

**CITY OF HOUSTON**  
**Finance and Administration Department**  
**Franchise Administration Division**

**Application for Cable Television Franchise**

Instructions: This application is to be completed by an entity applying for a new cable television franchise or renewing an existing franchise agreement with the City of Houston. No franchise agreement will be drafted until all pertinent application information is received and reviewed.

If you have questions about any of the items in the application package, please contact Tina Paez, Assistant Director, Finance and Administration, at 713-837-9630, or Ernest Davis at 713-837-9617. Completed applications should be sent to the attention of Ernest Davis at the following address:

City of Houston  
Department of Finance and Administration  
Franchise Administration Division  
611 Walker, Tenth Floor  
Houston, Texas 77002

- I. Identification Information:
1. Indicate if this application is for a new franchise, a franchise amendment, or a franchise renewal. New \_\_\_\_\_ Amended \_\_\_\_\_ Renewal \_\_\_\_\_
  2. State the applicant's full legal name, principal business address, phone number, and date of application.
  3. State the name, title, address, and phone number of a contact person to whom communication should be directed regarding this franchise application.
  4. State the applicant's City of Houston or Texas business office address, if different from the response to question 2.
  5. Describe the business or organization of the applicant, specifying whether the applicant is:
    - a. an individual
    - b. a corporation
    - c. an unincorporated association
    - d.** a limited partnership

- e. a general partnership
  - f. an other legal entity (please specify)
6. Please submit the information requested below as Exhibit A. For the individuals listed in part (a) below, please submit the information requested in part (b). If a shareholder or partner of the applicant is an estate or trust, the requested information from part (b) is also to be provided for the administrator or trustee.
- a. Type of individuals:
    - (1) applicant, if applicant is an individual;
    - (2) officers of applicant's corporation;
    - (3) partners of applicant's partnership including limited or silent partners;
    - (4) officers or principals of applicant's unincorporated association;
    - (5) directors of applicant's corporation; and
    - (6) holders of 10% or more of the voting shares of the applicant's corporation.
  - b. Information requested on each individual:
    - (1) name;
    - (2) citizenship;
    - (3) nature of partnership interest or name of office held;
    - (4) the date the office expired;
    - (5) nature of partnership interest or name of office held;
    - (6) the date the office expires;
    - (7) business address;
    - (8) the percentage of ownership or percentage of voting or membership; and
    - (9) political offices held in Texas in the past ten years.
7. Identify by names, addresses, and phone numbers, the company(ies) or individual(s) who will or do operate the applicant's system or facilities within the City of Houston, if different from the applicant.
8. Provide a copy of any agreement(s) to operate facilities and equipment if the operator is or will be other than the applicant.
9. Provide the name, title, and phone number of the person having custody of the applicant's books of account for all City of Houston operations, and the address of the office where these books and records are or will be kept. Also, please provide the address where any of the applicant's other books and records are kept if different than the address listed in the previous sentence.

10. Please provide a list of affiliated companies which are also operating within the City of Houston, the name(s) under which they operate, and the nature of their business.
11. If applicable, please give the state in which the applicant was incorporated and its charter number. Otherwise, cite the laws under which the applicant is legally organized.
12. For what specific business activity is the applicant currently seeking a franchise agreement?
13. If the applicant is a publicly-traded corporation, please submit the following as Exhibit B:
  - a. the latest annual report to stockholders – if the annual report contains consolidated financial data, please name the separate corporate entities that are included in the consolidated group;
  - b. the latest company prospectus;
  - c. the latest SEC Form 10K;
  - d. the latest SEC Form 10Q; and
  - e. the latest set of audited financial statements for the applicant as a stand-alone entity.
14. If the applicant is not a publicly-traded corporation, please submit the following as Exhibit B:
  - a. the latest set of audited financial statements for the applicant as a stand-alone entity;
  - b. a sales brochure which describes the company; and
  - c. consolidated, audited financial statements, if applicable.
15. Attach as Exhibit C a list of those creditors who hold 10% or greater of the outstanding indebtedness as of the date of this application and supply the following information concerning each listed creditor:
  - a. the creditor's name;
  - b. the amount of indebtedness in dollars by such creditor; and
  - c. copies of the terms of each debt agreement with such creditor.
16. If the applicant's facilities will be operated or managed by an individual or entity other than the applicant or applicant's employee, please submit evidence that that individual or entity is financially viable. This evidence, at a minimum, should comprise audited financial statements for the most recent fiscal or calendar year.
17. Provide a copy of the applicant's chart of accounts and a description of its accounting system.

18. Provide copies of the applicant's capital outlay budget for its Houston operations. Show planned construction and capital asset purchases for both the short (one year) and the longer term (three to five years).
19. For each type of service or product, provide the following for the Houston operations.
  - a. the projected gross revenue and operating expense for each of the next five (5) years;
  - b. the projected capital requirements for each of the next; and
  - c. how the projected capital requirements will be met.
20. Provide a copy of the applicant's operating budget for the next for in Houston office.
21. Prepare and submit a set of forecasted financial statements covering the first full year of operations in the Houston area.
22. Describe all present and contemplated involving the exchange of goods and services between the applicant and any affiliated entities.
23. Describe the applicant's financial commitments and under existing lease agreements.
24. State the status of any legal proceedings pending at the date of the application and an opinion as to whether the results of such proceedings could have a material adverse impact on the applicant's financial position or continued operations.
25. State whether there are any outstanding unsatisfied judgements or decrees against the applicant or any party to this application.
26. State whether there are any outstanding unsatisfied judgments or decrees against the applicant or any party to this application.

### **III. Franchise/Legal Compliance**

27. If applicant or any party to this application is a franchise applicant, franchisee, licensee, or operator of another facility on behalf of a franchisee in any other municipality in any state, supply the following information for each such municipality as Exhibit D:
  - a. the name of the municipality and the state;
  - b. if franchisee or licensee, the date the franchise or license was acquired;
  - c. if franchisee or licensee, the date the franchise or license expires; and
  - d. a brief description of each franchise's or license's terms and conditions.

28. State whether applicant or any party to this application including the system's operator, if different from the applicant, has had any public license, franchise or permit revoked or suspended by order or decree of any court or administrative agency.
29. State whether the Securities and Exchange Commission has instituted any legal action against the applicant or any party to this application.
30. State whether the applicant or any party to this application, including the system operator if different from the applicant, has been found guilty by federal court of a violation of the laws of the United States relating to unlawful restraints, monopolies, combinations, or agreements in restraint of trade.
31. State whether the applicant or any party to this application has been found civilly or criminally liable by any court or other agency of the following: any felony, any charge of libel, slander, obscenity, copyright or trademark infringement, or invasion of privacy; the violation of any state, territorial or local law relating to unlawful lotteries, restraints, comonopolies, or combinations, contracts or agreements in restraint of trade; unfair competition; or deceptive trade practices.
32. State whether there is now pending in any court or administrative body, any action against the applicant or any party to this application including the operator if different from the applicant, involving any other referred to in questions 26-30.
33. State whether applicant or any party to this application has been the subject of any complaints filed with a jurisdictional regulatory authority. If the answer is affirmative, then state the substance and disposition of such complaint(s).
34. State whether the applicant or any party to this application has:
  - a. any application for a permit(s) or license(s) within the state of Texas pending before a regulatory body(ies) having jurisdiction over the applicant. If so, give the name of that regulatory(ies).
  - b. Any application for a permit(s) of license(s) within the state of Texas which has been denied by the jurisdictional regulatory body.
35. File maps of your facilities as followings:
  - a. (Exhibit E for existing facilities) File two copies of a map showing all existing plant and facilities owned or leased by or on behalf of the applicant or an affiliate that are located within the City of Houston's boundaries or its Extra Territorial Jurisdiction. The map should clearly identify the route and street names.

- b. (Exhibit E-1 for proposed facilities) File a total of five copies of a map indicating proposed or likely plant and facilities. The five copies should consist of four sets of plans and profiles (24x36 and one Mylar (24x36) with application and qualifying questionnaire.
36. Provide an estimate to the nearest 10 linear feet, of the linear footage of all existing or proposed facilities ( or the space occupied by applicant's existing or proposed facilities) located within the boundaries of the City of Houston or its Extra Territorial Jurisdiction.
- Please provide separate estimates for existing plant and facilities, and for proposed, planned, or likely expansions over the next five to seven years.
37. Provide a current description of the system for which you seek the franchise agreement. Include the purpose, proposed and present clients, and service area(s).
38. Provide a general overall description of the industry in which you intend to operate or presently operate. Include a summary of the latest technology and future enhancement information.
39. Provide a brief description of business conducted in other cities and explain how these other business activities interrelate to the present Proposed operations.
40. List and describe present and possible future services or other purposes for the plant and facilities by type of customer (i.e. business, residential, or commercial) for which the franchise will be used.
41. Provide a detailed schedule showing your complete fee structure for all levels or classes of services and for all classes of customers. Indicate when periodic billings are made (monthly, weekly, etc.) And show how periodic charges will be calculated.
42. Identify the anticipated number, and general location (i.e. by city section such as north, south, east, west) of current or potential clients.
43. Does the applicant's business require or involve the use of a patented device or technology? If so, please name that device or technology and indicate if the applicant owns the rights to that patent?
44. Briefly describe the specific characteristics of the Houston market (customer mix, geographic characteristics, cultural characteristic, etc.) that lead you to target this area as a good location for your new or expanding business.

45. Briefly describe the nature and extent of all goods and services that are offered by the applicant in other cities but which NOT initially be offered by the applicant to customers in Houston area.
46. Describe or flow-chart a typical customer transaction showing the following:
  - a. from an operational standpoint, show or describe how a signal enters, is routed and leaves your facilities.
  - b. show or describe the internal process that occurs allowing you to track and record the transaction for billing and other purposes.
48. Attach as Exhibit F a copy of any contract(s) or proposed contract(s) or plan(s) with utility companies for pole attachments of other facilities including signal carriage in either direction for the proposed system.
49. Attach as Exhibit G an explanation of safety measures for the proposed system.
50. State how much insurance the applicant currently plans to carry on the system.
51. Attach as Exhibit H a copy of the applicant's Equal Employment Opportunity program.
52. If applicant wishes to state any additional information to support its request for a franchise agreement, file such as statement as Exhibit I.