

1 Introduction

Over the past two years, your Board of Directors has been reviewing the options regarding our SMATV System (Satellite Master Antenna TV system for one building or one small complex). As more and more channels became available, it was imperative that consideration be given to what the future would bring for our TV System. Considerable time has been spent reviewing the options available from Rogers Cable, Bell Expressvu, Star Choice and of course, upgrading our own system.

11 History

In 1971, when our building was being constructed, most high rise buildings had master antenna systems. At that time, there were eight channels available on cable.

We started with six channels, with good reception on the three channels from Buffalo. The three local channels had so much interference from the CBC tower that they were impossible to watch. Something had to be done.

An intense investigation took place. Inexpensive experiments were tried and eventually it was decided to upgrade the system. This was done by replacing all the wallplates. The change of wallplates permitted the use of round co-axial cable instead of the old flat type, thus providing better shielding from outside interference. This work was done by a couple of volunteers on many Saturdays. Each unit paid a fee for the new wallplate and these funds were used to finance the addition of more channels.

Along came the advent of the cable converter. The Corporation sold hundreds of these through the office, using the proceeds to add even more channels to the system. Eleven channels were added and we were among the first to watch the Toronto Argonaut football games on TV. By adding Peterborough and Kitchener, we were able to pick up the games that were blacked out in the Toronto area. Thus, these channels are on the system today. All channels picked up by our antennas on the roof are free of charge.

The next major change in television viewing came with the advent of satellite channels. Again, an intense investigation ensued. In 1983, we put our first satellite channel on the system. None of the signals were scrambled and they were free to be picked up. As time progressed, the signals from the satellites were scrambled by the suppliers. This led to more complications for our system. It meant obtaining contracts with the suppliers, which was difficult because we were not a cable company. With determination and patience, we were able to convince them of the need to supply signals to systems such as ours. We thereby opened the doors for others, and provided a whole new market place to the suppliers.

We were the first to obtain a discretionary contract with suppliers such as The Movie Network, Family Channel, Movie Pix, and in the early days, The Sports Network before it went basic service.

At the present time all other channels from the TV listing, with the exception of the in- house channels, are received off satellite.

One thing that should be remembered is that we are an SMATV (Satellite Master Antenna Television) operation and we are legal, which means we have contracts with suppliers and pay for the signals received. This also means that we are governed by CRTC regulations. We must pay royalties, and, because we are in the Rogers Cable area, we must pay the rate established "by" them. We are required to provide certain signals and we are required to provide the signals at certain levels of quality.

There are, however, costs to running our own system. It is difficult to keep up with the cable companies as they have massive amounts of cash to put into their systems on an ongoing basis. Every time we want to add a channel we must budget for it and the costs come from your maintenance fees. It is difficult to satisfy all the needs and wants of all residents.

From a management perspective, the TV System requires a lot of time from both a maintenance standpoint, and an administrative standpoint. This is not to mention the technical aspects, and the expertise needed to trouble shoot problems when they occur. We have a technician under contract to service the equipment and carry out repairs. However, management carries out the task of communicating with suppliers all over Canada and the USA, for every channel we receive, and the task of

searching and finding all the repair parts and electronic components needed to keep the system running. Management also has the task of purchasing of new equipment from the best supplier at the best price. Basically, we run a small cable company with all the attributes of a cable company, as part of the function of the Condominium Corporation. There are only a handful of Condominium Corporations running SMATV systems.

Our present system has room for the installation of 4 more channels. Therefore, the expandability of the existing system has a limit.

In August 2001 your Board of Directors and Management began a thorough investigation into where to take our TV system, which has culminated in this report to you.