

SHEBOYGAN FALLS ORDINANCE

ORDINANCE NO. 1

1982-83

AN ORDINANCE ESTABLISHING AND GRANTING A CABLE TELEVISION FRANCHISE AND REGULATIONS FOR CABLE TELEVISION IN THE CITY OF SHEBOYGAN FALLS

THE COMMON COUNCIL OF THE CITY OF SHEBOYGAN FALLS DOES HEREBY ORDAIN AS
FOLLOWS:

SECTION 1: DEFINITIONS

For the purpose of this Ordinance the following terms, phrases and words and their derivations shall have the following meanings:

ADDITIONAL AND AUXILIARY SERVICE shall mean service other than service provided by the Grantee to the subscriber on a monthly basis and for which the subscriber pays a set fee.

ANNUAL GROSS SUBSCRIBER REVENUES shall mean the revenues received by the Grantee, its affiliates or subsidiaries from the monthly service charge to subscribers and is other than that revenue received from additional or auxiliary service.

BASIC SERVICE shall mean subscriber services provided by the Grantee, including the delivery of broadcast signals and programming originated over the cable system covered by the regular monthly charge paid by all subscribers.

BROADBAND TELECOMMUNICATIONS NETWORK shall mean any network of cables, optical, electrical or electronic equipment, including cable television systems, used for the purpose of transmission of electrical impulses of television, radio and other intelligences, either analog or digital, for sale or use by the inhabitants of the City, and may also be referred to in this ordinance as CATV system.

BTN NETWORK CHANNEL CAPACITY shall mean the highest total number of cable television channels on which television signals from separate sources may be delivered downstream simultaneously to every subscriber in the network. The network may have additional channel capacity for specialized or discrete purposes, but the technical performance specified shall not be materially degraded thereby.

CABLE TELEVISION CHANNEL shall mean a frequency band 6MHz in width within which a standard television broadcast signal is delivered by cable to a subscriber terminal.

CHANNEL FREQUENCY RESPONSE shall mean, within a cable television channel, the relationship as measured at a subscriber terminal between amplitude and frequency of a constant-amplitude input signal at all specified frequencies within each channel.

CITY shall mean City of Sheboygan Falls, or the area within the corporate limits of the city and such territory outside of the city over which the city has jurisdictional control by virtue of any Constitutional or Charter provisions, or by any statute, together with any annexations thereto subsequent to adoption of this ordinance.

COMMENCE OPERATION. Operation will be considered to have commenced when sufficient distribution facilities have been installed so as to permit the offering of "full network service" to at least 50% of the dwelling units located within the designated "service area."

CITY COUNCIL shall mean the Common Council of the City of Sheboygan Falls.

DATA GRADE shall mean coded transmission primarily digital in nature.

"db" shall mean the level in the network expressed in db's above or below a power corresponding to a root mean square voltage of one millivolt across seventy-five ohms.

DISCRETE CABLE TELEVISION CHANNEL shall mean a signaling path provided by a cable television system to transmit signals of any type of specified subscriber terminals within the cable television system.

DOWNSTREAM shall mean the direction of transmission over the BTN from the head end or hub to a subscriber's terminal.

FRANCHISE shall mean the right, privilege, and authority granted by the City Council to construct, maintain and operate a broadband telecommunications network within the city.

FRANCHISE PAYMENT shall include all charges imposed for a franchise whether the object be regulation, revenue or one-time reimbursement of costs incurred by the City in the award of a franchise.

GRANTEE shall mean any firm, corporation, or other entity to which the City grants a franchise to construct, maintain, and operate a broadband telecommunications network within the city, and any lawful successor or assignee of said franchise recipient.

HEAD END shall mean the land, electronic processing equipment, antennas, tower, building and other appurtenances normally associated with and located at the starting point of a broadband telecommunications network, excluding the studio.

HUB CONFIGURATION shall mean a BTN design technology wherein all transmission paths either originate or terminate at a central location within the community.

REASONABLE NOTICE shall mean the provision of notice of contemplated action delivered at least 72 hours prior to such action.

SERVICE AREA shall mean the geographical area within the incorporated limits of the city, including all annexations thereto.

STREET shall include all streets, roadways, highways, avenues, lanes, alleys, courts, places, squares, curbs, sidewalks, easements, right-of-way, or other public ways in the City which have been or may hereafter be dedicated and open to public use, or such other public property so designated by law.

SUBSTANTIALLY COMPLETED. Operation will be considered substantially completed when sufficient distribution facilities have been installed so as to permit the offering of full network service to at least 90% of the dwelling units reasonably in the service area.

VIDEO GRADE shall mean transmission primarily analog in nature including the picture phase of a television broadcast.

SECTION 2: GRANT OF FRANCHISE

1. A franchise which may be granted hereunder shall give the Grantee the non-exclusive right and privilege to construct, erect, operate, modify and maintain, in, upon, along, across, above, over and under streets which have been or may hereafter be dedicated and open to public use in the City, towers, antennas, poles, cables, electronic equipment, and other network appurtenances for the operation of a Broadband Telecommunications Network in the City utilizing wherever possible existing facilities with the right upon application to the city's Utilities Commission to set such poles or other equipment on new facilities constructed by Grantee, and said Utilities Commission shall not unreasonably refuse permission for said construction, however, a non-proliferation of poles policy for aesthetic purposes shall be considered. The right and privilege granted shall be in compliance with the City's zoning and subdivision ordinances, and all other applicable ordinances of the City. In the event it becomes necessary to secure additional easements or change existing easements, Grantee shall be solely responsible for the cost thereof.

2. Grantee's franchise application dated and filed in the office of the City Clerk shall constitute and form a part of this ordinance, except in the event of conflicting provisions in which case this ordinance shall prevail.

3. Any franchise granted hereunder shall give to the Grantee the authority to trim trees overhanging the streets so as to prevent damage to the telecommunications network and interruption of service, subject to the approval of the Director of Public Works.

4. Upon filing by the Grantee of the proper acceptance and required insurance, the franchise shall take effect and shall continue in full force and effect for a term of fifteen (15) years unless sooner terminated as herein provided.

5. On or about the first, fifth, tenth and fifteenth anniversaries of the effective date of the franchise, the City and Grantee will jointly review the performance of the Grantee's operation and specifically the City will inquire whether the Grantee is supplying a level of service equivalent to that being generally offered at that time in the industry in comparable market situations. In the event the Grantee desires to change or modify its obligations under this ordinance or franchise application, it may negotiate with the City Council to do so at that time.

Within 60 days of the conclusion of the review, the City and Grantee shall report in a public proceeding the results of their review and their conclusions. The City Council may then order unilateral changes in the franchise rights and obligations where said changes cause no adverse economic impact. Any changes that cause substantial adverse economic impact shall be subject to negotiations with the Grantee. Disputes hereunder shall be resolved by arbitrators, one selected by each party and the third to be selected by the first two. The decision of the arbitrators shall be final and binding on both parties, and shall be based upon what is fair and equitable to all concerned.

6. At least 6 months prior to the expiration of the franchise, the City shall schedule a public meeting or meetings affording due process to the Grantee to review the performance of Grantee, including the results of previous franchise reviews. The City may require the Grantee to make available specified records, documents and information for this purpose. Upon concluding said meetings, the City shall, within 30 days of the conclusion of such meetings, make decision on the reissuance of the franchise to the Grantee. Grantee shall not be denied renewal unless it is determined by the City that renewal would not be in the public interest. Renewal shall not be arbitrarily or capriciously denied. Any renewal period shall be as determined by the City at the time of renewal, and need not be for an additional 15 year period.

7. The franchise granted under this ordinance by the City shall be non-exclusive.

8. A franchise is hereby granted to Lakeside Cablevision, A Wisconsin partnership, or anyone who succeeds it in accordance with the provisions of this ordinance.

SECTION 3: TERMINATION OF FRANCHISE

1. The City reserves the right to revoke any franchise granted hereunder and rescind all rights and privileges associated therewith in the event of:

a. Non-compliance by Grantee with any material provision of this ordinance or its application as submitted to the City.

b. The Grantee enters into receivership or liquidation, files a petition for bankruptcy or any similar proceeding, is unable or unwilling to pay its debts as they mature, provided however that such financial disability must be of sufficient consequence so as to jeopardize the continued operation of the network.

c. Any false, misleading or fraudulent statement made by Grantee in its proposal for franchise, or other reports or information provided to the City, to regulatory agencies, or to subscribers.

2. In the event the City should decide to terminate for cause any franchise granted hereunder, it shall give the Grantee 90 days written notice of its intent to terminate, and set forth the cause therefor. If during the 90 day period the cause shall be cured to the satisfaction of the City, the City shall declare the notice to be void. Grantee shall in all cases be provided a public hearing before the City Council prior to any termination.

3. Should the Grantee's franchise be terminated or expire and there is no judicial or administrative review of the termination or expiration having been commenced, Grantee shall make removal of all property owned by it and placed in the public right-of-way within 90 days, unless permitted by the City to abandon said property in place or transfer it to a purchaser.

SECTION 4: TRANSFER, ASSIGNMENT AND SALE OF FRANCHISE

This franchise may be transferred, assigned or sold only with the written consent of the City Council and approved only if the transferee, assignee or purchaser agrees in writing to be subject to all the terms and conditions of this Ordinance. The Grantee shall notify the City Council at least 60 days before a proposed transfer, assignment or sale is to take effect. Such notice must be in the form of a written request to the City Clerk stating the reasons why such an assignment is necessary and/or advisable and detailing the expected changes in the operation of the system. Information concerning the legal character, financial, technical and other qualifications of the proposed transferee or assignee shall be provided. This section shall not apply to the transfer, assignment or sale of less than 30 percent of the ownership, operation or management of the franchise. The City Council shall not withhold approval or consent of the transfer, assignment or sale without cause and unless it is shown that the operation or management of the system will be affected to the detriment of the public by approving said transfer, assignment or sale.

SECTION 5: COMPLETION OF CONSTRUCTION AND EXTENSION OF SYSTEM

1. The Grantee shall initiate construction and installation of the broadband telecommunications network within 1 month of receiving necessary authority from the Federal Communications Commission, including microwave licenses, and a Certificate of Compliance, and within 12 months shall commence operation. Grantee shall substantially complete construction within the franchise area within 18 months after the commencement of such construction. Grantee shall give the City Clerk notice of all approvals and license grants within 10 days of obtaining them. Any failure to comply with any provision of this section shall be grounds for termination of the franchise.

2. The City may in its discretion extend the time for Grantee, acting in good faith, to perform any act required hereunder. The time for performance shall be extended or excused for any period during which Grantee demonstrates to the satisfaction of the City Council that Grantee is being subjected to delay or interruption due to any circumstances reasonably beyond its control.

3. The Grantee shall extend the cable system to all residents within the City limits and to all residents of newly annexed areas where density of 80 potential subscribers per linear mile can be obtained.

4. The Grantee shall be allowed to furnish service to other areas than the City, provided however, that the construction or provision of services to areas other than the City shall not prohibit, impede or delay the substantial completion date of the system within the City.

SECTION 6: SERVICE AND OPERATION STANDARDS

1. The Grantee shall maintain and operate its Broadband Telecommunications Network in accordance with the rules and regulations of the Federal Communications Commission, the state of Wisconsin, and the City, as the same may be incorporated herein or promulgated at anytime.
2. The Grantee, whenever it is necessary to interrupt services over the Broadband Telecommunications Network for the purpose of network maintenance, alteration or repair, shall do so at such time as will cause the least amount of inconvenience to the subscribers.
3. The Grantee shall provide a network having a minimum immediate or potential capacity of 84 channels with immediate or potential two-way video grade capability. In addition, the network shall also have the immediate or potential capability for transmitting data grade intelligences in both forward and reverse directions.
4. Grantee shall provide two (2) access channels on the "A" cable for use by the City for community programming throughout the entire Sheboygan service area as part of the basic economy tier service, together with character generators to be used to display messages at times when such channels are not used for local programming and modulators for such channel's origination and headend equipment to enable receiving such channels from a sub-band reverse path and distributing it throughout the cable system on the "A" cable. In addition, Grantee shall provide "channel dropper" equipment for the pre-empting of a non-essential channel for its use as an additional access channel to be used exclusively for Sheboygan Falls viewing.
5. Grantee shall provide without charge and upon request within the City, one connection, together with monthly basic service, to such public parochial, non-profit private schools and city buildings as the City may hereafter designate. The City or school reserves the right at its expense to extend service to as many areas within such schools and buildings as it deems desirable without payment of any additional fees to Grantee.
6. The Grantee shall carry, to the extent permitted by the Federal Communications Commission, the maximum number of broadcast signals, and Grantee shall exercise its best efforts to obtain permission from the Federal Communications Commission, or other regulatory agency having jurisdiction over the number of signals permitted, for carriage of such signals.
7. Grantee shall respond to all service calls seven days a week and respond to any one service call within 24 hours of any request for repair or adjustment received each day. Grantee shall be responsible for loss of service, except to the extent that restoration of service is prevented by strike, injunction, or other cause beyond its control. Grantee shall maintain a record of service reports and of the time of restoration of service.
8. Grantee shall provide a local office and designate a local representative in the City to accept monthly payments. Grantee shall maintain a customer service office with 24 hours a day response to service calls at no charge.
9. Grantee shall reserve 2 channels for dedicated educational use by all schools and one channel for local government use, including emergency purposes. The educational channels may be used between school buildings and classrooms to transmit educational programs or to transmit school programs into the homes of subscribers.
- 9a. Grantee shall make available to any subscriber upon request, as an extra cost option, Kable Kop model EW301 Global Alert system, capable of delivering audio emergency messages whether or not the subscriber's television is on.
10. Grantee shall have the authority to promulgate such rules, regulations, terms and conditions governing the conduct of its business as shall be reasonably necessary to enable the Grantee to exercise its rights and perform its obligations under this Ordinance and any franchise granted. All such rules, regulations, terms and conditions shall not be in conflict with any provision of law, rules promulgated by the City, or by any other governmental agency. Copies of all rules, regulations, terms and conditions, together with any amendments, additions or deletions thereto, shall be made available to members of the public for inspection during normal business hours. No such rule, regulation, condition, or any amendment, addition or deletion thereto shall take effect until made available to the public, and to the City Council.
11. Grantee shall make available to any subscriber upon request a subscriber lockable means of disabling basic and/or other additional services to which the subscriber may have access, at the cost of the subscriber.
12. Grantee shall incorporate into the system the capacity which will permit the City, in time of emergency, to override by remote control, the audio and video of all channels simultaneously. Grantee shall designate a channel which will be used for emergency broadcasting of both audio and video. Grantee shall cooperate with the City in the use and operation of the emergency alert override system, and provide necessary equipment therefor.
13. Grantee shall make available to each subscriber not less than 2 service locations within each building or residence served. Grantee shall interconnect access channels of the system with all other systems in adjacent areas, whether by direct cable connection, microwave, or other means, if possible.

SECTION 7: RATES

1. Grantee shall establish charges for its services and shall submit a schedule thereof with its application. All charges shall be fair and reasonable and calculated to offset all necessary costs for provision of service, including a fair rate of return on its investment, provided however that such rates shall never exceed those prevailing in the City of Sheboygan for such service, nor shall such charges be increased within two years from commencement of service.

a. Grantee may make a charge to subscribers, private or commercial, for installation and connection and reconnection to its Broadband Telecommunications Network and a monthly charge for "Basic Service."

b. In the event that a subscriber requests a buried service drop to his residence, the Grantee shall bury such drop upon payment of the fee therefor as set forth in its application on file with the City Clerk.

c. The Grantee may make a charge to subscribers for installation and connection to its network in addition to those charges set forth in subsection a. above where unusual circumstances exist, such as remote or relatively inaccessible subscriber locations, or for an antenna switching device.

2. The Grantee may establish charges for its services not specified in subsection 1 above. However, all such charges, including but not limited to additional services, leased channel, discrete channel, production and advertising rates, shall be made public and 2 copies of the schedule of charges, as originally established and thereafter modified, shall be filed with the City Clerk.

3. If Grantee shall amend the rate or service schedules or increase rates, it shall provide not less than 90 days notice of such proposed amendment or proposed increase to the City Clerk. A public hearing shall be held before the City Council before the time set for the proposed increase prior to which Grantee shall provide such data and information as may be necessary to justify the proposed increase. A public hearing before the City Council shall be necessary before any amendment to the service schedule, or increase to the rate schedule becomes effective if:

a. Such proposed amendment to the service schedule or increase in the rate schedule is to become effective within 1 year of the effective date of the last amendment or increase; or

b. Such proposed amendment to the service schedule would result in a service schedule different from the service between the Grantee and the subscribers of other communities served by the Grantee within a 30 mile radius of the City; or

c. Such proposed rate schedule would be different from the rate schedule between the Grantee and the subscribers of other communities served by the Grantee within a 30 mile radius of the City.

4. An owner or operator of an apartment building, condominium, nursing home, hospital, mobile home park or other multiple dwelling facility in which other persons reside may require installation to conform to reasonable conditions necessary to protect the safety, appearance and functioning of the premises. Grantee shall notify the owner or operator of intent to install cable television service and Grantee shall thereafter coordinate such installation during reasonable business hours. The Grantee, or occupant or tenant may be required to indemnify the owner for any damages caused by such installation, operation, or removal, prior to granting consent for such. Grantee may not take any action that would diminish or interfere with any tenant's use of any master or individual television antenna system in such building.

SECTION 8: AMENDMENT

The City may from time to time add to, modify, or delete provisions of this Ordinance as it shall deem necessary in the exercise of its regulatory powers, provided that such additions, modifications or revisions are reasonable and do not adversely affect the Grantee economically. Such additions, modifications or revisions shall be made only after a public hearing for which the Grantee shall have received written notice not less than 30 days prior to such hearing.

SECTION 9: RELOCATION, TEMPORARY DISCONNECTS AND REDESIGN

The City reserves the right upon reasonable notice to require the Grantee to protect, support, temporarily disconnect, relocate or remove from the City's streets any property of the Grantee by reason of traffic conditions, public safety, street construction or vacation, change or establishment of street grade, installation of sewers, drains, water pipes, power or communications lines, tracks or other types of structure or improvements by governmental agencies or any other structures of public improvement. Reasonable notice of this provision of the Ordinance shall mean 30 days except in the case of emergencies, where no specific notice period shall be required. The Grantee shall have the opportunity to present alternative routes, contest the expense and necessity of the change in its facilities required by this section, and negotiate the shared cost. In no event shall the City require removal, disconnecting, or removal or relocation of Grantees facilities without cause.

SECTION 10: CITY'S RIGHT OF INTERVENTION

The City shall have the right to intervene and the Grantee specifically agrees by the acceptance of a franchise not to oppose such intervention by the City in any suit or proceeding to which the Grantee is a party.

SECTION 11: CITY'S RIGHT OF INSPECTION

The City reserves the right during the life of any franchise granted hereunder to inspect and supervise all construction or installation work performed subject to the provisions of this Ordinance and to perform network measurements to insure compliance with the terms of this Ordinance.

SECTION 12: EASEMENTS AND PERMITS

Any franchise granted hereunder shall not relieve the Grantee of any obligation involved in obtaining pole or conduit use agreements from any utility company or others maintaining poles or conduits in the streets of the City whenever the Grantee finds it necessary to make use of poles or conduits. The City shall grant to Grantee authority including easements to its public right-of-ways, streets, and other conduits for the distribution of Grantee's system and shall exercise its right of eminent domain when the obtaining of an easement is necessary for the distribution of Grantee's system in the public interest. The City shall require all developers of future subdivisions to include cable television services as part of any provision for utilities to serve such subdivisions.

Any poles, cable electronic equipment or other appurtenances of the Grantee to be installed in, under, over, along, across, or upon a street shall be located so as to cause minimum interference with the public use of the streets and to cause minimum interference with the rights of other users of the streets or of property owners who adjoin any of the streets.

In the event of disturbance of any street by the Grantee, he shall at his own expense and in a manner approved by the City, replace and restore such street in as good a condition as before the work causing such disturbance was done.

Grantee shall construct, maintain and operate his network so as to cause minimum inconvenience to the general public. All excavations shall be properly guarded and protected and shall be replaced and the surface restored promptly after completion of the work. The Grantee shall at all times comply with all excavation ordinance requirements of the City.

The Grantee shall, upon reasonable notice from any person holding a building moving permit issued by the City, temporarily alter its facilities to permit the moving of such building. The actual cost of said altering shall be borne by the person requesting the altering and the Grantee shall have the right to request payment in advance. For the provision of this Ordinance, "Reasonable Notice" shall be construed to mean at least 15 days prior to a move.

SECTION 13: REPORTS

1. The Grantee shall file annually with the City Clerk, not later than 90 days after the end of its fiscal year during which it has accepted a franchise under this Ordinance and within 90 days after the end of each subsequent fiscal year, a total facilities report setting forth the total physical miles of plant installed or in operation during the fiscal year, including an as-built system map showing the location of all local apparatus with the office of the Director of Public Works.

2. The Grantee shall file annually with the City Clerk not later than 90 days after the end of its fiscal year during which it has accepted a franchise under this Ordinance and within 90 days after the end of each subsequent fiscal year, all records regarding complaints required by the Federal Communications Commission and the resolution thereof.

3. The City reserves the right during the life of any franchise granted under this Ordinance to have access at all normal business hours and upon the giving of notice of not less than 72 hours, to Grantee's engineering plans, accounting records, and contracts.

SECTION 14. OWNERSHIP AND OPERATION INFORMATION

1. The Grantee shall file annually with the City Clerk not later than 90 days after the end of its fiscal year during which it shall have accepted a franchise under the ordinance and within ninety (90) days after the end of each subsequent fiscal year the following supplemental information:

a. A list of all current shareholders and bondholders both of record or beneficial, and a list of all shareholders who individually or as a concerted group hold five per cent (5%) or more of the voting stock of the corporation, or a list of all partners, both general and limited.

b. A current list of all Grantee's officers and directors, including addresses and telephone numbers.

c. Copies of all pertinent operational agreements or contracts, including pole-use agreements, entered into by the Grantee during the fiscal year in the conduct of his business under a franchise granted hereunder. Copies of individual subscribers agreements are not to be filed with the City, but shall be available upon request by the City.

d. The names, addresses and current business and home phone numbers of the Telecommunications Network resident manager and engineer. Any changes therein to be promptly reported.

e. One copy of all types of subscriber agreements.

f. Copies of all rules and regulations promulgated by the Grantee during the fiscal year in the conduct of his business.

SECTION 15. SALES AND SERVICING OF BROADCAST RECEIVERS

1. The Grantee may neither directly or indirectly engage in the wholesale or retail sale, servicing or repair of television receivers or antennas, nor directly or indirectly require of any subscriber the servicing by any designated television-radio service business.

2. The Grantee may neither directly or indirectly engage in installation repair of distribution systems, other than its own, within apartments, motel, hotel or other commercial complexes.

SECTION 16. UNAUTHORIZED CONNECTIONS OR MODIFICATIONS

1. UNAUTHORIZED CONNECTIONS PROHIBITED. It shall be unlawful for any firm, person, group, company, corporation or governmental body or agency, without the expressed consent of the Grantee to possess or make any connection, extension, or division whether physically, acoustically, inductively, electronically or otherwise with or to any segment of a franchised Broadband Telecommunications Network for any purpose whatsoever, unless permitted herein.

2. REMOVAL OR DESTRUCTION PROHIBITED. It shall be unlawful for any firm, person, group, company, corporation, or governmental body or agency to willfully interfere, tamper, remove, obstruct or damage any part, segment or content of a franchised Broadband Telecommunications Network for any purpose whatsoever.

3. Violation of either paragraphs 1 or 2 of Section 16 shall result in the violator reimbursing the Grantee for losses incurred and a forfeiture not to exceed \$50.

SECTION 17. SUBSCRIBER PRIVACY

1. USE OF DATA FROM SUBSCRIBER. A Grantee, City or any person shall not initiate or use any form, procedure or device for procuring information or data from cable subscriber's terminals by use of the cable system without prior authorization from each subscriber so affected. Valid authorization shall mean approval from the subscriber for a period of time not to exceed one (1) year and shall not have been obtained from the subscriber as a condition of service.

2. SUBSCRIBER DATA. The City or a Grantee or any person shall not, without prior written valid authorization from the City Council, provide any data identifying designated subscribers.

3. SUBSCRIBER AGREEMENTS. Any agreement or contract such as necessary under paragraphs 1 or 2 of Section 17 shall not be part of any other contract or agreement and shall not be a condition of subscribing to the system.

SECTION 18. CONSTRUCTION AND NETWORK TECHNICAL STANDARDS AND MEASUREMENTS

The technical standards including measurements of the construction and system to be operated in the City shall comply with the minimum standards established by the Federal Communications Commission.

SECTION 19. LIABILITY AND INDEMNIFICATION

1. The Grantee shall maintain and by his acceptance of any franchise granted hereunder agrees that he will maintain throughout the term of the franchise, a general comprehensive liability insurance policy against liability for loss or damage for personal injury or death or property damage occasioned by the operations of Grantee under this franchise in the amount of (a) \$500,000 for bodily injury or death to any one person, and \$1,000,000 for bodily injury or death resulting from any one accident, and (b) \$500,000 for property damage resulting from any one accident.

Grantee shall save the City and its agents and employees harmless from and against all claims, damages, losses, and expenses, including attorney's fees sustained by the City on account of any suit, judgment, execution, claim or demand whatsoever arising out of but not of the installation, operation or maintenance of the Broadband Telecommunications Network authorized herein; whether or not any act or omission complained of is authorized, allowed or prohibited by this Ordinance and any franchise granted hereunder. This provision shall not apply to acts of the City, its agents or employees.

2. The insurance policies mentioned in paragraph 1 of Section 19 shall be obtained from the same company and shall contain an endorsement stating that the policies are extended to cover the liability assumed by the Grantee under the terms of this Ordinance and shall contain the following endorsement:

a. It is hereby understood and agreed that this policy may not be canceled nor the amount of coverage thereof reduced until thirty (30) days after receipt by the City Clerk by registered mail of a written notice of such intent to cancel or reduce the coverage.

3. The Grantee shall maintain at all times a performance bond in the amount of Five Thousand Dollars (\$5,000.00) to apply towards refunds of prepaid subscriber fees in the event of insolvency or business failure of the Grantee or for any other default under this ordinance.

SECTION 20. COMPLIANCE TO LAWS, RULES AND REGULATIONS

1. In the event any valid law, rule or regulation of any governing authority or agency having jurisdiction (including but not limited to the Federal Communications Commission) contravenes the provisions of this Authorization, then the provisions hereof shall be superseded by any such valid law, rule or regulation. The Grantee agrees to fully comply with all local, state, federal and Federal Communications Commission rules, orders, reports and laws presently in effect or may become effective in the future.

Any modification or amendments to the Commission's rules relating to franchise standards shall be incorporated into this franchise within one year of the adoption of the modifications or amendment or at the time of franchise renewal, whichever comes first.