

OFFICE OF THE BOARD OF SUPERVISORS
COUNTY OF COCONINO, FLAGSTAFF, ARIZONA

Dated: October 18, 1982

The Board of Supervisors of Coconino County, Arizona, met in regular session at 10:00 o'clock a.m. this day of October, 1982, with Supervisors Karan L English
Bill Brechan, Louise Yellowman
and Chairman J. Dennis Wells, present, this being the day and hour set for hearing on the application of Mountainaire Cable T.V., Inc. for a cable television license to serve the Mountainaire, Kachina, and Pinewood, Coconino County, Arizona area. After hearing and considering all aspects of the matter, it appearing to the Board that it is in the public interest that said application be granted upon motion of Supervisor Supervisor English and seconded by Supervisor Supervisor Brechan, and duly carried, Mountainaire Cable T.V., Inc. was granted said license as follows:

RESOLUTION GRANTING LICENSE *No. 82-38A*

WHEREAS, Mountainaire Cable T.V., Inc., an Arizona corporation, hereinafter the "Licensee," has duly and regularly petitioned, pursuant to A.R.S. §§ 9-505 to 9-508, inclusive, to the Board of Supervisors of Coconino County, Arizona, for the issuance of a license for the purpose of constructing, operating and maintaining a cable television system in the Mountainaire, Kachina and Pinewood areas of Coconino County, Arizona; and

WHEREAS, it appears that notice of hearing on said application has been duly given as required by law; and

WHEREAS, said application came on regularly to be heard on the 18th day of October, 1982, before the Board of Supervisors of Coconino County, and no petition to the Board to deny such license has been filed or presented according to the law and the Board considering the application for the license; and

WHEREAS, said Board of Supervisors, on the 2nd day of September, 1982, ordered that public notice be given in the manner provided by A.R.S. § 9-507 of the filing of said application and set, pursuant to statute, a public hearing on the matter; and

WHEREAS, such public hearing was held pursuant to A.R.S. § 9-507 on October 4, 1982, at the "Big Building" located in the center of the Fairgrounds in the Ft. Tuthill County Park area at 5:00 p.m.; and

WHEREAS, said application coming on regularly for hearing on the 18th day of October, 1982, and it appearing from the affidavit of publication of the Arizona Daily Sun and the _____, that due and regular notice of said time and place for the consideration of such action has been published once a week for two consecutive weeks, prior to said date of hearing, to wit: in the issues of the 17th day of September, 1982, and the 24th day of September, 1982, and Oct. 1, 1982, of said newspapers, both being papers of general circulation in the Mountainaire, Kachina Village & Pinewood area and the matter being called at 5:00 p.m. and it appearing that none of the qualified electors of said county has petitioned said Board of Supervisors to deny said petition, and no protest having been filed or made by any person whomsoever requesting the denial of such petition;

NOW, THEREFORE, IT BEING determined by the Board of Supervisors of Coconino County that the issuing of this license is regular, proper, authorized by law and in the best interests of Coconino County and the inhabitants of the Kachina, Mountainaire and Pinewood area of Coconino County;

NOW THEREFORE IT IS HEREBY ORDAINED:

I

That this Board of Supervisors of Coconino County, acting for and on behalf of said County, does hereby issue to Mountaineer Cable T.V., Inc., an Arizona corporation, the right, privilege and license for a period of fifteen (15) years to establish, construct, acquire, maintain and operate a modern, high quality community antenna television and closed circuit electronic system within Mountaineer, Kachina and Pinewood areas of Coconino County, Arizona, more particularly described as

Township Nineteen (19) and Twenty (20) North,
Range Six (6) and Seven (7) East,
and Township Eighteen (18) North,
Range Seven (7) East

to render, furnish, sell and distribute television signals and programs and entertainment for all purposes, together with closed circuit electronic service for such system to the inhabitants of the service area and its environs; and to use and occupy the streets, alleys, easements and other public places of said community as the same now exist for the licensee's community antenna television and closed circuit electronic system, including the right to enter and construct, erect, locate, relocate, repair and rebuild in, on, under, along, over and across the streets, alleys, easements and other public places of said community all towers, poles, cables, amplifiers, conduits and other facilities owned, leased or otherwise used by the licensee for the furnishing of a modern, high quality community antenna television and closed circuit electronic system within the community and environs thereof during the continuance of the license hereby granted.

The licensee shall accomplish significant construction within two years after the date of this action and shall thereafter equitably and reasonably extend energized trunk cable to the community.

(A) The licensee's transmission and distribution system, poles, wires and appurtenances shall be located, erected and maintained so as not to endanger or interfere with any improvements the county may deem to make or hinder unnecessarily or obstruct the free public use of the streets, alleys, easements, bridges or other public property. That the licensee's transmission and distribution system shall in no way interfere with other public utilities now in existence and in operation nor will it interfere with the continued operation and expansion of said public utilities.

(B) The licensee shall have the right to set, erect, install and maintain its own poles for the mounting of its amplifiers, cables and appurtenances.

(C) In the maintenance and operation of its transmission and distribution system in the streets, alleys, easements and other public places, and in the course of any new construction or addition to its facilities, the licensee shall proceed so as to cause the least possible inconvenience to the general public. All excavation shall be properly guarded and protected and shall be replaced and the surface restored in a good condition promptly after completion of such work. The licensee shall, at all times, comply with any and all rules and regulations which the county has made or may make applying to the public generally

with reference to removal or replacement of pavement and to excavations in the streets and other public places.

II

Coconino County hereby reserves the right to impose reasonable restrictions and limitations upon the erection, construction or installation of any facilities by the licensee and to reasonably designate where such facilities are to be placed within the public ways and places.

III

That in the event the County shall lawfully elect to change or alter the location or grade of any street, alley, easement or other public place, or change or relocate or replace its utility poles at any time during the existence of this license, the licensee shall, upon reasonable notice given by the county, remove, delay and/or relocate any system installations affected by such change, by and at the licensee's expense.

IV

The licensee shall, upon the request of any person owning a building or wishing to move it, temporarily raise or lower its wires to permit the moving of buildings and other structures. The actual necessary expense of such temporary removal, raising, or lowering of wires shall be paid by the person requesting the same, and the licensee shall have the authority to request and require such payment in advance. The licensee shall be given not less than 48 hours' advance notice to arrange such temporary wire changes.

V

The licensee shall have the authority to trim trees overhanging streets, alleys, sidewalks and public places and easements of the county so as to prevent the branches of such trees from coming in contact with the wires, cables and other appurtenances of the licensee, all trimming to be done under the supervision and direction of the county and by and at the expense of licensee.

VI

All poles, wires, conduits, appurtenances and equipment of licensee constructed, erected, used and maintained under this license shall in all respects be adequate, sufficient and substantial in design and workmanship and shall be so located, erected and maintained so as not to interfere with the free and full use and enjoyment of the public and so as not to endanger life or property.

VII

Mountaineer Cable T.V., Inc., an Arizona corporation, its successors and assigns, shall bear all expenses, including damage and compensation, for any alteration of the direction, surface or grade or alignment of any of such public roads, streets, alleys and highways of said County under the provisions hereof as a result of the exercise of this license by said corporation.

VIII

Mountaineer Cable T.V., Inc., an Arizona corporation, its successors and assigns shall indemnify and save harmless the

County of Coconino and the Board of Supervisors thereof from any and all suits, claims, damages and judgments resulting from injuries to persons or property caused by the placing, location or maintenance of electric or cable television or other equipment (whether fixed or used in connection with the installation, repair or maintenance of said electric or cable television lines) upon the public highways, roads, streets and thoroughfares of said County under the provisions hereof.

IX

In the event that any lines of related facilities installed or constructed under this grant shall at any time be found by the Board of Supervisors of Coconino County to interfere unduly with any governmental, as opposed to proprietary, projects affecting such public roads, streets, alleys and highways, licensee hereby agrees that it will, at its own expense, and within a reasonable time after notice thereof by the Board of Supervisors, relocate said lines or related facilities so as to minimize said interference. In all other instances costs incurred in relocating or otherwise changing any structures, lines or facilities of Mountainair Cable T.V., Inc. shall be borne by and added to the cost of the public or private improvement causing or resulting in such relocation or change.

X

All rights hereby granted are subject to other rights, privileges, franchises, easements and rights of way heretofore granted by the Board of Supervisors of Coconino County now recorded and in force.

XI

The county directs the licensee to investigate and resolve all complaints regarding the quality of service, equipment and other similar matters within 48 hours; and the licensee shall maintain a local business office, agent or local toll-free phone number for these purposes.

XII

The licensee shall, at all times during the existence of this license, be subject to all lawful exercises of police power by the County and to such reasonable regulation as the County shall hereinafter by resolution or ordinance provide. The licensee hereby agrees that the lawful exercise of the police power of Coconino County shall include reasonable measures to enforce the terms and conditions of this license in accordance with due process of the law.

XIII

The licensee shall carry sufficient insurance against liability for property damage of not less than \$100,000.00 as to any one accident and not less than \$300,000.00 as to any one accident as it may relate to damage and persons. Upon retaining such insurance, the licensee shall submit to the County certificates from all companies showing that the licensee is properly insured for all of its liability, and that no such insurance shall be cancelled or changed except after thirty days notice to the county.

. . .

. . .

XIV

All provisions of this license agreement shall be binding upon the licensee, whether expressly stated herein or not, and all the rights, powers, authorities, grants and privileges secured by his license through the licensee shall be held to inure to the benefit of the licensee and all successors, lessees and assigns of the licensee. This license is issued pursuant to and is expressly subject to the provisions of A.R.S. §§ 9-505 through 9-508, inclusive. Neither this license nor any right or privilege hereunder shall be granted, assigned, conveyed, leased or otherwise transferred to any other firm, person, corporation, or other entity without the prior approval of the Board of Supervisors of Coconino County.

XV

This grant is not exclusive and nothing herein contained shall be construed to prevent the Board of Supervisors of Coconino County from granting other like or similar grants, privileges or licenses to any other persons, firms or corporations.

XVI

Any modifications of the provisions of this license resulting from amendment of the Federal Communication Commission Rules and Regulations governing part 76, shall be incorporated into this license within one year of adoption of the modification or at the time of license renewal, whichever occurs first.

XVII

Licensee shall pay to the County on an annual basis as and for a license fee a sum representing two percent (2%) of

licensee's gross basic cable subscriber revenue per year from cable television operations in Coconino County.

RATES

(A) The initial rates to be charged subscribers for installation of equipment and regular cable television services are specified in the attached rate schedule.

(B) No increase in rate charged subscribers shall be made without the approval of the county after a public hearing. However, rates may be adjusted bi-annually for inflation, but the percentage of increase may not exceed the percentage change in the Federal Consumer Price Index since the preceding adjustment.

IN WITNESS WHEREOF, the Board of Supervisors of Coconino County, Arizona has caused these presents to be executed and signed by the Chairman of the Board of Supervisors and attested to by the Clerk and the seal of the Board affixed hereto this 18th day of October, 1982.

BOARD OF SUPERVISORS

J. Dennis Wells
J. Dennis Wells, Chairman

ATTESTED:

Ethel Ulibarri
Ethel Ulibarri, Clerk

APPROVED AS TO FORM:

John Verkamp
Coconino County Attorney

By Michael G. Prost
Michael G. Prost
Deputy County Attorney

SECTION 5

Proposed Rates and Charges

Applicant proposes to use the rates and charges listed in the attached schedules as rates to be charged to customers for installation and services.

Applicant may combine services in one or more packages and discount them below these rates.

In addition to the services and installation on the attached schedule applicant will charge a reasonable deposit to cover the value of the converter used for Tier II. This deposit will be refunded provided the converter is returned in reusable condition.

A pro-forma copy of a typical customer agreement is enclosed following the proposed rate schedule.

Rate increases are not planned, however inflation will necessitate application for approval of reasonable increases sometime in the future.

The proposed system is designed for a multiple of elective services by the customer. Tier I generally is an off-air system with minor satellite support services. Tier II is primarily distant satellite delivered signals. Additionally, the subscriber can select from three optional premium movie channels. The converter will only be necessary for Tier II or the movie channels.

PRICING SCHEDULE

Monthly Service Rate

Tier I \$ 6.95 per month

7 channels plus time, weather and local bulletins

Tier II 4.00 per month

Only available with Tier I; this converter service will include twelve channels of satellite service

Premium Services

Home Box Office 9.95 per month

24-hour entertainment channel featuring movies, specials and sports

Cinemax 6.95 per month

24-hour movie channel featuring some specials

The Movie Channel 9.95 per month

24-hour "movies only" channel

F. M. Stereo 3.95 per month

A subscriber can select any one or all three premium channels with just Tier I or with Tier I and II.

Installation Fees (one time charge)

System Connection (aerial) \$ 20.00

System Connection (underground) 50.00

First outlet 10.00

Each extra outlet 5.00

These rates shall not apply where 150 feet or more of aerial cable is required or 75 feet of underground cable is required. In such cases, a special rate may be negotiated with the proposed subscriber.

Special Pricing Considerations

Commercial installations shall be priced according to the size of the projects and cost of materials plus labor.

Monthly rates for commercial multiple units can be bulk priced, depending on the size of the complex.

A discount of \$1.00 per month will be given to subscribers for each movie channel beyond the initial one.

Since this is a recreational area, there is a considerable part time residency. Part time residents can be pro-rated according to their average occupancy.