

ORDINANCE NO. 099-011

AN ORDINANCE OF THE TOWN OF ADDISON, TEXAS, GRANTING TO TCI TKR OF THE METROPLEX, INC., ITS SUCCESSORS AND ASSIGNS, THE RIGHT, PRIVILEGE, AND FRANCHISE FOR THE TERM OF TWELVE YEARS, TO ERECT, MAINTAIN, AND OPERATE A CABLE SYSTEM IN THE PRESENT AND FUTURE PUBLIC RIGHTS-OF-WAY IN THE TOWN; PRESCRIBING COMPENSATION FOR THE RIGHTS, PRIVILEGES, AND FRANCHISE CONFERRED HEREUNDER; PRESCRIBING THE CONDITIONS GOVERNING THE INSTALLATION, MAINTENANCE, AND OPERATION OF SAID CABLE SYSTEM AND BUSINESS INSOFAR AS IT AFFECTS THE USE OF PUBLIC PROPERTY FOR THE PURPOSE OF SUCH BUSINESS; CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

* * * * *

WHEREAS, by Ordinance No. 494 passed and approved on April 24, 1979, the Town of Addison, Texas ("Town"), granted to Cablesystem of Addison, Inc., the right, privilege, and franchise ("Franchise") to erect, maintain, and operate for a term of twenty (20) years a cable television system in said Town; and

WHEREAS, on November 24, 1981, the City approved the transfer of the Franchise to Storer Cable TV of Texas, Inc.; and

WHEREAS, on June 2, 1993, Storer Cable TV of Texas, Inc. changed its name to TCI TKR Cablevision of the Metroplex, Inc. ("TCI"); and

WHEREAS, TCI has provided cable television services within the Town under such Franchise; and

WHEREAS, pursuant to its terms and provisions, said Franchise will expire on or about April 23, 1999; and

WHEREAS, TCI has requested renewal of the Franchise to allow for continued operation of its cable television system in the Town of Addison in accordance with the renewal provision of Title VI of the Communications Policy Act of 1934, as amended ("Cable Act"); and

WHEREAS, the Town finds from all the evidence that TCI meets the legal, character, financial, and technical qualifications, as well as other qualifications, necessary to assure that the cable system in the jurisdictional boundaries of the Town of Addison will receive cable television service that meets or exceeds the cable-related needs and interests of the Town if provided in accordance with this Franchise; and

WHEREAS, following proper notice, the Town held a public hearing on TCI's request for renewal, at which time representatives of TCI and interested citizens were heard in a full public proceeding affording opportunity for comment by any and all persons desiring to be heard; and

WHEREAS, from information presented at such public hearing, from facts and circumstances developed or discovered through independent study and investigation, and because of TCI's commitment to timely initiate services and maintain and operate such cable television system in accordance with the provisions of this Franchise, the Town now deems it appropriate and in the best interest of the Town and its inhabitants that the Franchise be renewed with TCI; now, therefore

BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF ADDISON, TEXAS:

ARTICLE I

ENACTMENT

§1.01. Recitals. The facts and recitations set forth in the preamble of this Ordinance are hereby adopted, ratified, and confirmed.

§1.02. Short Title. This Ordinance shall be known and may be cited as "The Town of Addison Cable Service Franchise Ordinance."

ARTICLE II

DEFINITIONS

§2.01. Terms. The following terms, phrases, words, abbreviations, and their derivations shall have the meanings hereafter set forth. Terms, phrases, words, and abbreviations not defined herein shall be construed in accordance with the ordinances of the Town or their customary usage and meaning. When not inconsistent with the context, words used in the singular shall include the plural, words in the plural shall include the singular, and words used or defined in one tense or form shall include other tenses or derivative forms. The headings contained in this ordinance are to facilitate reference only, do not form a part of this ordinance, and shall not in any way affect the construction or interpretation hereof. The words "shall," "will," and "must" are mandatory, and the word "may" is permissive or directory:

A. Affiliate. A person, directly or indirectly, Controlling, Controlled by, or under common Control with the Grantee; provided that "Affiliate" shall in no event mean any limited partner holding an interest of less than five percent (5%) of the Grantee, or any creditor of the Grantee solely by virtue of its status as a creditor and which is not otherwise an Affiliate by reason of owning a Controlling interest in, being owned by, or being under common ownership, common management, or common Control with, the Grantee.

B. Basic Cable Service. The Cable Service tier which includes the retransmission of local television broadcast signals as well as the Public, Educational and Governmental Access Channels.

C. Cable Act. Title VI of the Communications Act of 1934, as amended (47 U.S.C. §§151 et seq.).

D. Cable Service. The one-way transmission to Subscribers of video programming or other programming service, and Subscriber interaction, if any, which is required for the selection or use of such video programming or other programming service.

E. Cable System. A facility, consisting of a set of closed transmission paths and associated signal generation, reception, and control equipment that is designed to provide Cable Service which includes video programming and which is provided to multiple Subscribers within a community, but such term does not include facilities that qualify under the exceptions put forth in 47 U.S.C. §522(7).

F. Channels. A portion of the electromagnetic frequency spectrum which is used in a Cable System and which is capable of delivering a programming service.

G. Control. The actual working control of a Grantee in whatever manner exercised.

H. Converter. An electronic device which converts signals to a frequency not susceptible to interference within the television receiver of a Subscriber and which, by an appropriate channel selector, also permits a Subscriber to view all signals delivered at designated dial locations.

I. Days. Calendar days unless otherwise specified.

J. Educational Access Programming. Non-Commercial Programming produced by or for educational users, and used in accordance with the rules and procedures established by the Town or its designee.

K. Federal Communications Commission or FCC. The agency as presently constituted by the United States Congress or any successor agency with jurisdiction over Cable Service matters.

L. Franchise Area. The present incorporated area of the Town and such additional areas as may be annexed or included by other legal means in the corporate limits of the Town during the term of this Franchise.

M. Government Access Programming. Non-Commercial Programming produced by or for government users, and used in accordance with the rules and procedures established by the Town or its designee.

N. Grantee. TCI TKR of the Metroplex, Inc., doing business as TCI Cablevision of the Metroplex, or any Person who succeeds TCI TKR of the Metroplex, Inc. in accordance with the provisions of this Franchise.

O. Gross Revenue. Any and all revenue received by Grantee from the operation of the Grantee's Cable System to provide Cable Services within the Franchise Area. For example, Gross Revenues includes, but is not limited to, Basic Cable Service revenues, Subscriber revenues for any additional tier of Cable Services, other Cable Service revenues, Pay Television revenues, Pay-Per View revenues, per usage or per connection Cable Service revenues, advertising revenues, revenues resulting from connection or reconnection fees to the Cable System of any kind, revenues resulting from the lease or rental of Cable System equipment, revenues resulting from the sale, lease or use of Channels or Channel capacity to the extent such is considered Cable Service under federal law, and revenues from commissions on sales from shopping channels. Notwithstanding anything to the contrary in the foregoing, the following will not be included in Gross Revenues for the purpose of calculating franchise fees paid under Section 18.01 hereto: any tax, fee, or assessment of general applicability (including any utility tax imposed on Cable Services) imposed by a governmental entity on Subscribers, net unrecovered bad debt, returned check charges, and the sale of any equipment which is commonly known to be available from other vendors besides Grantee.

P. Institutional Network. Channel capacity owned and operated by Grantee separate from the Subscriber network for use by governmental and/or educational entities pursuant to agreement between the Grantee and the Town.

Q. Leased Access Channel. A Channel designated in accordance with 47 U.S.C. §532 for commercial use by Persons unaffiliated with the Grantee.

R. Non-Commercial Programming. Programming which may include PBS-type sponsorships or underwriting acknowledgments, but does not include commercial advertisements which would be in competition with the advertising time sold by Grantee.

S. Pay Television. The delivery over the Cable System of programming to Subscribers on a per program, per Channel, per connection, or per time period of connection basis.

T. Pay-Per-View. Video programming offered by Grantee for which a Subscriber selects and pays a separate fee to view. Such programming is not available to Subscribers who do not choose to pay for viewing.

U. PEG Programming. Public, Educational and Government Access Programming, collectively.

V. Person. Any individual, firm, partnership, association, corporation, company or organization of any kind.

W. Public Access Programming. Non-Commercial Programming produced by public users, in accordance with the rules and procedures established by the Town or its designee.

X. Public Rights-of-Way. The surface, the air space above the surface, and the area below the surface of any public street, highway, lane, path, alley, sidewalk, boulevard, drive, bridge, tunnel, easement or similar property dedicated for compatible uses in which the Town presently or in the future holds any property interest or exercises any rights of management or control and which, consistent with the purposes for which it was acquired or dedicated, may be used for the installation and maintenance of a Cable System.

Y. Subscriber. Any Person lawfully receiving Cable Service delivered by means of the Grantee's Cable System.

ARTICLE III

GRANT OF AUTHORITY

§3.01. Use of Public Rights-of-Way. There is hereby granted to the Grantee the right, privilege, and franchise to have, acquire, construct, reconstruct, maintain, use, and operate in the Town a Cable System, and to have, acquire, construct, reconstruct, maintain, use, and operate in, over, under, and along the present and future Public Rights-of-Way of the Town all necessary or desirable poles, towers, anchors, wires, cables, electronic conductors, underground conduits, manholes, and other structures and appurtenances necessary for the construction, maintenance, and operation of a Cable System in the Franchise Area.

§3.02. Use, Rental, or Lease of Utility Poles and Facilities. There is hereby granted to Grantee the authority to contract with the Town or with the holder or owner of any utility franchise in the Town for the use, rental, or lease of its or their poles, underground conduits, and other structures and facilities for the purpose of extending, carrying, or laying Grantee's wires, cables, electronic conductors, and other facilities and appurtenances necessary or desirable in conjunction with the operation of its Cable System. The Town agrees that any public utility owning or controlling such poles or underground conduits may, without amendment to its franchise, allow, and is encouraged to allow, Grantee to make such use thereof pursuant to any agreement reached between such utility and Grantee. Nothing in this Franchise shall authorize Grantee to attach any part of its Cable System to any Town-owned conduits or facilities until Grantee has entered into a separate agreement with the Town, supported by independent consideration, for such rights of attachment or use.

ARTICLE IV

TERM, EVALUATION, AND RENEWAL

§4.01. Term of Franchise. Upon the filing with the Town by Grantee of the written acceptance required herein, this Franchise shall be in full force and effect for a term and period of twelve (12) years commencing thirty (30) days after final passage and approval of this Ordinance.

§4.02. Performance Evaluation. In order to assure that the Grantee is complying with the terms of this Franchise, and in order to promote a sharing of information between the Town and the Grantee, a performance evaluation meeting may be held no more often than once every year during the term of the Franchise. Unless specifically waived by the Town, attendance of Grantee's duly authorized representative at these meetings shall be mandatory.

A. At least forty five (45) days prior to any meeting on this Franchise, the Town shall notify the Grantee of the date, time, and location of the meeting, as well as any specific information the Town desires the Grantee to address during the performance evaluation. At the meeting, the Grantee shall be entitled to all the rights of due process consistent with the Town proceedings, including but not limited to, the right to present evidence and the right to be represented by counsel.

B. The subject of the meetings will be determined by the Town, and may include, but may not be limited to, the Grantee's performance under the Franchise, the development of new services, the utilization of new technologies, and a review of any federal or state rules or regulations relevant to the performance of the Grantee pursuant to the Franchise.

C. Upon request of the Town, and within sixty (60) days from receipt of such request, the Grantee shall file a report with the Town Secretary, in reasonable detail, specifically addressing topics deemed material or relevant by the Town as identified with the request from the Town.

D. The Grantee shall make available to the Town, or its designee, any records, documents, or other information as may be reasonably required by the Town for review of this Franchise.

E. The foregoing notwithstanding, the Town may initiate and conduct such additional performance evaluation meetings regarding Grantee's performance under this Franchise as the Town, in its sole discretion, may deem justified or necessary under the circumstances. Grantee shall be given reasonable notice of the date and time of any such additional meetings.

§4.03. Renewal. Grantee and Town agree that Franchise renewal proceedings shall be governed by Section 626 of the Cable Act (47 U.S.C. § 546), unless the procedures and substantive protections set forth therein shall be deemed to be preempted and superseded by the provisions of any subsequent provisions of federal or state law.

ARTICLE V

RECOUPMENT OF COSTS BY TOWN

§5.01. Publication Costs. Any and all reasonable costs of publication of this Franchise which may be required by law or action of the Town shall be borne by Grantee. Any payments made by the Town under this provision are to be reimbursed to the Town within thirty (30) days of Grantee's receipt of the invoice.

ARTICLE VI

COMPLIANCE WITH TOWN, STATE, AND FEDERAL LAWS

§6.01. Compliance with Applicable Laws. Notwithstanding any other provision of this Franchise to the contrary, the Grantee shall at all times comply with all generally applicable laws, rules, and regulations of the Town, state and federal governments and any administrative agencies thereof. If any such state or federal law, rule, or regulation shall prohibit the performance of any service required by provisions of this Franchise, the Grantee shall notify the Town of the conflict at such time as it affects Grantee's performance under this Franchise.

§6.02. Subject to Police Power of the Town. The construction, maintenance, and operation of Grantee's Cable System and all property of Grantee subject to the provisions of this Franchise shall be subject to all generally applicable and lawful police powers, rules, and regulations of the Town. The Town shall have the power at any time to order and require Grantee to remove or abate any pole, line, tower, wire, cable, guy, conduit, electric conductor, or any other structure or facility that is dangerous to life or property. In the event Grantee, after written notice, fails or refuses to act within fifteen (15) days of such

written notice, Town shall have the power to remove or abate the same at the expense of Grantee, all without compensation or liability for damages to Grantee, except in instances where damage is caused by negligence or willful misconduct.

ARTICLE VII

CONDITIONS OF PUBLIC RIGHTS-OF-WAY OCCUPANCY

§7.01. Use. All structures, wires, cables, equipment, and facilities erected or maintained by Grantee within the Town shall be located as to cause minimum interference with the proper and intended use of the Public Rights-of-Way and with the rights or reasonable convenience of the owners or occupants of property which adjoins any of such Public Rights-of-Way. The location of all poles, towers, anchors, wires, cables, electronic conductors, conduits, manholes and other structures and appurtenances in, over, under, along, and across the present and future Public Rights-of-Way in the Town shall be fixed under the supervision of the Town or an authorized agent appointed by the Town in accordance with generally applicable Town rules and ordinances. When the Grantee shall make or cause to be made excavations or shall place obstructions in any Public Rights-of-Way, the public shall be protected by barriers and lights placed, erected, and maintained by the Grantee in accordance with any existing or future generally applicable Town, state, or federal requirements.

§7.02. Restoration. The surface of any Public Rights-of-Way disturbed by Grantee in laying, constructing, maintaining, operating, using, extending, removing, replacing, or repairing its Cable System shall be restored by Grantee immediately after the completion of the work, at its cost and expense, to a condition comparable to that in existence immediately as before the commencement of the work and shall be maintained by Grantee to the reasonable satisfaction of the Town for one (1) year from the date of completion of such restoration work. Grantee may excavate only for the construction, installation, expansion, repair, removal, and maintenance of all or a portion of its Cable System used to provide Cable Service under this Franchise. Except in emergency situations, Grantee shall make reasonable efforts to provide notice of any proposed disturbance to any Public Right-of-Way to affected property owners or occupants prior to the commencement thereof. In the event of major planned construction, such notice shall be in written form, and be sent to the Town and the affected property owners or occupants no less than five (5) business days prior to the construction commencing. No Public Rights-of-Way shall be encumbered by construction, maintenance, removal, restoration, or repair work by Grantee for a longer period than shall be necessary to execute such work. If there is an unreasonable delay by Grantee in restoring and maintaining Public Rights-of-Way after such excavations or repairs have been made, Town shall have the right, following written notice to Grantee to which Grantee has forty-eight (48) hours in which to respond, to restore or repair the same and to require Grantee to pay to the Town the reasonable cost of such restoration or repair, all without compensation or liability for damages to the Grantee, except in instances where damage is caused by negligence or willful misconduct. In the event Town determines that Grantee's use of any of Town's Public Rights-of-Way as set forth in this Franchise pose an immediate danger to the health, safety or general welfare of the public, Town shall have the right to restore or repair same and shall require Grantee to pay to the Town the reasonable costs incurred regarding same, all without compensation or liability for damages to the Grantee, except in instances where damage is caused by negligence or willful misconduct.

§7.03. Relocation. Whenever by reason of the construction, repair, maintenance, relocation, widening, raising, or lowering of the grade of any Public Rights-of-Way by the Town or by the location or manner of construction, reconstruction, maintenance, or repair of any public property, structure, or facility by the Town, it shall be deemed necessary by the Town for Grantee to move, relocate, change, alter, or modify any of its facilities or structures, such change, relocation, alteration, or modification shall be promptly made by Grantee, at its cost and expense, when directed in writing to do so by the Town, without claim for or right of reimbursement of cost or damages against the Town, except in instances where damage is caused by negligence or willful misconduct. In the event Grantee, after such notice, fails or refuses to commence, pursue, or complete such relocation work within a reasonable time, the Town shall have the authority, but not the obligation, to remove or abate such structures or facilities and to require

Grantee to pay to the Town the reasonable cost of such removal or abatement, all without compensation or liability for damages to Grantee, except in instances where damages is caused by negligence or willful misconduct.

§7.04. Temporary Removal of Wire for Building Moving. Upon written request of any person holding a building moving permit issued by the Town, Grantee shall remove, raise, or lower its wires and cables temporarily to permit the moving of houses, buildings, or other bulky structures. The reasonable expense of such temporary removal, raising, or lowering shall be paid by the benefitted person, and Grantee may require such payment in advance, Grantee being without obligation to remove, raise, or lower its wires and cables until such payment shall have been made. Grantee shall be given not less than seventy-two (72) hours advance written notice to arrange for such temporary wire and cable adjustments.

§7.05. Tree Trimming. From time to time, the Town may pass generally applicable ordinances regulating the trimming or removal of trees on or along Town property, and Grantee shall comply with these ordinances.

§7.06. Placement of Fixtures. Grantee shall not place poles, towers, or similar fixtures where the same will interfere with any gas, electric, telecommunications, water hydrant, water main, drainage, sanitary sewer or other facilities located within the Town's Public-Rights-of-Way as authorized by the Town, and all such poles, towers, and similar facilities shall be placed as directed by the Town and in such manner as not to interfere with the usual travel or use of the Public Rights-of-Way.

§7.07. Approval of Plans and Specifications. With the exception of installation of individual drops and/or emergency repairs, Grantee shall provide complete plans and specifications for all construction within Public Rights-of-Way to the Town in accordance with generally applicable Town ordinances and permit application processes. Approval of plans and specifications, if required, shall not be unreasonably delayed or denied. In the event of rejection, Grantee shall submit revised plans and specifications for approval.

§7.08. Underground Installation. In those portions of the Town having telephone lines or electric utility lines underground, whether required by ordinance or not, any and all of Grantee's lines, cables, wires, and other like facilities constructed, placed or located after the effective date of this Franchise shall also be constructed, placed or located underground. Grantee's lines, cables, wires, and similar facilities located above ground and in place prior to the effective date of this Ordinance shall be relocated underground by Grantee at Grantee's sole cost at the same time that any above-ground utility lines (e.g., electric or telecommunications lines) located within the immediate vicinity of Grantee's facilities are placed underground. It shall be the policy of the Town that existing poles for electric and communications purposes be utilized by Grantee whenever possible and that underground installation, even when not required, is preferable to the placing of additional or use of existing poles.

§7.09 Facilities Location. From time to time, the Town or its representatives, may request identification of the specific location of certain Grantee Cable System facilities. The Grantee agrees to respond to such request within forty-eight (48) hours of the receipt of the request. In the event that Grantee fails to provide the necessary information, and damage is caused to Grantee facilities as a direct result of withholding said information, the Grantee shall hold the Town harmless from all liability, damage, cost or expense resulting from any Town action in this regard, except in instances where damages is caused by negligence or willful misconduct.

The Town shall have the right to be informed as to matters in connection with or affecting the construction, reconstruction, maintenance, operations, and repair of the Cable System facilities of the Grantee within the Public Rights-of-Way including, but not necessarily limited to, the identification and location of the Grantee's Cable System facilities within the Rights-of-Way and to updates of such information as changes regarding same occur. At a minimum, this requires Grantee to maintain on file with the Town a current set of strand and trench drawings of the Cable System. Grantee shall provide additional current strand and trench maps at any time upon request of the Town.

In addition to providing the location of Grantee's facilities, Grantee agrees to obtain facilities location information from other users of the Public Rights-of-Way prior to Grantee's construction, reconstruction, maintenance, operations and repair of the Cable System facilities.

Upon written request by the Town, the Grantee shall furnish the Town information relevant to such matters which is prepared, maintained, and available in the ordinary course of business.

ARTICLE VIII

INDEMNIFICATION AND LIABILITY

§8.01 Grantee's Obligation. Grantee shall pay, and by the acceptance of this Franchise specifically agrees that it will pay, the following:

A. Damages and Penalties. All damages or penalties which the Town, its officers, agents, employees, or contractors may legally be required to pay as a result of damages arising out of copyright infringements and all other damages arising out of the installation, maintenance, or operation of Grantee's Cable System, whether or not any act or omission complained of is authorized, allowed, or prohibited by this Franchise.

B. Expenses. If any action or proceeding is brought against the Town or any of its officers, agents, employees, or contractors with respect to which payment may be sought for claims for damages or penalties described in this Article, the Grantee, upon prompt written notice from the Town, shall assume the investigation of defense and fully control any resolution or compromise thereof, including the employment of counsel and the payment of all expenses including the reasonable value of any services rendered by any officers, agents, employees or contractors of the Town. The Town shall fully cooperate with the Grantee.

C. Separate Counsel. The Town shall have the right to employ separate counsel in any action or proceeding and to participate in the investigation and defense thereof, and the Grantee shall pay the reasonable fees and expenses of such separate counsel if employed with the approval and consent of the Grantee or if representation of both the Grantee and the Town by the same attorney would be inconsistent with accepted canons of professional ethics.

D. Indemnification. It is the intent of this section and by its acceptance of this Franchise, Grantee specifically agrees, that Grantee, for itself and its agents, employees, subcontractors, and the agents and employees of said subcontractors, shall defend, indemnify and hold the Town, its officers, agents, employees, contractors, elected officials, successors and assigns harmless from and against any and all liability, actions, causes or action, lawsuits, judgments, claims, damages, penalties, costs or fees, including attorney's fees and costs of defense, for any injury to or the death of any person or damage to or destruction of any property arising out of, resulting from or based upon, in whole or in part, any act or omission of Grantee, its officers, employees, contractors, subcontractors, and agents under this Franchise, including without limitation the construction, operation, or maintenance of its Cable System, . In the event that any action, suit or proceeding is brought or claim is made against the Town based upon or arising out of any such act or omission of the Grantee under this Franchise, the Town shall give notice in writing of such action, suit, proceeding or claim to the Grantee within ten (10) business days of receipt of such action, suit, proceeding, or claim provided, however, that failure of the town to provide such notice to Grantee shall not relieve Grantee of its duties and obligations under this Section. Town shall not and does not by reason of this granting of this Franchise assume any liability of Grantee whatsoever for injury to persons, damage to property, or penalties of any kind whatsoever. The provisions of this subsection shall survive the expiration or earlier termination of this Franchise.

ARTICLE IX

INSURANCE REQUIREMENTS

§9.01. Minimum Coverage. Within thirty (30) days after the effective date of this Franchise , Grantee shall file with the Town Secretary and shall maintain on file throughout the term of this Franchise a certificate of insurance evidencing the following:

(1) a commercial general liability insurance policy issued by a company duly authorized to do business in the State of Texas (and acceptable to the Town) insuring Town and Grantee with respect to the installation, maintenance, and operation of Grantee's Cable System in the following minimum amounts:

- A. One Person: One Million Dollars (\$1,000,000) for bodily injury or death to any one Person.
- B. One Accident: One Million Dollars (\$1,000,000) for bodily injury or death resulting from any one accident.
- C. Property Damage: One Million Dollars (\$1,000,000) for property damage or destruction resulting from any one occurrence.
- D. All Other Types of Liability: One Million Dollars (\$1,000,000) for all other types of liability per occurrence.

If such commercial general liability insurance contains a general aggregate limit, it shall apply separately to the Franchise Area.

(2) an automobile liability insurance policy and, if necessary, a commercial umbrella liability insurance policy with a limit of not less than \$1,000,000 each accident. Such insurance shall cover liability arising out of any motor vehicle (including owned, hired, and non-owned vehicles).

§9.02. Increased Coverage. The Town Council reserves the right to require Grantee to reasonably increase the minimum amount of liability insurance up to three million dollars (\$3,000,000) per accident or occurrence if such increased coverage is deemed by the Town Council to be reasonable based upon changes in statutory law, court decisions, or the claims history of the industry or the Grantee. Such requirement shall be expressed by resolution or ordinance, and communicated to Grantee in writing.

§9.03. Notice of Cancellation or Reduction. Written notice of expiration, cancellation, material modification or reduction in coverage of any insurance policy shall be delivered to the Town Secretary at least thirty (30) days in advance of the effective date thereof.

§9.04. Term. Such liability insurance shall be kept in full force and effect by Grantee during the existence of this Franchise and thereafter until after the removal of all poles, wires, cables, underground conduits, manholes, and other conductors and fixtures incident to the maintenance and operation of Grantee's Cable System, should such removal be required by the Town or undertaken by Grantee.

§9.05. Workers' Compensation and Employers Liability. The Grantee shall maintain throughout the term of this Franchise, workers' compensation and employers liability insurance in the amount required by all applicable federal and state laws.

§9.06. Insurance Requirements. Grantee agrees that with respect to the insurance requirements contained in this Article, all insurance shall:

- A. Name of the Town of Addison and its officers, employees, and elected representatives as additional insured as to all applicable coverage (except worker's compensation).

- B. Provide for thirty (30) days notice to the Town for cancellation, non-renewal or material change.
- C. Shall be on an occurrence basis and shall be primary coverage of all losses covered by the policies.

Upon the Town's request, a true and correct copy of any of such insurance policies shall be made available for the Town's review. Grantee shall have the option to made such policies available for the Town's review either at an office of Grantee in the Dallas, Texas metropolitan area or at Grantee's home office in Denver, Colorado (or at such other place as Grantee's home office may be located). If Grantee elects to make such policies available for review at Grantee's home office, Grantee shall pay the travel costs for a Town representative to review such policies at Grantee's home office.

§9.07. Issuing Companies. Companies issuing the insurance policies shall have no recourse against the Town for payment of any premiums or assessments which all are set at the sole risk of the Grantee. Insurance policies obtained by Grantee shall provide that the issuing company waives all right of recovery by way of subrogation against the Town in connection with any damage covered by these policies.

§9.08. Effective Date of Insurance. All insurance required by this Franchise shall be in full force and effect from and after the effective date of this Franchise and shall be maintained throughout the term of this Franchise, and any certificate of insurance provided by Grantee hereunder shall reflect that such insurance was in effect on the effective date hereof.

ARTICLE X

ADDITIONAL VIDEO PROGRAMMING SERVICES / EMERGENCY SYSTEMS / RETURN LINES / INSTITUTIONAL NETWORK

§10.01. Additional Video Programming Services. Grantee shall increase the number of full-time video programming services programmed and offered to all Subscribers in the Franchise Area to a minimum of eighty (80) video programming services as soon as possible, but in no event later than one year from the effective date of this Franchise. The technical manner in which additional video programming services are made available is within the sole discretion of the Grantee, as long as the video programming services adhere to the technical standards set forth in Article XII.

§10.02. Emergency Systems. The Cable System will have the following attributes no later than one year from the effective date of the Franchise:

- A. Emergency standby power located at the headend with battery operated standby power throughout the Cable System; and
- B. Emergency alert system capable of reaching all Subscribers simultaneously.

§10.03. Return Lines. Upon one hundred and twenty (120) days written advance notice of the chosen site, Grantee shall construct and activate a return line capable of originating programming on a live basis for return to the Grantee's headend and subsequent distribution to Subscribers over the Channel(s) designated for PEG Programming, at no cost to the Town. Upon written request from the Town, Grantee shall provide written estimates of the actual cost for constructing and activating up to two (2) additional return lines from other sites within the Town. Should the Town wish to construct either or both of the additional return lines, Grantee shall complete construction and activation within one hundred and twenty (120) days of receiving a written notice from the Town. The Town shall be responsible for reimbursing Grantee for the actual cost of constructing the additional return lines.

§10.04. Institutional Network. Upon request by the Town, Grantee shall construct and make available an Institutional Network among schools and governmental facilities located within the Franchise Area as designated by the Town. Such network shall have the capability of interconnection with the residential network. Upon receipt of a request for an Institutional Network, Grantee shall provide a proposal to the Town within one hundred and twenty (120) days that includes a proposed network design, identification of potential locations, and potential construction schedule. At that time, the Town and the Grantee agree to negotiate in good faith to determine the terms and conditions for providing an Institutional Network with functions comparable to other Institutional Networks providing similar services. Nothing contained herein should be construed as a requirement for the Grantee to construct an Institutional Network without fair reimbursement of the incremental capital costs to provide such facilities, nor receive fair compensation for the maintenance and use of such network.

ARTICLE XI

SECURITY FOR PERFORMANCE

§11.01. Amount. Within thirty (30) days following the effective date of this Franchise, the Grantee shall furnish and file with the Town a Corporate Guarantee in Lieu of a Bond executed by TCI TKR of the Metroplex, Inc. in the amount of Fifty Thousand Dollars (\$50,000) to secure the faithful performance of the Grantee of all terms and conditions of the Franchise. This Guarantee in Lieu of a Bond, however, shall not limit the liability of the Grantee for any failure to perform its obligations under this Franchise.

ARTICLE XII

OPERATIONAL STANDARDS

§12.01. Compliance with FCC Rules. At a minimum, Grantee shall comply with present and future rules and regulations of the FCC applicable to Grantee's Cable System, including but not limited to, technical standards, testing requirements, consumer protection standards and consumer electronics compatibility regulations and all other present and future rules and regulations of the FCC in connection with and relating to the operation of Grantee's Cable System. Such compliance will not negate or replace any additional requirements identified in this Franchise, unless state or federal laws exist which specifically supersede local jurisdiction or do not allow for additional or more stringent standards to be adopted and/or enforced by local jurisdictions.

§12.02. Technical Performance.

A. Grantee's Cable System within the Town shall meet or exceed all FCC and other applicable federal or state technical and signal quality standards for cable systems, including any such standards or regulations as hereinafter may be amended or adopted to the extent that compliance with such amended standards is mandated by federal and state law or regulation.

B. Antennas, supporting structures, headend and associated equipment, and outside plant used in the Cable System shall comply with any generally applicable federal, state, county, or Town laws.

C. Grantee shall not design, install, or operate its facilities in a manner that will interfere with the signals of any broadcast station, the electrical or other telephone system located in any building, the cable system of another franchisee, or individual or master antennas used for receiving television or other broadcast signals.

D. Upon request, Grantee shall provide the Town with at least ten (10) days advance written notice before each of the FCC-required performance tests so that a Town representative may be present.

E. Grantee shall maintain all of its real property, headend facilities and outside plant in a safe condition. Grantee shall make detailed maintenance procedure manuals available to the Town within thirty (30) days of receiving a written request.

F. Upon request, Grantee shall provide copies of all correspondence with the FCC related to technical performance of the Cable System. In the event that any complaints are filed with the FCC related to the Cable System operations, Grantee shall, upon request, provide copies of such complaints as well as the resolution thereof.

§12.03. Parental Guidance Control. Upon request of a Subscriber, Grantee shall provide by sale and/or lease, a device by which the Subscriber can prohibit viewing or use of a particular Cable Service(s) during periods selected by that Subscriber.

§12.04. Customer Service. The Grantee shall provide good customer service in accordance with the Town's customer service standards set forth in Exhibit B to this Franchise.

§12.05. In the event that the Town elects to do so, the Town may monitor the Grantee's quality of service by means of surveying selected test sites on a regular basis. Such test site, as well as the intervals in which the surveys may be conducted will be at the sole discretion of the Town. The Town shall give the Grantee thirty (30) days written notice of the selection of test site(s) prior to beginning the surveys. In addition, the Town may delete and/or add any test site provided that the Grantee is given the thirty (30) day written notice prior to such action.

Should the Town find that the Grantee has failed to maintain such quality of service or operational standards, the Town may notify the Grantee in writing and require Grantee to rectify such deficiencies. Grantee will make such improvements, dispute the charges, or provide a reasonable plan by which such problems shall be corrected, within thirty (30) days of the receipt of such notification by Grantee.

§12.06. Y2K Compliance. By July 1, 1999, Grantee shall provide a certificate of compliance (generally in the form attached hereto as Exhibit C) as to the Cable System and Cable Service's 2000 Compliance. For purposes hereof, "2000 Compliance" means the ability of a product or system to accurately and without interruption process date/time data (including, but not limited to calculating, comparing and sequencing) from, into and between the twentieth and twenty-first centuries, and the years 1999 and 2000 and leap year calculations.

ARTICLE XIII

SIGNALS TO BE CARRIED

§13.01 Minimum Basic Cable Service. Grantee shall include in Basic Cable Service the signals of all broadcast stations viewed in the Dallas/Fort Worth Metropolitan Area required by federal law, and all Public, Educational and Governmental Access Channels required by this Franchise.

§13.02. Required Programming Categories. Grantee shall carry at a minimum programming classified under each of the following categories:

- A. News
- B. Movies
- C. Sports
- D. Religion
- E. Educational
- F. Governmental
- G. Cultural/Ethnic
- H. Weather
- I. Music

§13.03 Service for the Hearing Impaired. Grantee shall take any and all reasonable steps necessary to comply with any FCC or other federal, state or local requirements regarding altering or adapting programming for the hearing impaired. Grantee shall not take any action to remove or alter closed captioning provided for the hearing impaired as a part of any programming. Grantee shall deliver intact such closed captioning in the manner in which it arrives at the headend or from another origination source to the Cable System.

§13.04. Interconnection. Grantee's Cable System shall have the ability to interconnect with other contiguous Cable Systems operating in the areas. Actual interconnections shall only be implemented upon agreement between Grantee and the contiguous cable operator. Failure to reach such an agreement with a contiguous cable operator will be promptly reported to the Town.

ARTICLE XIV

PUBLIC, EDUCATIONAL AND GOVERNMENT ACCESS

§14.01. Initial Channel. Upon receiving one hundred and twenty (120) days written notice from the Town, Grantee shall dedicate a Channel for the carriage of Public, Educational and/or Government Access Programming.

§14.02. Additional Channels. Within one hundred and twenty (120) days of receiving written notice from the Town, Grantee shall make available up to three (3) additional Channels for Public, Educational and/or Government Access Programming, provided: (a) the existing PEG Programming Channels are being utilized with local, non-character generated programming for a minimum of six hours per day of non-repetitive programming, and (b) sufficient additional PEG Programming to provide the same level of utilization on such additional Channel(s) is available.

§14.03. Allocation of Access Channel(s). The Town shall have the right to allocate and reallocate the Channel(s) designated for PEG Programming and time on the Channel(s) amongst Public, Educational and Government Programming at its discretion.

§14.04. Access Channel Quality. Grantee shall ensure that the Channel(s) dedicated to PEG Programming is(are) of comparable quality to any other Channel offered over the Cable System.

§14.05. Rules. The Town or its designee shall establish rules for the use and administration of the Channels required under this Section.

§14.06. Assistance. The Grantee shall, upon the request of the Town, assist with the development of the specifications of required equipment and equipment operation for use in live cablecasting or development of the appropriate playback function related to the Channels noted in §14.01 and §14.02.

During the first five (5) years of the Franchise term, the Town may request capital support not to exceed fifty thousand dollars (\$50,000) cumulative for the purchase of equipment in support of PEG Programming. Within thirty (30) days of receiving such written request, Grantee shall inform Town of the impact of the requested contribution on future Subscriber rates. If the total requested amount to date impacts Subscriber rates less than \$.50 per month, Grantee shall make such payment within forty-five (45) days of the original request. If the total requested amount to date impacts Subscriber rates greater than \$.50 per month, the Town shall reconsider and resubmit its request. In no case shall Grantee be required to provide capital support that will increase Subscriber rates greater than \$.50 per month over the remaining term of the Franchise.

In the event the Grantee makes a change to the Cable System or its transmission technology which affects the transmission of the Channel(s) designated for PEG Programming, the Grantee shall make the necessary technical adjustments or provide the necessary technical assistance, including the acquisition of

all necessary equipment, to ensure that the capabilities of the Channel(s) designated for PEG Programming are not diminished or adversely affected by such change.

ARTICLE XV

EMERGENCY USE OF THE CABLE SYSTEM

§15.01. Emergency or Disaster. In accordance with and at the time required by the provisions of FCC Regulations Part 11, Subpart D, Section 11, and as such provisions may from time to time be amended, Grantee shall install and maintain an Emergency Alert System (EAS) for use in transmitting pursuant to such regulations in the event of an emergency.

The Town shall only permit appropriately trained and authorized Persons to operate the EAS equipment and shall take reasonable precautions to prevent any use of the Grantee's Cable System in any manner that results in the inappropriate use thereof, or any loss or damage to the Cable System. Except to the extent expressly prohibited by law, the Town shall hold the Grantee, its employees, officers and assigns harmless from any claims arising out of the use of the EAS, including, but not limited to, reasonable attorneys' fees and costs.

ARTICLE XVI

EMPLOYMENT REQUIREMENTS

§16.01. Equal Opportunity in Employment. Grantee shall afford equal opportunity in employment to all qualified persons. No person shall be discriminated against in employment because of race, color, religion, national origin, or sex.

ARTICLE XVII

OTHER BUSINESS ACTIVITY

§17.01. Limitations and Restrictions. Subject to applicable state and federal law, the Grantee shall not engage in any non-cable service or business without obtaining any authorization from the Town as may be required under state or federal law.

ARTICLE XVIII

PAYMENT TO TOWN

§18.01. Amount and Time. As compensation for the right, privilege, and Franchise herein conferred, Grantee shall pay to Town each year during the term of this Franchise a sum equal to five percent (5%) of the Grantee's Gross Revenue . Such payments shall be made quarterly within forty-five (45) days after the expiration of each calendar quarter. Grantee shall file with the Town within forty-five (45) days after the expiration of each quarter of each calendar year, or portion thereof, during which this Franchise is in effect (plus the calendar quarter immediately following the expiration or termination of this Franchise) a certified statement of Gross Revenue prepared according to accepted accounting practice and this Franchise showing in detail the Gross Revenues of Grantee during the preceding quarter of the calendar year. Such statement shall be signed by an officer or CPA of the Grantee and shall accompany Grantee's payment to the Town hereunder .

§18.02. Right of Inspection of Records. The Town shall have the right to inspect Grantee's records showing the Gross Revenues from which payments to the Town are computed and to audit and re-

compute any and all amounts paid under this Franchise. The period of limitation for recovery of any franchise fee payable hereunder shall be three years from the date on which payment by the Grantee is due. Unless the Town initiates action to recover such alleged deficiencies within three years from and after such payment due date, such recovery shall be barred and the Town shall be estopped from asserting any claims whatsoever against the Grantee relating to such alleged deficiencies.

§18.03. Other Payments to Town. The franchise fee payable hereunder shall be exclusive of and in addition to all generally applicable ad valorem taxes, special assessments, fees for municipal improvements, and other lawful obligations of Grantee to Town.

§18.04. Late Payment Interest. Grantee shall pay interest at the rate of 2% above the prime interest rate per annum, on franchise fee payments, or portions thereof, that are paid subsequent to the payment dates specified in §18.01. The Town shall provide written notice to the Grantee within five (5) business days of the due date that such payments have not been received in accordance with the dates specified in §18.01, but such notice does not negate any interest owed to the Town beginning on the day following the required date of receipt under §18.01. In the event the Town identifies, as a result of an audit, amounts owed by the Grantee from prior periods, the Grantee shall pay interest at the rate of 2% above the prime interest rate per annum on the amounts identified. However, in no event shall the rate of interest on any such payments exceed the maximum rate of interest authorized by law.

§18.05. Acceptance. Payments received from the Grantee under this Article shall not in any way limit or impair any of the privileges or rights of the Town, whether under this Franchise or otherwise. No acceptance of any payment shall be construed as an accord that the amount paid is the correct amount, nor shall acceptance be construed as a release of any claim which the Town may have for additional amounts payable under the provisions of this Article.

§18.06. Acts of Non-Collection. Any transaction or arrangement which has the effect of circumventing payment of required franchise fees and/or evasion of payment of franchise fee by non-collection, non-reporting of Gross Revenue, collection of revenues by Affiliates, bartering, or any other means which evade the actual collection of revenues by Grantee for services delivered over the Cable System or businesses Grantee pursues derived from the operation of the Cable System is prohibited.

ARTICLE XIX

RECORDS AND REPORTS

§19.01. Notice. Unless expressly otherwise agreed between the parties, every notice or response required by the Franchise to be served upon the Town or the Grantee shall be in writing, and shall be deemed to have been duly given to the required party five business days after having been posted in a properly sealed and correctly addressed envelope when hand delivered or sent by certified or registered mail, postage prepaid.

The notices or responses to the Town shall be addressed as follows:

Town of Addison
Attention: Town Manager
P.O. Box 9010
Addison, Texas 75001-9010

The notices or responses to the Grantee shall be addressed as follows:

TCI TKR of the Metroplex, Inc.
Attention: General Manager
934 East Centerville Road
Garland, Texas 75041

with a copy to:

TCI TKR of the Metroplex, Inc.
Attention: Legal Department
4700 South Syracuse Street, Suite 1100
Denver, Colorado 80237-2722

The Town and the Grantee may designate such other address or addresses from time to time by giving notice to the other.

§19.02. Books of Account. Grantee shall keep complete and accurate books of accounts and records of its business and operations under and in connection with this Franchise. All such books of accounts and records shall be maintained at Grantee's principal office. Grantee shall not be required to maintain any books and records for Franchise compliance purposes longer than three (3) years.

The Town, through its duly designated officers, agents, or representatives, shall have reasonable access to those books of accounts and records of Grantee necessary for ascertaining the correctness of any and all reports and may examine its officers and employees under oath with respect thereto. Where necessary to the administration or enforcement of the Franchise, access shall be given by Grantee to such officers, agents, or representatives of Town at all reasonable times not only to Grantee's records of Gross Revenues, but also to those Grantee's plans, contracts, engineering, planning, financial, statistical, customer, and Subscriber service records necessary to the administration or enforcement of this Franchise. The Town agrees to treat any information disclosed by the Grantee as confidential and only to disclose it, unless otherwise required by law, to employees, representatives, and agents thereof that have a need to know to enforce the provisions hereof. The Grantee shall not be required to provide Subscriber information in violation of Section 631 of the Cable Act.

§19.03. General Reports. The Grantee shall prepare and furnish to the Town upon written request such reports with respect to its operations, affairs, transactions or property as is reasonably necessary or appropriate to the performance of the Town's rights, functions or duties under this Franchise. The Town shall consult with the Grantee as to the form, detail, and due dates of the reports requested, and accept copies of reports generated by the Grantee in the normal course of business whenever possible.

§19.04. Quarterly Reports. Notwithstanding the requirements of §19.03, a report shall be filed by Grantee with the Town within forty-five (45) days following the end of each calendar quarter, or portion thereof during which the Franchise is in effect. Such report shall be in the format established by the Town's Finance Director or his designee and may be amended by the Finance Director or his designee during the term of this Franchise with sixty (60) days written notice of such format change. The information requested for inclusion in the quarterly report shall be reasonably related to the performance of the Grantee under this Franchise. Initially, the information contained within the quarterly report shall include:

- A. The number of Subscribers in the Franchise Area as of the end of the quarter.
- B. A count of service calls performed within the Franchise Area during the quarter by resolution type.
- C. A statement of Gross Revenues for the quarter (as required by §18.01), broken out by major categories of revenue.

ARTICLE XX

GRANTEE'S RULES

§20.01. Authority and Obligation. Grantee shall have the authority and obligation to promulgate such rules, regulations, terms, and conditions governing the conduct of its business as shall be reasonably necessary to enable Grantee to exercise its rights and to perform its obligations under this Franchise and to assure an uninterrupted service to all Subscribers; provided, however, such rules, regulations, terms, and conditions shall not be in conflict with any of the provisions of this Franchise or any generally applicable ordinance of Town, the laws of the State of Texas and the United States of America, and the rules and regulations of the FCC and any other agency having jurisdiction.

ARTICLE XXI

REGULATION OF RATES

§21.01. Town Regulation of Grantee's Rates. The Town shall be empowered to regulate, by ordinance, the rates for any and all of those services, installations, and equipment, of Grantee subject to regulation by the Town, consistent with FCC rules governing rate regulation. In such event the Town shall first prescribe by ordinance the procedure and standards to be followed and the extent and scope of such rate regulations, all of which matters shall be consistent with due process and shall conform to any and all of those federal and state laws, rules, and regulations then applicable.

§21.02. Notice of Rates. Grantee shall provide written notice of its then current rates and charges for any and all of its Cable Services in the Town in compliance with any timing requirements prescribed in FCC regulations.

ARTICLE XXII

DISCONTINUANCE OF SERVICE

§22.01. Failure to Pay Bill. Grantee may disconnect service to a Subscriber upon the Subscriber's failure to pay his bill within thirty (30) days of its rendition; provided, however, Grantee shall give the Subscriber at least fifteen (15) days written notice, delivered either by mail or served in person, that his service will be discontinued unless all arrearages are paid to Grantee before the expiration of such fifteen (15) day period.

ARTICLE XXIII

FREE DROPS AND SERVICE

§23.01. Drops. Upon written request from the Town, Grantee shall provide one (1) free drop to any and all current or future buildings or facilities owned and operated by the Town for non-commercial municipal purposes and K-12 public and private non-profit (State accredited) schools and which are located within the Franchise Area and designated by such written request or requests. Grantee shall bear any and all costs pertaining to installation of such drop when the facility is within 125 feet for underground or aerial installation of Grantee's existing system. Any costs associated with providing the free drop in excess of the aforesaid distances shall not be the responsibility of Grantee.

§23.02. Internal Wiring. Grantee shall provide, without charge, one outlet to buildings or facilities specified in the foregoing Section. If additional outlets are provided to such buildings, the building owner shall pay the usual installation fees associated therewith, including, but not limited to, labor and materials.

§23.03. Basic Cable Service. Grantee shall provide free Basic Cable Service (and the next tier of Cable Service if Basic Cable Service does not contain programming directed toward learning, national news, history and governmental activities) to the principal facility of any and all present or future public

and private non-profit schools and to any and all present or future governmental buildings or facilities which are connected to Grantee's Cable System, pursuant to Section 23.01.

ARTICLE XXIV

PROHIBITION OF DISCRIMINATORY OR PREFERENTIAL PRACTICES

§24.01. Rates, Charges, and Services. In its rates or charges, or in making available the services or facilities of the Cable System or in its rules or regulations, or in any other respect, Grantee shall not make or grant preference or advantage to any Subscriber or potential Subscriber or to the user of the Cable System or potential user of the Cable System and shall not subject any such person to any prejudice or disadvantage. This provision shall not be deemed to prohibit promotional campaigns to stimulate subscriptions to the Cable System or other legitimate uses thereof.

ARTICLE XXV

NON-EXCLUSIVE FRANCHISE

§25.01. Franchise Non-Exclusive. The rights, privileges, and Franchise granted hereby are not exclusive and nothing herein contained shall be construed to prevent Town from granting any like or similar rights, privileges, and franchise to any other person within all or any portion of Town.

ARTICLE XXVI

BREACH OF FRANCHISE, NOTICE AND OPPORTUNITY TO CURE; LIQUIDATED DAMAGES; FORCE MAJEURE

§26.01. Notice of Default; Opportunity to Cure; Public Hearing.

A. Notice of Default. Except for the Grantee's failure to make any Franchise payment to the Town in accordance with Article XVIII or its failure to maintain insurance in accordance with Article IX, the Town shall notify the Grantee, in writing, of an alleged failure to comply with a provision of this Franchise, which notice shall specify the alleged failure with reasonable particularity. The Grantee shall have thirty (30) days subsequent to receipt of the notice in which to (i) correct the violation before the Town may take further action (or with respect to any such violation, if by reason of the nature thereof such violation cannot with due diligence be wholly cured within such period of thirty (30) days, then the thirty (30) day period shall be extended for such period of time as may be necessary to complete the correction of the same with all due diligence, but in no event longer than ninety (90) days) or (ii) provide a written response to the Town, presenting facts and arguments in refutation or excuse of such alleged failure.

B. If the Town is unsatisfied with the Grantee's response under §26.01 (A), the Town shall hold a public hearing on the matter. Grantee must be given at least ten (10) days notice of the hearing. At the hearing, the Grantee shall be entitled to all the rights of due process consistent with the Town procedures, including but not limited to, the right to present evidence and the right to be represented by counsel. The Grantee shall make available to the Town, if requested, any records, documents or other information reasonably necessary to its consideration of the matter. Following the public hearing, the Town may determine (i) whether a failure to comply with a Franchise provision has occurred; (ii) whether such failure is excusable; and (iii) whether such failure has been cured or will be cured by the Grantee. After the hearing, Grantee will be provided with a written copy of any action taken by the Town Council, along with supporting documents.

C. If the Town determines that a failure to comply with a provision of the Franchise has occurred and that such failure is not excusable and has not been or will not be cured by the Grantee in a

manner and in accordance with a schedule reasonably satisfactory to the Town, then the Town may take any actions provided in §26.02.

§26.02. Town Action in Event of Breach. In the event that grounds exist which give the Town reason to believe that the Grantee failed to comply with a material provision of this Franchise, then the Town may, at any time during the term of this Franchise, to the extent lawful: (i) Seek specific performance of any provision, which reasonably lends itself to such remedy, as an alternative to damages; (ii) Commence an action at law for monetary damages from the Grantee as compensation for such material breach; (iii) Seek liquidated damages pursuant to §26.03; and/or (iv) revoke the Franchise granted pursuant to this Franchise pursuant to Article XXVII.

§26.03. Liquidated Damages. In the event the Town's selected course of action following the process set forth in §26.01 and §26.02 is to impose liquidated damages, the Town shall give Grantee written notice of its intent, and a reasonable period of time following receipt of the notice, not less than thirty (30) days and not more than ninety (90) days, to cure the alleged violation. If Grantee remains in violation of the Franchise following this cure period, the Town may charge to and collect from the Grantee the liquidated damages set forth below. The parties agree that actual damages that might be sustained by the Town by reason of the breach by Grantee of the provisions of this Franchise set forth below, are uncertain and difficult of ascertainment, and that the sums set forth below would be reasonable compensation for such breach, and Grantee promises to pay, and the Town agrees to accept, such sums as liquidated damages, and not as a penalty, in the event of such breach. Additionally such sums of money shall be considered liquidated damages due the Town by Grantee by reason of inconvenience to the public and because of public works supervision and maintenance and other Town administrative time and involvement which resulted in the expenditure of public funds due to Grantee's failure to comply with certain provisions in this Franchise. Grantee covenants that any such sums paid to the Town under this provision of the Franchise shall not be included in the development of any rate, change, or price for services charged to Subscribers.

A. For failure of the Grantee to provide the additional video programming services required by §10.01 of this Franchise, \$100.00 per day.

B. For failure of the Grantee to provide emergency standby power and an emergency alert system as required by §10.02 and §15.01, \$100.00 per day.

C. For failure to construct and activate return lines for live programming as required by §10.03, \$100.00 per day.

D. For failure to provide Channels for PEG Programming as required by §14.01 and §14.02, \$100.00 per day.

E. For failure to provide the PEG Programming capital support required by §14.06, \$100.00 per day.

F. For failure to provide assistance in the event of a change in transmission technology as required by §14.06, \$100.00 per day.

§26.04. Force Majeure. Other than its failure, refusal, or inability to pay its debts and obligations, including, specifically, the payments to Town required by this Franchise, Grantee shall not be declared in default or be subject to any sanction under any provision of this Franchise in those cases in which performance of such provision is prevented by reasons beyond its control.

§26.05. Reservation of Rights. The rights reserved to the Town under this section are in addition to all other rights of the Town whether reserved by this Franchise or authorized by law, and no action, proceeding or exercise of a right shall affect any other right the Town may have.

ARTICLE XXVII

REVOCACTION OF FRANCHISE

§27.01. General. In addition to all rights and powers of the Town by virtue of this Franchise or otherwise, the Town reserves, as an additional and as a separate and distinct power, the right to revoke the Franchise in accordance with the procedures specified herein if any of the following events occur or for any of the following reasons:

A. Grantee by act or omission violates any material term, condition, or provision of this Franchise and shall fail or refuse to effect compliance following the notice and opportunity to cure specified under § 26.01.

B. Grantee knowingly or willingly attempts to evade any material provision of this Franchise;

C. The occurrence of any event which may reasonably lead to the foreclosure or other similar judicial or non-judicial sale of all or any material part of the Cable System;

D. Grantee becomes insolvent or is adjudged bankrupt or all or any part of Grantee's facilities are sold under an instrument to secure a debt and are not redeemed by Grantee within thirty (30) days from the date of such sale; provided, however, this shall not be an event of termination or cancellation in the event of bankruptcy proceeding and the trustee, receiver, or debtor in possession agrees in writing to be bound by the terms of this Franchise;

E. Grantee attempts to or does practice any fraud or deceit in its conduct or relations under this Franchise with the Town, Subscribers or potential Subscribers.

§27.02. Material Provisions. Material terms of this Franchise include, but are not limited to:

A. The provision of additional video programming services as required by §10.01.

B. The provision of an emergency standby power and an emergency alert system as required by §10.02 and §15.01.

C. The construction and activation of return lines for live programming as required by §10.03.

D. The provision of Channels for PEG Programming as required by §14.01 and §14.02.

E. The provision of PEG Programming capital support or change in transmission technology assistance required by §14.06.

F. Payment of franchise fees as required by §18.01.

G. Failure to maintain insurance as required by Article IX.

§27.03. Method of Revocation. Should the Town Council determine, following the process set forth in §26.01 and §26.02(to the extent applicable) that its selected course of action shall be to seek revocation of the Franchise, the Town shall give Grantee written notice of such intent. The notice shall set forth the causes and reasons for the proposed revocation, shall advise Grantee that it will be provided an opportunity to be heard by Town regarding such proposed action before any such action is taken, and shall set forth the time, date, and place of the hearing. In no event shall such hearing be held less than thirty (30)

days following delivery of such notice to Grantee. At the hearing, the Grantee shall be entitled to all rights of due process consistent with the Town procedures, including but not limited to the right to present evidence and the right to be represented by counsel. Any such revocation of this Franchise shall be by ordinance.

§27.04. Grantee May Appeal Town's Decision. The Grantee may appeal the Town's decision to revoke the Franchise to an appropriate court, which shall have the power to review the Town's decision *de novo* and to modify or reverse such decision as justice may require. Such appeal to the appropriate court must be taken within sixty (60) days of the issuance of the determination of the Town.

ARTICLE XXVIII

ASSIGNMENT OF FRANCHISE

§28.01. Town Approval of Assignment Required. This Franchise shall be a privilege personal to the Grantee and shall not be assigned or transferred, or otherwise encumbered, other than to an entity Controlling, Controlled by, or under common Control with the Grantee, and of comparable or better technical and financial capabilities, in whole or in part, without the prior consent of the Town expressed by resolution or ordinance, and then only under such conditions as may be lawfully prescribed therein. Within thirty (30) days of receiving the request for transfer, the Town shall notify the Grantee in writing of the information it requires to determine the legal, financial, and technical qualifications of the transferee. If the Town has not taken action on the Grantee's request for transfer within 120 days after receiving such request and provided the Town has promptly received from Grantee the information it requested in connection with the request, consent by the Town shall be deemed given. No assignment to any person shall be effective until the assignee has filed with the Town an instrument in writing, duly executed, reciting the fact of such assignment, accepting the terms of this Franchise, and agreeing to comply with all of the provisions hereof, subject to applicable law.

§28.02. Town Approval of Transfer of Control Required. The Grantee shall promptly notify the Town of any actual or proposed change in, or transfer of, or disposition or acquisition by any other Person of Control in the Grantee, other than to an entity Controlling, Controlled by, or under common Control with the Grantee. Every change, transfer, or acquisition of Control of the Grantee shall make the Franchise subject to cancellation unless and until the Town shall have consented thereto by resolution or ordinance provided that the Town has acted within the time constraints required by law. For the purpose of determining whether it shall consent to such change, transfer, disposition, or acquisition of Control, the Town may inquire into the legal, financial, and technical qualifications of the prospective Controlling party, but shall do so within thirty (30) days of receipt of the requested transfer from the Grantee. Grantee shall assist the Town in such inquiry and will respond promptly.

Notwithstanding the foregoing, the announced merger of AT&T Corp. with Tele-Communications, Inc. is hereby approved by the Town.

ARTICLE XXIX

FAILURE OF TOWN TO ENFORCE FRANCHISE

§29.01. No Waiver of Terms. The Grantee shall not be excused from complying with each and all of the terms, conditions, and provisions of this Franchise even though the Town should upon one or more occasions fail to insist upon, to require, or to seek compliance with any such term, condition, or provision.

ARTICLE XXX

SERVICE AVAILABILITY

§30.01. Service Availability. The Grantee shall provide cable television service throughout the entire Franchise Area pursuant to the provisions of this Franchise.

§30.02. Annexations. In the event of future annexations by the Town, Grantee agrees that it will extend its Cable System into the newly annexed territory, so long as the annexed territory is not already serviced by another cable operator, and, within six (6) months from the date of final passage of any such annexation ordinance, have its Cable System available to all persons therein desiring to subscribe to such services. If the annexed territory is already served by another cable operator, it shall be up to the Grantee's sole discretion whether to extend its Cable System to the newly annexed territory.

§30.03. Extension Policy. Grantee must extend and make Cable Service available to every lot or tract of land for which the owner or occupant thereof has requested service in all unserved, areas having at least fifteen (15) potential Subscribers constructed or planned for construction per 1,320 cable bearing strand feet, as measured from the nearest trunk or distribution cable of the existing system which is technically feasible to extend. Such extensions shall be at Grantee's cost, except for the published standard/non-standards installation fees charged to all Subscribers. Extensions made to such unserved areas shall be complete to all requesting Cable service within twelve (12) months from the time construction begins within the area or, in the case of a residential subdivision, within or one hundred (100) days after the issuance by the Town of Addison of certificates of occupancy for fifty percent (50%) of the units which are to be constructed in the subdivision pursuant to the subdivision plan or plat, whichever period is shorter. In the event a subdivision plan or plat which has been approved by the Town of Addison designates phases of construction or development, Grantee shall comply with the terms of this provision for each designated phase. Notwithstanding the foregoing provisions within this Section, Grantee shall provide service upon request to potential Subscribers in such areas that do not meet the foregoing provisions where the Subscriber is willing to contribute to the cost of the system extension.

If more than one hundred twenty five feet (125') of distance lies between the nearest distribution cable and the point of connection of service to the property for which service is requested, or if there is a density of less than fifteen (15) potential Subscribers per 1,320 cable-bearing strand feet, service may be made available on the basis of a capital contribution in aid of construction, including cost of material, labor, and easements. For the purpose of determining the amount of capital contribution in aid of construction to be borne by the Grantee and the Subscribers in the area to which Cable Service may be expanded, the Grantee will contribute an amount equal to the construction of the other costs per mile, multiplied by a fraction whose numerator equals the actual number of residences per 1,320 cable-bearing strand feet of its trunks or distribution cable, and whose denominator equals 15 potential Subscribers. Subscribers who request Cable Service hereunder will bear the remainder of the construction and other costs on a *pro rata* basis. The Grantee may require that the payment of the capital contribution in aid of construction borne by such potential Subscribers be paid in advance. Said Subscribers shall also be responsible for any standard/non-standards installation charger to extend the Cable System from the tap to the potential Subscriber.

§30.04. Installation. Grantee shall attempt in good faith to install extensions to newly developed areas at the same time as other utilities are installing service to the area.

ARTICLE XXXI

VALUATION

§31.01. Town's Right to Purchase Cable System. In the event the Grantee forfeits or Town terminates this Franchise pursuant to the provision of this ordinance, or at the normal expiration of the Franchise term if the Franchise will not be renewed pursuant to applicable laws and regulations, the Town shall have the right to purchase the Cable System pursuant to Section 627 of the Cable Act. If Town should elect to exercise its right to purchase such Cable System, payment of a fair valuation, which shall then be the then current fair market value, shall be required. Should the parties fail to agree upon the then current fair market value, the same shall be determined in an appropriate proceeding filed in any court having jurisdiction.

ARTICLE XXXII

RECOURSE, UNDERSTANDING, AND CONSTRUCTION

§32.01. Requirements and Enforcement. Except as expressly provided herein, Grantee shall have no recourse whatsoever against Town of any loss, cost, expense, or damage arising out of the provisions or requirements of this Franchise or because of the enforcement thereof by Town or because of the lack of Town's authority to grant all or any part of this Franchise.

§32.02. Grantee's Understanding. Grantee expressly acknowledges that in accepting this Franchise, it relied solely upon its own investigation and understanding of the power and authority of Town to grant this Franchise and that Grantee was not induced to accept this Franchise by any understanding, promise, or other statement, verbal or written, by or on behalf of Town or by any third person concerning any term or condition not expressed herein.

§32.03. Construction of Franchise. By acceptance of this Franchise, Grantee acknowledges that it has carefully read the provisions hereof and is willing to and does accept all of the risks of the meanings of such provisions and agrees that in the event of any ambiguity herein or in the event of any other dispute over the meaning thereof, the same shall be construed strictly against Grantee and in favor of Town.

ARTICLE XXXIII

ACCEPTANCE OF FRANCHISE

§33.01. Method of Acceptance. Within thirty (30) days from the effective date of this Ordinance, Grantee shall file with the Town Secretary a written statement in the following form signed in its name and behalf:

"To the Honorable Mayor and Town Council of the Town of Addison, Texas: For itself, its successors, and assigns, TCI TKR of the Metroplex, Inc., a Texas corporation duly authorized to do business in the State of Texas, hereby accepts the attached ordinance and agrees to be bound by all of its terms, conditions, and provisions, subject to federal, state, and local law.

TCI TKR OF THE METROPLEX, INC.

By: _____


Scott Hiigel

Its: President

Handwritten scribble or signature.



Dated this the 28th day of May, 1999."

§33.02. Acceptance of Franchise Not a Waiver. Acceptance of this Franchise by Grantee shall not constitute a waiver by it of any of its constitutional or other rights.

ARTICLE XXXIV

SEVERABILITY

§34.01. Provisions Severable. If any provision, section, subsection, sentence, clause, or phrase of this Franchise ordinance is for any reason held to be invalid or unconstitutional, such invalidity or unconstitutionality shall not affect the validity of the remaining portions of this Franchise ordinance. It is the intent of Town in adopting this Franchise ordinance that no portion or provision thereof shall become inoperative or fail by reason of any invalidity or unconstitutionality of any other portion or provision, and to this end all provisions of this Franchise ordinance are declared to be severable.

PASSED AND APPROVED this 13th day of April, 1999.



Mayor

ATTEST:



Town Secretary

EXHIBIT A
OPERATIONAL MILESTONES

As provide for in Article IV, there are operational terms that must be met by the end of the tenth Anniversary Date of this Franchise. These operational milestones are as follows:

- A. §10.01 requirements have been met or exceeded.
- B. §10.02 requirements have been met or exceeded.
- C. Grantee has demonstrated that it has substantially complied with the Customer Service Standards identified in Exhibit B.
- D. Grantee has demonstrated that is has substantially complied with the technical and operational standards identified in Article XII.
- E. Grantee has complied with Article XIV.
- F. Grantee has complied with Article XVIII.
- G. Grantee has substantially complied with the requirements put forth in XIX and the information has been provided within reasonable time frames .
- H. Grantee has remitted to the Town all liquidated damages assessed for violations of franchise provided as provided in Article XXVI.
- I. Grantee has met or exceeded the requirements set forth in this Franchise related to Article XXX.
- J. Grantee has demonstrated no material breach with any of the provisions contained within this franchise.

(The body of the Ordinance does not refer to this Exhibit.)

EXHIBIT B

CUSTOMER SERVICE STANDARDS

SECTION 1: DEFINITIONS

- A. Normal Business Hours: The term “normal business hours” means those hours during which most similar businesses in the community are open to serve customers. In all cases, “normal business hours” must include some evening hours at least one night per week and/or some weekend hours.
- B. Normal Operating Conditions: The term “normal operating conditions” means those service conditions which are within the control of the Grantee. Those conditions which are not within the control of the Grantee include, but are not limited to, natural disasters, civil disturbances, power outages, telephone network outages, and severe or unusual weather conditions. Those conditions which ordinarily are within the control of the Grantee include, but are not limited to, special promotions, pay-per-view events rate increases, regular peak or seasonal demand periods, and maintenance or upgrade of the Cable System.
- C. Service Interruption: The term “service interruption” means the loss of picture or sound on one or more Channels.

SECTION 2: OFFICE HOURS AND TELEPHONE AVAILABILITY

- A. Grantee will maintain a local, toll free or collect call telephone access line which will be available to Subscribers twenty-four (24) hours a day, seven days a week.
- B. Trained Grantee representatives will be available during Normal Business Hours to respond to customer telephone inquiries.
- C. During all hours not considered Normal Business Hours, Grantee must have telephone lines adequately staffed with trained representatives or with answering capability, providing at least emergency referral information.
- D. Under Normal Operating Conditions, telephone answer time by a customer representative, including wait time, shall not exceed thirty (30) seconds when the connection is made. If the call needs to be transferred, transfer time shall not exceed thirty (30) seconds. These standards shall be met no less than ninety (90) percent of the time under normal operating conditions, measured on a quarterly basis. In addition, under normal operating conditions, the customer will receive a busy signal less than three (3) percent of the time, measured on a quarterly basis. Failure to cure any violation of these standards, within a reasonable time, shall subject Grantee to appropriate enforcement actions pursuant to Article XXVI of this Franchise
- E. Grantee shall maintain a Service Center within at least a ten (10) mile radius of the Town Hall or five (5) miles of the Town boundaries as long as it continues to operate its Cable System within the Town or any portion thereof.
- F. On weekdays, Grantee must have telephone lines and the Service Center open and adequately staffed to respond to Subscribers in at least four ways:
- ❖ To accept payment
 - ❖ To exchange or accept return of Grantee-provided equipment
 - ❖ To schedule and conduct technical calls
 - ❖ To answer Subscriber inquiries.

- G. On Saturdays, Grantee must have telephone lines and adequate staff available to conduct at least the following:
- ❖ To accept or exchange equipment either at its office or in the field
 - ❖ To schedule and perform emergency service or emergency technician calls
 - ❖ To accept payments
 - ❖ To answer Subscriber inquiries (which may be answered by advising the caller when and what number to call back during normal business hours).
- H. Grantee shall notify the Town's designee as promptly as possible, by any available means, whenever there is a total interruption of telephone service which affects the Grantee's Subscriber service phone lines.
- I. At a minimum, Grantee shall conduct Normal Business Hours a minimum of forty (40) hours per week at the Service Center.

SECTION 3: INSTALLATIONS AND SERVICE APPOINTMENTS

- A. Standard installation charges will apply to those installations which are within serviceable addresses and consists of an aerial or underground drop of no more than one hundred twenty-five (125) feet in length running from the tap to the terminal of the Subscriber.
- B. All installation will be in accordance with FCC rules, including but not limited to, appropriate grounding, adjustment of the television set in order to receive Cable Service, and the provision of required consumer information and literature to instruct the Subscriber in the utilization of the Grantee supplied equipment and Cable Services.
- C. If the Grantee cannot perform a standard installation as defined herein within seven (7) business days of request by a Subscriber, the Subscriber may request and is entitled to receive a free standard installation. If the Grantee fails to provide this free installation and the request was made by the Subscriber within sixty (60) days of the installation request, the Town may direct the Grantee to issue a credit for the installation. Failure to comply with the Town directive will subject Grantee to appropriate enforcement actions.
- D. The "appointment window" alternatives for installations, service calls, and other installation activities will be either a specific time or, at maximum, a four-hour scheduled time block during Normal Business Hours. (The Grantee may schedule service calls and other installation activities outside of Normal Business Hours or in longer time blocks for the express convenience of the customer.)
- E. Grantee shall continue to offer its current "On-Time Guarantee" policy with respect to scheduled appointments for installation until such time that the Company has demonstrated to the Town that an alternative policy provides equal or greater benefit to the subscribers. Under Normal Operating Conditions, the Grantee may not cancel an appointment with a Subscriber after the close of business on the business day prior to the scheduled appointment.
- F. If the Grantee's representative is running late for an appointment with a Subscriber and will not be able to keep the appointment as scheduled, the Grantee will document an effort to contact the Subscriber directly. If, however, the Subscriber is unavailable at the time the contact attempt is made, the Grantee will attempt at least a second documented contact during the previously agreed upon appointment window or before the specifically scheduled time. The appointment will be rescheduled, as necessary, at a time which is convenient to the Subscriber.

SECTION 4: SERVICE INTERRUPTIONS AND OTHER SERVICE MATTERS

- A. Grantee shall made repairs promptly, and interrupt Cable Service only if necessary and for the shortest period possible. Such interruptions, which are for any duration longer than one (1) hour and which occur between 8a.m. and 11p.m., insofar as possible, shall be preceded by reasonable notice to each affected person.
- B. Grantee shall use reasonable efforts to promptly notify the Town of any significant "Service Interruption" in the operation of the Cable System and, upon request from the Town, will provide information concerning such interruptions within two (2) hours. For the purposes of this section, a significant service interruption in the operation of the Cable System shall mean any interruption of a duration of at least four (4) continuous hours to at least ten percent (10%) of the Subscribers in the Franchise Area.
- C. Grantee shall exercise its best efforts to limit any service interruption for the purpose of maintaining, repairing, or construction of the Cable System. Except in an emergency or other situation necessitating a more expedited or alternative notification procedure, Grantee may schedule a service interruption for a period of more than four (4) hours during any twenty-four (24) hour period only after the Town and each affected Subscriber in the Town have been given five (5) business days prior notice of the proposed interruption.
- D. Technicians employed by the Grantee and capable of performing service-related emergency repairs and maintenance must be available twenty-four (24) hours a day, including weekends and holidays.
- E. Grantee shall provide a quarterly report listing service calls completed in the Franchise Area during the previous quarter by resolution code within forty-five (45) days after the end of each calendar quarter.
- F. Under Normal Operating Conditions, Grantee will begin repairing service interruptions promptly and in no event later than twenty-four (24) hours after the interruption becomes known (including weekends and holidays).
- G. Grantee must begin actions to correct all other Cable Service problems the next business day after notification by the Subscriber or the Town of a Cable Service problem.
- H. Cable Service-related Subscriber complaints, if possible, must be resolved within forty-eight (48) hours. Those matters requiring additional maintenance, repair, or technical adjustments that are documentable as necessitating an excess of forty-eight (48) hours must be finally resolved within thirty (30) days of the initial complaint if the complaint has been determined to be the fault of the Grantee. The Town may require reasonable documentation to be provided by the Grantee to substantiate the request for additional time to resolve a complaint.
- I. Under Normal Operation Conditions, and upon Subscriber request, Grantee shall provide a credit to affected Subscriber(s) when there is an outage for a period of twenty-four (24) consecutive hours or more for any service offered by the Cable System. The credit for such an outage shall equal, at a minimum, the value of one-thirtieth (1/30th) of the Subscriber's affected monthly Cable Services, for the first twenty-four (24) consecutive hour period and prorated for each additional four (4) hour period or portion thereof that the outage continues.

SECTION 5: BILLING

- A. Bills must be itemized, in accordance with Cable Services purchased by Subscribers and related equipment charges. If Grantee chooses to itemize franchise fees and/or other governmentally

imposed fees as a separate line item(s), such fees must be shown in accordance with applicable law giving rise to Grantee's ability to itemize such fees.

- B. Every Subscriber sending payment directly to Grantee shall have at least fifteen (15) days from the postmarked date on the bill to the pay the listed charges for Cable Services.
- C. A specific due date shall be listed on every Subscriber bill, unless the account is delinquent, in which case a due date of "on receipt" is acceptable.
- D. Any Subscriber who, in good faith, disputes all or part of any bill has the option of withholding the disputed amount without the threat of disconnection until the dispute is resolved in the Grantee's opinion provided that:
 - ❖ The Subscriber pays all undisputed charges;
 - ❖ The Subscriber provides written notification of the dispute to Grantee in a timely manner; and
 - ❖ The Subscriber cooperates in determining the appropriateness of the charges in dispute.
- E. Subscriber bills from Grantee shall include the name, address and telephone number of the appropriate regulatory agencies, including the Town. The Town shall have the opportunity to approve the wording that is included on the bills in reference to the Town.

SECTION 6: DEPOSITS, REFUNDS AND CREDITS

- A. Grantee may require refundable deposits for Cable Service or equipment.
- B. Upon termination of Cable Service, Subscribers will be entitled to receive a refund or credit against amounts owed Grantee equal to the deposit .
- C. Refund checks will be issued promptly following the resolution of the event giving rise to the refund, and by the earlier of either:
 - ❖ The Subscriber's next billing cycle; or
 - ❖ Thirty (30) days.
- D. Grantee may credit the value of unreturned Grantee equipment against any refunds owed to a Subscriber.
- E. If Grantee fails to mail a check for a refund within forty-five (45) days of the date Cable Service is ended to any Subscriber disconnecting Cable Service with an outstanding credit, and the Subscriber has returned all Grantee-owned equipment, upon request, the Subscriber is entitled to receive a \$10.00 penalty payment, in addition to the total refund due.
- F. Credits for Cable Service will be issued no later than the Subscriber's next billing cycle following the determination that a credit is warranted.

SECTION 7: RATES, FEES AND CHARGES

- A. Grantee shall not, except to the extent expressly permitted by law, impose any fee or charge on any Subscriber for service calls to said Subscriber's premises to perform any repair or maintenance work related to Grantee installed equipment necessary to receive Cable Service, except any such work which was necessitated by a negligent or wrongful act of said Subscriber.

- B. Grantee shall be entitled to recover a fee for all checks returned due to non-sufficient funds.

SECTION 8: DISCONNECTION /DENIAL OF SERVICE

- A. Grantee shall not terminate Cable Service for nonpayment of a delinquent account unless the Grantee provides a notice of the delinquency and impending termination at least fifteen (15) days prior to the proposed termination. The notice shall be mailed, postage prepaid, to the Subscriber to whom the Cable Service is billed. This notice shall not be given until the sixteenth (16th) day after the date the bill for Cable Services was mailed to the Subscriber. The notice of delinquency and impending termination may be part of a billing statement.
- B. In the event that Cable Service is terminated pursuant to a bulk contract and Grantee is permitted to enter into Cable Service arrangements with individual dwellings previously serviced under such contract, Grantee shall not hold such individual Subscriber(s) liable for any nonpayment or underpayments related to the contract before or during the period that Cable Services are rendered to the individual Subscriber(s).
- C. Grantee shall only terminate Cable Service on days when the Subscriber can reach a representative of Grantee either in person or by telephone. Cable Service terminated without good cause must be restored without charge for the Cable Service restoration. Good cause includes, but is not limited to, failure to pay, payment by check for which there are insufficient funds, theft of Cable Service, abuse of equipment, or other similar Subscriber actions.
- D. Pursuant to the density requirement in Article XXX of this Franchise, Grantee shall furnish and maintain Cable Services to each person who makes a request to receive any Grantee offered Cable Service. Nothing in these standards shall limit the right of Grantee to deny Cable Service to any household or individual which has a negative credit for Cable Services history with Grantee, which may include nonpayment of bills or theft or damage to Grantee's equipment, or who has been abusive to employees of Grantee. Grantee shall give notice to the Subscriber being denied Cable Service of the right to contact the appropriate regulatory authority, providing name, address and telephone number.

SECTION 9: COMMUNICATIONS WITH SUBSCRIBERS

- A. All Grantee's personnel contacting Subscribers or potential Subscribers outside of the office of Grantee must be clearly identified as associated with Grantee.
- B. Grantee shall send annual written notices to all Subscribers informing them that any complaints or inquiries not satisfactorily handled by Grantee may be referred to the Town. Such notification shall be either:
- ❖ A separate document which may be included with a billing statement; or
 - ❖ Included on the portion of the monthly bill that is to be retained by the Subscriber.
- C. The annual notice shall also contain the following:
- ❖ Description of Grantee's telephone and office hours
 - ❖ Emergency telephone numbers for service and repair
 - ❖ The telephone number of the Town
- D. Grantee shall notify Subscribers of any pricing changes or additional charges (excluding temporary marketing on sales discounts or offers) and/or any changes in Cable Services as soon

as possible through written announcements. Notice must be given to Subscribers a minimum of thirty (30) days in advance of such charges.

- E. Grantee shall provide written information to Subscribers on each of the following areas at the time of installation of Cable Service, at least annually to all Subscribers, at any time upon request, and at least thirty (30) days prior to making significant changes in the information required by this Item:
- ❖ Products and Cable Service offered
 - ❖ Prices and options for Cable Services and conditions of subscription to Cable Services and facilities
 - ❖ Installation and maintenance policies including, when applicable, information regarding the Subscriber's in-home wiring and/or home run wiring rights during the period Cable Service is provided
 - ❖ Instructions on how to use the Cable Services
 - ❖ Channel positions of Cable Services offered on the Cable System
 - ❖ Billing and complaint procedures, including the name, address and telephone number of the Town
 - ❖ The availability of a parental guidance control device
 - ❖ Grantee's practices and procedures for protecting against invasions of privacy
 - ❖ The address and telephone number of the Grantee's office to which complaints may be reported
 - ❖ Grantee's policy with respect to Subscriber refunds and credits.
 - ❖ When applicable, Grantee's community unit identifier as specified by the FCC.
- F. Notices of changes in rates shall indicate the new rate and the amount the rate has increased or decreased from the current rate. Specific words such as "increase" or "decrease" must be used to describe the changes (as opposed to less specific terms, such as "adjustment" or "change").
- G. Notices of changes of Cable Services and/or channel locations shall include a description of the new Cable Service, the specific dial location, and the hours of operation of that Cable Service. In addition, should the dial location, hours of operation, or existence of other Cable Services be affected by the introduction of a new Cable Service, such information must be included also in the notice.
- H. Every notice of termination of Cable Service shall include all of the following information:
- ❖ The name and address of the Subscriber whose account is delinquent
 - ❖ The amount of the delinquency
 - ❖ The date by which payment is required in order to avoid termination of Cable Service
 - ❖ The telephone of a representative of Grantee who can provide additional information and handle complaints or initiate an investigation concerning the Cable Service and charges in question.
- I. All Grantee employees, agent(s), subcontractor(s) or other representatives shall identify themselves by name when answering Grantee telephone lines routinely used by members of the public. Such persons shall refer any customer who is dissatisfied with the resolution or handling of any complaint concerning Grantee to a supervisor. Grantee supervisors shall be available to speak to such customers. In addition, Grantee supervisors, upon request, shall inform any customer who is dissatisfied with the resolution or handling of any complaint by the Grantee that he or she has the right to contact the Town, and shall provide that customer with the address and telephone number provided by the Town for such purposes.

- J. Grantee shall made every effort to ensure that employees that speak Spanish and English are available to assist Subscribers and potential Subscribers as requested.
- K. For informational purposes only, Grantee shall provide a listing of Grantee's closings and/or holidays within thirty (30) days following the effective date of this Franchise. In addition, Grantee will provide the Town with updates in the event of major change.

SECTION 10: PROTECTION OF SUBSCRIBER PRIVACY

- A. Grantee shall comply fully with all applicable State and federal laws relating to the protection of Subscriber privacy.

SECTION 11: HANDICAPPED ACCESS

- A. Grantee shall comply with all rules and regulations pertaining to the Americans with Disabilities Act.

SECTION 12: RIGHTS RESERVED BY TOWN

- A. The Town reserves the right to establish additional, reasonable customer service standards from time to time, as may be necessary, after making a finding of need and after notice to the Grantee and providing Grantee the opportunity to be heard.

EXHIBIT C

*Confidential Response – Do Not Disclose, Disseminate or Distribute
Without the Prior Consent of TCI*

_____, 1999

Re: Year 2000 Readiness

Dear :

The entity you recently inquired about, (TCI Entity), is included in TCI's Year 2000 readiness program. The information set forth herein supersedes any other correspondence or information that you may have received from TCI regarding TCI's Year 2000 status. Additionally, please refer to TCI's most recent filing on Form 10-Q or Form 10-K.

According to many commentators, the arrival of the Year 2000 will present far-reaching challenges for most members of the business community. At TCI, we have recognized the areas of our business operations which may be impacted by the Year 2000 and are working to ready our company in a thoughtful and orderly manner.

TCI has formed a Year 2000 Program Management Office (the "PMO") which has been charged with, among other things, working toward making TCI's critical operations Year 2000 ready. The PMO reports to a committee of senior-level executives who are responsible for many of TCI's business units; the committee is chaired by our president, Leo J. Hindery, Jr. TCI has retained a full-time Year 2000 Program Director to run the PMO and has engaged Year 2000 consultants who are associated with a major international accounting firm to assist the PMO. In addition, TCI has hired other Year 2000 specialists to focus on specific operations of the company.

The PMO is currently coordinating several initiatives related to the Year 2000 issue. TCI is completing the survey and inventory of the software, hardware, equipment and facilities which might be affected by the arrival of the Year 2000. The remediation (repair or replacement) and testing processes of such systems are underway.

Furthermore, TCI has recognized the need to determine the Year 2000 readiness of its important vendors and affiliates. The PMO is surveying its vendors and has received information that most critical systems, services or products supplied to TCI by third parties are either Year 2000 ready or are expected to be Year 2000 ready by mid-1999. Additionally, the PMO is holding meetings with key cable, programming and other affiliates to evaluate their respective Year 2000 compliance programs.

(First Name) (Last Name)

March 3, 1999

Page 2

***Confidential Response – Do Not Disclose, Disseminate or Distribute
Without the Prior Consent of TCI***

At this time, TCI has not made a complete determination of the remediation and other costs associated with resolving Year 2000 readiness issues. However, based on data collected to date, TCI estimates that the final costs of Year 2000 remediation will be no less than \$126 million.

Further, the PMO is currently completing its planning processes and has not yet established a firm date for completion of the Year 2000 remediation and testing efforts. We expect that our critical systems will be Year 2000 ready by the third quarter of 1999.

Please note that all Year 2000 statements contained in this letter are hereby denominated as "Year 2000 Readiness Disclosure" within the meaning of the Year 2000 Information and Readiness Disclosure Act.

At TCI, we recognize your continuing interest in this issue. Please feel free to contact me at (303) 267-4810, fax (303) 488-3207 if you have further questions or need an update on TCI's status.

Sincerely,

Pamela L. Coe
Senior Counsel-Finance

cc: John Gabbert
Douglas Garrett
(CC)
(CC2)
(cc3)

PUBLISHED 4/30/99, 5/7/99, 5/14/99, & 5/21/99.

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