

RESOLUTION NO.

A RESOLUTION OF THE TOWN OF DAVIE, FLORIDA, APPROVING, AND AUTHORIZING THE MAYOR TO EXECUTE, A FRANCHISE AGREEMENT TO PROVIDE CABLE SERVICES BETWEEN THE TOWN OF DAVIE, FLORIDA AND COMCAST CABLEVISION OF BROWARD COUNTY, INC.; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Section 12 of the Charter of the Town of Davie provides for granting of franchises; and

WHEREAS, Florida Statute §166.046(2) requires that certain issues be considered by the franchising authority before granting of a franchise for cable service to a cable system within its jurisdiction; and

WHEREAS, pursuant to the Cable Communications Policy Act of 1984, the Cable Television Consumer Protection and Competition Act of 1992, and the Telecommunications Act of 1996, all of which amend the Communications Act of 1934, the Congress established procedures and standards in order to, among other purposes, provide for the orderly renewal of cable television franchises, encourage the growth and development of cable systems, as well as other purposes; and

WHEREAS, the Town of Davie has held public hearings in accordance with Section 12 of the Town Charter and Section 166.046 of the Florida Statute and has considered, among other matters, the following:

- (a) The economic impact upon private property within the Town of Davie;
 - (b) The public need for the franchise;
 - (c) The capacity of the public rights-of-way to accommodate the cable system;
 - (d) The present and future use of the public rights-of-way to be used by the cable system;
 - (e) The potential disruption to existing users of the public rights-of-way to be used by the cable system and the resultant inconvenience which may occur to the public;
 - (f) The financial ability of the franchise applicant to perform;
 - (g) Other societal interests generally considered in cable television franchising;
- and

(h) Other matters, both procedural and substantive, as the Town has determined to be relevant; and

WHEREAS, the Town has otherwise complied with the requirements of Florida Statute §166.046; and

WHEREAS, the Town deems entry into the agreement, a copy of which is attached hereto as Exhibit "A", to be in the public interest.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF DAVIE, FLORIDA:

SECTION 1. The Town Council of the Town of Davie does hereby approve the Franchise Agreement To Provide Cable Services between Town of Davie, Florida and Comcast Cablevision of Broward County, Inc., a copy of which is attached hereto, and does hereby grant the franchise as provided for therein.

SECTION 2. The Mayor is hereby authorized to execute the franchise agreement on behalf of the Town.

SECTION 3. This Resolution shall take effect immediately upon its passage and adoption.

PASSED AND ADOPTED THIS ____ DAY OF _____, 199__.

MAYOR/COUNCILMEMBER

ATTEST:

TOWN CLERK

APPROVED THIS ____ DAY OF _____, 199__.

TOWN OF DAVIE
OFFICE OF THE TOWN ADMINISTRATOR

MEMORANDUM

TO: Town Council
FROM: Will Allen, Programs Administrator
DATE: February 12, 1999
SUBJECT: Franchise Agreement with Comcast Television of Broward County, Inc.

Enclosed is a copy of the most recent draft of the proposed Franchise Agreement between the Town of Davie and Comcast Television of Broward County, Inc. I am pleased to report that as a result of extensive negotiations since the last Council meeting, most of the outstanding issues have been resolved. The changes in the language from the BellSouth agreement are not substantial in nature and do not have financial impact on the Town, the subscribers to the service or the franchisee. The enclosed document, however, does not represent a proposed final agreement between the parties. There are several outstanding issues, some of which I expect will be resolved by staff and Comcast as they are primarily matters of agreeing to wording which will implement what we believe is a meeting of the minds of the parties. There are, however, several issues which remain unresolved, the resolution of which would be greatly facilitated by Council input into the issues. I am accordingly requesting that a workshop meeting be called for the purpose of face to face discussions with the Town Council, the Town staff and representatives of Comcast. The issues that I believe require Town Council discussion are as follows:

1. Section 3.5.3.2 of the proposed franchise provides that closed captions of the audio portion of Town Council meeting programming shall be provided by the franchisee to the extent required by federal law to the degree that technology allows it. Comcast is unwilling to agree to this provision as it could have a substantial financial impact upon them. The Cable Act currently requires originators of programming to provide closed captioned for the audio portion of the programming. Transmission of public meetings such as the Town Council meetings currently do not require closed captioning. If, in fact, the Cable Act should be amended or other legislation adopted which would require closed captioning for broadcasts of Town Council meetings, it is the position of Comcast that the Town is the originator of the programming and they are not required and would not be agreeable to assuming that expense. It is their position that they are a conduit of the programming signal and should not be required to carry a great financial burden on behalf of the originator, the Town of Davie. If the closed captioning of Town Council meetings is required, it would place a great financial burden on the Town if the Town is required to pay for same. It is possible if closed captioning is mandated that the Town would have to discontinue the distribution of the televised Council meetings.

2. Section 8 concerns restrictions against assignments and other transfers of the franchise. Comcast is opposed to the broad powers granted to the Town with regard to assignments and transfers in light of the fact that their franchise is not exclusive and they will be competing within the Town with other franchisees. Furthermore, the Town has very little control over the rates charged by the franchisee in accordance with the limitations provided for in the Cable Act. They accordingly feel that the Town's extensive involvement in the transfer process as provided for in Section 8 could impede, delay and otherwise interfere with their lawful right to assign and transfer their franchise rights. They are particularly concerned with the disclosure requirements set forth in paragraphs 8.2.1.3.6 and 8.2.1.3.7.

3. The third major issue is with respect to the definition of “gross revenue” on page A2 of Appendix A and the related issue of the definition of “affiliated person” which is found on page A1 of Appendix A. The primary issues involved in the disagreement is how to identify and clarify the revenues which may be realized by affiliates, subsidiaries or parent company of the franchisee resulting from the operation of the cable system within the Town. Comcast seeks elimination of any reference to affiliates, subsidiaries or parent company. The concern of the Town is that the franchisee be prohibited from establishing accounting or bookkeeping procedures which would deprive the Town of franchise fee revenues through use of affiliates, subsidiaries or parent company. The concern of Comcast is that they have existing relationships with affiliates or subsidiaries of Comcast which receive revenues which indirectly result from operation of the cable system by Comcast in the Town. They believe the Town would not be entitled to impose its franchise fee on those revenues flowing to the affiliates. An example would be, their relationship with QVC which sells merchandise. They want to be protected from the Town claiming a franchise fee on the revenues from the sale of merchandise by such an affiliate or other company with which they have a financial arrangement.

As previously mentioned, there are several other outstanding issues which we are continuing to work on that I believe will be resolved prior to the workshop meeting. If they are not resolved, they would also be discussed at the workshop meeting.

BSW/er

Draft

February 12, 1999
Franchise Agreement
To Provide Cable Services

between

Town of Davie, Florida

and

Comcast Cablevision of Broward County, Inc.

Items still being discussed are marked with a *

Deletions from BellSouth Agreement are marked by ~~Strike Thru~~

Additions to BellSouth Agreement are marked by Underline

TABLE OF CONTENTS

SECTION 1.	GRANT OF AUTHORITY.....	1
SECTION 2.	THE SYSTEM.....	2
SECTION 3.	SERVICE OBLIGATIONS.....	3
SECTION 4.	FEES AND CHARGES.....	5
SECTION 5.	CONSUMER PROTECTION AND CUSTOMER SERVICE; SUBSCRIBER BILLS; AND PRIVACY PROTECTION.....	6
SECTION 6.	COMPENSATION AND OTHER PAYMENTS.....	7
SECTION 7.	OVERSIGHT AND REGULATION.....	8
SECTION 8.	RESTRICTIONS AGAINST ASSIGNMENTS AND TRANSFERS.....	9
SECTION 9.	SPECIFIC RIGHTS AND REMEDIES.....	11
SECTION 10.	SECURITY FUND.....	13
SECTION 11.	INSURANCE AND INDEMNITY.....	14
SECTION 12.	MISCELLANEOUS.....	15

APPENDICES

A	Defined Terms
B	System Characteristics
C	General Requirements for Work on the System
D	Rates, Terms and Conditions
E	Customer Service Standards
F	Franchise Fee Report Form

AGREEMENT

This **AGREEMENT**, executed as of the _____ (the "Effective Date") by and between **TOW OF DAVIE**, a municipal corporation (hereinafter referred to as the "Franchising Authority", or "Town"), and **COMCAS CABLEVISION OF BROWARD COUNTY, INC.**, a corporation duly organized and validly existing under the laws of the State of Florida, whose principal place of business is located at 6565 Nova Drive, Davie, Florida 33317 (hereinafter referred to as the "Company"). For purposes of this Agreement, unless otherwise defined in this Agreement the capitalized terms, phrases, words, and their derivations shall have the meanings set forth in Appendix A.

WITNESSETH:

WHEREAS, pursuant to the Cable Communications Policy Act of 1984, the Cable Television Consumer Protection and Competition Act of 1992 (the "Cable Act"), and the Telecommunications Act of 1996 (the "Telcom Act"), all of which amend the Communications Act of 1934, the Congress established procedures and standards in order to, among other purposes, provide for the orderly renewal of cable television franchises, encourage the growth and development of cable systems, assure that cable systems are responsive to the needs and interests of the local community, assure that cable communications companies provide and are encouraged to provide the widest possible diversity of services to the public, assure that access to cable service is not denied to any Person (as defined in Appendix A) because of the income of such Person, and restore the right of local franchising authorities to regulate cable television rates and to engage in other regulatory activities; and

WHEREAS, Company agrees to be bound by the terms and conditions of this Franchise Agreement as set forth hereinafter and

WHEREAS, the Franchising Authority and the Company have negotiated the terms and conditions of this Franchise Agreement and the Franchising Authority finds those terms and conditions to be acceptable, in the public interest; and

WHEREAS, the Franchising Authority intends to exercise the full scope of its municipal powers, including both its police power and contracting authority, to promote the public interest and to protect the health, safety and welfare of its citizens;

NOW, THEREFORE, in consideration of the foregoing clauses, which clauses are hereby made a part of this Agreement, the mutual covenants and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby covenant and agree as follows:

SECTION 1 GRANT OF AUTHORITY

1.1 **Grant of Franchise.** The Company is hereby granted a nonexclusive franchise (the "Franchise") for for cable television services to occupy and use the Streets within the Franchise Area, consisting of the entire geographic area within the cable franchise jurisdiction of Town of Davie, in order to construct, operate, maintain, upgrade, repair and remove the System, and provide Services through the System, subject to the terms and conditions of this Agreement. The Town reserves the right to grant a similar or other franchise to any person or to the Town at any time during the term of this Franchise Agreement.

1.2 **Term of Franchise.** The Franchise shall commence upon the Effective Date (as defined in Appendix A) and shall expire ten (10) years after the Effective Date, unless the Franchise is automatically extended pursuant to Section 3.1 of this Agreement, or the Franchise is renewed or the Franchise is sooner terminated pursuant to this Agreement. This Franchise Agreement is subject to the Town's Code of Ordinances as may be amended from time to time and exercise of the Town's police powers, state law and federal law. In the event of a conflict between the terms of this Franchise Agreement and the Town's Ordinances, the provisions of the Franchise Agreement shall prevail.

1.3 **Renewal.** Subject to Section 626 of the Cable Act (47 U.S.C. §546), the provisions of this Agreement, and such terms and conditions as may be established by the Franchising Authority, the Franchising Authority reserves the right to grant or deny renewal of the Franchise, which renewal shall not be unreasonably withheld.

1.4 **Reservation of Authority.** Nothing in this Agreement shall (i) abrogate the right of the Franchising Authority to perform any public works or public improvements of any description, (ii) be construed as a waiver of any

codes or ordinances of the Franchising Authority or of the Franchising Authority's right to require the Company or a Person utilizing the System to secure the appropriate permits or authorizations for such use, or (iii) be construed as a waiver or release of the rights of the Franchising Authority in and to the Streets. In the event that all or part of the Streets within the Franchise Area are vacated, eliminated, discontinued and closed, the Franchise shall cease with respect to such Streets upon the effective date of the final action of the Franchising Authority with respect thereto.

1.5 Automatic 5 Year Extension of Franchisee Term. This Franchise Agreement shall be automatically extended without the need for further action by the Town for a period of five (5) years if the Company satisfies the Service Commitment set forth in Section 3.1 of this Agreement.

1.6 Local Office. During the term of this franchise, and any renewal thereof, the Company shall maintain a toll free telephone line 24 hours a day for the purposes of customer inquiries and complaints. The Company shall also maintain a business office within the Town or within ten (10) miles of the Town. The Company shall maintain a billing payment center within the municipal limits of the Town.

SECTION 2 THE SYSTEM

2.1 The System and Its Operations

2.1.1 General Obligation. The Company shall construct, operate, maintain, and upgrade the System as outlined in Appendix B in this Agreement.

2.1.2 Testing Procedures; Technical Performance. Throughout the term of this Agreement, the Company shall operate and maintain the System in accordance with the testing procedures and the technical performance standards of the FCC in effect from time to time, including but not limited to, the right of Town upon written request to be present during the semiannual FCC Test.

2.2 Requirements With Respect to Work on the System.

2.2.1 General Requirements. The Company shall comply with the terms set forth in Appendix C in connection with all work involved in the construction, operation, maintenance, repair, upgrade, and removal of the System, in addition to any other requirements or procedures reasonably specified by the Franchising Authority. All work involved in the construction, operation, maintenance, repair, upgrade, and removal of the System shall be performed in a safe, thorough and reliable manner using materials of good and durable quality. If, at any time, it is reasonably determined by the Franchising Authority or any other agency or authority of competent jurisdiction that any part of the System, including, without limitation, any means used to distribute Signals over or within the System, is harmful to the health or safety of any Person, then the Company shall, at its own cost and expense, promptly correct all such conditions.

2.2.2 No Liability to Company or Affiliated Persons. Except for willful negligent gross misconduct, neither the Franchising Authority nor its officers, employees, agents, attorneys, consultants or independent contractors shall have any liability to the Company or any Affiliated Person for any liability as a result of or in connection with the protection, breaking through, movement, removal, alteration, or relocation of any part of the System by or on behalf of the Company or the Franchising Authority in connection with any emergency, public work, public improvement, alteration of any municipal structure, any change in the grade or line of any Street, or the elimination, discontinuation and closing of any Street, as provided in this Agreement.

SECTION 3 SERVICE OBLIGATIONS

3.1 Service Commitment. Notwithstanding anything in the Ordinance of the Franchising Authority to the contrary, the Company shall make all Cable Services distributed over the System available to all single family homes including all new or previously unserved single family dwellings, located within 150 feet of any energized coaxial feeder cable that the Company elects, based on market conditions, to deploy in the Franchise Area. The Company shall provide Cable Service to any multiple dwelling unit ("MDU") property located in the Franchise Area and within 150 feet of the Company's energized coaxial feeder cable, in which a minimum of twenty-five (25) percent of MDU residents are desirous of subscribing to Cable Services provided by the Company and for which the owner of the MDU property and the

Company have reached agreement to provide service to the property. The Company may elect to offer Cable Services areas not meeting the above standards. Notwithstanding the above, if any customer requests service to a single family living unit or business office where such living unit or business office does not meet the minimum density requirements stated herein and or exceeds a distance of 150 feet of Company's energized feeder cable, then said requesting customer shall be given a cost quote within seven (7) business days of such request to extend Company's facilities to within 150 feet of Company's energized feeder cable. Company may require prepayment of any additional costs prior to extending service pursuant to the provisions set out in the Franchise Authority's Code of Ordinances. The Company may elect to offer Cable Services to areas not meeting the above standards. If during the ten (10) year term of this Franchise, the Company provides Cable Service to all areas within the Franchise Area consistent with the minimum density requirements for serving single dwelling units which is hereby deemed to be 25 units per linear mile, service commitments to qualify for MDUs and service commitments to existing homes and new homes and new subdivisions as set forth herein, then the terms of this Franchise shall be automatically extended pursuant to Section 1.5 of this Agreement for a period of five (5) additional years; provided the Company is at the time of such extension in substantial compliance with the terms and conditions of this Franchise Agreement. The Town will notify Company of any deficiencies which would render Company not in substantial compliance with material terms and conditions of this Franchise Agreement not less than ninety (90) days prior to the end of the Franchise. Company shall have thirty (30) days to respond in writing as to a plan and schedule to cure all noticed deficiencies. In the event the cures are not completed prior to the expiration of the term, the automatic extension shall not occur.

3.2 Programming Services. The Company shall offer to all Subscribers a diversity of video programming services and other programming services as they become feasible.

* 3.3 No Discrimination. To the extent required by the Cable Act, neither the Company nor any Affiliated Person shall discriminate or permit discrimination between or among any Persons in the availability of Services. Further, the Company and each Affiliated Person shall ensure that access to any Service is not denied to any group of potential Subscribers because of the income of the residents of the area in which such group resides. It shall be the right of all Persons to receive ~~continuously~~ all available Services continuously subject to the provisions of Section 5 of Appendix A insofar as financial and other obligations to the Company are satisfied.

3.4 Service to Governmental and Institutional Facilities. The Company shall provide one free basic and expanded basic (i.e., analog broadcast programming, excluding all pay-per-view and premium channels) Cable Service hook up, including associated drop wiring, to any governmental and institutional facilities, including but not limited to primary and secondary public schools, Town office buildings, police, fire and EMS stations located in the Franchise Area within 150 feet of Company's energized feeder cable upon request by the Town. At a minimum, Company will provide ~~free modem and~~ free unlimited cable Internet service to all the governmental and institutional facilities referred to above within a year after Company makes personal computer-based Internet access service via cable commercially available to all residential customers within ~~Broward County~~ the Town of Davie.

3.5 PEG Access. Company recognizes the need and benefits derived from the provision of channels for the use of Public, Educational and Government Access. Company shall provide within three (3) years of the date of this Agreement one (1) dedicated channel, facilities and other support for Town's governmental use. Company shall have the right to program any fallow time of the aforementioned access channels in the event the access channel is not fully utilized.

3.5.1 Access Facilities, Equipment and Support. Company shall make available to the public at no charge and subject to reasonable rules for use to be promulgated by Company, a studio for the purposes of creating and taping public access programming. ~~Alternatively,~~ The Company may elect to ~~will~~ pay for the use of a studio to provide public access programming.

3.5.2 Company agrees that the PEG access channel will be provided to subscribers on the system as a part of basic service and that, if such information is supplied to Company or known by Company, then Company will publicize programming on the access channels as a part of any ordinary printed program listings it provides or will include access channel programming listings in any monthly program guide sent to subscribers, provided that information concerning access channel programming is provided to or becomes known to Company within the time that other programmers are required to provide such information for inclusion in such program listings or program guide.

3.5.3 Broadcast of Town Council Meetings. The Company shall provide live cablecasting of Town Council meetings in their entirety to all of Company's subscribers located within the Town. In addition the Company shall provide live cablecasting for up to four (4) additional community meetings or events provided the Town gives written

notice to the Company at least ten (10) days in advance of the meeting or event. The Company shall use its best efforts record on tape all meetings broadcast live and to store the tape for thirty (30) days after the subject meeting.—~~A tape all meetings broadcast live will be stored by Company for thirty (30) days after the subject meeting.~~ Additionally, the Company shall broadcast up to ten (10) additional community meetings or events on a tape-delayed basis, provided the Town gives written notice to the Company at least ten (10) days in advance of the meeting or event to be taped and broadcast. Company shall be responsible for providing all on-site facilities, equipment, cabling and trained personnel necessary to permit both live and delayed cablecast of all Town Council meetings.

3.5.3.1 It is the Town's intent that in the event more than one cable operator is granted a cable television franchise by the Town, the cost incurred by the Franchisee in satisfying its obligation for broadcasting the Town Council and other events shall be equivalent to those imposed on other Franchisees. It is recognized that Franchisee is the incumbent cable operator in the Town of Davie and that Franchisee will continue to broadcast the Town Council meetings and other meetings and events as required. No later than January 30 and July 30 of each year Franchisee shall submit to the Town an analysis of the costs incurred for these broadcasts for the six month period ending the preceding December 31 and June 30. In lieu of using its own facilities and equipment to satisfy its obligations under Section 3.5.3 of this Agreement, the new Company shall have the option of entering a joint use and interconnection agreement with the incumbent cable operator to satisfy such obligation wherein for the first two years of a new Franchise Agreement with another cable operator, the operator shall be responsible for ten (10) percent and twenty-five (25) percent respectively of these costs and in the third year and beyond the cost of broadcasting the Town Council meetings and other meetings and events as required will be divided equally among all Franchisees.

* 3.5.3.2 Closed captions of the audio portion of such programming shall be provided by Franchisee to the extent required by federal law to the degree that technology allows it.

3.5.3.3 In order to maintain professional production quality the Franchisee agrees to pay the amount of \$12,500 to upgrade camera equipment, lighting and sound equipment at Town Hall within thirty (30) days after the Franchise is approved by Town Council.

3.5.4 Interconnection of Cable Systems. Company shall be ~~obligated to~~ interconnect with any other cable system operating in the Town.

3.5.4.1 Company shall interconnect its cable system with all other cable systems operating in the Town and, to the extent required by law, with other providers of video programming, ~~(a) through independent interconnection or (b) through connection to a central facility designated by the Town.~~ Said interconnection shall be completed and activated no later than six (6) months after the date of written receipt of notice by the Town.

* 3.5.4.2 The costs of such interconnection shall be distributed equally among the interconnected Franchisees.

3.5.4.3 If the Franchisees, at the date upon which the Town may require interconnection, are unable to agree on such interconnection point, then Franchisees shall submit to mediation. The Town at its discretion shall have the right to appoint a mediator and retain such other consultants as may be reasonably required including but not limited to attorneys, accountants and engineers. All costs incurred by the Town in this regard shall be paid equally by all Franchisees.

3.6 Company shall provide commercial leased access channels as required by federal law.

3.7 Emergency Access Override. To the extent required by and consistent with applicable federal statutes and FCC regulations, Company agrees to satisfy its Emergency Access Override Obligation throughout the Franchise Area, and shall designate a single channel for emergency broadcast of both audio and video signals.

3.7.1 Within six (6) months of the effective date of this Franchise Agreement, Company shall furnish to the Town a written plan setting forth the procedures for implementing and using the audio and video override capability set forth in subsection 3.7 of this Section. ~~Such Plan will be subject to approval by the Town Administrator.~~

3.8 Company shall provide standby power generating capacity at the cable system headend and all hubs (including the hub at Town Hall), capable of providing at least two (2) hours of emergency power supply. Standby batteries

capable of providing at least two (2) hours of emergency power, shall be installed in the cable distribution plant.

SECTION 4 FEES AND CHARGES

4.1 Rates, Fees and Charges To Be Set Forth in Appendix D. All rates, fees, charges, deposits and associated terms and conditions to be imposed by the Company for any Cable Service as of the Effective Date are as set forth in Appendix D. Within thirty (30) days of any new or modified rate, fee, charge, deposit or associated term or condition, the Company will submit to the Franchising Authority a revised Appendix D reflecting the modification. Submission of a Company rate card which reflects all current rates, fees, charges, deposits and associated terms and conditions will satisfy the requirements of this section.

4.2 Prohibition Against Discrimination in Fees and Charges. To the extent required by the Cable Act, the Company:

(i) shall not discriminate or permit discrimination between or among any Persons in the rates, terms and conditions for the same level of Cable Service, except as set forth below;

(ii) shall provide Cable Service to each resident at the same rates charged to all other residential Subscribers subject to the provisions of this Paragraph 4.2;

(iii) shall not discriminate between residential Subscribers to the Basic Service tier and other Subscribers with regard to the rates charged for video programming offered on a per Channel or per program basis.

The foregoing requirements shall not prevent the use of different charges for residential Subscribers than for nonresidential Subscribers; short-term sales promotions and other short-term discounts or reduced charges; reasonable discounts or reduced charges to senior citizens or other economically disadvantaged groups; or bulk rate arrangements.

4.3 Parental Control Devices. The Company shall, within seventy-two (72) hours of a Subscriber's written or oral request, provide to each Subscriber, at the Company's option and at Subscriber's cost, one of the following devices by which the Subscriber can block completely the video and audio Signals of a particular Cable Service during periods selected by that Subscriber: (i) a parental control device; or (ii) a converter with a parental control feature; or (iii) within a reasonable time after the request, a filter, trap or other method or device.

4.4 Franchising Authority's Regulation of Fees and Charges. Notwithstanding anything in the Ordinance to the contrary, the parties recognize that pursuant to the Cable Act, as amended, the Company's rates, charges, deposits, and associated terms and conditions of providing cable services currently are not subject to regulation by the Franchising Authority. Subject to the Company's rights under the Cable Act to be free of such regulation, the Franchising Authority reserves the right to regulate the rates, fees, charges, deposits and associated terms and conditions for any Service provided pursuant to this Agreement to the fullest extent permitted by applicable law, and the Franchising Authority may establish rules and regulations in connection therewith from time to time. In connection with such regulation, the Franchising Authority shall comply with FCC rules and provide the public with an opportunity to comment.

SECTION 5 CONSUMER PROTECTION AND CUSTOMER SERVICE; SUBSCRIBER BILLS; AND PRIVACY PROTECTION

5.1 Customer Service and Consumer Protection Standards.

5.1.1 Company To Comply With Standards Provided Under FCC Rules. The Company shall comply in all respects with the requirements set forth in Appendix E and the customer service requirements established by the FCC pursuant to Section 632(c) of the Cable Act (47 U.S.C. §552(c)).

5.2 Subscriber Bills

5.2.1 Bill Format Generally. Subscriber bills shall be designed in such a way as to present the information contained therein clearly and comprehensibly to Subscribers, and in a way that (i) is not misleading, (ii) does not omit material information, and (iii) does not mischaracterize any information. The Company may itemize costs on Subscriber bills, to the extent permitted by Section 622(c) of the Cable Act (47 U.S.C. §542(c)) and the FCC's rules thereunder.

5.3 Privacy Protection

5.3.1 Company To Protect Privacy. The Company shall protect all Persons against invasions of privacy and shall comply with Section 631 of the Cable Act (47 U.S.C. §551) and regulations adopted pursuant thereto. Furthermore, notwithstanding Sec. (5-1/2-30) of the Franchising Authority's Code of Ordinances, the parties agree that the Company shall not monitor the viewing patterns, selections or return path transmissions of individual subscribers, other than for the purpose of verifying system integrity, controlling return path transmission, proper billing, or other activities as may be necessary to render a cable service or other service provided by Company to the subscriber, without the written or electronic consent of the subscriber concerned.

5.3.2 Company To Provide Certain Information To Franchising Authority. The Company shall cooperate with the Franchising Authority so as to ensure the Franchising Authority's ability to enforce the terms and conditions of this Agreement to the maximum extent permitted by applicable law.

SECTION 6 COMPENSATION AND OTHER PAYMENTS

6.1 Compensation to the Franchising Authority. As compensation for the Franchise, the Company shall pay, or cause to be paid, to the Franchising Authority the amounts set forth in this Section 6.1.

6.1.1 Franchise Fees -- Amount. In consideration of the privilege granted herein to use and occupy the streets, to own, construct, install, maintain, and operate its cable system, the Company shall pay to the Franchising Authority a franchise fee in the amount of five percent (5%) of the Company's annual Gross Revenue derived from the provision of Cable Services in connection with the operation of the CATV system. As used herein and as further clarified, the definition of "Gross Revenue" from the provision of Cable Services shall not include:

1. Charges billed to subscribers but not collected;
2. Subscriber deposits on equipment furnished by the Company;
3. Subscriber refunds; or
4. Services not considered to be "Cable Services" as that term is defined by the federal Cable Act (47 U.S.C. §522(6)), including any amendments thereto.

6.1.2 Franchise Fees -- Payment. All such payments of franchise fees shall be made on a quarterly basis and shall be remitted simultaneously with the submission of the Company's quarterly report required pursuant to Section 6.1.3.

6.1.3 Company To Submit Franchise Fee Report. The Company shall submit to the Franchising Authority a report, in the form provided in Appendix F, not later than thirty (30) days after the last day of each March, June, September, and December throughout the term of this Agreement setting forth the Gross Revenue for the quarter ending on said last day.

* 6.1.4 Franchise Fee Payments Subject to Audit; Remedy for Underpayment. No acceptance of any franchise fee payment by the Franchising Authority shall be construed as an accord and satisfaction that the amount paid is in fact the correct amount or a release of any claim that the Franchising Authority may have for further or additional sums payable under this Agreement, and all amounts paid shall be subject to audit and recomputation by the Franchising Authority for a period of three (3) years after payment was made.

If, as a result of such audit or any other review, the Franchising Authority determines that the Company has underpaid its fees in any twelve (12) month period by ten percent (10%) or more, then, in addition to making full payment of the relevant obligation, the Company shall reimburse the Franchising Authority for all of the reasonable costs associated with the audit or review, including all reasonable out-of-pocket costs for attorneys, accountants, and other consultants.

6.2 Payments Not To Be Set Off Against Taxes or Vice Versa. The parties agree that the compensation and other

payments to be made pursuant to this Section 6 and any other provision of this Agreement are not a tax and are not in the nature of a tax and are in addition to any and all taxes of general applicability which the Company shall be required to pay to the Franchising Authority.

6.3 Interest on Late Payments. If any payment required by this Agreement is not actually received by the Franchising Authority on or before the applicable date fixed in this Agreement or by the Franchising Authority, the Company shall pay interest thereon, from the due date to the date paid at a rate of one percent (1%) per month, for the period of delinquency computed on the basis of a thirty (30) day month and a three hundred sixty (360) day year with interest compounded monthly. This amounts to an annual rate of twelve percent (12%). If the prime rate is higher than twelve percent (12%) then the interest rate will be prime rate plus one percent (1%).

6.4 Continuing Obligation. In the event the Company continues to operate all or any part of the System as a cable system providing Cable Service after the term of this Agreement, then the Company shall continue to comply with all applicable provisions of this Agreement, including, without limitations all compensation and other payment provisions of this Agreement, throughout the period of such continued operation, provided that any such continued operation shall in no way be construed as a renewal or other extension of this Agreement or the Franchise. This paragraph shall in no way authorize the Company to continue to operate all or part of the system after the term of this agreement without the specific consent of the Town, except as otherwise provided by law.

SECTION 7 OVERSIGHT AND REGULATION

7.1 Franchising Authority's Right of Oversight. The Franchising Authority shall have the right to ~~oversee~~ regulate, and periodically inspect the construction, operation, maintenance and upgrade of the System, and all parts thereof, ~~in accordance with~~ to assure compliance with the provisions of this Agreement and applicable law, including the Franchising Authority's police power.

7.2 Reports. At the request of the Franchising Authority, the Company shall promptly submit to the Franchising Authority such information as the Franchising Authority may request regarding the Company, its compliance with any term or condition of this Agreement, with respect to the System or its operation, any Services distributed over the System, or any activity or function associated with the production or distribution of any Service over the System.

7.3 Company To Maintain Books, Records and Files

7.3.1 Books and Records. Throughout the term of the Agreement, the Company shall maintain at its principal place of business, or at an office in the Town in which the Franchise Area resides, or make available upon request of the Franchising Authority in the Franchise Area within thirty (30) business days, complete and accurate books of account and records regarding the Company's ownership and operation of the System and the provision of Services over the System, ~~in a manner reasonably acceptable to the Franchising Authority,~~ including without limitation, books of account and records adequate to enable the Company to demonstrate that it is, and throughout the term of this Agreement has been, in compliance with this Agreement. All such documents pertaining to financial matters which may be the subject of an audit by the Franchising Authority shall be retained by the Company for a minimum of three (3) years following termination of this Agreement, or for a longer period of time if required by law.

7.3.2 File for Public Inspection. Throughout the term of this Agreement, the Company shall maintain or make available, in a file available for public inspection during normal business hours, in the Town in which the Franchise Area is located, those documents required pursuant to the FCC's rules and regulations.

7.3.3 Performance Evaluation. Upon the Franchising Authority's request, but not prior to two years after the franchise origination date and not more frequently than every two years, the Company shall prepare a status presentation, to provide information to the Franchising Authority regarding system performance, customer service satisfaction, and future system and programming planning. If on evaluating the status presentation contents, the Franchising Authority determines that additional information is needed to complete the evaluation, the Company shall provide additional relevant data.

Should the Franchise Authority determine that, based on the presentation and expressed community concerns, unsatisfactory or deficient quality ~~or quantity~~ of cable service or customer service is being provided then the Company and the Franchising Authority shall enter into good faith negotiations to consider and determine a course of action to correct and improve service.

7.4 Franchising Authority's Rights of Inspection and Audit

* 7.4.1 Right of Inspection -- General. Upon notice to the Company, the Franchising Authority or its designated representatives, shall have the right to examine, at the Company's offices located at 6565 Nova Drive, Davie, Florida 33317 or at such other place of business designated by the Company and located within the Town which the Franchise Area resides; all books and records pertaining to the Company's or any Affiliated Person's ownership or operation of the System or to the Company's provision of Services over the System. Further, during normal business hours and upon notice to the Company, the Franchising Authority or its designated representatives may inspect and examine any other aspect of the System, including facilities and equipment thereof.

7.4.2 Treatment of Proprietary Information. Access by the Franchising Authority to any of the Company's documents, records or other information required to be provided pursuant to Section 7.3.1 shall not be denied by the Company on grounds that such documents, records or information are alleged by the Company to contain proprietary information, provided that this requirement shall not be deemed to constitute a waiver of the Company's right to assert that the proprietary information contained in such documents, records or other information, should not be disclosed and withheld such information upon the agreement of the Franchising Authority. If the Responsible Franchising Official concurs with the Company's assertion regarding the proprietary nature of such information, the Franchising Authority will not disclose such information to any Person, unless required by applicable law or order of governmental authority. If the Responsible Franchising Official does not concur with such assertion, then the Company may appeal such decision to the appropriate individuals or bodies within the Franchising Authority in accordance with applicable laws and procedures. The Company may withhold the documents or information as to which it claims proprietary treatment during the pendency of such appeal. If the Franchising Authority does not concur with the Company's assertion, and the Company does not appeal such decision to a court of law, then the Company shall promptly provide such documents including the alleged proprietary portion thereof, to the Franchising Authority, provided that the Company shall not be required to provide the proprietary portion thereof during the pendency of any court challenge to such provision.

7.4.3 Franchising Authority May Conduct Compliance Audit and Hearings. The Franchising Authority may conduct a full compliance audit and hold public hearings at any time during the term of the Franchise Agreement provided it gives the Company written notice twenty (20) days in advance of the commencement of such audits and associated hearings.

SECTION 8 * RESTRICTIONS AGAINST ASSIGNMENTS AND OTHER TRANSFERS

* 8.1 Transfer of Franchise or Interest Therein. Except as provided in Section 8.2.1.5, Company shall not directly or indirectly assign, sell or transfer its franchise, or any right, title, or interest in same, this Franchise Agreement, or its cable system, nor shall any substantial ownership or any other form of control of Franchisee or any lawful successor be transferred, assigned, directly or indirectly, without prior written notice to and approval of the Town.

8.1.1 Company shall file an application to transfer its franchise or to transfer control of Franchisee.

* 8.1.2 In the event of an unauthorized transfer in violation of this Section, the entire amount of the security fund established pursuant to Section 10 hereof shall immediately revert to the Town, and Franchisee shall be subject to applicable sanctions as set forth in this Agreement.

8.2 Procedures for Requesting Approval of Transfer. The following procedures shall be followed by Company requesting the Town's consent to transfer its franchise or to transfer control of Company.

8.2.1 At least one hundred twenty (120) calendar days prior to the contemplated effective date of transfer, Company shall submit to the Town an application for approval of the transfer. Such application shall include the following:

8.2.1.1 A statement of the reason for the contemplated transfer.

8.2.1.2 The name, address and telephone number of the proposed transferee.

8.2.1.3 A detailed statement of the corporate or other business entity organization of the proposed transferee, including but not limited to the following:

8.2.1.3.1 The names, business addresses, state of residence and country of citizenship of all general partners and/or corporate officers and directors of the proposed transferee.

8.2.1.3.2 The names, business addresses, state of residence and country of citizenship of all persons and entities having, controlling, or being entitled to have or control ten percent (10%) or more of the ownership of the proposed transferee and the respective ownership share of each such person or entity.

8.2.1.3.3 The names and addresses of any subsidiary of the proposed transferee and of any other business entity owning or controlling in whole or in part or owned or controlled in whole or in part by the proposed transferee.

8.2.1.3.4 A detailed and complete financial statement of the proposed transferee, prepared by a certified public accountant if audited statements were made, and if not, by a duly authorized financial officer of the proposed transferee, for the three (3) fiscal years immediately preceding the date of the request for transfer approval; and a letter or other acceptable evidence in writing from a duly authorized officer of the proposed transferee setting forth a clear and accurate description of the amount and sources of funding for the proposed transaction and the sufficiency to provide whatever capital shall be required by the proposed transferee to construct, install, rebuild, maintain and operate the proposed system in the Town. If the corporate or business entity organization of the proposed transferee has not been in existence for a full three (3) years, the proposed transferee shall submit a certified financial statement for the period of its existence.

8.2.1.3.5 A description of all previous experience of the proposed transferee in operating cable television systems and providing cable television services or related or similar services, including a statement identifying, by place and date, any other cable television franchise(s) awarded to the proposed transferee, its parent, subsidiaries, or affiliates, the status of said franchise(s) with respect to completion thereof, the total estimated cost of completion of such system(s), and a summary of the amount of the proposed transferee's and its parent's or subsidiary's resources committed to the completion thereof.

* 8.2.1.3.6 A detailed pro forma financial plan describing for each remaining year of the franchise, the projected number of subscribers, rates, all revenues, operating expenses, capital expenditures, depreciation schedules, income statements, and statement of sources and uses of funds. Where the transfer is part of a large transaction and such information is not prepared for the single system in the Town, the proposed transferee may provide such information on a consolidated basis including the system in the Town, but shall provide information on the size of the Town system, in terms of number of subscribers, relative to the transaction, so that pro rata estimates may be made.

* 8.2.1.3.7 A detailed description of the proposed plan of operation of the proposed transferee which shall include, but not be limited to the following:

8.2.1.3.7.1 A detailed map indicating all areas proposed to be served, a proposed timeline schedule for the installation of all equipment necessary to become operational throughout the entire area to be served and the projected total cost for construction of the system.

8.2.1.3.7.2 A statement or schedule setting forth all proposed classifications of rates and charges to be made against subscribers and all rates and charges and to each of any said classifications, including installation charges, service charges, special, extraordinary, or other charges.

* 8.2.1.4 The proposed purchase price of the cable system, and the terms and conditions of the proposed transfer.

* 8.2.1.5 Such prior written consent shall not be required, however, for any transfer or transfer of control to the parent corporation of the Company or a majority owned affiliate or subsidiary of the Company, provided that the parent, affiliate or subsidiary agrees to be fully bound by the terms and conditions of this Franchise Agreement. The Company shall notify the Franchising Authority of any such change in control of the Company, the System, or the

Franchise not requiring the prior written consent of the Franchising Authority within thirty (30) days of such action.

SECTION 9 SPECIFIC RIGHTS AND REMEDIES

9.1 Not Exclusive. The Company agrees that the Franchising Authority shall have the specific rights and remedies set forth in this Section 9. These rights and remedies are in addition to any and all other rights or remedies now or hereafter available by law to the Franchising Authority to enforce the provisions of this Agreement, and will not be deemed waived by the exercise of any other right or remedy. The exercise of any such right or remedy by the Franchising Authority shall not release the Company from its obligations or any liability under this Agreement, except as expressly provided for in this Agreement or as necessary to avoid duplicative recovery from or payments by the Company.

9.2 Events of Default

9.2.1 Grounds. The Company agrees that an Event of Default shall include, but shall not be limited to any of the following acts or failures to act by the Company or any Affiliated Person:

(i) Any substantial failure to comply with any material provision of this Agreement that is not cured within thirty (30) days after notice pursuant to this Section 9;

(ii) The occurrence of any event which may reasonably lead to the foreclosure or other similar judicial or nonjudicial sale of all or any material part of the System;

(iii) The condemnation by a public authority other than the Franchising Authority, or sale or dedication under threat or in lieu of condemnation, of all or any part of the System, the effect of which would materially frustrate or impede the ability of the Company to carry out its obligations, and the purposes of this Agreement;

(iv) In the event that the Company shall suspend or discontinue its business;

(v) If there shall occur any denial, forfeiture or revocation by any federal, state or local governmental authority of any authorization required by law or the expiration without renewal of any such authorization, and such events either individually or in the aggregate, materially disrupt the System or its operation;

(vi) A persistent failure by the Company or its Guarantor(s), as applicable, to substantially comply with the material provisions, terms or conditions of this Agreement or with any material and lawful rule, regulations, and orders of the Franchising Authority after having received notice of a failure to comply; or

* (vii) The Company fails to comply with any of the actions described in Sections 8.1 and 8.2 which require prior express written consent of the Franchising Authority.

9.2.2 Franchising Authority Action Upon Occurrence of Event of Default. Upon the occurrence of an Event of Default, then, in accordance with the procedures provided in Section 9.2.3, the Franchising Authority through its governing body may, at any time during the term of this Agreement:

(i) Seek from the Company money damages directly caused by such Event of Default; and/or

(ii) Revoke the Franchise by termination of this Agreement pursuant to this Section 9.

Upon the occurrence of an Event of Default under Section 9.2.1(vii), the court's determination shall be deemed a final determination by the Franchising Authority's governing body under Section 9.2.3 and in addition to pursuing any of the actions set forth in this Section 9.2.2, the Franchising Authority's governing body may issue a directive to correct such conditions, consistent with this Agreement and the determination of the court, without following the procedural requirements of Section 9.2.3.

9.2.3 Breach Procedures. The Franchising Authority through its governing body shall exercise the rights provided in Section 9.2.2 in accordance with the procedures set forth below:

(i) The Responsible Franchising Official shall notify the Company, in writing, of an alleged Event of Default, which notice shall specify the alleged Event of Default with reasonable particularity. The Company shall, within fifteen (15) days after receipt of such notice or such longer period of time as the Responsible Franchising Official may specify in such notice, either cure such alleged Event of Default or, in a written response to the Responsible Franchising Official, either present facts and arguments in refutation or excuse of such alleged Event of Default or state that such alleged Event of Default will be cured and set forth the method and time schedule for accomplishing such cure. In the event the Company requires more than fifteen (15) days to respond to the notice due to the nature of the alleged default, it may request additional time to respond to the notice. The request for an extension of time to respond must state with specificity the reason or reasons why the Company cannot comply with the fifteen (15) day limitation. The requested extension of time to respond shall not be unreasonably denied by the Responsible Franchising Official.

(ii) The Responsible Franchising Official shall initially determine (A) whether an Event of Default has occurred; (B) whether such Event of Default is excusable; and (C) whether such Event of Default has been cured or will be cured by the Company.

(iii) If the Responsible Franchising Official determines that an Event of Default has occurred and that such Event of Default is not excusable and has not been or will not be cured by the Company in a manner and in accordance with a schedule reasonably satisfactory to the Responsible Franchising Official, then the Responsible Franchising Official shall prepare a written report which may recommend the action to be taken by the Franchising Authority's governing body. The Franchising Authority shall provide notice and a copy of such report to the Company. The Company shall have the right to submit within fifteen (15) days of receipt of such report additional written evidence and information to the Franchising Authority in support of its position. In the event that the Franchising Authority's governing body determines that such Event of Default has not occurred, or that such Event of Default either has been or will be cured in a manner and in accordance with a schedule reasonably satisfactory to the Franchising Authority's governing body, or that such Event of Default is excusable, such determination shall conclude the investigation. Otherwise, the Franchising Authority shall after at least ten (10) days written notice, conduct a hearing at which the Company shall have the right to present written and oral evidence and to cross-examine witnesses and evidence relied upon by the Responsible Franchising Authority.

(iv) If after the hearing described in the preceding paragraph the Franchising Authority's governing body determines that such Event of Default has occurred, and that such Event of Default has not been and will not be cured in a manner and in accordance with a schedule reasonably satisfactory to the Franchising Authority's governing body, and that such Event of Default is not excusable, then the Franchising Authority may take any of the actions provided in Section 9.2.2.

9.3 Termination. In the event of any termination of this Agreement, whether by expiration, revocation or otherwise, the Company agrees to cooperate with the Franchising Authority or third party or to take other reasonable steps to maintain continuity in the distribution of services to subscribers over the System for a period of up to three (3) months.

9.4 Company's Obligations. In the event of any acquisition, transfer or Abandonment of the System, the Company shall promptly supply the Franchising Authority or third person with all records necessary to reflect the change in ownership and to operate and maintain the System.

9.5 Liquidated Damages. Because the Town will suffer damages from any violation by Franchisee of this Agreement, which damages may be difficult to quantify, the Town and Franchisee agree to the following schedule of liquidated damages:

9.5.1 For failure to complete line extensions and offer service as required by the Franchise Agreement, unless the Town specifically approves a delay caused by the occurrence of conditions beyond Franchisee's control, Franchisee shall pay One Thousand Dollars (\$1,000) per day for each day, or part thereof, the deficiency continues.

9.5.2 For material failure to provide data, documents, reports or information in a timely manner as required by this Franchise Agreement, Franchisee shall pay One Hundred Dollars (\$100) per day, or part thereof that such noncompliance continues.

9.5.3 For material failure to test, analyze and report on the performance of the system in a timely manner as required by this Franchise Agreement or following a request from the Town to do so, Franchisee shall pay One Hundred Dollars (\$100) per day, or part thereof, that such noncompliance continues.

9.5.4 For failure to comply with any other material provision of this Franchise Agreement within thirty (30) days of receipt of notice of such non-compliance from the Town, Franchisee shall pay One Hundred Dollars (\$100) per day, or part thereof, that such non-compliance continues.

9.5.5 Before assessing liquidated damages against Franchisee, the Town shall give Franchisee written notice of the violation and its intention to assess such damages, which notice shall contain a description of the alleged violation. Following receipt of such notice, Franchisee shall cure or commence to cure and the Franchisee and the Town shall make good faith reasonable efforts to resolve the dispute in question. If the dispute is not resolved in that thirty (30) day period, the Town may collect liquidated damages owed, either through draw-down of the security fund provided in Section 10 of this Agreement, or through any other means allowed by law.

SECTION 10 * SECURITY FUND

10.1 Franchisee shall provide the Franchising Authority a security fund in the amount of thirty-seven thousand and no/100 (\$37,000) dollars as security for the faithful performance of all provisions of the Franchise Agreement, the Franchising Authority's Code of Ordinances, and all applicable state and federal law. The security fund shall be in the form of a certified or cashier's check made payable to the Franchising Authority. If such security is not furnished to the Franchising Authority within forty-five (45) days of the date of the Town Council resolution approving the grant of the Franchise, this Franchise Agreement and the grant of the franchise will become null and void without further action by the Town.

10.2 The Franchising Authority shall place the cash portion of the security fund in an interest bearing account. The interest will accrue to the benefit of Franchisee, but Franchisee shall not withdraw said funds; all interest will be added to and become a part of the security fund during the term of this Franchise Agreement.

10.3 If after thirty (30) calendar days, written notice Franchisee fails to pay to the Town, any fees or taxes due and unpaid, or any liquidated damages pursuant to Section 9 hereof, damages, costs, or expenses that the Town has incurred because of any act, omission, or default of Franchisee in connection with this Franchise Agreement, the Town may immediately withdraw that amount, with interest and any penalties, from the security fund. Upon such withdrawal, the Town shall notify Franchisee in writing of the amount and date of the withdrawal.

10.4 Within thirty (30) calendar days after notice to Franchisee that an amount has been withdrawn by the Town from the security deposit, Franchisee shall deposit a sum of money sufficient to restore the security fund to its original amount. If Franchisee fails to restore the security fund to the original amount within that thirty (30) calendar day period, the entire security fund, including any accrued interest, may be forfeited, and/or such failure may be considered a material breach of this Franchise Agreement, and shall constitute grounds for revocation of the franchise or other enforcement action by the Town.

10.5 The security fund shall become the property of the Town in the event the franchise is revoked. Franchisee is entitled to return of the balance of the security fund that remains following any other form of expiration of the franchise including denial of renewal, provided that there is no outstanding default or unpaid amounts owed to the Town by Franchisee.

10.6 If the franchise terminates for reasons other than revocation, any security fund remaining will be returned to Franchisee within three (3) months of the termination date of the franchise, provided there is no outstanding default or unpaid amounts owed to the Town by Franchisee.

10.7 The rights reserved to the Town under this Section are in addition to all other rights of the Town, whether reserved in the Franchise Agreement, or authorized by other law, and no action, proceeding or exercise of a right with respect to the security fund will affect any other right the Town may have.

SECTION 11 INSURANCE AND INDEMNITY

11.1 Insurance

11.1.1 Specifications.

(a) Liability Insurance. Throughout the term of this Agreement, the Company shall, at its own cost and expense, maintain a liability insurance policy or policies that are in an acceptable form to the Franchising Authority, together with evidence acceptable to the Franchising Authority demonstrating that the premiums for such policy or policies have been paid. Such policy or policies shall be issued by companies duly licensed to do business in the State of Florida and acceptable to the Franchising Authority. Such companies must carry a rating by A.M. Best Co. of not less than "A-". Company shall maintain Commercial General Liability insurance with limits of not less than One Million Dollars (\$1,000,000) per occurrence and in the aggregate for bodily injury and property damages. The foregoing minimum limitation shall not prohibit the Company from obtaining a liability insurance policy or policies in excess of such limitations, provided that the Franchising Authority, its officers, boards, commissions, councils, elected officials, agents and employees shall be named as additional insured to the full extent of any limitation contained in the Commercial General Liability policy obtained by the Company.

(b) Workers' Compensation. The Company shall ensure its compliance with the Florida Workers' Compensation Act and in that regard shall secure insurance to cover its obligations with respect to worker compensation claims, or take other appropriate steps, which insurance and steps shall be in form and substance reasonably satisfactory to the Franchising Authority. The Company shall indemnify and hold harmless the Franchising Authority from any workers' compensation claims to which the Company may become subject during the term of this Agreement.

11.1.2 Maintenance. The liability insurance policies required by this Section 11.1.1 shall be maintained by the Company throughout the term of this Agreement and such other period of time during which the Company operates or is engaged in the removal of the System. Each such liability insurance policy shall contain a provision stating the name and address of the Franchising Authority and that the Franchising Authority is to be notified in writing at least thirty (30) days prior to cancellation of the policy. Prior to any such cancellation, the Company shall obtain and furnish to the Franchising Authority a replacement certificate of insurance reasonably acceptable to the Franchising Authority.

11.1.3 Increased Insurance Coverage. In the event of any changed circumstances following the Effective Date, if the Franchising Authority wishes to alter the minimum limitation of the liability insurance policy or policies required in this Section 11.1, then the Franchising Authority and the Company shall negotiate such proposal in good faith.

11.1.4 Liability Not Limited. The legal liability of the Company and any Affiliated Person to the Franchising Authority and any Person for any of the matters which are the subject of the liability insurance policies required by this Section 11.1, including, without limitation, the Company's indemnification obligations set forth in this Agreement, shall not be limited by such insurance policies nor by the recovery of any amounts thereunder, except to the extent necessary to avoid duplicative recovery from or payment by the Company.

11.2 Liability and Indemnity

11.2.1 No Liability for Damages. In accordance with Section 635A of the Cable Act (47 U.S.C. §555) and except as to injunctive and declaratory relief, the Franchising Authority, its officers, employees, agents, attorney consultants and independent contractors shall have no liability to the Company, arising from the regulation of cable service or from a decision of approval or disapproval with respect to a grant, renewal, transfer, or amendment of a franchise. Any relief to the extent such relief is required by any other provision of Federal, State, or local law, shall be limited to injunctive relief and declaratory relief.

11.2.2 Indemnification of the Franchising Authority. The Company shall: (i) except as to intentional wrongful acts and gross negligence, defend, indemnify, and hold harmless the Franchising Authority, its officers, employees, agents, attorneys, consultants and independent contractors from and against all liabilities, specifically incidental, consequential, punitive, and all other damage, cost, and expense (including reasonable attorneys' fees) arising out of or in connection with: this Franchise; the construction, operation, maintenance, repair, upgrade or removal of, or any other action or event with respect to, the System or any activity or function associated with the production or distribution of any Service over the System; or the distribution of any Service over the System; and (ii) cooperate with the Franchising Authority, by providing such nonfinancial assistance as may be requested by the Franchising Authority in connection with any claim arising out of this Franchise. The Company shall have the right to defend or settle, at its own expense, any action or suit brought against the Franchising Authority for which the Company is responsible hereunder. The Franchising Authority shall notify the Company promptly in writing of any such claim, action or suit and shall cooperate with the Company in every reasonable way to facilitate the defense of any such claim.

**SECTION I2
MISCELLANEOUS**

12.1 Controlling Authorities. This Agreement is made with the understanding that its provisions are controlled by the Cable Act, other federal laws, state laws, and all applicable local laws, and regulations.

12.2 Appendices. The Appendices to this Agreement, attached hereto, and all portions thereof and exhibits thereto, are, except as otherwise specified in such Appendices, incorporated herein by reference and expressly made part of this Agreement.

12.3 Nonexclusive Franchise. The Franchise is nonexclusive. Nothing in this Agreement shall affect the right of the Franchising Authority to grant to any Person, or to itself, a franchise, consent, or right to occupy and use the Streets, or any part thereof, for the construction, operation, or maintenance of all or any part of a Cable System within the Franchise Area or for any other purpose.

12.4 Enforceability of Agreement, No Opposition. By execution of this Agreement, the Company acknowledges the validity of the terms and conditions of this Agreement under applicable law in existence on the Effective Date, and pledges it will not assert in any manner at any time or in any forum that this Agreement, the Franchise, or the process and procedures pursuant to which this Agreement was entered into and the Franchise was granted are not consistent with the applicable law in existence on the Effective Date.

12.5 Entire Agreement. This Agreement, including all Appendices, embodies the entire understanding and agreement of the Franchising Authority and the Company with respect to the subject matter hereof and merges and supersedes all prior representations, agreements, and understandings, whether oral or written, between the Franchising Authority and the Company with respect to the subject matter hereof, including, without limitation, all prior drafts of this Agreement and any Appendix to this Agreement and any and all written or oral statements or representations by any official, employee, agent, attorney, consultant or independent contractor of the Franchising Authority or the Company. All other agreements between the Company and the Franchising Authority that are in conflict with the provisions of this agreement are hereby declared inapplicable and superseded by the terms of this agreement.

12.6 Notices. All notices, reports, or demands required to be given to or served on the Franchising Authority and/or Company shall be in writing and shall be deemed to have been given when delivered personally to the person designated below, or when seventy-two (72) hours have elapsed after being deposited in the United States mail in sealed envelope, with registered or certified mail postage prepaid thereon, or on the next business day if sent by express mail or overnight air courier addressed to the party to which notice is being given, as follows:

THE FRANCHISING AUTHORITY:

Town Administrator
Town of Davie
6591 Orange Dr.
Davie, Fl. 33314

WITH A COPY TO:

Town Attorney
Town of Davie
6591 Orange Dr.
Davie, Fl. 33314

COMPANY: Comcast Cablevision of Broward County
Attn: General Manager
6565 Nova Drive
Davie, Florida 33317

WITH A COPY TO:

1500 Market Street
Centre Square, East Tower
Philadelphia, Pennsylvania 19102-2148
Attn: General Counsel

12.7 Additional Representations and Warranties. In addition to the representations, warranties, and covenants

of the Company to the Franchising Authority set forth elsewhere herein, the Company represents and warrants to the Franchising Authority and covenants and agrees (which representations, warranties, covenants and agreements shall not be affected or waived by any inspection or examination made by or on behalf of the Franchising Authority) that, as of the Effective Date:

12.7.1 Organization, Standing and Authorization. The Company is a corporation duly organized and validly existing and in good standing under the laws of the State of Georgia and is duly authorized to do business in the State of Florida and in the Franchise Area.

12.7.2 Compliance with Law. To the best of its knowledge, the Company is in substantial compliance with all laws, ordinances, decrees and governmental rules and regulations applicable to the System and has obtained all government licenses, permits, and authorizations necessary for the operation and maintenance of the System.

12.8 Maintenance of System in Good Working Order. Until the termination of this Agreement and the satisfaction in full by the Company of its obligations under this Agreement, in consideration of the Franchise, the Company agrees that it will maintain all of the material properties, assets and equipment of the System, and all such items added in connection with any upgrade, in good repair and proper working order and condition throughout the term of this Agreement.

12.9 Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted transferees and assigns. All of the provisions of this Agreement apply to the Company, its successors, and assigns.

* 12.10 No Waiver; Cumulative Remedies. No failure on the part of the Franchising Authority or the Company to exercise, and no delay in exercising, any right or remedy hereunder including, without limitation, the rights and remedies set forth in Section 9 of this Agreement, shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or remedy preclude any other right or remedy, all subject to the conditions and limitations established in this Agreement. The rights and remedies provided herein including, without limitation, the rights and remedies set forth in Section 9 of this Agreement, are cumulative and not exclusive of any remedies provided by law, and nothing contained in this Agreement shall impair any of the rights or remedies of the Franchising Authority under applicable law, subject in each case to the terms and conditions of this Agreement.

12.11 Severability. If any section, subsection, sentence, clause, phrase, or other portion of this Agreement is, for any reason, declared invalid, in whole or in part, by any court, agency, commission, legislative body, or other authority of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent portion. Such declaration shall not affect the validity of the remaining portions hereof, which other portions shall continue in full force and effect.

12.12 No Agency. The Company shall conduct the work to be performed pursuant to this Agreement as an independent contractor and not as an agent of the Franchising Authority.

12.13 Governing Law. This Agreement shall be deemed to be executed in Town of Davie, State of Florida, and shall be governed in all respects, including validity, interpretation and effect, and construed in accordance with the laws of the State of Florida, as applicable to contracts entered into and to be performed entirely within that State. Venue for arbitration and all proceedings arising from this Franchise Agreement shall be in Broward County, Florida.

12.14 Survival. All representations and warranties contained in this Agreement shall survive the term of this Agreement.

12.15 Claims Under Agreement. The Franchising Authority and the Company, agree that, except to the extent inconsistent with Section 635 of the Cable Act (47 U.S.C. §555), any and all claims asserted by or against the Franchising Authority arising under this Agreement or related thereto shall be heard and determined either in a court of the United States ("Federal Court") located in Broward County, Florida or in a court of the State of Florida of appropriate jurisdiction. To effectuate this Agreement and intent, the Company agrees that if the Franchising Authority initiates any action against the Company in Federal Court or in a State court, service of process may be made on the Company either in person, wherever such Company may be found, or by registered mail addressed to the Company at its office designated for receipt of notices by the terms of this Agreement, or to such other address as the Company may provide to the Franchising Authority in writing.

12.16 Modification. Except as otherwise provided in this Agreement, any Appendix to this Agreement, or applicable law, no provision of this Agreement nor any Appendix to this Agreement, shall be amended or otherwise modified, in whole or in part, except by an instrument, in writing, duly executed by the Franchising Authority and the Company, which amendment shall be authorized on behalf of the Franchising Authority through the adoption of an appropriate resolution or order by the Franchising Authority, as required by applicable law.

12.17 Theft of Cable Services. It shall be unlawful for any person to make or use any unauthorized construction whether physically, electronically, acoustically, inductively or otherwise with any part of the Company's cable television system for the purpose of enabling himself or others to receive or use any television signal, radio signal, program, picture or sound without payment to Company; and it shall further be unlawful for any person without the consent of Company to tamper willfully with, remove or injure any cables, wires or equipment used for distribution of such signals. Company agrees to make information and reports concerning theft of services available to the Town upon request. The Cable Act has established maximum penalties of One Thousand Dollars (\$1,000) and six (6) months in jail for the theft of cable services for private use. The Cable Act has established maximum penalties of Twenty-Five Thousand Dollars (\$25,000) and one (1) year for theft of cable service for commercial use or financial gain. The criminal penalties imposed by the Cable Act are not exclusive and do not abrogate criminal penalties or other sanctions authorized by state or local law, or local ordinance.

12.18 Required Permits. Notwithstanding anything in this Agreement to the contrary, in lieu of obtaining prior approval of specific construction plans Company agrees to obtain all necessary permits in advance of the construction and installation of facilities as required by the Franchising Authority's local rules and regulations governing such activity.

12.19 Civil Penalties. Notwithstanding anything in this Agreement to the contrary, any ~~civil penalty or~~ liquidated damages assessed pursuant to the Ordinance shall be one-half the stated dollar amount as long as the Company qualifies as a "Small System" (1,000 or fewer subscribers); provided further that in no event shall the dollar penalty exceed the dollar penalty that may be assessed against any other cable operator serving the Franchise Area who does not qualify as a "Small System".

12.20 Removal or Sale of Facilities. Notwithstanding anything in this Agreement to the contrary, the Company shall not be required to remove or sell facilities of the Cable System upon termination or default of the Franchising Agreement.

IN WITNESS WHEREOF, the party of the first part, by its _____ thereunto duly authorized by the appropriate governing body of said Franchising Authority, has caused the corporate name of said Franchising Authority to be hereunto signed and the corporate seal of said Franchising Authority to be hereunto affixed and the Company, the party of the second part by its officers thereunto duly authorized, has caused its name to be hereunto signed and its seal to be hereunto affixed as of the date and year first above written.

This ____ day of _____ 1998.

TOWN OF DAVIE

By: _____
Name: _____
Title: _____

(Seal)

Attest:

COMCAST CABLEVISION OF BROWARD COUNTY
INC.

(Seal)

By: _____
Name: _____
Title: _____

Attest:

APPENDIX A

DEFINED TERMS

For purposes of the Agreement to which this Appendix A is appended, the following terms, phrases, words, and the derivations shall have the meanings set forth herein, unless the context clearly indicates that another meaning intended.

"Abandonment" means: (i) the cessation, by act or failure to act of the Company of the provision of all, or substantially all, of the Services then being provided over the System to Subscribers or the Franchising Authority for twenty-four (24) or more consecutive hours, except if due to an event beyond the control of the Company; or (ii) the completion of any action described in Section 8 of the Agreement without the prior written consent of the Franchising Authority.

* **"Affiliated Person"** means each Person who falls into one or more of the following categories: (i) each Person having, directly or indirectly, a Controlling Interest in the Company; (ii) each Person in which the Company has directly or indirectly, a Controlling Interest; (iii) each officer, director, general partner, limited partner holding an interest of twenty-five percent (25%) or more of the Company; and (iv) each Person, directly or indirectly, controlled by, or under common Control with, the Company; provided that "Affiliated Person" shall in no event mean the Franchising Authority, the entity, if any, administering some or all of the Access Channels, any limited partner holding an interest of less than twenty-five percent (25%) of the Company, or any creditor of the Company solely by virtue of its status as a creditor and which is not otherwise an Affiliated Person by reason of owning a Controlling Interest in, being owned by, or being under common ownership, common management, or common Control with, the Company.

"Agreement" means the Agreement to which this Appendix A is appended, together with all Appendices attached thereto and all amendments or modifications thereto.

"Basic Service" means any service tier which includes the retransmission of local television broadcast signals and any equipment or installation used in connection with Basic Service.

"Cable Act" means the Cable Communications Policy Act of 1984, 47 U.S.C. §§521-611 (1991) and any amendments thereto and the Cable Television Consumer Protection and Competition Act of 1992, Pub. L. No. 102-385, 116 Stat. 1460 (1992), codified at 47 U.S.C. §§151-611 (1993) and any amendments thereto, both of which, among other things, are amendments to the Communications Act of 1934, 47 U.S.C. §§151-611 (1991), as further amended by the Telecommunications Act of 1996, as further amended from time to time (Telcom Act of 1996).

"Cable Service" means: (i) the one-way transmission to Subscribers of video programming or other programming service and (ii) Subscriber interaction, if any, which is required for the selection or use of such video programming or other programming service, as such term is defined in the Cable Act, including any amendments thereto.

"Channel" means a band of frequencies in the electromagnetic spectrum, or any other means of transmission (including, without limitation, optical fibers or any other means now available or that may become available), which is capable of carrying a video Signal, an audio Signal, a voice Signal, or a data Signal.

"Communications System" means any facility, consisting of a set of closed transmission paths and associated signal generation, reception and control equipment, a function of which is to provide Cable Services by receiving through any means, including, without limitation, coaxial cable, optical fiber, antenna, or satellite or microwave transmission and distributing video, audio, voice, or data Signals, whether originating within the Franchise Area or elsewhere. The foregoing definition of "Communications System" shall not be deemed to circumscribe the valid authority of any governmental body, including the Franchising Authority, to regulate the activities of any other communications system or provider of communications services.

"Company" means Comcast Cablevision of Broward County, Inc. a corporation duly organized and validly existing under the laws of the State of Pennsylvania, whose principal place of business is located at 1500 Market Street, Centre Square East Tower, Philadelphia, Pa. 19102-2148.

"Control" or **"Controlling Interest"** means actual working control in whatever manner exercised, including, without limitation, working control through ownership, management, debt instruments, or negative control, as the case may be.

may be, of the System, the Franchise or the Company; provided however that a change of control will not be deemed occur so long as the Roberts family controls securities entitling it to direct the management of Comcast Cablevision Broward County, Inc.

"Effective Date" means the date upon which this Franchise and the rights, privileges and authority herel granted shall take effect and be in force during the term of Franchise, as provided by law, and this Agreement. Such da shall be determined by and begin on the date the Company files with the Town its unconditional acceptance of th Franchise and promise to comply with and abide by all its provisions, terms and conditions, provided that su unconditional acceptance is filed by the Company within ninety (90) days after the date on which the Town approv this Agreement. Such acceptance and promise shall be in writing duly executed and sworn to, by or on behalf of tl Company before a Notary Public or other officer authorized by law to administer oaths.

"FCC" means the Federal Communications Commission, its designee, or any successor thereto.

"Franchise Area" means all of that geographic area comprising the corporate boundaries of the Town as the may be amended from time to time by annexation or contraction.

"Franchising Authority" means Town of Davie, or, as appropriate in the case of specific provisions of th Agreement, any board, bureau, authority, agency, commission, department of, or any other entity of or acting on behalf c Town of Davie, or any officer, official, employee, or agent thereof, any designee of any of the foregoing, or any success thereto.

"Gross Revenue" means all revenue recognized in accordance with Generally Accepted Accounting Procedur (GAAP) generated directly or indirectly by the Company and any affiliates, subsidiaries or parent of the Company fro any source whatsoever arising from, attributable to, or in any way derived from the operation of the cable system provide cable services within the Town; provided, however, that revenues of any affiliates, subsidiaries or parent of tl Company shall not be considered Gross Revenues herein to the extent derived from payments by the Company to them f services used in the operation of the cable system that represent an operating cost to the Company. Gross Revent includes, but is not limited to, fees charged subscribers for basic service; fees charged subscribers for any option; premium, per-channel or per-program service; fees charged subscribers for any tier of service other than basic servic installation, disconnection, reconnection and change-in-service fees; late fees in the amount such fees exceed tl reasonable administrative cost of collection; (for this purpose the Company and the Town agree that a Five Dollar p month late fee charge does not exceed the Company's reasonable administrative costs); leased access fees; fees , paymen or other consideration from programmers net of any programming carriage charges paid by the Company to su programmers for carriage of programming on the system including, but not limited to Infomercials (excluding marketir support provided for the launch of new services on the system to the extent such funds are not considered revenue und GAAP); revenue from converter, remote, ~~modem~~ or any other equipment rentals or sales; revenues from studio and stud equipment rental; revenues from cable consumer products including but not limited to cable guides; advertising revenu allocable to the Town based on a percentage of subscriber base in the Town divided by the subscriber base of the syster Such percentage will then be multiplied by the systems' total advertising revenue to determine the allocable gro revenue stemming from advertising; revenues from home shopping channels or other sources allocable to the Tow provided that where certain home shopping channel or other such revenue is allocable to more than one franchise ar due to common zip codes, the franchise will allocate the percentage of revenue to the Town which is equivalent to tl percentage of the Town's population divided by the total population for the allocable franchise areas in question. Gro revenue shall not include any taxes on services furnished by the Company which are imposed upon any subscriber or us by the state, county, Town or other governmental unit and collected by the Company on behalf of said governmental ur and which the Company passes on in full to the applicable tax authority or authorities. However, it is hereby express provided that unless otherwise prohibited by applicable law, franchise fees shall be included in the calculation of gro revenue. Gross revenue shall be the basis for computing the franchise fee pursuant to Section 6.1.1 hereof.

"Pay Service" means any Cable Service offered on a per Channel or per program basis.

"Person" means any natural person or any association, firm, partnership, joint venture, corporation, or oth legally recognized entity, whether for-profit or not-for-profit, but shall not mean the Franchising Authority.

"Responsible Franchising Official" means the body, organization or official to whom the applicable rights c obligations have been delegated by the Franchising Authority pursuant to applicable law.

"Service" means any Cable Service including any Basic Service, or any other related service, including the provision of any equipment and any installation of equipment or facilities used in association with any Cable Service and the monthly use thereof, whether originated by the Company or any other Person, which is offered to any Person in conjunction with, or distributed over, the System.

"Signal" means any transmission of radio frequency energy or of optical information.

"Streets" means the surface of, and the space above and below, any and all streets, avenues, highway boulevards, concourses, driveways, bridges, tunnels, parkways, docks, bulkheads, wharves, piers, public grounds and public places or waters within and belonging to the Franchising Authority and any other property within the Franchise Area to the extent to which there exist public easements or public rights of way.

"Subscriber" means any Person lawfully receiving any Cable Service provided by the Company by means of or in connection with the System, whether or not a fee is paid for such Service.

"Subscriber Network" means that portion of the System over which Services are provided primarily to residential Subscribers.

"System" means the Communications System which is to be constructed, leased, operated, maintained and upgraded, as necessary, by the Company pursuant to this Agreement, including, without limitation, all real property, tangible and intangible personal property, buildings, offices, furniture, Subscriber lists, cables, amplifiers and all other electronic devices used in connection therewith and all rights, contracts and understandings with regard to any matter related thereto.

APPENDIX B

SYSTEM CHARACTERISTICS

Section 1. Description of CATV System and Ownership of Facilities

A. Description of CATV System Facilities

~~The current cable plant in the Town of Davie has a bandwidth of 400 MHz with a channel capacity of 52 analog channels. Comcast has committed to a rebuild of the existing plant to meet current design and architecture specification. The rebuild will take place over a three-year period (construction to begin in the second quarter of 1999 with a schedule completion date of 12/2001) and has been designed to increase the current bandwidth to 750 MHz. This represents a 1 times increase in capacity of the system. At the time of completion, the new cable system shall at a minimum, (1) be able to pass frequencies of at least 750 MHz; (2) have a channel capacity of at least seventy-eight (78) video channels; (3) have two-way interactive capability; and (4) upstream video channel capacity to the headend and in the amount necessary to satisfy the access channel requirements set forth in his agreement. The cable system will be comprised of state of the art, headend and broadband transmission facilities either owned by BIMS or leased by BIMS from its affiliated, BellSouth Telecommunications, Inc. These facilities are described as a Hybrid Fiber Coax Architecture comprised of optical trunk and feeders with coaxial feeders and distribution. Associated signal generation, regeneration, reception and control equipment are included to provision the delivery of cable services to subscribing members of the public who pay for such service. This architecture is two way capable and designed to meet the expected cable service requirements of the persons residing within the Franchise Area. The system is capable of supporting the transport of at least seventy (70) analog channels, as well as the future provision of over one hundred (100) digital broadcast channels with a capable capacity of 750 MHz as market and economic conditions warrant. The system shall be installed, maintained, and operated at all time in full compliance with the technical standards of the FCC, Town of Davie ordinances, as may be amended from time to time (so long as amendments to ordinances are not in conflict with the provisions of this franchise and this franchise ordinance.~~

B. Further Expansion

Company recognizes that additional channel capacity may be needed in the future to serve the needs of Town of Davie. Future level of service and capacity is basically dependent upon two factors namely (1) the availability of good quality programming and qualitative auxiliary services, and (2) the then existing state of technology in cable construction. Maintenance of proper channel capacity and level of service is a variable process, i.e., that which is perceived to be satisfactory today, may well be inadequate tomorrow. In any event, it shall be the policy of Company, at all times, to offer service competitive with any other cable company serving the Town of Davie.

C. Minimum Facilities and Services.

1. All video signals received for transmission over the system to subscribers that contain closed circuit captioning information for the hearing impaired shall contain such information in the form received when transmitted over the system to subscribers.

2. Franchisee shall make available at a reasonable charge to any hearing-impaired residential subscriber, upon the request of such subscriber, any equipment beyond the subscriber's equipment capable of decoding closed-circuit captioning information for the hearing impaired. Franchisee shall advise all residential subscribers at least annually of the availability of such equipment.

3. Franchisee's system shall be capable of transmitting and shall transmit, to subscribers any stereo signals and television signals received and carried by the system in the form received.

4. Franchisee shall take affirmative, economically feasible steps to ensure maximum availability of all services and facilities of the system, including without limitation all access channel services and facilities, to handicapped persons, including hearing impaired persons. Franchisee shall comply fully with all applicable laws concerning handicapped or disabled persons, and shall indemnify and hold the Town harmless from any suit, claim, or demand against it for violation of such laws that arises from Franchisee's provision, or failure to provide, services in conformity with such laws.

5. Franchisee agrees to take reasonable good faith steps to implement new technology and services in its cable

system as they become commercially available and economically feasible.

6. **Testing Procedures: Technical Performance.** Throughout the term of this Agreement, the Company shall operate and maintain the System in accordance with the testing procedures and the technical performance standards the FCC in effect from time to time, including, but not limited to, the right of the Town upon written request to be present during the semiannual FCC test.

7. **Technical Standards.** Franchisee shall further comply with each of the following requirements:

A. All antennas, supporting structures, and outside plant used in operating and maintaining Franchisee's cable system shall comply with all generally accepted industry standards and all federal, state, county, town, and/or utility laws, ordinances, rules and regulations relating to tower structures and outside plant.

B. All construction, installation, and maintenance of Franchisee's cable system shall comply with the National Electrical Safety Code, the National Electrical Code, all applicable state and local laws and regulations, and accepted industry practices.

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

D. Franchisee's cable system shall, at a minimum, meet or exceed all technical and signal quality standards of the FCC and the National Cable Television Association, including such standards as hereinafter may be adopted or promulgated.

APPENDIX C

GENERAL REQUIREMENTS FOR WORK ON THE SYSTEM

Licenses and Permits

The Company shall have the sole responsibility for diligently obtaining, at its own cost and expense, all permit licenses, or other forms of approval or authorization necessary to construct, operate, maintain, repair or upgrade the System, or any part thereof, prior to commencement of any such activity.

New Grades or Lines

If the grades or lines of any Street within the Franchise Area are changed pursuant to the lawful exercise of the jurisdiction and police power of the Franchising Authority at any time during the term of the Agreement, then the Company shall, at its own cost and expense and upon the request of the Franchising Authority, protect or promptly alter or relocate the System, or any part thereof, so as to conform with such new grades or lines. In the event that the Company refuses or neglects to so protect, alter, or relocate all or part of the System, the Franchising Authority shall have the right to break through, remove, alter, or relocate all or any part of the System without any liability to the Company and the Company shall pay to the Franchising Authority the costs incurred in connection with such breaking through, removal, alteration, or relocation.

Protect Structures

In connection with the construction, operation, maintenance, repair, upgrade, or removal of the System, the Company shall, at its own cost and expense, protect any and all existing structures belonging to the Franchising Authority and all designated landmarks. The Company shall obtain the prior approval of the Franchising Authority before altering any water main, sewerage or drainage system, or any other municipal structure in the Streets required because of the presence of the System in the Streets. Any such alteration shall be made by the Company, at its sole cost and expense, and in a manner prescribed by the Franchising Authority. The Company agrees that it shall be liable, at its own cost and expense, to replace or repair and restore to serviceable condition in a manner as may be specified by the Franchising Authority, any Street or any municipal structure involved in the construction, operation, maintenance, repair, upgrade or removal of the System that may become disturbed or damaged as a result of any work thereon by or on behalf of the Company pursuant to the Agreement.

No Obstruction

In connection with the construction, operation, maintenance, repair, upgrade, or removal of the System, the Company shall not obstruct the Streets, subways, railways, passenger travel, river navigation, or other traffic from, or within the Franchise Area without the prior consent of the appropriate authorities.

Movement of Wires

The Company shall, upon prior written notice by the Franchising Authority or any Person holding a permit to move any structure, temporarily move its wires to permit the moving of said structure. The Company may impose a reasonable charge on any Person other than the Franchising Authority for any such movement of its wires.

Safety Precautions

The Company shall, at its own cost and expense, undertake all necessary and appropriate efforts to prevent accidents at its work sites, including the placing and maintenance of proper guards, fences, barricades, watchmen, and suitable and sufficient lighting.

Moving Wires

The Franchising Authority may, at any time, in case of fire, disaster, or other emergency, as determined by the Franchising Authority, in its sole discretion, cut or move any of the wires, cables, amplifiers, appliances, or other parts of the System, in which event the Franchising Authority shall not incur any liability to the Company, or Affiliated Person or any other Person. When possible, the Company shall be consulted prior to any such cutting or movement of its wires and be given the opportunity to perform such work itself. All costs to repair or replace such wires, cables, amplifiers, appliances or other parts of the System shall be borne by the Company.

Construction Bond

To the extent Franchisee desires to construct, repair, upgrade, or remove its System in a way which would require any construction or work to be performed in the Franchising Authority's right of way, Franchisee shall furnish construction bond in favor of the Franchising Authority in the amount of one hundred thousand (\$100,000) dollars. If such construction bond is not furnished to the Franchising Authority within ~~forty five (45)~~ ten (10) days prior to the date of commencement of construction, this Franchise shall be deemed in default. ~~Agreement and the grant of the franchise will become null and void without further action by the Franchising Authority.~~ The construction bond must be approved by the Franchising Authority, which approval shall not be unreasonably withheld. The construction bond shall be maintained until the construction, repair, upgrade, or removal of the cable system is completed and for one year thereafter. Franchisee shall notify the Town in writing when it believes the work contemplated by the construction bond has been completed. No construction shall be commenced prior to receipt of the construction bond by the Franchising Authority.

Use of Streets

Franchisee agrees at all times to comply with and abide by Chapter 21, Streets, Sidewalks and Other Public Places of the Town of Davie Code of Ordinances.

Franchisee shall utilize, with the owner's permission, existing conduits, poles, or other facilities whenever feasible. The Franchisee has the duty and the responsibility to obtain or establish the existence of an easement or dedication for its use. Copies of agreements for use of conduits or other facilities shall be filed with the Town upon the Town's request.

All of Franchisee's transmission lines, equipment, structures and other facilities shall be installed, located, and maintained so as to cause minimum interference with the rights and convenience of property owners. The Town may issue such rules and regulations concerning the installation and maintenance of a cable system installed in, on or over public Streets, as may be consistent with the Ordinance.

All safety practices required by law or accepted industry practices and standards shall be used during construction, maintenance and repair of the cable system.

As required by the Town, and upon receipt of written notice from the Town, Franchisee shall remove, relocate, replace or modify at its own expense (except as otherwise required by law) its facilities within any public Street.

Franchisee shall obtain any required permits and pay any required fees before commencing any construction or otherwise disturbing any private property or public Streets as a result of its construction or operations. Franchisee shall, at its own expense, restore such property to a condition as good as its former condition. If such restoration is not performed in a reasonable and satisfactory manner within thirty (30) calendar days, the Town may, after prior notice to Franchisee, cause the repairs to be made at Franchisee's expense.

If the Town is required to perform emergency Street work requiring relocation of Franchisee's facilities in the Streets, then Franchisee shall reimburse the Town for its reasonable costs associated with such relocation.

Franchisee shall not place facilities, equipment or fixtures where they will interfere with any gas, electric, telephone, water, or sewer facilities, or obstruct or hinder in any manner the various utilities serving the residents of the Town. All such facilities, equipment or fixtures placed in any public Street shall be placed close to the line of the lot abutting on the public Street, in a manner so as not to interfere with use of the public Street.

APPENDIX D

RATES, TERMS AND CONDITIONS

(Schedule of Rates, Terms and Conditions attached hereto)

APPENDIX E

CUSTOMER SERVICE STANDARDS

The Company ("cable operator") shall be subject to the following customer service standards. Nothing herein shall be interpreted to preclude the Company from adopting customer service standards that exceed the requirements set forth below in this Appendix E.

SECTION 1 OFFICE HOURS AND TELEPHONE AVAILABILITY

1. Cable System Office Hours and Telephone Availability.

1.1 The cable operator will maintain a local, toll-free or collect call telephone access line which will be available to its subscribers 24 hours a day, seven days a week.

(a) Trained company representatives will be available to respond to customer telephone inquiries during normal business hours.

(b) After normal business hours, the access line may be answered by a service or an automated response system, including an answering machine. Inquiries received after normal business hours must be responded to by a trained company representative on the next business day.

1.2 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.

1.3 The operator will not be required to acquire equipment or perform surveys to measure compliance with the telephone answering standards above unless a historical record of complaints indicates a clear failure to comply.

1.4 Under normal operating conditions, the customer will receive a busy signal less than three (3) percent of the time.

1.5 Customer service center and bill payment locations will be open at least during normal business hours.

SECTION 2 INSTALLATIONS, OUTAGE CORRECTION AND CUSTOMER SERVICE CALLS

2. Installations, Outages and Service Calls. Under normal operating conditions, each of the following standards will be met no less than ninety five (95) percent of the time measured on a quarterly basis:

2.1 Standard installations will be performed within seven (7) business days after an order has been placed. "Standard" installations are those that are located up to 150 feet from existing distribution system.

2.2 Excluding conditions beyond the control of the operator, the cable operator will begin working on "service interruptions" promptly and in no event later than 24 hours after the interruption becomes known. The cable operator must begin actions to correct other service problems the next business day after notification of the service problem.

2.3 The "appointment window" alternatives for installations, service calls, and other installation activities will be either a specific time or, at maximum, a four-hour time block during normal business hours. (The operator may schedule service calls and other installation activities outside of normal business hours for the express convenience of the customer.)

2.4 An operator may not cancel an appointment with a customer after the close of business on the business day prior to the scheduled appointment.

2.5 If a cable operator representative is running late for an appointment with a customer and will not be

able to keep the appointment as scheduled, the customer will be contacted. The appointment will be rescheduled, if necessary, at a time which is convenient for the customer.

2.6 The cable operator's failure to correct outages or to make repairs within the stated time period shall be excused in the following circumstances:

- (a) if the cable operator could not obtain access to the customer's premises; or
- (b) if the Franchising Authority, acting reasonably, agrees with the cable operator that correcting such outages or making such repairs was not reasonably possible within the allotted time period; or
- (c) conditions were beyond the control of the cable operator.

SECTION 3 CUSTOMER COMMUNICATIONS, NOTICES AND BILLING

3. Communications Between Cable Operators and Cable Subscribers.

3.1 Notifications to subscribers.

(a) The cable operator shall provide written information on each of the following areas at the time installation of service, at least annually to all subscribers, and at any time upon request:

- (1) Products and services offered;
- (2) Prices and options for programming services and conditions of subscription to programming and other services;
- (3) Installation and service maintenance policies;
- (4) Instructions on how to use the cable service;
- (5) Channel positions programming carried on the system; and
- (6) Billing and complaint procedures, including the address and telephone number of the local franchise authority's cable office.

(b) Customers will be notified of any changes in rates, programming services or channel positions as soon as possible through announcements on the cable system and in writing. Notice must be given to subscribers a minimum of thirty (30) days in advance of such changes if the change is within the control of the cable operator. In addition, the cable operator shall notify subscribers thirty (30) days in advance of any significant changes in the other information required by the preceding paragraph.

3.2 Billing.

(a) Bills will be clear, concise and understandable. Bills must be fully itemized, with itemization including, but not limited to, basic and premium service charges and equipment charges. Bills will also clearly delineate all activity during the billing period, including optional charges, rebates and credits.

(b) In case of a billing dispute, the cable operator must respond to a written complaint from a subscriber within 30 days.

3.3 Refunds. Refund checks will be issued promptly, but no later than either:

- (a) The customer's next billing cycle following resolution of the request or thirty (30) days, whichever is earlier, or
- (b) The return of the equipment supplied by the cable operator if service is terminated.

3.4 Credits. Credits for service will be issued no later than the customer's next billing cycle following the determination that a credit is warranted.

SECTION 4 CUSTOMER COMPLAINTS

4. Complaints.

4.1 For purposes of this Agreement, "complaint" shall mean any written communication by a Subscriber or oral communication by a Subscriber or reduced to writing, including to a computer form, expressing dissatisfaction with any nonprogramming aspect of the cable operator's business or operation of the System.

4.2 Referral of Complaints from the Franchising Authority to the Company.

(a) If the Franchising Authority is contacted directly about a complaint concerning the cable operator, the Franchising Authority shall notify the Company.

(b) Within seven (7) business days after receipt of being notified about the complaint, the Company shall issue to the Franchising Authority a report detailing the investigation thoroughly, describing the findings explaining any corrective steps which are being taken and indicating that the Person who registered the complaint has been notified of the resolution.

4.3 Complaint Records. The cable operator shall maintain complaint records, which shall record the date a complaint is received, the name and address of the affected Subscriber, a description of the complaint, the date of the resolution, a description of the resolution and an indication of whether the resolution was appealed.

SECTION 5 CREDITS

5. Grounds. As a result of the cable operator's failure to comply with these customer service standards, the cable operator shall provide to each affected Subscriber or potential Subscriber, as applicable, the following credits:

5.1 for a failure of the cable operator's crew to arrive at the Subscriber's premises within the promised period for any installation service as provided in this Appendix, a credit equal to free installation;

5.2 for a failure of the cable operator to complete installation of service within the scheduled time period provided for in this Appendix, unless otherwise excused, a credit equal to free installation;

5.3 for a "service interruption" as defined in this Appendix or for any other service problem which remains unrepaired for more than forty-eight (48) hours after either the cable operator receives from the Subscriber request for repair service (provided that, to the extent access to the Subscriber's premises is required to effect such repair, the Subscriber has granted the cable operator such access) or the cable operator learns of such problem, upon Subscriber request a minimum credit in an amount equal to one-thirtieth (1/30) times the total bill for Cable Services of such Subscriber for the preceding billing period, for each forty-eight (48) hour period during which such reception problem persists for at least twenty-four (24) hours;

5.4 for a failure of the cable operator's crew to arrive to correct any outage or make any repair during the stated time period, as specified in this Appendix (except where such failure is excused by this Appendix or except where such crew is no longer required due to a repair effected in a nearby portion of the System, in which case the Subscriber shall be notified by telephone that a visit to such Subscriber's residence is no longer necessary), a credit in an amount equal to the total number of days such Subscriber does not have service; and

5.5 for the improper termination of service to a Subscriber, free reconnection and a credit in an amount equal to all charges billed to such Subscriber for the period such Subscriber does not have service.

SECTION 6 FAILURE TO COMPLY WITH THESE REQUIREMENTS

6. Material Requirements

6.1 Subject to the due process procedures set forth in Section 9 of this Agreement, the Company agrees that substantial failure to comply with any material requirement set forth in these customer service standards shall constitute a failure to comply with a material provision of this Agreement.

6.2 Liability for Contractors'/Subcontractors' Failure to Comply. If the Company fails to take reasonable steps to ensure that its contractors, subcontractors or agents abide by these customer service standards, the Company shall be liable for any breach of these customer service standards committed by its contractors, subcontractors or agents just as if the Company itself had committed the breach.

SECTION 7 DEFINITIONS

7 Definitions.

7.1 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.

7.2 Normal Operating Conditions. The term "normal operating conditions" means those service conditions which are within the control of the cable operator. Those conditions which are not within the control of the cable operator include, but are not limited to, natural disasters, civil disturbances, power outages, telephone network outages, and severe or unusual weather conditions. Those conditions which are ordinarily within the control of the cable operator 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.

7.3 Service Interruption. The term "service interruption" means the loss of picture or sound on one or more cable channels.