

**STATE OF ARKANSAS
CITY COUNCIL FOR CITY OF SEARCY, ARKANSAS**

ORDINANCE NO. 2017 - 17

AN ORDINANCE GRANTING A NONEXCLUSIVE FRANCHISE RENEWAL TO RITTER CABLE CORP. D/B/A RITTER COMMUNICATIONS, ITS SUCCESSORS AND ASSIGNS, TO CONSTRUCT, OPERATE, AND MAINTAIN A CABLE SYSTEM IN SEARCY, ARKANSAS; AND SETTING FORTH CONDITIONS ACCOMPANYING THE GRANT OF THE FRANCHISE; AND PROVIDING FOR REGULATION AND USE OF THE CABLE SYSTEM.

Section 1. Definitions. For the purpose of this Ordinance, the following words and phrases shall have the meanings set forth in this section.

- (a) "Cable Service" means:
 - (1) The one-way transmission to subscribers of (i) video programming, or (ii) other programming service, and
 - (2) Subscriber interaction, if any, which is required for the selection or use of such video programming or other programming service.
- (b) "Cable System" means Grantee's facility located within the City, consisting of a set of closed transmission paths and associated signal generation, reception, and control equipment that is designed to provide Cable Service to multiple Subscribers within the City.
- (c) "Facilities" means any reception, processing, distribution or transmission component of the Cable System, including cables, conduits, converters, splice boxes, cabinets, manholes, vaults, poles, equipment, drains, surface location markers, appurtenances, fiber, and related facilities maintained by Grantee.
- (d) "FCC" means the Federal Communications Commission.
- (e) "Franchise" means the rights granted to Grantee under this Ordinance to construct and operate the Cable System and to provide Cable Services and other services as permitted under applicable law.
- (f) "Grantee" means Ritter Cable Corp., d/b/a Ritter Communications, and its permitted successors.
- (g) "Gross Revenues" means all Gross Revenue as defined in the Arkansas Video Service Act, codified as Ark. Code Ann. § 23-19-201, and following, (the "Act") as may be amended from time to time. In the event of any conflict between any definition in the Act and in this Agreement the definition in the Act shall be controlling.
- (h) "Person" is any person, firm, partnership, association, corporation, company, or other legal entity.
- (i) "Street" means the surface of, and the space above and below, any public street, road, highway, freeway, lane, alley, path, court, sidewalk, parkway, or drive, or any easement or right-of-way now or later existing within the City.
- (j) "Subscriber" means any Person who lawfully receives Cable Service.

- (k) "City" means Searcy, Arkansas.
- (l) "City Council" means the governing body of the City.

Section 2. Grant of authority.

- (a) Grant of nonexclusive authority. The City grants to Grantee the right and privilege to construct, erect, operate, and maintain, in, upon, along, across, above, over and under the Streets, all Facilities necessary or desirable for the construction, maintenance, and operation of the Cable System. This Franchise shall be nonexclusive, and the City may grant franchises to other Persons. Grantee may use the Cable System to deliver non-Cable Services as permitted by applicable law.
- (b) State or National Franchises. If another operator of a Cable System or other wireline multichannel video distribution system obtains the right to provide service in the City through a national or state franchise, Grantee may petition the City to replace this Ordinance with the applicable terms of such state or national franchise. Grantee may appeal any decision to a court of competent jurisdiction. Grantee's rights under this Section to petition for amendments to this Agreement shall be in addition to any rights to amend or terminate local franchises under State or Federal law.
- (c) Rules of Grantee. The Grantee may promulgate rules, regulations, terms and conditions governing its business and services as reasonably necessary to enable Grantee to exercise its rights and perform its obligation under this Ordinance.

Section 3. Franchise term. The Franchise granted under this Ordinance commences upon adoption by the City Council and shall continue for 15 years, unless renewed, revoked or terminated sooner. So long as Grantee remains in material compliance with the provisions of this Ordinance, Grantee, at its option, may extend the term for an additional 15 years by providing written notice to the City no more than 24 months, but not less than 12 months before expiration of the initial term.

Section 4. Conditions of street occupancy.

- (a) Location of Facilities. Grantee shall locate all Facilities so as to minimize interference with the use of the Streets and with the rights and reasonable convenience of adjacent property owners.
- (b) Construction codes and permits. Grantee shall obtain all necessary permits and shall comply with all ordinances of general applicability before commencing any construction, upgrade or extension of the Cable System, including the opening or disturbance of any Street.
- (c) Repair of Streets and property. Grantee, at its expense, shall promptly restore any Street or public property damaged by Grantee during the construction, repair, maintenance or reconstruction of the Cable System.
- (d) Public projects. After reasonable prior notice, Grantee, at its expense, shall relocate its Facilities as required by the City due to traffic conditions, public safety, street construction, or other public improvements by the City. In requiring Grantee to protect, support, temporarily disconnect, relocate or remove any portion of its property, the City shall treat Grantee the same as, and require no more of Grantee, than any other similarly situated utility. Grantee shall have the right to seek reimbursement from the

City, including under any applicable insurance or government program for reimbursement.

- (e) Building movement. Upon request of any Person requesting to relocated points of service associated with this Franchise and after reasonable prior notice, Grantee shall temporarily move its Facilities to permit the moving of buildings. Grantee may require the requesting Person to pay all costs related to the temporary relocation of Facilities, and may require payment in advance.
- (f) Tree trimming. Grantee may trim any trees in or overhanging the Streets, alleys, sidewalks, or public easements of the City as necessary to protect Grantee's Facilities.

Section 5. Cable System operations and safety.

- (a) Technical standards. Grantee shall operate the Cable System in compliance with all applicable technical standards promulgated by the FCC.
- (b) Safety requirements. Grantee shall employ ordinary care and shall maintain in use commonly accepted methods and devices to reduce failures and accidents.
- (c) System maps. Upon request by the City, Grantee shall make available to City representatives for review at Grantee's office up-to-date as-built maps showing locations of all Facilities in the Streets.
- (d) System maintenance. When feasible, Grantee shall schedule Cable System maintenance to minimize service interruptions.

Section 6. Customer service and rates.

- (a) Subscriber Inquiries. Grantee shall have a publicly listed toll-free telephone number and be operated so as to receive Subscriber complaints and requests during normal business hours. Grantee shall investigate and promptly resolve customer complaints regarding quality of service or service outages.
- (b) Rates. Grantee shall provide the City and Subscribers with 30 days written notice of changes to Cable Services or rates.

Section 7. Franchise fee.

Grantee shall pay to City an annual franchise fee in an amount equal to five percent (5.0%) of Gross Revenues as defined in Section 1(g). Such payments shall be payable annually to the City within sixty (60) days of the last day of December each year. Following reasonable prior notice, the City may inspect Grantee's books, records, and reports to verify franchise fee calculations and payments.

Section 8. Insurance and Indemnification.

- (a) Insurance. During the term of the Franchise granted under this Ordinance, Grantee shall maintain a comprehensive general liability insurance policy with the following minimum coverage limits:
 - (i) \$1,000,000 for personal injury or death;
 - (ii) \$1,000,000 for property damage; and
 - (iii) \$500,000 automobile insurance/combined bodily injury and property damage.

Each policy of insurance shall contain a statement that the insurer will not cancel the policy or fail to renew the policy for any reason without first giving 30 days' advance written notice to the City.

- (b) Indemnification. During the term of the Franchise granted under this Ordinance, Grantee shall indemnify and hold harmless the City, its officers, agents and employees ("Indemnitees") from and against any claims, liabilities, damages, losses, and expenses (including, without limitation, reasonable attorney fees) ("Losses"), which may arise out of or be in any way connected with Grantee's construction, installation, operation, maintenance of the Cable System, unless such Losses arise from the negligence or intentional misconduct of the City, its officers, agents or employees.

Section 9. Transfer of Franchise. Grantee shall not transfer or assign its rights granted under this Ordinance without the prior written approval of the City. Prior approval shall not be required for the following: (i) the assignment of, or the granting of a security interest in, the Franchise or the Cable System for the purpose of securing indebtedness; or (ii) the assignment or transfer of the Franchise or the Cable System to an affiliate under common ownership or control with Grantee.

Section 10. Franchise extension and renewal.

- (a) Extension. Beyond the term provided in Section 3, City and Grantee may extend by mutual agreement the term of the Franchise granted under this Ordinance, and the existing terms and conditions of this Ordinance shall govern the extended term.
- (b) Renewal. Any renewal of the Grantee's Franchise shall be done in accordance with Section 546 of the federal Cable Act, 47 USC § 546, and applicable FCC regulations.

Section 11. Franchise termination. The City may terminate the Franchise granted under this Ordinance in case of material noncompliance by Grantee. Material noncompliance shall include:

- (a) A material violation by Grantee of any term, condition, or provision of this Ordinance that remains uncured within the applicable cure period;
- (b) Failure of Grantee to comply with any reasonable provision of any applicable Ordinance;

- (c) Grantee becomes insolvent, unable or unwilling to pay its debts, or is adjudged bankrupt, or there is a notice of prospective foreclosure or other judicial sale of all or a substantial part of the Cable System;
- (d) Grantee abandons the Cable System;
- (e) Grantee fails to operate the Cable System for a period of 30 days; or
- (f) Grantee is found to practice any fraud upon the City.

Section 12. Termination procedures. If the City seeks to terminate the Franchise under Section 13, the City shall follow the procedures in this section.

- (a) Notice of complaint. The City shall provide Grantee with written notice describing with reasonable specificity the alleged noncompliance.
- (b) Opportunity to cure. Grantee shall have 60 days from receipt of written notice to cure the alleged noncompliance. If Grantee cures the alleged noncompliance within the 60-day period, the City shall provide Grantee with written notice withdrawing the complaint.
- (c) Public hearing. If Grantee fails to cure the alleged noncompliance within the 60-day cure period, or if Grantee provides the City with written notice disputing the complaint, and the parties fail to otherwise resolve the matter, the City shall schedule a public hearing on the alleged noncompliance. At the public hearing, Grantee may present testimony, cross-examine witnesses and deliver to the City Council all evidence relevant to Grantee's defense. At the conclusion of the public hearing, the City Council may dismiss the complaint, defer action, order appropriate sanctions, or terminate the Franchise in accordance with this section.
- (d) Termination. The City Council may, after a duly noticed public hearing, terminate the Franchise for material and willful continuing noncompliance by Grantee. If Grantee contests the termination in a court of competent jurisdiction, Grantee may operate the Cable System in accordance with this Ordinance while the case is pending.
- (e) Force Majeure. Grantee's failure to comply with any provision of this Ordinance shall not constitute noncompliance when the failure is due to circumstances beyond Grantee's control, including, without limitation, acts of nature, adverse weather, natural or man-made disaster, civil disturbance, war or insurrection, or shortage of supplies, material, or labor.
- (f) Removal of Facilities. Upon expiration or termination of the Franchise, Grantee shall be afforded a six-month period to sell or otherwise dispose of the Cable System. During the six-month period, Grantee shall operate the Cable System in accordance with this Ordinance. At the expiration of the six-month period, Grantee has the right to remove its Facilities within a reasonable time.

Section 13. Unauthorized reception of Cable Service; tampering with Facilities.

- (a) It shall be unlawful for any Person without Grantee’s consent to willfully tamper with, remove or injure any of Grantee’s Facilities.
- (b) It shall be unlawful for any Person to make or use any unauthorized connection to any part of Grantee’s Cable System.
- (c) Any Person that violates this subsection regarding theft of service shall be guilty of a misdemeanor and punished by a fine not to exceed \$500.00 for each occurrence or imprisonment for a term not to exceed 90 days or both, such fine and imprisonment as may be imposed by a court of competent jurisdiction.

Section 14. Notices. Notices under this Ordinance shall be in writing and shall be deemed given delivery by hand delivery, certified mail return receipt requested, or overnight courier to the following addresses:

To City: City of Searcy
401 West Arch Avenue
Searcy, AR 72143
Phone: 501-268-2483
Fax: 501-268-2104
Email:

To Grantee: Ritter Communications, Inc.
P. O. Box 17040
Jonesboro, AR 72403
Attn: John Strode, VP External Affairs
Phone: (870) 336-2345
Fax: (879) 336-9345
Email: John.strode@rittercommunications.com

A party may designate other addresses for providing notice by providing notice in writing of such addresses.

Section 15. Miscellaneous.

- (a) Severability. If any provision of this Ordinance is for any reason held illegal, invalid, or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining provisions of this Ordinance. The invalidity of any portions of this Ordinance shall not abate, reduce, or otherwise affect any consideration or other obligation required by Grantee under the remaining provisions of this Ordinance.
- (b) Complete Agreement. All ordinances and parts of ordinances in conflict with this Ordinance are repealed as of the effective date of this Ordinance, excluding all public utility franchises granted to public utilities, including utilities regulated by the Arkansas Public Service Commission.

Section 16. Emergency clause. This Ordinance being necessary to the comfort, convenience and welfare of the City, and its inhabitants thereof, an emergency is declared to exist and this ordinance shall take effect and be in force upon passage by the City Council.

Passed and adopted this 20th day of July, 2017.

City of Searcy, Arkansas

By: /s/ David Morris

Attest: /s/ Jerry Morris
City Clerk

Name: David Morris

Title: Mayor