

FRANCHISE AGREEMENT

WITNESSETH

WHEREAS, this Board is empowered by the State of North Carolina to grant franchises for the operation of Community Antenna Television Systems (CATV) within the unincorporated areas of Mitchell County; and

WHEREAS, Grantee wishes to provide Cable Services in the County and has requested a franchise agreement in order to do same, and

WHEREAS, County is authorized to grant one or more non-exclusive franchise for the provision of Cable Services service within County by means of a cable system and,

WHEREAS, County has reviewed Grantee's request and has considered the terms and conditions of County's current cable franchise agreement dated February 5, 1990, as amended, and

WHEREAS, County has determined that granting of a franchise on the terms set forth herein is in the public interest and in the interest of County and its residents and will assist in meeting the cable related needs and interests of the community.

NOW, THEREFORE, in consideration of the mutual covenants and promises herein contained, the parties hereto agree as follows:

This Franchise Agreement is between Mitchell County, hereinafter referred to as the "Franchising Authority" and Charter Communications, LLC, hereinafter referred to as the "Grantee."

The Franchising Authority hereby acknowledges that the Grantee has substantially complied with the material terms of the current Franchise under applicable laws, and that the financial, legal and technical ability of the Grantee is sufficient to provide services facilities and equipment necessary to meeting the future cable-related needs of the community, and having afforded the public adequate notice and opportunity for comment, desires to enter into this Franchise with the Grantee for the construction and operation of a cable system on the terms set forth herein.

SECTION 1

Definition of Terms

1.1 Terms. For the purpose of this franchise the following terms, Phrases, word and their derivations shall have the meaning ascribed to them in the Cable Communications Policy Act of 1984, as amended from time to time (the "Cable Act"), unless otherwise defined herein. When

not inconsistent with the context, words used in the present tense include the future, words in the plural number include the singular number, and words in the singular number include the plural number. The word "shall" is mandatory and "may" is permissive. Words not defined shall be given their common and ordinary meaning.

- A. "Basic Cable" shall mean the lowest priced tier of Cable Service that includes the delivery of broadcast signals and any public, educational and governmental access channels.
- B. "Board/Council" shall mean Mitchell County.
- C. "Cable Act" shall mean the Cable Communication Policy Act of 1984, as amended, 47 U.S.C. § 521, et. Seq.
- D. "Cable Services" shall mean (1) the one-way transmission to Subscribers of (a) video programming, or (b) other programming services, and (2) Subscriber interaction, if any, which is required for the selection or use of such video programming or other programming service.
- E. "Cable System" shall mean the Grantee's 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 the Service Area.
- F. "FCC" shall mean the Federal Communications Commission and any successor governmental entity thereto.
- G. "Franchise Authority" shall mean Mitchell County.
- H. "Franchise" shall mean the non-exclusive rights granted pursuant to this franchise to construct and operate a Cable System along the public ways within all or a specified area in the Service Area.
- I. "Grantee" shall mean Charter Communications, LLC d/b/a Charter Communications or its lawful successor, transferee or assignee.
- J. "Gross Revenue" shall mean all case compensation or revenues of any kind or nature received directly or indirectly by the Grantee, its subsidiaries or parent which are cable operators, arising from, attributable to, or in any way derived from the provision of cable services by the franchisee within the County, as long as all such gross revenues are in accordance with generally Accepted Accounting Principals, provided, however, that such phrase shall not include: (1) any local, state or federal tax or the FCC User Fee; (2) unrecovered bad debt; and any PEG amounts recovered from subscribers for basic service; monthly fees charged to subscribers for any optional, premium or per-channel or per-program service; monthly fees charged to subscribers for any tier of service other than basic service; installation, disconnection, reconnection, late fees, franchise fees collected from subscribers and change-in-service connection, late fees, franchise fees collected from subscriber and change-in-service fees; leased channel fees; revenue and other compensation received from programmers for carriage or promotion of programming on the system; converter fees, rentals or sales; advertising revenues; and revenues derived by the Grantee from home shopping channel sales to subscribers. Gross Revenues shall not include revenues received from the provision of Internet Service over the Cable System

unless and until such time as the FCC rules determine that such service shall be designated a Cable Service and included in Gross Revenues for the purpose of calculating franchise fees. Advertising and home shopping revenues shall be allocated on a prorata basis based on the proportion of total subscribers on Grantee's cable system represented by subscribers residing within the franchise area, provided they cannot be calculated on a per-franchise basis. Gross Revenues shall be the Basis for computing the franchise fee.

- K. "Installation" shall mean the connection of the Cable System from feeder cable to Subscribers' terminals.
- L. "Person" shall mean an individual, partnership, association, organization, corporation or any lawful successor, transferee or assignee of said individual, partnership, association, organization or corporation.
- M. "Public School" shall mean any school at any educational level operated within the Service Area by any public, private or parochial school system, but limited to, elementary, junior high school, and high school and community college.
- N. "Reasonable notice" shall be written notice addressed to the Grantee at its principal office or such other office as the Grantee has designated to the Franchise Authority as the address to which notice should be transmitted to it.
- O. "Service Area" shall mean the geographic boundaries of the Franchise Authority, and shall include any additions thereto by annexation or other legal means, subject to the exception in subsection 6.1 hereto.
- P. "State" shall mean the State of North Carolina.
- Q. "Street" shall include each of the following which have been dedicated to the public or hereafter dedicated to the public and maintained under public authority or by others and located within the Service Area: streets, roadways, highways, bridges, land paths, boulevards, avenues, lanes, alleys, sidewalks, circles, drives, easements, rights-of-way and similar public ways and extensions and additions thereto, including but not limited to public utility easements, dedicated utility strips, or rights-of-way dedicated for compatible uses now or hereafter held by the Franchising Authority in the Service Area, which shall entitle the Grantee to the use thereof for the purpose of installing operating repairing and maintaining the Cable System.
- R. "Subscriber" shall mean any person lawfully receiving Cable Service from the Grantee.

SECTION 2

Grant of Franchise

2.1 Grant. The Franchising Authority franchise hereby grants to the Grantee an nonexclusive Franchise which authorizes the Grantee to erect, construct, operate and maintain in, upon, along, across, above, over and under the Streets, now in existence and as any be created or established during its terms; any poles, wires, cable, underground conduits, manholes, and other conductors and fixtures necessary for the maintenance and operation of a Cable System. Nothing in this Franchise shall be construed to prohibit the Grantee from offering any service over its Cable System that is not prohibited by federal, State or local law.

2.2 Term. The Franchise and the rights, privileges and authority hereby granted shall be for an initial term of ten (10) years, commencing on the Effective Date of this Franchise as set forth in subsection 15.8, unless otherwise lawfully terminated in accordance with the terms of this Franchise. Within thirty (30) days after the date of final passage of the Franchise the Grantee shall file with the Franchising Authority its acceptance of the Franchise.

2.3 Additional Franchises

1.2.1 Additional Cable Franchise Granted in More Favorable Terms. If, following the Effective Date, the Franchise Authority exercises its right to grant to any third party on or more franchises (hereinafter “Additional Cable Franchise”), including any renewal of an already existing cable franchise, for the construction, operation or maintenance of a cable system pursuant to the Cable Act and the Grantee believes the agreement (hereinafter the “Additional Cable Franchise Agreement”) pursuant to which such Addition Cable Franchise is granted bestows benefits and imposes burdens on such third party which on balance, are materially more advantageous are to the Company, then, at any time, the Grantee may request that the Franchising Authority make a determination to such effect and, in the event of such a determination, Authority make a determination to such effect and, in the event of such a determination, renegotiation of terms and conditions of this Agreement as provided below. The Franchising Authority shall provide advance written public notice of any third party application to obtain an Additional Cable Franchise Agreement.

2.3.2 Procedure. In the event of such a request, The Franchising Authority will consult with the Grantee to determine, under its standard procedures, whether the Additional Cable Franchise Agreement bestows benefits and imposes burdens on the third party, which on balance, are materially more advantageous to the third party than the benefits and burdens imposed by this Agreement are to the Company.

2.3.3. In making a determination under this subsection, the Franchising Authority will consult with the Grantee to consider factors such as, but not limited to: (i) the term of the franchise; (ii) the franchise fee to be paid by each Grantee, including the Company; (iii) the number and density of dwelling units to be served; (iv) differences in construction, operational and maintenance costs; (v) differences in required system characteristics, including state-of-the-art requirements; (vi) differences in permitted Granteefees and charges; and (viii) such other factors and consideration as it considers to be relevant to an inquiry into the overall economic, technical and operational comparability of the agreements. If the Franchising Authority determines that the Additional Cable Franchise Agreement bestows benefits and imposes burdens on the third party than the benefits bestowed and burdens imposed by this agreement are to the company, then upon the Company’s request, the Franchising Authority and the Grantee shall enter into a good faith negotiations to seek to modify this Agreement to bestow benefits and impose burdens which, on balance, create overall economic, technical and operational comparability between this Agreement and the Additional Cable Franchise Agreement.

2.4 Police Powers and Conflicts with Franchise. In accepting this Franchise, the Grantee acknowledges that its rights hereunder are subject to the police power of the Franchising Authority to adopt and enforce general franchises necessary to the safety and welfare of the public; and it agrees to

comply with all applicable general laws and franchises enacted by the Franchising Authority pursuant to such power. Subject to its lawful police powers the Franchising Authority may not , by franchise or otherwise, alter any of the Grantee's material rights, benefits, obligations or duties as specified in this Franchise. In the event of a conflict between any franchise and this Franchise, the Franchise shall control, provided, however, that the Grantee agrees that it is subject to the lawful police power of the Franchising Authority.

2.5 Cable System Franchise Required. No Cable system shall be allowed to occupy or use the streets or public rights-of-way of the Service Area or be allowed to operate without a Cable System Franchise.

SECTION 3

Franchised Renewal

3.1 Procedures for Renewal. The Franchising Authority and the Grantee agree that any proceeding undertaken by the Franchising Authority that relates to the renewal of the Grantee's Franchise shall be governed by and comply with the provisions of Section 626 of the Cable Act, or any such successor statute.

3.2 Assessment of Needs. In addition to the procedures set forth in Section 626(a) of the Cable Act, the Franchising Authority agrees to notify the Grantee of all of its assessments regarding the identity of future cable-related community needs and interests, as well as the past performance of the Grantee under the then current Franchise term. The Franchising Authority further agrees that any such assessments shall be provided to the Grantee promptly so that the Grantee has adequate time to submit a proposal under Section (626(b) of the Cable Act and complete renewal of the Franchise prior to expiration of its term.

3.3 Informal Renewal. Notwithstanding anything to the contrary set forth in this subsection, the Grantee and the Franchising Authority agree that at any time during the term of the then current Franchise, while affording the public appropriate notice and opportunity to comment, the Franchising Authority and the Grantee may agree to undertake and finalize informal negotiations regarding renewal of the then current Franchise and the Franchising Authority may grant a renewal thereof.

3.4 Terms Consistent with Law. The Franchising Authority and the Grantee consider the terms set forth in this subsection to be consistent with the express provisions of Section 626 of the Cable Act.

SECTION 4

Indemnification and Insurance

4.1 Indemnification. The Grantee shall, by acceptance of the Franchise granted herein, defend the Franchising Authority, its officers, boards, commissions, agents, and employees for all claims for injury to any person or property caused by the negligence of Grantee in the construction or operation of the

Cable System and in the event of a determination of liability shall indemnify and hold Franchising Authority, its officers, boards, commissions, agents, and employees Cable System and in the event of a determination of liability employees harmless from any and all liabilities, claims, demands, or judgments growing out of any injury to any person or property as a result of the violation or failure of grantee to observe its proper duty or because of the negligence of Grantee arising out of the Construction, repair, extension, maintenance, operation or removal of its wires, poles or other equipment of any kind or character used in connection with the operation of the Cable System, provided that the Franchising Authority shall give the Grantee written notice of its obligation to indemnify the Franchising Authority within the (10) days of receipt of a claim or action pursuant to this section. Notwithstanding the foregoing, the Grantee shall not be obligated to indemnify the Franchising of the Franchising Authority or for the Franchising Authority's use of the Cable System, including any PEG channels.

4.2 Insurance and Bond

A. The Grantee shall maintain throughout the term of the Franchise insurance in amounts at least as follows:

Workers' Compensation	Statutory Limits
Commercial General Liability	\$1,000,000 per occurrence, Combined Single Liability (C.S.L.) \$2,000,000 General Aggregate
Auto liability including coverage on all owned, non-owned hire autos	\$1,000,000 per occurrence C.S.L.
Umbrella Liability	\$1,000,000 per occurrence C.S.L.

B. The Franchising Authority shall be added as an additional insured to the above Commercial General Liability, Auto Liability and Umbrella Liability insurance coverage.

4.3 Bond. General Requirement for Bond. In the event of an upgrade to the system, within thirty (30) days of acceptance of the this franchise, Franchisee shall furnish to the Franchising Authority a performance bond, which shall comply with the terms and provisions of the Cable Ordinance and this Agreement , which shall be in the minimum amount of \$5,000, while the upgrade is in progress. Upon completion of the upgrade in the franchised area, Grantee shall furnish to the Franchising Authority a performance bond, which shall comply with the terms and provisions of this Agreement, which shall maintain a bond in the amount of \$5,000. Not withstanding the foregoing, Grantee shall maintain a bond in the amount of \$5,000.000 throughout the term of this agreement.

4.4 Indemnification. The Performance Bond shall indemnify the Franchising Authority up to the full face amount of the Performance Bond, for (i) any unreimbursed loss or damage to the Streets or any property of the City caused by the Grantee during the Construction, installation, operation, upgrade,

repair, maintenance or removal of Equipment; or (ii) any other unreimbursed cost, loss or damage actually incurred by the City as a result of the Grantee's failure to perform its material obligations pursuant to this Agreement.

4.5 Other Purposes. The Performance Bond also shall serve as security for:

(a) The faithful performance by the Grantee of material terms, conditions and obligations of this Section 4 or compensation requirements set forth in Section 10;

(b) Any unreimbursed expenditure, damage or loss incurred by the Franchising Authority Franchising Authority occasioned by the Grantee's material failure to comply with all rules, regulations, orders, permits and other lawful directives of the Franchising Authority issued pursuant to this Agreement;

4.6 Not a Limit on Liability. The obligation to perform under, and the liability of the Grantee pursuant to, this Agreement shall not be limited by the acceptance of the Performance Bond required by this Section.

SECTION 5

Service Obligations

5.1 No Discrimination. Grantee shall not deny service, deny service, deny access, or otherwise discriminate against Subscribers, channel users, or general citizens on the basis of race, color, religion, national origin, age or sex. Grantee shall comply at all times with all other applicable federal, State and local laws and regulations.

5.2. Privacy. The Grantee shall fully comply with any provisions regarding the privacy rights of Subscribers contained in applicable federal or State law.

5.3. Rates. Grantee shall establish rates that are nondiscriminatory within the same general class of Subscribers. Nothing contained herein shall prohibit the Grantee from offering (i) discounts to commercial and multiple family dwelling Subscribers billed on a bulk basis; (ii) promotional discounts; (iii) reduced installation rates for Subscribers who have multiple services; or (iv) discounted rates in those portions of the Service Area subject to competition.

SECTION 6

Service Availability

6.1 Service Area. The Grantee shall make Cable Service distributed over the Cable System available to every dwelling unit within the Service Area reaching the minimum density of at least twenty-five (25)

dwelling units per mile at its published rates for Installation. The Grantee may elect to provide Cable Service to areas not meeting the above standards.

6.2 Service to New or Previously Unserved Single Family Dwellings. The Grantee shall offer Cable Service to all new homes or previously unserved single dwellings located within 150 feet of Grantee's feeder cable at its published rates for standard Installations.

6.3 Service to New Subdivisions. Grantee shall make cable service available to dwelling units within the County where the dwelling unit is in an area which Grantee has completed construction of its facilities, where the minimum density is twenty-five (25) dwelling units per cable mile or greater, and provided such dwelling units are located within on hundred fifty (150) dwelling unit if a dwelling unit foundation has been erected and electric or telephone facilities have been installed to provision electric or telephone service to said dwelling unit. Grantee shall extend such service within six (6) months of a request by a resident of the development.

6.4 Service to Annexed Areas. Grantee shall offer Cable Service to any area described in any annexation franchise passed after the Effective Date of this Franchise, within one (1) year after the effective date of such annexation franchise, except that Cable Service shall not be required if similar existing Cable Service is in place or if the density of homes is less than that required in Section 6.1. If Grantor annexes any area during the term of this agreement, Grantor shall provide written notice to the Grantee to the addresses provided in Section 15.4 within thirty (30) days of said action.

6.5 Additional Service. Grantee may elect to offer Cable Service to areas not meeting the above standards. The Grantee may impose an additional charge in excess of its regular installation charge for any Cable Service installation requiring a service drop in excess of the above standards. This additional charge shall be computed on a time plus materials basis to be calculated on that portion of the Installation that is above and beyond 150 feet.

6.6 New Development Underground. In cases of new construction or property development where utilities are to be placed underground, the Franchising Authority agrees to require as a condition of issuing a permit for open trenching to any developer or property owner that such developer or property owner give Grantee at least 30 days prior notice of such construction or development, and of the particular date on which open trenching will be available for Grantee's installation of conduit pedestals and or vaults, and laterals to be provided at Grantee's expense. Grantee shall also provide specifications as needed for trenching. Costs of trenching and easements required to bring service to the development shall be borne by the developer or property owner; except that if Grantee fails to install its conduit, pedestals and/or vaults, and laterals within five (5) working days of the date the trenches are available, as designated in the notice given by the developer or property owner, then should the trenches be closed after the five-day period, the cost of new trenching is to be borne by Grantee.

SECTION 7.

Construction and Technical Standards

7.1 Compliance with Codes. All construction practices and installation of equipment shall be done in accordance with all applicable sections of the Occupational Safety and Health Act of 1970 and the National Electric Safety Code.

7.2. Construction Standards and Requirements. All of the Grantee's plant and equipment including but not limited to the antenna site, head-end and distribution system, towers, house connections, structures, poles, wire, cable coaxial cable, fixtures and appurtenances shall be installed, located, erected, constructed, reconstructed, replaced, removed, repaired, maintained and operated in accordance with good engineering practices and performed by experienced maintenance and construction personnel.

7.3 Safety. The Grantee shall at all times employ ordinary care and shall install and maintain in use commonly accepted methods and devices preventing failures and accidents which are likely to cause damage,

7.4 Network Technical Requirements. The Cable System shall be operated so that it is capable of continuous twenty-four (24) hour daily operation, capable of meeting or exceeding all applicable federal technical standards, as they may be amended from time to time, and operated in such a manner as to comply with all applicable FCC rules and regulations.

7.5 Performance Monitoring. Grantee shall test the Cable System as required in paragraph 76.609, Subpart K of the FCC or other regulatory agencies, the Franchising Authority shall accept such combined reports. The Franchising Authority may require additional tests, full or partial repeat tests, reports. The Franchising Authority may require additional tests, full or partial repeat tests, different test procedures when there is evidence which casts doubt upon the reliability or technical quality of Cable Service on the basis of complaints received or other evidence indication an unresolved controversy or significant non-compliance and such tests will be limited to the particular matter in controversy. The Franchising Authority will endeavor to so arrange its requests for such special tests so as to minimize hardship or inconvenience to Grantee or to the Subscriber.

SECTION 8

Conditions on Street Occupancy

8.1 General Conditions. Grantee shall have the right to utilize existing poles, conduits and other facilities whenever possible, and shall not construct or install any new, different, or additional poles, conduits, or other facilities whether on public property or on privately owned property until the written approval of the Franchising Authority is obtained, which approval shall not be unreasonably withheld. However, no location of any pole or wire holding structure of the Grantee shall be a vested interest and

such poles or structures shall be removed or modified by the Grantee whenever the Franchising Authority reasonably determines that the public convenience would be enhanced thereby. The costs for such removal or modification shall be paid by Grantee if all other users of the Streets are also required to pay such costs for their facilities.

8.2 underground Construction. The facilities of the Grantee shall be installed underground in those Service Areas where existing telephone and electric services are both underground at the time of system construction. In areas where either telephone or electric utility facilities are installed aerially at the time of system construction, the Grantee may install its facilities aerially with the understanding that at such time as the existing aerial facilities are required to be placed underground by the Franchising Authority, the Grantee shall likewise place its facilities underground.

8.3 Permits. The Franchising Authority shall cooperate with the Grantee in granting any permits required, providing such grant and subsequent construction by the Grantee shall not unduly interfere with the use of such Streets and that proposed construction shall be done in accordance with the pertinent provisions of the franchises of the Franchising Authority.

8.4 System Construction. All transmission lines, equipment and structures shall be so installed and located as to cause minimum interference with the rights and reasonable convenience of property owners and at all times shall be kept and maintained in a safe, adequate and substantial condition, and in good order and repair. The Grantee shall, at all times, employ ordinary care and shall install and maintain in use commonly accepted methods and devices for preventing failures and accidents which are likely to cause damage, injuries, or nuisances to the public. Suitable barricades, flags, lights, flares or other devices shall be used at such times and places as are reasonably required for the safety of all members of the public. Any poles or other fixtures placed in any public way by the Grantee shall be placed in such a manner as not to interfere with the usual travel on such public way.

8.5 Restoration of Public Ways. Grantee shall, at its own expense, restore any damage or disturbance caused to the public way as a result of its operation, construction, or maintenance of the Cable System to a condition reasonably comparable to the condition of the streets immediately prior to such damage or disturbance.

8.6 Removal in Emergency. Whenever, in case of fire or other disaster, it becomes necessary in the judgment of the Franchising Authority to remove any of the Grantee's facilities, no charge shall be made by the Grantee against the Franchising Authority for restoration and repair, unless such acts amount to gross negligence by the Franchising Authority.

8.7 Tree Trimming. Grantee or its designee shall have the authority to trim trees on public property at its own expense as may be necessary to protect its wires and facilities.

8.8 Relocation for the Franchising Authority. The Grantee shall, upon receipt of reasonable advance written notice, to be not less than five (5) business days, protect, support, temporarily

disconnect, relocate, or remove any property of Grantee when lawfully required by the Franchising Authority by reason of traffic conditions, public safety, street vacation, freeway or street construction, change or establishment of street grade, installation of sewers, drains, water pipes, power lines, signal line, transportation facilities, tracks, or any other types of public structure or improvements which are not used to compete with the Grantee's services. Grantee shall be responsible for any costs associated with these obligations to the same extent all other users of the Franchising Authority rights-of-way are responsible for the costs related to their facilities.

8.9 Relocation for a Third party. The Grantee shall on the request of any person holding a lawful permit issued by the Franchising Authority, protect, support, raise, lower, temporarily disconnect, relocate in or remove from the Street as necessary any property of the Grantee, provided that the expense of such is paid by any such person benefiting from the relocation and the Grantee is given reasonable advance written notice to prepare for such changes. The Grantee may require such payment in advance. For purposes of this subsection "reasonable advance written notice" shall be no less than ten (10) business days in the event of a temporary relocation and no less than one hundred twenty days (130) for a permanent relocation.

8.10 Reimbursement of Costs. If funds are available to any person using the Streets for the purpose of defraying the cost of any of the foregoing, the Franchising Authority shall reimburse the Grantee in the same manner in which other persons affected by the requirement are reimbursed. If the funds are controlled by another governmental entity, the Franchising Authority shall make application for such funds on behalf of the Grantee.

8.11 Emergency Use. If the Grantee provides an Emergency Alert System ("EAS"), then the Franchising Authority shall permit only 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 inappropriate use thereof, or any loss or damage to the Cable System. Except to the extent expressly prohibited by law, the Franchising Authority shall hold the Grantee, its employees, officers and assigns harmless from any claims arising out of use of the EAS, including, but not limited to, reasonable attorney's fees and costs.

8.12 Use of Grantee Facilities. The franchising Authority shall have the right, during the life of this Franchise, to install and maintain free of charge upon the poles owned by the Grantee and wire and pole fixtures that do not unreasonably interfere with the current or future system operations of the Grantee. This right shall not apply to any facilities used by the Franchising Authority to compete with Grantee.

SECTION 9 **Service and Rates**

9.1 Phone. The Grantee shall have a toll-free listed telephone and be so operated that complaints and requests for repairs or adjustments may be received at any time.

9.2 Notification of Service Procedures. The Grantee shall furnish each Subscriber at the time service is installed, written instructions that clearly set forth information concerning the procedures for making inquiries or complaints, including the Grantee's name, address and local telephone number. Grantee shall give the Franchising Authority thirty (30) days prior notice of any rate increases, channel lineup or other substantive service changes.

9.3 Rate Regulation. To the extent that Federal or State law or regulation may now, or as the same may hereafter be amended to, authorize the Franchising Authority to regulate the rates for any particular service tiers, service packages, equipment, or any other services provided by Grantee, the Franchising Authority shall have the right to exercise rate regulation to the full extent authorized by law, or to refrain from exercising such regulation for any period of time, at the sole discretion of the Franchising Authority. If and when exercising rate regulation, the Franchising Authority shall abide by the terms and conditions set forth by the FCC.

9.4 Continuity of Service. It shall be the right of all Subscribers to continue receiving Cable Service insofar as their financial and other obligations to the Grantee are honored. In the event Authority gives notice of intent to terminate or fails to renew this Franchise, the Grantee shall act so as to ensure that all Subscribers receive continuous, uninterrupted service unless circumstances are beyond the control of the Grantee, unforeseen circumstances, or acts of God. In the event of a change of Grantee, or in the event of a change of Grantee, or in the event a new operator acquires the Cable System, the Grantee shall cooperate with the Franchising Authority, new Grantee or operator in maintaining continuity of service to all Subscribers. During such period, Grantee shall be entitled to the revenues for any period during which it operates the Cable System.

9.5 Customer Service Standards. Grantee shall be bound by the Customer Service Standards in Exhibit A.

SECTION 10 **Franchise Fee**

10.1 Amount of Fee. Grantee shall pay to the Franchising Authority an annual franchise fee in an amount equal to percent (5%) of the annual Gross Revenue. Such payment shall be in addition to any other taxes or permit fees of general applicability owed to the Franchising Authority by the Grantee that are not included as franchise fee under federal law.

10.2 Payment of Fee. The fee due the Franchising Authority shall be made on a quarterly basis, within 45 days of the close of each calendar quarter. The payment period shall commence as of the Effective date of the Franchise. Each payment shall be accompanied by a written report to franchising Authority, verified by an authorized representative of Grantee containing a detailed breakdown of the various components of the total revenue reported, including the number of customers served by basic cable service.

10.3 Accord and Satisfaction. No acceptance of any payment by the Franchising Authority shall be construed as a release or as an accord and satisfaction of any claim the Franchising or for the performance of any other obligation of the Grantee.

10.4 Limitation on Recovery. In the event that any Franchise payment or recomputed payment is not made on or before the dates specified herein, Grantee shall pay an interest charge, computed from such due date, at the annual rate of on percent over the prime interest rate. The period of limitation for recovery of any franchise fee payable hereunder shall be in accordance with the appropriate State or Federal laws. Any additional amount due Franchising Authority shall be paid within thirty (30) days of Franchising Authority's submitting an invoice for such sum, and if such sum shall exceed four percent(4%) of the total Franchise Fee which the audit Authority's cost of auditing those calendar years as well. Additionally, Grantee may audit the accuracy of its payment of Franchise Fees. Any amounts overpaid by the Grantee shall be deducted from future franchise fee payments.

SECTION 11 **Transfer of Franchise**

11. Franchise Transfer. The Franchise granted hereunder shall not be sold, transferred, leased or assigned, including but not limited to, by forced or voluntary sale, receivership, or other means without the prior consent of the Franchising Authority, such consent not to be unreasonably withheld or delayed. No such consent shall be required, however, for a transfer in trust, by mortgage, by other hypothecation, or by assignment of any rights, title, or interest of the Grantee in the Franchise or Cable System to secure indebtedness. Within thirty (30) days of receiving a request for transfer, the Franchising Authority shall notify the Grantee in writing of any additional information it reasonably requires to determine the legal, financial and technical qualifications of the transferee. If the Franchising authority has not take action on the Grantee's request for transfer within on hundred twenty (120) days after receiving such request, consent by the Franchising Authority shall be deemed given.

11.2 Transfer Without Consent Deemed Violation. By its acceptance of this Franchise, the Grantee specifically grants and Agrees that any such sale, assignment or transfer of the Franchise occurring without prior approval of the Franchising Authority shall constitute a violation of this Franchise by the Grantee.

11.3 Transfer to Affiliates. The foregoing requirements shall not apply to any sale, assignment or transfer to any person that is owned or controlled by the Grantee, or any Person that owns or control the Grantee. Grantee shall notify the Franchising Authority thirty (30) days prior to any such sale, assignment or transfer.

SECTION 12
Records, Reports and Maps

12.1 Reports Required. The Grantee's schedule of charges, contract or application forms for regular Subscriber service, policy regarding the processing of Subscriber complaints, delinquent Subscriber disconnect and reconnect procedures and any other terms and conditions adopted as the Grantee's policy in connection with its Subscribers shall be filed with the Franchising Authority upon request.

12.2 Records Required. The Grantee shall at all times maintain and make available to the Franchising Authority within thirty (30) days of a written request, provided however that Franchising Authority may not request documents referenced in Section 12.2 more often than once a year:

A. A record of all complaints received regarding interruptions or degradation of Cable Service shall be maintained for two (2) years.

B. A full and complete set of plans, records and strand maps showing the location of the Cable System.

C. Grantee shall make available to the Franchising Authority, upon written request, its books and records to examine, audit, review and/or obtain copies of the papers, books, accounts, documents, maps, plans and other records of Grantee pertaining to compliance with its franchise. Grantee shall fully cooperate in making available its records and otherwise assisting in these activities. Grantee may require the Franchising Authority, or any of its employees, agents or representatives who will have access to such information to sign a confidentiality agreement prior to the release of any of this information.

12.3 Inspection of Records. Grantee shall permit any duly authorized representative of the Franchising Authority, upon receipt of advance written notice to examine during normal business hours and on a nondisruptive basis any and all records as is reasonably necessary to ensure Grantee's compliance with the Franchise. Such notice shall specifically reference the subsection of the Franchise that is under review so that the Grantee may organize the necessary books and record for easy access by the Franchising Authority. The Grantee shall not be required to maintain any books and records for Franchise compliance purposes longer than three (3) years, except for service complaints, which shall be kept for two (2) years as specified in Section 12.2.A. and Exhibit A.14, and franchise fee revenue detail, which shall be kept as specified above in Section 10.4. The Grantee shall not be required to provide Subscriber information in violation of Section 632 of the Cable Act. The Franchising Authority agrees to treat as confidential any books; records or maps that constitute proprietary or confidential information to the extent Grantee make the Franchising Authority aware of such confidentiality. If the Franchising Authority believes it must release any such confidential books or records in the course of enforcing this Franchise, or for any other reason, it shall advise Grantee in advance so the Grantee may take appropriate steps to protect its interests. Until other wise ordered by a court or agency of competent jurisdiction, the Franchising Authority agrees that, to the extent permitted by state and federal law, it shall deny access to any of Grantee's books and records marked confidential, as set forth above, to any Person.

SECTION 13
Community Programming

13.1 Service to Schools and Buildings. The Grantee shall maintain, without charge, one outlet to each Public School, located in the Service Area served by the Cable System and will provide free Basic and Expanded Basic Cable Service, for so long as the Cable System remains in operation in the Service Area. Any such school may install, at its expense, such additional outlets for classroom purposes as it desires, provided that such installation shall not interfere with operation of Grantee's Cable System, and that the quality and manner of installation of such additional connections shall have been approved by the Grantee and shall furnish to the Franchising Authority, without installation or monthly charges, one outlet to each Police and Fire Station, and to any administration building of the Franchising Authority, hereinafter referred to Public Buildings. All such Public School buildings and Public Buildings currently in existence as of the Effective Date of this Agreement shall be listed in Exhibit B of this Agreement.

13.2 Limitation on Use. The Cable Service provided pursuant to this Section shall not be used for commercial purposes and such outlets shall not be located in areas open to the public. The Franchising Authority shall take reasonable precautions to prevent any use of the Grantee's Cable System that results in the inappropriate use thereof or any loss or damage to the Cable System. The Franchising Authority shall hold the Grantee harmless from any and all liability or claims arising out of the provision and use of Cable Service required by subsection 13.1 above. The Grantee shall not be required to provide an outlet to any such building where a standard drop of more than 150 feet is required, unless the Franchising Authority or building owner/occupant agrees to pay the incremental cost of any necessary extension or installation.

13.3 Access to the System. Grantee shall provide on (1), single channel on the Cable System in the lowest basic tier of service for joint use by the Town of Bakersville, the Town of Spruce Pine and Mitchell County (the "three name entities") for non-commercial, video programming for public, educational and government access programming known as the PEG channel. The PEG channel shall be jointly shared and administered by the three named entities. If the PEG Channel is un-programmed, Grantee may program said channel as provided for in Section 13.5. It shall be the responsibility of the three named entities to coordinate the activities and programming of the PEG channel. Grantee shall maintain a return path and certain equipment necessary for the three named entities to transmit PEG channel programming from a single location to be mutually determined and agreed to in written form by Grantee and the three named entities, provided however that such location shall be passed by Grantee's active cable and fiber facilities within Mitchell County, as such facilities exist as of the effective date of the last renewed Franchise Agreement for the three named entities. Said equipment shall be limited to transmit and receive equipment and does not include cameras, editing, playback equipment or any other equipment the three named entities may need in order to create programming on the PEG channel. Grantee shall provide the PEG channel within ninety (90) days after the effective date of the last renewed Franchise Agreement for the three name entities and after the prior mutual determination

and written agreement of the Grantee and the three named entities as to the single PEG transmit location as stated previously in Section 13.3

13.4. PEG Funding. The County reserves its right to institute the following PEG funding, provided that the County will hold a public hearing on the matter to receive input from the citizens of the County will hold a public hearing on the matter to receive input from the citizens of the County prior to the sixth (6th) year of this Agreement, thus providing Grantee sufficient time to recover the grant. Grantee shall pay to the County a one-time PEG grant up to but not exceeding a sum of \$2,000. Payment shall be due within sixty (60) days following the public hearing and a resolution authorizing Grantee to pay the grant. Grantee shall have the right but not the obligation to pass this grant through to its customers, consistent with applicable law, on their monthly invoices in an amount of \$0.15 per month up to but not exceeding the total amount of the grant. Upon Grantee's recovery of the initial grant through the \$0.15 per customer per month assessment, Grantee shall continue to pass through \$0.15 per customer per month assessment, Grantee shall continue to pass through \$0.15 per customer per month for the duration of this agreement. Grantee further agrees that the equipment, services, and all other support to be provided by the Grantee pursuant to this Agreement constitute capital costs, which are incurred by the Grantee for educational or governmental facilities and equipment within the meaning of the communications Act 47 U.S.C. Section 542 (g)(2)(c). Such grant and ongoing support shall not constitute a franchise fee within the meaning of the Communications Act, state law, the Cable Television Ordinance or this Agreement. The Grantee hereby waives, and shall not assert in any proceeding, any claim to the contrary, provided such payments are utilized by the County for PEG capital costs.

13.5 Grantee Use. The three named entities adopt the following rules and procedures as to when and how Grantee may use the PEG Channel for the provision of video programming when the PEG Channel is not being used for the purposes stated in Section 13.3. In the event the PEG channel is not utilized for a six month (6) period, and after a public hearing to determine the future use of the PEG channel, and upon written authorization by the County, Grantee may program the PEG channel with another video channel. Grantee will use the PEG Channel solely in accordance with such rules and procedures and otherwise shall have no responsibility or control with respect to the operation of such channel except as provided by Federal law.

SECTION 14 **Enforcement and Revocation**

14.1 Notice of Violation. If the Franchising Authority believes that the Grantee has not complied with the terms of the Franchise, the Franchising Authority shall first informally discuss the matter with Grantee. IF these discussions do not lead to resolution of the problem, the Franchising Authority shall notify the Grantee in writing of the exact nature of the alleged noncompliance.

14.2 Grantee's Right to Cure or Respond. The Grantee shall have thirty (30) days from receipt of the notice described in subsection 14. 1 to (i) respond to the Franchising Authority, contesting the assertion of noncompliance, or (ii) to cure such default, or (iii) if, by the nature of remedy such default and notify

the Franchising Authority of the steps being taken and the projected date that they will be completed.

14.3 Public Hearing. If the Grantee fails to respond to the notice received from the Franchising Authority pursuant to the procedures set forth in subsection 14.2, or if the default is not remedied within the cure period set forth above, the Board shall schedule a public hearing if it intends to continue its investigation into the default. The Franchising Authority shall provide the Grantee at least twenty (20) days prior written notice of such hearing, which specifies the Franchising Authority in a newspaper of general circulation within the Franchising Authority in accordance with subsection 15.5 hereof.

14.4 Enforcement. Subject to applicable federal and state law, in the event the Franchising Authority, after the hearing set forth in subsection 14.3 above, determines that the Grantee is in default of any provision of the Franchise, the Franchising Authority may:

- A. Seek specific performance of any provision, which reasonably lends itself to such remedy, as an alternative to damages; or
- B. Commence an action at law for monetary damages or seek other equitable relief; or
- C. In the case of a substantial default of a material provision of the Franchise, seek to revoke the Franchise itself in accordance with subsection 14.5 below.

14.5 Revocation.

A. Prior to revocation or termination of the Franchise, the Franchising Authority shall give written notice to the Grantee of its intent to revoke the Franchise on the basis of a pattern of noncompliance by the Grantee, including one or more instances of substantial noncompliance with a material provision of the Franchise. The notice shall set forth the exact nature of the noncompliance. The Grantee shall have sixty (60) days from such notice to object in writing and to state its reasons for such objection and provide any explanation. If the Franchising Authority has not received a satisfactory response from Grantee, it may then seek to revoke the Franchise at a public hearing. The Grantee shall be given at least ten (10) days prior written notice of such public hearing, specifying the time and place of such public hearing, specifying the time and place of such hearing and stating its intent to revoke the Franchise.

B. At the hearing, the Board shall give the Grantee an opportunity to state its position on the matter, present evidence and question witnesses, after which it shall determine whether or not the Franchise shall be revoked. The public hearing shall be on the record and a written transcript shall be made available to the Grantee within ten (10) business days. The decision of the Board shall be made in writing and shall be delivered to the Grantee. The Grantee may appeal such determination to an appropriate court.

C. The Board shall hear any persons interested therein and shall reasonably determine whether or not any default, failure, refusal or neglect by the Grantee was with just cause.

14.6 Conditions of Sale After Revocation or Termination.

- A. If Grantee's Franchise is lawfully terminated or revoked and the Franchising Authority

either lawfully acquires ownership of the Cable System or by its actions lawfully effects a transfer of ownership of the Cable System to another party, any such acquisition or transfer shall be at the price determined pursuant to the provisions set forth in Section 627 of the Cable Act.

B. The Grantee and the Franchising Authority agree that in the case of a final determination of a lawful revocation or termination of the Franchise, the Grantee shall be given at least twelve (12) months to effectuate a transfer of its Cable System to a qualified third party. The Grantee shall be authorized to continue to operate pursuant to the terms of its prior Franchise during this period. If the Grantee is unsuccessful in procuring a qualified transferee or assignee of its cable System during such time that is reasonably acceptable to the Franchising Authority, the Grantee and the Franchising Authority may avail themselves of any rights they may have pursuant to federal or State law. It is further agreed that the Grantee's continued operation of the Cable System during the twelve (12) month period shall not be deemed to be a waiver, nor an extinguishment of, any rights of either the Franchising Authority or the Grantee.

C. At the termination or revocation of the Franchise, as provided herein, Grantee shall, upon notice by the Franchising Authority, remove at its own expense the Cable System from all Streets within the Service Area. Notwithstanding the foregoing, the Grantee may abandon any property in place in the public rights-of-way or public property upon written notice to the Franchising Authority. If, within ninety (90) days of the receipt of such notice, the Franchising Authority determines that the safety, appearance, or use of the public rights-of-way would be adversely affected, the property must be removed by the Grantee by a date reasonably specified by the Franchising Authority in light of the amount of work to be performed.

SECTION 15 **Miscellaneous Provisions**

15.1 Compliance with State and Federal Laws. This Franchise shall be governed by and construed in accordance with Federal law, the laws of the State of North Carolina and Mitchell County, North Carolina. Grantee further acknowledges by acceptance of this Franchise Agreement that it has carefully read the terms and conditions of this Franchise Agreement and any applicable cable ordinance of County and accepts the obligations imposed thereby regardless of whether such obligations are contained in the Franchise Agreement or such cable ordinance, or both. As of the Effective Date, and without waiving any rights Grantee may have to challenge the lawfulness or enforceability of this Franchise Agreement or ordinances in the future, Grantee does not contend that any provisions of the Franchise Agreement is unlawful or unenforceable, nor is it aware of any ordinance which it contends is unlawful or unenforceable. Notwithstanding any other provisions of this Franchise to the contrary, the Grantee shall at all times comply with all laws and regulations of the State and federal government or any administrative agencies thereof which relate to the conduct of Grantee's business.

15.2 Force Majeure. The Grantee shall not be held in default under, or in noncompliance with the provisions of the Franchise, nor suffer any enforcement or penalty relating to noncompliance or default,

where such noncompliance or alleged defaults occurred or were caused by circumstances reasonably beyond the ability of the Grantee to anticipate and control. This provision includes work delays caused by waiting for utility providers to service or monitor their utility poles to which Grantee's Cable System is attached, as well as unavailability of materials. Furthermore, the parties hereby agree that it is not the Franchising Authority's intention to subject the Grantee to penalties, fine, forfeitures or revocation of the Franchise for violations of the Franchise where the violation was a good faith error that resulted in no or minimal negative impact on the Subscribers within the Franchise territory, or where strict performance would result in practical difficulties and hardship to the Grantee which outweighs the benefit to be derived by the Franchising Authority and/or Subscribers.

15.3 Action of Parties. In any action by the Franchising Authority or the Grantee that is mandated or permitted under the terms hereof, such party shall act in a reasonable, expeditious and timely manner. Furthermore, in any instance where approval or consent is required under the term hereof, such approval or consent shall not be unreasonably withheld.

15.4 Notices. Notices. Except as otherwise specified herein, all notices, consents, approvals, requests and other communications (herein collectively "Notices") required or permitted under this Franchise Agreement shall be given in writing and mailed by registered or certified first-class mail, return receipt requested addressed as follows:

If to County:
County Manager
Mitchell County
26 Crimson Laurel Circle, Suite 2
Bakersville, NC 28705

If to Grantee:
Corporate Vice President of Government Affairs and Franchise Relations
Charter Communications
12405 Powerscourt Drive
St. Louis, MO 63131

With a copy to:

Vice President & General Manager
Charter Communications
P.O. Box 367
Simonsville, SC 29681

All notices shall be deemed given on the day of mailing. Either party to this Franchise Agreement may change its address for the receipt of Notices at any time by giving notice thereof to the other as provided in this Section. Any notice given by any party hereunder must be

signed by an authorized representative of such party.

15.5 Public Notice. Minimum public notice of any public meeting relating to this Franchise shall be by publication at least once in a newspaper of general circulation in the area at least ten (10) days prior to the meeting , posting at the administrative buildings of the Franchising Authority and by announcement on at least one (1) channel of the Grantee's Cable System for five (5) consecutive days prior to the meeting.

15.6 Severability. If any section, subsection, sentence, clause, phrase, or portion of this Franchise is, for any reason, held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity of the remaining portions of this Franchise.

15.7 Entire Agreement. This Franchise sets forth the entire agreement between the parties respecting the subject matter hereof. All agreements, covenants, representations and warranties, express and implied, oral and written, of the parties with regard to the subject matter hereof are contained herein. No other agreements, covenants, representations or warranties, express or implied, oral or written, have been made by any party to another with respect to the matter of this Franchise. All prior and contemporaneous conversations, negotiations, possible and alleged agreements, representations, covenants and warranties with respect to the subject matter hereof are waived, merged herein and therein and superseded hereby and thereby.

15.8 Effective Date. The effective date of this Franchise is March 8, 2005 pursuant to the provisions of applicable law. This Franchise shall expire on March 6, 2015 unless extended by mutual agreement of the parties.

Considered and approved this 7th day of March 2005.

MITCHELL COUNTY

Signature: Keith Masters

Name/Title: Keith masters, Chairman

Accepted this 1st day or August, 2005, subject to applicable federal, state and local law.

CHARTER COMMUNICATIONS, LLC

Signature: C. McElroy

Name/Title: Charles H. McElroy

Senior Vice President

Reviewed by:

Charter Communications Corporate

Government Affairs/Franchise Relations

Exhibit A. Customer Service Standards

- A.1 Customer Service standards. Grantee shall at all time comply with the more stringent of the provisions of the customer service and consumer protection provisions of the cable ordinance, this Franchise Agreement, and those from time to time adopted by the FCC and NCTA. This requirement is in addition to the specific provisions of subsequent sections of Exhibit A.
- A.2 Undergrounding. For new installations, excluding locations where all utilities are underground, if a subscriber requests underground, if a subscriber requests underground Cable Service, Grantee may in addition to the installation charge, which would otherwise apply, charge the subscriber the differential between the cost of aerial and underground installation of the drop to the Subscriber. This provision shall not apply where undergrounding is required by ordinance or policy for all utilities.
- A.3 Lockout Device. Grantee without additional charge beyond that for a set top converter shall make available for pick up, by all subscribers, advice by which the subscribers can prohibit the viewing of a particular cable service during periods selected by the subscriber.
- A.4 Blocking. Upon request by a subscriber, and within a reasonable period of time, and in no event longer than thirty (30) days, Grantee shall entirely block such subscriber from receiving both the audio portion of any channel with predominately adult oriented programming such as by (a) scrambling both the audio and visual portions of the signal or (b) (if scrambling is insufficient to totally prevent reception or as requested by a subscriber) with devices such as a notch filter which prevent the frequencies containing a specific channel or channels from being transmitted into the subscriber's premises.
- A.5 Notification.
- A5.2. Products and services offered.
- A.5.3. Prices (rates) and options for Cable Services and conditions of subscription to Cable Service. Prices shall include those for programming, equipment rental, program guides, installation, disconnection, late fees and optional services, fees, and charges charged by Grantee.
- A.5.4 Installation and service maintenance policies.
- A.5.5 Instructions on how to use Cable Services, including procedures and options for pay per view and premium channels.
- A.5.6 Channel positions of programming carried on the Cable System.

- A.5.7 Billing and complaint procedures, including the address and phone number of the person or position at Franchising Authority responsible for cable matters.
- A.5.8. The Grantee's address and phone number for the subscriber to initially contact Grantee with complaints and questions.
- A.5.9. Applicable privacy requirements as set forth in this Franchise Agreement, the Cable Ordinance, or otherwise provided for by the law.
- A.6 Notice of Changes: Subscribers and Franchising Authority shall be notified of any increases in rates , or changes in Cable Services or channel positions as soon as possible through announcements on the Cable System or in writing. Notice must be given to subscribers and the Franchising Authority a minimum of thirty (30) days in advance of such changes if the change is within the control of Grantee and as soon as possible if not within the control of Grantee. In addition, Grantee shall notify subscribers and Franchising Authority thirty (30) days in advance of any significant changes in the other information required by the preceding Section.
- A.7 Program Guide: Upon request, Grantee shall provide subscribers with a periodic (e.g.- monthly) written or electronic program guide listing the specific programs available, their times and (when applicable) ratings. Grantee may charge a fee for this service.
- A.8 Converters: Grantee shall make available for rental by subscribers the converter equipment necessary for subscribers (such as those with "non-cable ready" television sets) to receive the services offered by Grantee.
- A.9 Telephone Service Standards.
 - A.9.1 Grantee shall have a local or toll-free number available for use by subscribers toll-free twenty-four (24) hours per day, seven (7) day per week.
 - A.9.2 Grantee's numbers shall be listed, in the directory published by the local telephone company or companies.
 - A.9.3 Grantee shall have trained Company representatives available to respond to Subscriber telephone inquires during Normal Business Hours.

After Normal Business Hours, the telephone access line may be answered by a service or an automated response system, including an answering machine. Calls received after Normal Business Hours must be responded to by a representative on the next business day.
 - A.9.4 Under Normal Operating Conditions, telephone answer time by a customer representative, including wait time, shall not exceed thirty (30) seconds from 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 percent (90%) of the time under Normal Operating Conditions, measured on a quarterly basis.

A.9.5 Under Normal Operating Conditions, no more than three percent (3%) of subscriber's calls measured on a quarterly basis shall be abandoned.

A.10 Office/Home Delivery-Pick Up.

A.10.1 Grantee shall maintain a "virtual office" consisting of a toll-free telephone number which all subscribers in County can access twenty-four (24) hours per day, seven (7) days per week to register complaints or ask questions concerning Cable Service, Billing Matters or the Cable System.

A.10.2 Box Return Policy. In the event that Grantee is unable to schedule a home service call at a mutually agreeable time with a customer for the purposes of returning Grantee owned equipment, which is required to be returned, and a local office is not within a 30 mile radius of the center of the franchise area, then Grantee shall either; 1) make arrangements to meet the customer at their place of business or 2) provide the customer with a self addressed, prepaid courier box, insured at the appropriate level, which the customer can use to return Grantee owned equipment.

A. 11 Installations/Service Calls. The following shall apply to subscribers (current or new) requesting installations or service.

A.12 Installation Standards. Under Normal Operating Conditions, installations located up to on hundred fifty (150) aerial feet from the existing distribution Cable System shall be performed within seven (7) business days after an order has been placed no less than ninety-five percent (95%) of the time, measured on a quarterly basis. The preceding requirement shall not apply to commercial subscribers, installations requiring an underground drop, multiple dwellings served by a dingle drop, or inside "wall fish" installations.

A.12.1 Service calls and installation appointments shall be consistent with applicable FCC rules and regulations and NCTA customer service standards.

A.12.2 Grantee shall not cancel an appointment with a subscriber after 5:00 PM on the business day prior to the scheduled appointment.

A.12.3 If Grantee's technician is running late for an appointment with a subscriber and will not be able to keep the appointment as scheduled, the subscriber shall promptly be contacted. The appointment shall be rescheduled, as necessary, at a time which is convenient for the subscriber.

- A.12.4 In the event access to the subscriber's premises is not made available to Grantee's technician when the technician arrives during the established appointment window, the technician shall leave written notification stating the time of arrival and requesting the Grantee be contacted again to establish a new appointment window.
- A.12.5 Notwithstanding the foregoing, if Grantee's technician or service representative telephones the subscriber during or prior to the appointment window and is advised that the technician will not be given access to the subscriber's premises during the appointment window, then the technician shall not be obliged to travel to the subscriber's premises or to leave the written notification referred to above, and the burden shall again be upon the subscriber (or adult representatives of the subscriber) to contact Grantee to arrange for a new appointment.
- A.12.6 Except as otherwise provided above, Grantee shall be deemed to have responded to a service or installation request under the provisions of this section when a technician begins work on the request or is advised by telephone no access will be given.
- A.12.7 Under Normal Operating Conditions, Grantee shall meet the standard of Section A.9.4 through A.9.A no less than ninety-five percent (95%) of the time, measured quarterly.
- 1.13 Service Interruptions.
- A.13.1 Under Normal Operating Conditions, Grantee shall meet the standard of Section A.11 and A.12.1 no less than ninety-five percent (95%) of the time measured on a quarterly basis.
- A.13.2 Excluding conditions beyond Grantee's control, Grantee shall begin working on a Service Interruption promptly and in no event later than twenty-four (24) hours after the interruption becomes known to Grantee.
- A.13.3 "Service Interruption" means the loss of picture or sound on one or more cable channels affecting one or more subscribers.
- A.13.4 Excluding conditions beyond Grantee's control, Grantee shall begin working on subscriber complaints involving impairment or degradation of signal quality (other than a Service Interruption) promptly and in no event later than forty-eight (48) hours after the problem becomes known to Grantee.
- A.13.5 Grantee shall be deemed to have begun work under the provisions of this section when a technician begins work on the problem in question.
- A.14 Log of Complaints. Grantee shall maintain a written log, or an equivalent stored in computer memory and capable of access and reproduction in printed form of all cable-related subscriber

complaints requiring a service call or further corrective action by Grantee. Such log shall at a minimum list the date and item of each such complaint, and describing the nature of the complaints and when and what actions were taken by Grantee in response thereto. The log shall be kept at Grantee's office in or near Franchising Authority for a period of at least two (2) years and shall be available for inspection during regular business hours by Franchising Authority upon request.

A.15 Payment Options.

A.15.1 Grantee shall provide all individual, residential subscribers with the option of paying for Cable Service by (1) cash, (2) check, or at Grantee's option (3) an automatic payment plan, where the amount of the bill is automatically deducted from a checking account designated by the subscriber.

A. 16 Bills. Grantee shall comply with the following on Cable Service billing:

A.16.1 Bills shall be issued monthly to each subscriber with a balance due or charge of service.

A.16.2. Bills shall be clear, concise and understandable. Bills shall be fully itemized, with itemizations including, but not limited to, basic and premium service charges and equipment charges. Bills shall also clearly delineate all activity during the billing period, including optional charges, rebates, credits and late charges specifically indicating the due date by which a customer must pay their bill in order to avoid a late payment.

A.16.3 In the case of a billing dispute, Grantee shall respond to any complaint from a subscriber within fifteen (15) days.

A.17 Refunds and Credits: Refund checks or credits for Cable Service shall be issued promptly, but no later than either :

A.17.1 The subscriber's next billing cycle following resolution of the request or thirty (30) days, whichever is earlier, or

A.17.2 Credits for Cable Service or the return of equipment shall be issued no later than the subscriber's next billing cycle following determination that a credit is warranted.

A.18 Fire, Etc.-Free Replacement. If a subscriber's converter box or other cable-related Grantee owned customer premises equipment is destroyed by fire, flood, tornado, building collapse or otherwise such that the premises are not habitable, Grantee shall refund any deposit for such equipment and shall not charge the subscriber for replacement equipment but may seek reimbursement from applicable insurance policies. Notwithstanding the above, the Grantee

may charge a subscriber to the extent of any insurance payment(s) to the subscriber covering the cost of the damaged or destroyed Grantee equipment does not fully cover Grantee's replacement cost of such equipment.

A. 19 Late Payments for Cable Service.

A.19.1 No late payment charges, however denominated, shall be added to a subscriber's bill less than twenty-one (21) calendar days after the mailing of the bill to the subscriber.

A.19.2 No late payment charges, however denominated, shall be added to a subscriber's bill by reason of delay in payment other than those described in this Section A. All such charges shall be separately stated on the subscriber's bill and include the word "late" in the description of them.

A.19.3 Late payment charges imposed by Grantee upon subscribers shall be fair and shall be reasonably related to Grantee's cost of administering delinquent accounts.

A.20 Disconnection.

A.20.1 Grantee shall only disconnect a subscriber for failure to pay if at least thirty five (35) days have elapsed after the due date for payment of the subscriber's bill and Grantee has provided at least ten (10) days notice separate from the monthly bill to the subscriber prior to disconnection, specifying the effective date after which Cable Services are subject to disconnection.

A.20.2 Grantee shall not disconnect a subscriber for failure to pay amounts that are legitimately in dispute during a billing dispute.

A. 20. 3. Grantee may disconnect a subscriber for failure to pay amounts that are legitimately in dispute during a billing dispute.

A.20.4 Grantee shall promptly disconnect within seven (7) business days any subscriber who so requests disconnection. No charge shall be imposed upon the subscriber for or related to disconnection offer any Cable Service delivered after the effective date

A.21 Privacy and Monitoring. Grantee shall not tap or monitor, or arrange for the tapping or monitoring, or permit any other person to tap or monitor, any cable, line, signal, input device, or subscriber facility for any purpose, without the written authorization of the affected subscriber except to the extent allowed by applicable law or pursuant to a valid court order. Such authorization shall be revocable at any time by the subscriber without penalty by delivering a written notice of revocation to Grantee; provided, however, that Grantee may conduct Cable System-wide or individually addressed "sweeps" solely for the purpose of

verifying Cable System integrity, checking for illegal taps or billing.

- A.22 Subscriber Information. Grantee shall not record or retain any information not allowed by 47 USC 551. Grantee shall destroy all subscriber information of a personally identifiable nature after a reasonable period of time, consistent with all applicable laws, except as authorized not to do so by the affected subscriber. Grantee shall not sell or otherwise provide to other persons, without the specific written authorization of the subscriber involved, or otherwise make available to any person or entity, lists of some or all of the names or addresses of subscribers except as allowed by applicable law.
- A.23 Complaints Referred by Franchising Authority. If Franchising Authority refers a Cable service complaint from a subscriber to Grantee for resolution, then in five (5) business days of Grantee's receipt of such referral it shall investigate (including attempting to contact the subscriber). Upon resolution of the complaint, Grantee shall respond to Franchising Authority as to its resolution of same.
- A.24 Reports. Upon request, Grantee shall provide reports to Franchising Authority, no more than annually as follows:
- A.24.1 The reports shall be in form and substance acceptable to Franchising Authority, showing on a consistent basis, fairly applied the matters set forth below so as to measure Grantee's compliance with the customer service and technical standards of the referenced sections and such other matters, as franchising Authority shall from time to time specify. Such reports shall show Grantee's performance excluding periods of abnormal operating conditions, and if Grantee contends any such conditions occurred during the period in question, it shall also describe the nature and extent of conditions and show grantees performance both including and excluding the time periods Grantee contends such conditions were in effect.
- A.24.2 The reports shall show the number of phone calls originating from within County. The reports May be for a larger area than County if Grantee can demonstrate they are, in fact, representative of the phone service provided to subscribers within County, such as distinguish between calls from one area or County over another. The reports shall measure and report on Grantee's compliance with all of Section A and its subparts, where quarterly or annual compliance monitoring is a requirement.
- A.25 FCC Technical Standards. Grantee shall operate the Cable System in accordance with the applicable technical specifications, rules and standards set forth in part 76, Subpart K and part 78 of the Federal Communications Commission's rules, as such rules may be amended from time to time. The following shall apply to Grantee's implementation of standards for signal quality, currently set forth 47 CFR § 76.601 and following, and subsequent amendments thereto:

- A.25.2 Grantee shall establish the following procedure for resolving complaints from subscribers about the quality of the television signal delivered to them: All complaints shall go initially to Grantee. All matters not resolved by Grantee shall at Grantee's or the subscriber's option be referred to Franchising authority for it to resolve.
- A.26 Damages. Grantee acknowledges that noncompliance with the customer service standards identified above will harm subscribers and Franchising Authority and the amounts of actual damages will be difficult or impossible to ascertain. Franchising Authority may therefore assess the following liquidated damages against Grantee for noncompliance with customer service standards set forth in Section A and all of its subparts. (All of which Grantee has agreed to meet on a quarterly basis).
- A.26.1 Failure to correct by Grantee within 30 days of written notice by Franchising Authority, first noncompliance of any standard- Two Hundred Fifty dollars (\$250).
- A.26.2 Failure to correct by Grantee within 30 days of written notice by Franchising Authority, second noncompliance of the aforementioned standard within any calendar quarter- Five Hundred Dollars (\$500).
- A.26.3 Failure to correct by Grantee within 30 days of written notice by Franchising Authority, third and subsequent noncompliance of the aforementioned standard within any calendar quarter- One Thousand Dollars (\$1,000).
- A.26.4 Nothing in Sections A.26.1 through A.26.3 shall limit the Franchising Authority from notifying Grantee of separate standards in noncompliance within any calendar quarter.
- A.26.5 The amount of fines assessed by the Franchising Authority pursuant to this section in any individual calendar quarter shall exceed no more than \$10,000.
- A.27 Continuity of Service. Grantee shall continue to make available Cable Service to residents and commercial businesses already lawfully receiving such services as of the commencement date of this Agreement, assuming such residents and commercial businesses are lawful subscribers and are current in payment with Grantee billings.

Exhibit B. List of Government and Educational Buildings

Buildings qualify if they are within 150 feet of active Charter Cable Television lines

Mitchell County Buildings
Physical Addresses

Name	Street	City	State	Zip
Administration Building	26 Crimson Laurel Circle	Bakersville	NC	28705
Transportation	73 Crimson Laurel Circle	Bakersville	NC	28705
Sheriff's Department	63 Crimson Laurel Circle	Bakersville	NC	28705
Communications	47 Crimson Laurel Circle	Bakersville	NC	28705
Emergency Management	47-A Crimson Laurel Circle	Bakersville	NC	28705
Maintenance	143 Crimson Laurel Circle	Bakersville	NC	28705
Parks & Recreation	143-A Crimson Laurel Circle	Bakersville	NC	28705
Annex Building	10 South Mitchell Avenue	Bakersville	NC	28705
Mitchell Co. Public Library	18 North Mitchell Avenue	Bakersville	NC	28705
Mitchell Co. Historical Courthouse	17 North Mitchell Avenue	Bakersville	NC	28705
Department of Social Services	347 Longview Drive	Bakersville	NC	28705
Child Development Center	301 Longview Drive	Bakersville	NC	28705
Spruce Pine Library	142 Walnut Avenue	Spruce Pine	NC	28777
Mayland Community College	200 Mayland Drive	Spruce Pine	NC	28777
Health Department	130 Forest Service Drive, Suite A	Bakersville	NC	28705
Inspections	130 Forest Service Drive, Suite B	Bakersville	NC	28705
Veterans	130 Forest Service Drive, Suite C	Bakersville	NC	28705
Senior Citizens Center	152 Ledger School Road	Bakersville	NC	28705
Board of Education	72 Ledger School Road	Bakersville	NC	28705
Mitchell High School	416 Ledger School Road	Bakersville	NC	28705
Gouge	134 Laurel Street	Bakersville	NC	28705
Bowman	410 South Mitchell Avenue	Bakersville	NC	28705
Deyton	308 Harris Street	Spruce Pine	NC	28777
Greenlee	2206 Carter's Ridge Road	Spruce Pine	NC	28777
Harris	121 Harris Street	Spruce Pine	NC	28777
Buladean	12190 North Highway 226	Bakersville	NC	28705
Tipton Hill	4256 NC 1997	Green Mountain	NC	28740
Mountain Opportunity Center	32 Mitchell Avenue	Bakersville	NC	28705

