimum of fifteen (15) houses per lineal mile.

SECTION 7: OPERATION

GRANTEE shall render efficient service, make repairs promptly and interrupt service only for good cause and for the shortest time possible. Interruptions for system maintenance insofar as possible shall be preceded by notice and shall occur during periods of minimum use of the system.

In order to limit failures and malfunctions of the CATV system to a minimum and that the same might be promptly corrected at all times after notice of malfunction or failure, GRANTEE shall consistently maintain an office in the COUNTY which shall be open during normal business hours of every day. Monday through Friday, inclusive, which shall have a listed telephone; which

telephone shall be so operated that complaints or requests for repairs or corrections, or adjustments because of malfunctions can be received at any time of day, Sunday through Saturday, and holidays.

Failures or malfunctions of the system shall be corrected by the GRANTEE within twenty four (24) hours after notice of such failure or malfunction except or unless such failure or malfunction shall be over a substantial portion of GRANTEE'S system and shall have been caused by storm, fire, lightning, explosion, civil commotion or other similar catastrophe.

SECTION 8: INDEMNIFICATION

(a) GRANTEE shall concurrently with the filing of the acceptance of this franchise furnish to COUNTY and file with the County Clerk and at all times during the existence of this franchise maintain in full force and effect at its own cost and expense a liability insurance policy in the amount of ONE MILLION AND NO/100 DOLLARS (\$1,000,000.00), in a form satisfactory to the County Attorney, indemnifying and defending COUNTY, its officers, boards, commissions, agents and employees from and against any and all claims, demands, actions, suits, and proceedings by others, against all liabilities to others including but not limited to any liability for damages by reason of, or arising out of, any failure by grantee to secure consents from the owners, authorized distributors or licensees of programs to be transmitted or distributed by the GRANTEE, and against any loss, cost, expense and damages resulting therefrom, including reasonable attorneys fees, arising out of the exercise or enjoyment of this franchise, irrespective of the amount of the comprehensive liability policy required hereunder.

(b) GRANTEE shall also concurrently with the filing of its acceptance of this franchise furnish to COUNTY and file with the clerk of COUNTY and at all times during the term of this franchise maintain in full force and effect, at its own cost and

expense, a general comprehensive liability insurance policy indemnifying and defending COUNTY, its officers, boards, commissions, agents and employees, in a form satisfactory to the County Attorney, from and against all claims by any person whatsoever for loss or damage for personal injury, death or property damage occasioned by the operations of GRANTEE under the franchise herein granted, or alleged to so have been caused or occurred, with minimum liability limits of \$200,000.00 for personal injury or death to any one person, and \$500,000.00 for personal injury or death to two or more persons in any one occurrence and \$100,000.00 for damages to property resulting from any one occurrence.

(c) In addition to the obligations of Grantee under the provisions of Sub-Section (a) and (b), GRANTEE agrees to indemnify and defend COUNTY, its officers, boards, commissions, agents and employees from any and all claims by any persons whomsoever for damages to personal property or for copyright infringement in any amounts whatsoever arising out of or alleged to have arisen out of the granting of this franchise or the operation of GRANTEE under the terms of this Article.

SECTION 9: PERFORMANCE BOND

(a) GRANTEE shall, concurrently with the filing of its acceptance of this franchise, file with the COUNTY Clerk and at all times thereafter maintain in full force and effect for the term of this franchise, at GRANTEE's expense, a corporate surety bond in a company and any form approved by the County Attorney and in the amount of TWO HUNDRED SEVENTY FIVE THOUSAND AND NO/100 DOLLARS (\$275,000.00), renewable annually, and conditioned on the faithful performance of GRANTEE of all the terms and conditions of this franchise for the term thereof.

(b) If GRANTEE shall, under other terms of this franchise ordinance, forfeit the franchise other than by reason of the acquisition by COUNTY of GRANTEE's property, then in that event,

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COUNTY shall be entitled to recover under the terms of such bond the full amount of any loss occasioned to COUNTY by reason of such violation or forfeiture to the full amount of such bond.

SECTION 10: CONSTRUCTION AND MAINTENANCE

(a) All structure, lines and equipment erected by GRANTEE within the COUNTY shall be so located as to cause minimum interference with the proper use of streets, alleys, public utility easements and other public ways and places and to cause minimum interference with the rights or reasonable convenience of property owner, and GRANTEE shall comply with all reasonable, proper and lawful ordinances of the COUNTY now or hereafter in force. Existing conduits, and other such structures of any electric power system, telephone company, or other public utility located in the COUNTY shall be used to the extend practicable in order to minimize interference with travel and avoid unnecessary duplication of facilities. The COUNTY shall actively assist GRANTEE to the fullest extent possible in obtaining reasonable joint conduit use agreements from the owners of existing conduits. To the extent that existing conduits, are not available, or are not available under reasonable terms and conditions, including excessive cost or unreasonable limitations upon the use of GRANTEE's cable television system, GRANTEE shall have the right to purchase, lease, or in any other manner acquire land, rights-of-way, or public utility easements upon or under which to erect and maintain its own conduits, and other such 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 costs and expense and in a manner approved by the COUNTY 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 County shall lawfully elect to alter or change any

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street, alley, public utility easement, or other public way requiring relocation of GRANTEE's Facilities, then in such event GRANTEE, upon reasonable notice by the COUNTY shall remove, relay and relocate the same at its own expense; provided, however, that where public funds are available for such relocation pursuant to law, GRANTEE shall not be required to pay cost.

(d) All lines, structures and other facilities of GRANTEE, in, on, over and under the streets, sidewalks, alleys, public utility easements and public grounds or places of the COUNTY shall be kept by GRANTEE at all times in a safe and substantial condition.

(e) It shall be the obligation of the GRANTEE to locate all its line facilities under the ground.

If GRANTEE shall in any case be unable for operational reasons only to locate or relocate any part of its property underground, then the County Engineer, on being satisfied as to the facts thereof may permit such property to remain above the ground even though other facilities may be placed underground in the area. However, any such permission shall be on such conditions as the County Engineer may require for the public welfare.

(f) GRANTEE or any person, firm or corporation erecting, constructing or maintaining any of the property used by or for GRANTEE shall at all times employ due care or the highest degree of care required by the law under the facts and circumstances and shall maintain and install the property of GRANTEE in accordance with commonly accepted methods and principles so as to prevent failures and accidents likely to or which may tend to cause damage, injury or nuisance to the public.

(g) All CATV facilities shall conform at least to the standards of the National Electrical Code of the National Board of Fire Underwriters or the latest edition thereof at the time any such facility shall be installed or replaced. However, nothing shall prohibit more stringent or rigid requirements being

imposed on GRANTEE either by COUNTY through ordinance or through y agreement between GRANTEE AND THE COUNTY.

(h) Whenever GRANTEE shall cause or any person on its behalf shall cause any injuries or damage to any public property or street, by or because of the installation, maintenance or operation of the CATV facilities such injury or damage shall be immediately remedied in such fashion as directed by the COUNTY ENGINEER unless ordinances of the COUNTY shall make other provisions therefore.

SECTION 11: CONSTRUCTION SCHEDULE

(a) On-site engineering and preparation of construction plans, maps and instructions shall be completed within SIXTY (60) days after the franchise has been granted.

(b) Actual construction of the cable television system will commence no later than SIXTY (60) working days after on-site engineering has been completed, simultaneously with installation of the "head-end" (antenna site) and cable plant.

(c) The Cable Television System shall be completed in the shaded areas shown on Exhibit "A" within Six (6) months from date of receipt of the franchise grant.

SECTION 12: RATES

The rates for installation of equipment and regular subscriber services shall be nondiscriminatory and shall be as set forth below; provided, however, that nothing contained herein shall be deemed to prohibit reasonable promotional rates which may, from time to time, be less than the rates set forth below:

- (a) Installation Fee (1 Set) \$25.00
- (Each Additional Set) 10.00
- Monthly Fee for Regular Basic Service 8.95
- Monthly Fee for Pay Television 9.95
- (e.g., HBO; Showtime)

Monthly Fee for FM	1.50
Monthly Fee for Wireless Remote Converter Control	3.50
Monthly Fee for Additional TV Outlet	3.50
Monthly Fee for Each Premium Channel on Additional Outlet	1.00
Late Penalty Charge	15%
Relocate Service (new address)	20.00
Relocate Outlet	15.00
Upgrade Service	10.00
Bad Check Penalty charge	10.00
Reconnect Charge	15.00
Converter Deposit	25.00

The basic service provided by grantee shall be:

18 channels to include PBS: WTLV-12: WJKS-17: WJXT-4:
WXAO-47: WAWS-30: CNN: MODERN SATELLITE NETWORK: CBN: WEATHER
CHANNEL: LIFETIME: ESPN: NASHVILLE NETWORK: CNN-2: USA: WTBS:
All these channels shall be provided for the monthly fee for
basic service.

The monthly fee for Pay Television, as indicated in
Paragraph A above, shall mean that a charge of \$9.95 per month
shall be charged for each Pay Television channel and the GRANTEE
shall make available the following Pay Television channels: HBO:
DISNEY: SHOWTIME: CINNEMAX: AND THE MOVIE CHANNEL.

(b) No increase in rates charged for installation of
equipment and regular basic subscriber services as specified
above shall be made effective within a period of one (1) year
after completion of the system, and thereafter, except as
authorized by the BOARD within ninety (90) days after public
notice of the proposed increase is given by GRANTEE to the BOARD
and after a full, open and public rate proceeding upon prior
notice and opportunity of all interested parties to be heard;
provided, however, that in the event that the BOARD does not
grant or deny the proposed rate increase, in whole or in part,

within the 90 day notice period, the proposed increase shall be deemed approved and shall be effective at the end of the 90 day notice period. Approval or disapproval by the BOARD of any rate increase proposed by GRANTEE may be expressed by simple resolution, and this Ordinance need not be amended for that purpose. A request for a rate increase shall not be unreasonably denied, and any denial or a rate increase, in whole or in part, shall be accomplished by a written statement by the BOARD which shall set forth the reasons for denial. In the event that the BOARD denies a proposed rate increase, in whole or in part, GRANTEE shall have the right to request arbitration, in accordance with rules of the American Arbitration Association, to determine the reasonableness of the BOARD's action, or, at its option, GRANTEE shall have the right to request review of the denial by any court of competent jurisdiction.

(c) Recognizing that Public Law 94-553 has established copyright liability for cable television systems which may be increased after the grant of this franchise by action of the United States Copyright Royalty Tribunal, and further recognizing the uncertainty and jeopardy into which such potential additional copyright liability places GRANTEE, should such additional copyright liability be imposed upon GRANTEE by the Copyright Loyalty Tribunal, GRANTEE shall have the right to increase its rates for regular subscriber services in order to offset such additional copyright liability. Any increase in GRANTEE'S rate schedule pursuant to this Paragraph shall be limited to the amount of the additional copyright liability impose. Such increase shall not be subject to the procedures specified in the preceding Paragraph and shall become effective ten (10) days after notice of such increase is given to the BOARD together with a certification that the increase is due solely to the imposition of additional copyright liability and that the increase is limited to an amount necessary to cover the amount of the additional liability.

(d) Prior approval of the BOARD need not be obtained for

any increase in rates charged for installation of equipment and regular subscriber services resulting from the imposition of or an increase in taxes or license charges imposed upon cable television facilities, services, operations or income; provided, however, that any such increase in rates shall be limited to an amount necessary to offset the aforesaid imposition of or increase in taxes or license charges. Any such increase shall become effective ten (10) days after notice of such increase is given to the BOARD together with a certification that the increase is due solely to the imposition of or increase in taxes or license charges.

(e) Prior approval of the BOARD need not be obtained for any increase in rates charged for installation of equipment and regular subscriber services that does not exceed five percent (5) in any one twelve-month period; provided, however, that any increase in rates pursuant to this provision shall not be in excess of the increase, if any, in the Consumer Price Index applicable to the same twelve-month period. Any such increase shall become effective ten (10) days after notice of such increase is given to the BOARD together with a certification that such increase is limited to five percent (5) or less of GRANTEE'S existing rate schedule for installation of equipment and regular subscriber services, or that such increase is limited to the increase in the Consumer Price Index for the applicable twelve-month period, whichever is the lesser.

(f) Rates for services other than installation of equipment and regular subscriber services shall be established and published by GRANTEE pursuant to the rules of the Federal Communications Commission.

SECTION 13: FCC RULES APPLICABLE

This franchise is governed by and subject to all applicable rules, regulations and policies of the Federal Communications Commission, specifically including Part 76, and by the laws of the State of Florida. Should there be any modifications of the

provisions of Part 76 of the Rules and Regulations to the Federal Communications Commission, specifically including Section 76.31, that are inconsistent with this franchise, the BOARD and GRANTEE agree that this franchise shall be appropriately amended within one (1) year after the effective date of the FCC's adoption of the modification or upon renewal of this franchise, whichever occurs first.

SECTION 14: FRANCHISE TERM

This franchise shall take effect and be in full force from and after acceptance by GRANTEE as provided in Section 29, and the same shall continue in full force and effect for a term of fifteen (15) years; provided, however, that should FCC authorization be necessary in connection with implementation or continuation of the cable television service contemplated by this franchise, then the term shall begin upon the effective date of such FCC authorization.

SECTION 15: RENEWAL PROCEDURE

GRANTEE shall have the unlimited option to renew this franchise for an additional period not to exceed fifteen (15) years. Should GRANTEE desire to exercise this option, it shall so notify the COUNTY, in writing, not less than three (3) months prior to expiration of this franchise.

SECTION 16: FORFEITURE

If GRANTEE should violate any of the terms, conditions, or provisions of this franchise or if GRANTEE should fail to comply with any reasonable provisions of any ordinance of the COUNTY regulating the use by GRANTEE of the STREETS, alleys, public utility easements or public ways of the COUNTY 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 BOARD to cease and desist from any such violation or failure to comply so specified, then GRANTEE may be

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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 BOARD after an appropriate public proceeding before the BOARD affording GRANTEE due process and full opportunity to be heard and to respond to any such notice of violation or failure to comply; and provided further, that the BOARD may, in its discretion and upon a 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 resultant 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. During this six (6) 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 17: SURRENDER RIGHT

GRANTEE may surrender this franchise at any time upon filing with the Clerk of the BOARD a written notice of its intention to do so at least three (3) months before the surrender date. On the surrender date specified in the notice, all of the rights and privileges and all of the obligations, duties and liabilities of GRANTEE in connection with this franchise shall terminate.

SECTION 18: TRANSFERS

The GRANTEE shall not transfer this franchise to another person or entity without prior approval of the COUNTY by ordinance.

SECTION 19: REMOVAL AND ABANDONMENT OF PROPERTY

If the use of any part of GRANTEE's CATV system is discontinued for any reason for a continuous period of twelve (12) months or if such system has been installed in any street without complying with the requirements of GRANTEE's franchise, or this franchise has terminated or is revoked, GRANTEE shall promptly, on being given thirty (30) days prior notice, remove from the streets all its facilities other than that which the County Engineer may permit to be abandoned in place. In the event of such removal, GRANTEE shall promptly restore the street from where such facilities have been removed to a condition satisfactory to the County Engineer, except that none of this Paragraph of this Article shall apply to any purchase of the system or anypart thereof by the County or to the condemnation of such system or part thereof by the COUNTY even though the franchise shall thereby be terminated or revoked.

Any property of GRANTEE remaining in place NINETY (90) days after the termination or revocation of this franchise shall be considered permanently abandoned unless the County Engineer has extended such time not to exceed an additional THIRTY (30) days.

Any property of GRANTEE to be abandoned in place shall be abandoned in such manner as the County Engineer shall prescribe. On permanent abandonment of the property in place, the property shall become that of the COUNTY, and GRANTEE shall submit to the County Engineer an instrument in writing, to be approved by the County Attorney, transferring to COUNTY the ownership of such property.

If all or any part of the facilities used by or in GRANTEE'S CATV system shall be the property of any other person than that of GRANTEE, nevertheless such other person shall be subject to all of the provisions of this ARTICLE and any notice required herein, if given to GRANTEE, shall be deemed notice to such other person.

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SECTION 20: PROGRAM PRESENTATION

All programs of broadcasting stations carried by GRANTEE shall be distributed or transmitted to the subscriber in their entirety without delay from the time originally broadcast, and without additional announcements, advertisements or other deletions, additions, or changes to the programs, except nothing shall prohibit such changes or delays as may be required by law.

All programs of all broadcasting stations carried by GRANTEE shall be transmitted or distributed by GRANTEE without material degradation of picture quality or sound and without significant variation between the quality of the picture or sound transmitted or distributed by GRANTEE to the subscribers between the programs of one broadcasting station and another, so far as the same may be within the control of GRANTEE.

Whenever any broadcasting station carried by GRANTEE shall transmit or broadcast any television or part thereof in color, it shall be the duty of GRANTEE to distribute or transmit said program or said part in color to its subscribers.

SECTION 21: PREFERENTIAL OR DISCRIMINATORY PRACTICES

GRANTEE shall not, as to rates, charges, service, service facilities, rules, regulation or any other respect, make or grant any undue preference or advantage to any person, or subject any person to any undue prejudice or disadvantage, provided, however, connection charges may be waived or modified during promotional campaigns of GRANTEE.

SECTION 22: REMOVAL ON SUBSCRIBER'S REQUEST

On termination of service to any subscriber the GRANTEE shall promptly remove all of its facilities and equipment from the premises of such subscriber if the subscriber shall so request. In the event, the facilities of GRANTEE shall be so constructed and designated that by the use of ordinary household tools and without special skills or knowledge and without unreasonable risk of harm, the subscriber may be capable at any

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time of disconnecting the system of GRANTEE from the subscriber's television set or receiver so that said set or receiver may be used independently of the system for service of GRANTEE.

SECTION 23: EMERGENCY USE

GRANTEE shall provide a Com Alert Channel on all channels that is accessible by telephone to the County Civil Defense Director's office. This shall be used in the event of an emergency or disaster.

SECTION 24: RIGHTS RESERVED TO COUNTY

Without limitation on the rights which COUNTY might otherwise have, COUNTY does hereby expressly reserve the right, powers and authority to exercise its governmental powers now or hereafter to the full extent that such powers may be vested in or granted to COUNTY; to determine through its BOARD OF COUNTY COMMISSIONERS and question of fact relating to the meaning, terms, obligations or other factors of this franchise; and to grant additional franchises within the COUNTY to other persons for the conduct of CATV under any conditions whatsoever acceptable to COUNTY, notwithstanding the same might be alleged to be more favorable than the rights granted herein.

SECTION 25: OPTION TO PURCHASE

(a) Should GRANTEE desire to sell its CATV system at the expiration of this franchise, whether by termination, forfeiture or otherwise, COUNTY shall have and is hereby granted the option to purchase the entire system of the GRANTEE at a price based on the reasonable market value of the physical system in place but shall not include nor shall GRANTEE receive any sum whatsoever for the valuation of any right or privilege appertaining to GRANTEE because of this franchise.

(b) Failure of COUNTY and GRANTEE to agree on the price to be paid for the system shall not delay the performance required herein by GRANTEE, that is the requirement to transfer the system

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to the COUNTY immediately following the exercise of COUNTY'S option to purchase. In the event, however, the price shall not be agreed upon within SIXTY (60) days after the option shall have been exercised, then GRANTEE shall be entitled to the statutory rate of interest then being paid on judgments within the State of Florida from the time that COUNTY shall have exercised its option and until the payment is finally made for the system.

(c) At any time prior to the natural expiration of the franchise as provided in Section 14 herein, should GRANTEE receive a bona fide offer to purchase its system, COUNTY shall have the right of first refusal to purchase said system at the same price and upon the same terms as said bona fide offer.

(d) In order to avail itself of its option to purchase, COUNTY shall give written notice to GRANTEE of its desire to exercise its option, which notice shall be valid if given on or before the day this franchise shall so expire, or within thirty (30) days of notice of GRANTEE's bona fide offer as set forth in Sub-Section (c). On the exercise of this option by COUNTY, GRANTEE shall immediately transfer to COUNTY possession and title to all facilities and property, real and personal, of the CATV system, free from all liens and encumbrances not agreed to by assumed by the COUNTY in lieu of some portion of the purchase price hereinafter set forth.

(e) GRANTEE shall execute such warranty deeds or other instruments of conveyance as shall be necessary for the transfer of the system to the COUNTY. GRANTEE shall make it a condition of any contract entered into by it in reference to its operations under this franchise that the contract shall be subject to the exercise of this option by the COUNTY and the COUNTY shall have the right to succeed to all privileges and obligations thereof on the exercise of its option.

SECTION 26: FURTHER AGREEMENT AND WAIVER BY GRANTEE

GRANTEE agrees by the acceptance of this franchise that is will not at any time set up against the COUNTY in any claim or

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proceeding any condition or term of this franchise as unreasonable, arbitrary or void , or that the COUNTY had no authority or power to make such term or condition, but shall be required to accept the validity of the terms and conditions of this franchise in their entirety.

SECTION 27: FRANCHISE FEE

(a) In consideration of the terms of this franchise, GRANTEE agrees to pay the County a sum of money equal to FOUR PERCENT (4.0%) of GRANTEE'S gross subscriber revenues per year derived from installation of equipment and regular subscriber service in the franchise area. Such annual sum shall be payable one-half (1/2) thereof at the end of each semi-annual period. The semi-annual anniversary shall be the last day of June and last day of December of each year, and each semi-annual payment shall be paid within SIXTY (60) days thereafter. This payment shall be in addition to any other tax or payment owed to the COUNTY by the GRANTEE.

(b) COUNTY shall have the right to inspect GRANTEE'S records showing the gross receipts from which its franchise payments are computed and the right of audit and recomputation of any and all amounts paid under this franchise shall always be accorded to COUNTY.

(c) The parties agree that either party may seek to renegotiate either the franchise fee herein or the rates to be charged under SEction 12 herein, or both, every five (5) years during the life of this franchise.

SECTION 28: RECEIVER SALES PROHIBITED

As a condition of this franchise, GRANTEE agrees that it shall not engage in the business of sales or repair of television receivers owned by its subscribers; nor shall it be responsible for the operating condition of said receivers; provided, however, that this paragraph shall not apply to converters, decoders, home

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interactive terminals and other such devices as may be used in furnishing any programing or service via GRANTEE'S cable television system.

SECTION 29: ACCEPTANCE

This Ordinance shall become effective when accepted in writing by GRANTEE and shall then be and become a valid and binding contract between the COUNTY and GRANTEE; provided, however, that this Ordinance shall be void unless GRANTEE shall, within ninety (90) days after the final passage of this Ordinance, file with the Clerk of the Board, a written acceptance of this Ordinance and the franchise herein granted, agreeing that it will comply with all the provisions and conditions hereof and that it will refrain from doing all of the things prohibited by this Ordinance.

SECTION 30; 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 injure any cable wire, or other equipment used for the distribution of television signals, radio signals, picture, programs, sounds, or any other information or intelligence transmitted over GRANTEE'S cable system.

(c) It shall be a misdemeanor punishable by a fine of not more than \$500.00, or by imprisonment for a term not to exceed six (6) months, or both, for any person to violate any of the provisions of this Section.

SECTION 31: SEVERABILITY

If any section, sub-section, sentence, clause, phrase or portion of this Ordinance is for any reason held invalid or unconstitutional by any Federal or State court or administrative or governmental agency or competent jurisdiction, specifically including the Federal Communications Commission, such portion shall be deemed a separate, distinct and independent provision, and such holding shall not affect the validity of the remaining portions hereof.

SECTION 32: EFFECTIVE DATE

This Ordinance shall become effective upon acceptance by GRANTEE as provided in Section 29. The effective date shall be the date upon which the written acceptance provided for in Section 29 is received by the Clerk of the Board.

PASSED and ADOPTED this 27th day of March,
19884.

BOARD OF COUNTY COMMISSIONERS
of NASSAU COUNTY, FLORIDA

By: John F. Clayton

Its: Chairman

Attest: [Signature]

Its: Ex-Officio Clerk

