

CITY OF COLUMBIA, ILLINOIS

ORDINANCE NO. 2528

**AN ORDINANCE GRANTING A NEW INTERIM CABLE TELEVISION FRANCHISE
TO CHARTER COMMUNICATIONS ENTERTAINMENT I, L.L.C. FOR A NEW
TERM OF FOUR YEARS SUBJECT TO THE CONDITIONS HEREIN**

**Adopted by the
City Council
of the
City of Columbia, Illinois
this 5th day of February, 2007**

**Published in pamphlet form by
authority of the City Council
of the City of Columbia,
Illinois, this 6th day
of February, 2007.**

FEB 05 2007

ORDINANCE NO. 2528


City Clerk

AN ORDINANCE GRANTING A NEW INTERIM CABLE TELEVISION FRANCHISE TO CHARTER COMMUNICATIONS ENTERTAINMENT I, L.L.C. FOR A NEW TERM OF FOUR YEARS SUBJECT TO THE CONDITIONS HEREIN

WHEREAS, municipalities of the State of Illinois are authorized pursuant to Illinois statute (65 ILCS 5/11-42-11) to franchise cable television services; and

WHEREAS, a cable franchise was granted to South-Western Cable T.V., Inc. February 8, 1982 by Ord. 486 for a period of 15 years, and was thereafter extended to expire February 7, 2007 for Cencom Cable Income Partners, successor franchisee, by Ordinance No. 936, dated August 5, 1991, which franchise was authorized to be assigned to Charter Communications Entertainment I, L.L.C. ("Charter") by Ordinance No. 1423, dated March 4, 1996; and

WHEREAS, in a letter dated March 26, 2004, Charter requested renewal of its franchise pursuant to the procedures established by 47 USC §546, and pursuant to such requirements the City thereafter commenced the renewal proceedings, including but not limited to, enactment of Resolution No. 10-2004 commencing such proceedings on September 20, 2004.

WHEREAS, thereafter, the City of Columbia, Illinois proceeded to obtain public input and on completing its inquiry pursuant to 47 USC §546, and after receiving no input or comment from Charter, made on April 10, 2006 formal written request for a renewal proposal and information from Charter to be submitted not later than 30 days thereafter; and

WHEREAS, after published notice and additional opportunity for public input, Charter failed again to respond to the City or to present any proposal for renewal, and the City continued to seek a response to the City's April 10, 2006 request for proposal and specific requests for information regarding the Franchisee, its System, and its plans for future service, including but not limited to multiple telephone inquiries by the City and repeated written requests and reminders including those dated September 19, 2006, November 1, 2006, November 16, 2006, and January 17, 2007; to which Charter failed to provide any written or substantive response of any kind;

WHEREAS, Charter having wholly failed to respond to such requests for a proposal and information, and by all accounts having appeared to abandon any request or desire for a renewal, and the term of cable television services franchise to Charter expiring on February 7, 2007, the City must decide to either allow the franchise to expire, making Charter's continued presence in public rights-of-way unlawful or unilaterally establish interim franchise terms available to Charter until or unless Charter in good faith determines to respond to the City and cooperate in good faith as to a future grant of franchise;

WHEREAS, the City has now enacted the Communications and Cable Code to lawfully address the requirements of any current or future cable television provider seeking to use the public rights-of-way to provide cable television service within the City;

WHEREAS, although obstructed by Charter's failure to present any proposals or engage in any substantive discussions, the City was able through its renewal review and receipt of public input to identify its future cable-related community needs and interests and reviewed the performance of the cable operator, at least minimally, including the following findings:

- a. Charter has failed to honor significant obligations under the franchise and applicable law, including its failures identified herein as to the invoked renewal process pursuant to 47 USC §546, its failure to provide copies of franchises within a 100 mile radius as required by Section 7 of the Franchise, its failure to submit an application or application as required by the franchise pursuant to rights invoked by the City pursuant to that section, and its failure to provide information or cooperate in good faith with the City among other concerns;
- b. Cable services are a needed service within the City and continued service by some operator is significant to the residents and needs of the community;
- c. Future cable service needs to include better emergency alert systems for local override and coverage on all channels provided, a need for institutional communication network to be included for police or municipal utility communications, the need to provide service to existing and new schools and to have available Public, Educational Programming available, with specific equipment available to provide such access, the need for better provisions to protect the City from unnecessary costs being imposed on it due to Franchisee actions or inaction, and the other requirements set forth in the attached Franchise, all of which are hereby included as part of these findings;
- d. The changing legal, technological and unique renewal omissions by Charter, while continued need for cable television competition, causes a need to have a shorter term franchise (in this case 4 years) that will protect the parties while providing a sufficient period of time for a more definitive mutual discussion of the parties as to these issues;
- e. The lack of renewal proposal and expiration of the Franchise requires the City to act on the Franchise Ordinance it has drafted consistent with these findings, and does not allow time for review of any proposals, if submitted, that may belatedly arrive; nevertheless the shorter term and provisions therein do authorize and contemplate good faith negotiations for renewal or modification, if this Franchise is granted and Accepted;

WHEREAS, based on these findings, the City seeks to provide Charter the opportunity to renew its franchise under the terms attached to this franchise ordinance if it so determines, with the understanding that due to the shorter term of this franchise it will provide an opportunity and duty to Charter to negotiate in good faith with the City for a subsequent and/or longer-term franchise prior to its expiration;

***NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of
Columbia, Illinois, as follows:***

Section 1. The recitals contained above in the preamble of this Ordinance are hereby incorporated herein by reference, the same as if set forth in this Section of this Ordinance verbatim, as findings of the City Council of the City of Columbia, Illinois.

Section 2. The City Council has determined that it is reasonable and necessary to grant an interim Cable Franchise, attached hereto and incorporated herein by this reference, with Charter Communications for a term of four (4) years effective only upon execution by Charter of the unconditional "Acceptance of City of Columbia Cable Television Franchise" as attached delivery to the City of Columbia, Illinois City clerk on or before February 28, 2007, which acceptance shall be duly acknowledged before some officer authorized by law to administer oaths; and when so accepted, the attached Franchise and Acceptance, if accompanied by payment of the required \$5000.00 application fee to partially reimburse the City's costs, shall constitute a binding and enforceable contract between the City and Cable Franchisee; PROVIDED, that nothing in this ordinance shall be deemed to authorize operation of cable services within the City prior to such Acceptance; and any operation in the rights-of-way without a valid and binding franchise accepted by Franchisee shall be subject to such penalties and remedies as set forth in the Communications and Cable Code of the City and as otherwise permitted by law.

Section 3. A copy of the attached franchise has been delivered to Charter in substantially the form attached hereto not less than seven days prior to this enactment.

Section 4. The City shall, and the officials, agents and employees of the City are hereby authorized and directed to, take such further action, and execute such documents, certificates and instruments as may be necessary to carry out and comply with the intent of this ordinance.

Section 5. Due to the urgency of the enactment this Ordinance prior to the expiration of the current cable franchise, this Ordinance shall be in full force and effect immediately on and after its passage and approval as provided by law and this Ordinance shall be published in pamphlet form as provided by law.

Alderman Unnerstall moved the adoption of the above and foregoing Ordinance; the motion was seconded by Alderman Niemietz, and the roll call vote was as follows:

YEAS: _Conrad, Ebersohl, Agne, Niemietz, Unnerstall, Koesterer, Row, and Huch.

NAYS: None.

ABSENT: None.

ABSTENTIONS: None.

PASSED by 2/3rds vote of the City Council holding office and APPROVED by the Mayor this 5th day of February, 2007.


KEVIN B. HUTCHINSON, Mayor

ATTEST:


WESLEY J. HOEFFKEN, City Clerk

(SEAL)

February 5, 2007

**CITY OF COLUMBIA, ILLINOIS
CABLE SERVICE
FRANCHISE FOR
CHARTER COMMUNICATIONS ENTERTAINMENT I, LLC
d/b/a Charter Communications**

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SECTION 1. DEFINITIONS

For the purpose of this Franchise, the terms, phrases, words, abbreviations and their derivations shall have the meaning given in the "Communications and Cable Services Code," ("Cable Ordinance") of the City, enacted February 5, 2007, Ordinance No. [to be inserted by City Clerk], or as defined herein. The definitions in the Communications and Cable Services Code are made part of this Franchise as if fully set forth herein.

SECTION 2. GRANT OF FRANCHISE

2.1 Grant

Charter Communications Entertainment I, L.L.C, a corporation whose ownership is indicated in Exhibit A, is hereby granted a Cable Service Franchise, subject to the terms and conditions of this Franchise Agreement (hereinafter also referred to as the "Franchise"). The grant provides Cable Franchisee authority, right and privilege, to construct, reconstruct, operate and maintain a Cable System within the Rights-of-Way in the City of Columbia, Illinois, as it is now or may in the future be constituted. To the extent not inconsistent with federal law or state law, if Cable Franchisee desires to use its Cable System or facilities for the provision of Telecommunications Services or other non-Cable services it shall be required to obtain a separate Right-of-Way Use Agreement or franchise.

2.2 Right of City to Grant Franchise.

Cable Franchisee acknowledges and accepts the right of City to grant this Franchise as has been approved by ordinance.

2.3 Term.

The initial Franchise granted by this Ordinance shall commence upon its Effective Date and shall expire four (4) years thereafter unless extended, renewed, revoked or terminated sooner as provided for in this Franchise, and further provided that the City may, but shall not be obligated to, during the term and at its sole discretion extend the term of this Franchise for an additional three (3) years upon written notice to Franchisee authorized by enactment of resolution or ordinance by the City Council. The parties agree that any subsequent renewals of this Franchise may be of a shorter term or longer term. Because Franchisee failed to provide application, information or proposal for renewal as requested by the City, and the City was required to prepare this interim franchise without benefit of such application, information and proposal, the City may terminate this Franchise with 180 days written notice to Franchisee if: (1) Franchisee's application (Exhibit G) to be submitted to the City not later than February 28, 2007 is deficient or incomplete, in light of the specific circumstances of the application; (2) the parties are unable to reach agreement as to modifications that may be required by the City after review of the application and information, including surrounding area franchises to be delivered to the City, or (3) Franchisee evidences a lack of good faith cooperation with the City, including but not limited to by failing to timely respond to correspondence or requests from the City. The parties acknowledge that a change in state or federal law regarding the subject of this Franchise shall not provide Franchisee with the right to terminate this Franchise or

2.4 Written Notice.

If to City: City of Columbia, Illinois
Columbia City Hall
208 South Rapp
Columbia, IL 62236

If to Cable Franchisee: Charter Communications Entertainment I, L.L.C
12405 Powerscourt Drive
St. Louis, Mo 63131
Att: Government Relations

2.5 Franchise Not Exclusive.

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Way were created or dedicated, or with the present use of such specific portions of the Rights-of-Way, or the specific terms of the City's Communications and Cable Services Code.

2.6 Binding Contract.

This Franchise Ordinance (including all of Cable Franchisee's particular rights, powers, protections, privileges, immunities and obligations associated therewith as the same exist on the date hereof) shall constitute a legally binding contract between the City and Cable Franchisee, and as such, cannot be amended, modified or changed in any manner whatsoever without the mutual consent of the parties; provided, however, that nothing herein contained shall preclude the City from the proper exercise of its police powers.

2.7 Federal, State, and City Jurisdiction.

- A. This Franchise Ordinance shall be construed in a manner consistent with all applicable federal and state laws.
- B. In the event that the federal or state government discontinues preemption in any area of cable communications over which it currently exercises jurisdiction in such manner as to expand rather than limit municipal regulatory authority, Grantor may, if it so elects, adopt rules and regulations in these areas to the extent permitted by law or the reasonable exercise of the City's police powers. Unless otherwise specified in the ordinance, such regulations shall be applicable upon thirty (30) days' prior written notice to Grantee.
- C. Cable Franchisee's rights are subject to the police powers of the City to adopt and enforce ordinances necessary to the health, safety, and welfare of the public. Cable Franchisee shall comply with all applicable general laws and ordinances enacted by the City pursuant to that power.
- D. The provisions of the City's Communications and Cable Services Code are hereby incorporated herein by reference as if set out in full, and form part of the terms and conditions of this Franchise, unless otherwise expressly provided for in this Franchise. In the event of any conflict between the terms and conditions of this Franchise and the provisions of the Communications and Cable Services Code, and any amendments thereto, this Franchise shall control.
- E. In the event of a change in state or federal law which by its terms would require the City to amend this Agreement, the parties shall modify the Franchise in a mutually agreed upon manner.
- F. This Franchise shall be construed and enforced in accordance with the substantive laws of the State of Illinois.

2.8 Rights Reserved.

In addition to any rights specifically reserved, Grantor reserves to itself every right and power that is required to be reserved by a provision of any other ordinance or under any other Franchise.

2.9 Franchise Renewal.

Renewal of this Franchise shall be in accordance with applicable law including, but not necessarily limited to, the Cable Communications Policy Act of 1984, as amended. Grantor and Cable Franchisee, by mutual consent, may enter into renewal negotiations at any time during the term of the Franchise.

SECTION 3. GENERAL REQUIREMENTS

3.1 Franchise Fee.

- A. As compensation for this Franchise and in consideration of permission to use the Rights-of-Way of the City for the construction, operation, maintenance and reconstruction of the Cable System, and to defray the costs of City, Cable Franchisee shall pay to the City on a basis throughout the term of this Franchise, a sum totaling five percent (5%) of Cable Franchisee's Gross Revenues. In the event that the applicable law limiting the maximum percentage or scope of services subject to such Franchise Fees changes, the City shall negotiate in good faith with the Franchisee concerning any appropriate change in the amount of Franchise Fees and the timing of any change. Notwithstanding the foregoing, the City may, in its sole discretion, increase the amount of the Franchise Fees and scope of services subject to fees up to the maximum amount and scope permitted under state and federal law, so long as the increase made by law can be passed on to Subscribers. However, the City shall provide the Franchisee with at least sixty (60) days' advance notice of such an increase.
- B. Further, Cable Franchisee expressly acknowledges and agrees that if it markets Cable Services with non-cable services, its accounting of revenues for purposes of calculating Cable Franchise Fees shall fairly reflect an appropriate and reasonable division of services among the various services offered. Revenues from the sale of such bundled services shall be apportioned for purposes of this Franchise in such manner that an amount equal to Cable Franchisee's usual and customary charge for Cable Service alone shall be included in "Gross Revenues;" provided, however, if Cable Franchisee discounts the cost or otherwise receives reduced revenue from the sale of such bundled service, the amount attributable to "Gross Revenues" shall be reduced on a pro rata basis equal to the percentage difference between the costs for the bundled and unbundled service components. Whether or not Cable Franchisee separates services on a Subscriber's bill, it will provide to the City a summary of the amounts upon which Franchise Fees, if any, may be owed for Cable Services.
- C. Payments due Grantor under this Section shall be computed quarterly, for the preceding quarter. Each monthly payment shall be due and payable no later than thirty (30) days after the end of the quarter for which the payment is due. Each payment shall be accompanied by a brief report by Cable Franchisee showing the basis for the computation and a "Franchise Fee Worksheet," as provided in Exhibit B, listing all of the sources of revenues attributable to the operation of Cable Franchisee's System. Any revenue that is not reported on the Worksheet shall be deemed revenue subject to the Cable Franchise Fee and payment requirements herein.

- D. Should any additional monies be due to the City as a result of information contained in the annual financial report of Cable Franchisee or by audit as permitted by this Ordinance, Cable Franchisee shall pay such additional monies to the City within sixty (60) days after receipt of notice of same from the City.
- E. No acceptance of any payment shall be construed as an accord that the amount paid is in fact the correct amount, nor shall such acceptance of payment be construed as a release of any claim the City may have for further sums payable under the provisions of this Franchise. All amounts paid shall be subject to audit and re-computation by the City or its designee, at any time upon reasonable notice and specification of the documents requested to be reviewed. Grantor's right to audit, and Cable Franchisee's obligations to retain records related to the Franchise Fee audit, shall expire five (5) years from the date on which each Franchise Fee payment by the Cable Franchisee is due.

3.2 Recovery of Costs and Expenses.

- A. During the term of this Franchise, if the Cable Franchisee initiates a request for approval regarding the transfer of this Franchise or change in control of the Cable Franchisee, as defined by the City's Communications and Cable Services Code, or amendment of this Franchise, the Cable Franchisee or Transferee shall reimburse the City for all reasonable, actual out-of-pocket costs, including attorneys' and consultants' fees and costs, incurred by the City as part of City's reasonable review and processing of Cable Franchisee's or Transferee's request, up to a maximum amount not to exceed \$2,500.00 per request for such approval, or Franchise amendment. Cable Franchisee shall further reimburse the City for such actual costs, up to \$5,000.00, incurred by the City in connection with a renewal of this Franchise. The City shall not include the costs of City staff time.
- B. Unless otherwise expressly provided in this Franchise Agreement, all acts that the Franchisee is required to perform under the Cable Ordinance, this Agreement or applicable law shall be performed at the Franchisee's own cost and expense, without reimbursement by the City. This Subsection, however, does not preclude the Franchisee of any right it may have to pass through Franchise-related costs to Subscribers pursuant to applicable federal law.

3.3 Liability Insurance.

- Upon the effective date of this Franchise, the Cable Franchisee shall, at its sole expense, take out and maintain during the life of this Franchise, insurance in full conformity with the requirements of the Communications and Cable Services Code; provided that nothing herein shall be deemed to waive the City's sovereign immunity.
- B. Cable Franchisee shall provide the City Administrator with a certificate of insurance indicating Workers' Compensation coverage and other insurance naming the City as beneficiary, prior to operation of the System or use of the rights-of-way pursuant to this Franchise.
- D. The City Administrator reserves the right to adjust the limit coverage requirements proportionately with changes in the Consumer Price Index and/or

statutory sovereign immunity limits over the life of the Franchise. Insurance, insurance certificates and evidence of insurance are subject to review of the City for compliance with these requirements.

- E. Cable Franchisee shall submit to the person designated as the City's Risk Manager, documentation of the required insurance including a certificate of insurance signed by the insurance agent and companies named.
- F. Any self-insured retention must be declared to the City and approved by the City if in excess of \$100,000.00.

3.4 Indemnification.

- A. Except as otherwise provided herein, Cable Franchisee shall indemnify, hold harmless, release and defend City, its officers, and employees from and against any and all lawsuits, claims, actions, demands, damages, disability, losses, expenses including reasonable attorneys' fees and other defense costs or liabilities of any nature that may be asserted by any Person or entity, from any cause whatsoever, including Grantor's concurrent negligence, arising out of or in any way connected with the operations, expressly authorized herein, the exercise of the Franchise pursuant to this Franchise, and/or the activities of Cable Franchisee, its subcontractor, employees and agents hereunder. Cable Franchisee shall be solely responsible and save City harmless from all matters relative to payment of Cable Franchisee's employees including compliance with Social Security, withholdings, etc.
- B. This indemnification obligation is not limited in any way by a limitation of the amount or type of damages or compensation payable by or for Cable Franchisee under Workers' Compensation, disability or other employee benefit acts, acceptance of insurance certificates required under this Franchise, or the terms, applicability or limitations of any insurance held by Cable Franchisee.
- C. City does not, and shall not, waive any rights against Cable Franchisee which it may have by reason of this indemnification, because of the acceptance by City, or the deposit with City by Cable Franchisee, of any of the insurance policies described in this Franchise.
- D. This indemnification by Cable Franchisee shall apply to all damages and claims for damages of any kind suffered by reason of any of the operations referred to in this Section, regardless of whether or not such insurance policies shall have been determined to be applicable to any such damages or claims for damages. Franchisee shall have no recourse against the City for any loss, cost, expense, claim, liability or damage arising out of the Franchise, this Franchise Agreement or the Cable Ordinance, or the enforcement or non-enforcement by the City of any provision or requirement of this Franchise or the Cable Ordinance, except as otherwise expressly required by federal law; provided that nothing herein shall preclude seeking injunctive or declaratory relief as may be authorized by federal law.

- E. Cable Franchisee shall not be required to indemnify City for damages to the extent arising from or caused by the sole negligence or gross negligence or willful misconduct of the City or its officials, boards, commissions, agents, or employees.
- F. With respect to any claims which are subject to indemnity hereunder, Cable Franchisee shall immediately notify the City's Risk Manager of any such claims which have been filed against the Cable Franchisee or Cable Franchisee and City jointly, and shall provide the City with a copy of the same. Cable Franchisee's obligations hereunder shall be subject to the City giving the Cable Franchisee written notice of its obligation to indemnify the City within seven (7) days of City's receipt of a claim or action pursuant to this Section. If the City determines that it is necessary for it to employ separate counsel, the costs for such separate counsel shall be the responsibility of the City.
- G. Cable Franchisee shall indemnify, defend and hold harmless the City, its officers, agents and employees against any and all claims or challenges brought against the City by a third-party with respect to the validity of the grant of this Franchise to Cable Franchisee.
- H. The fact that Cable Franchisee carries out any activities under this Franchise through independent contractors shall not constitute an avoidance of or defense to Cable Franchisee's duty of defense and indemnification under this Section.

3.5 Security Fund and Performance Bond.

- A. Cable Franchisee shall maintain with the City during the term of this Franchise, a bond in the sum of twenty-five thousand dollars (\$25,000.00), or provide the City with either a bond or an irrevocable letter of credit in the same amount, as a security ("Security Fund") for the faithful performance by it of all the provisions of this Franchise, and in such form as approved by the City Attorney, and compliance with all orders, permits and directions of the City, and the payment by Cable Franchisee of any adjudicated or liquidated claim, liens and taxes due the City which arise by reason of the construction, operation or maintenance of the Cable System. Interest on the Security Fund, if any, shall accrue to the City as reimbursement for maintenance of such escrows. Provision shall be made to permit the City to withdraw funds (or draw against the bond or letter of credit) from such Security Fund as and to the extent permitted by this Franchise. Cable Franchisee shall not use such Security Fund for other purposes and shall not assign, pledge or otherwise use the Security Fund as security for any other purpose.
- B. Within thirty (30) days after notice to Cable Franchisee that any amount has been withdrawn by the City from the Security Fund pursuant to this Section, and provided Cable Franchisee has waived or failed to exercise its right to appeal said withdrawal, Cable Franchisee shall deposit a sum of money sufficient to restore such Security Fund (or bond level) to its original amount.
- C. Cable Franchisee shall have the right to appeal to the City Council for reimbursement in the event Cable Franchisee believes that the Security Fund was drawn upon improperly. Cable Franchisee shall also have the right of judicial appeal if Cable Franchisee believes the Security Fund has not been properly

drawn upon in accordance with this Franchise. Any amounts the City erroneously or wrongfully withdraws from the Security Fund as determined by the judicial appeal shall be returned to Cable Franchisee with interest.

- D. Nothing herein shall be deemed a waiver of the normal permit and bonding requirements made of contractors working within the City's Rights-of-Way.
- E. Maintenance of the requisite Security Fund and performance bond shall not in any way limit the liability of the Cable Franchisee for any failure to fully perform its obligations under this Franchise Ordinance.

3.6 Procedure for Remediating Franchise Violations.

The procedures for remediating Franchise violations or breaches shall be consistent with the procedures of the Communications and Cable Services Code.

3.7 Compliance with Applicable Laws and Ordinances.

- A. Cable Franchisee shall conform to the Cable Ordinance, all generally applicable laws, rules and regulations of the United States, State of Illinois and City in the construction and operation of its Cable System and all generally applicable rules and regulations of the FCC.
- B. Any right, power, protection, privilege or immunity which is provided, granted or imposed on Cable Franchisee under or by virtue of the Cable Act, as it may be amended or interpreted from time to time after the date hereof, shall remain inviolate and shall be available to Cable Franchisee notwithstanding any contrary provision of this Franchise, and the acceptance of the terms and conditions of this Franchise shall not be construed as a waiver or release by Cable Franchisee or City of any right, power, protection, privilege, immunity or obligation under the Cable Act, the laws or Constitution of the United States or the laws and Constitution of the State of Illinois.

3.8 Regional Equity.

- A. In the event Franchisee or any of its Affiliates shall enter into any other cable television franchise with any political subdivision within 100 miles of the City boundaries in which Franchisee or its Affiliate commits to make capacity, capability, quality, or service commitments, or to pay a franchise fee or compensation, that exceeds this required by this Franchise or makes technological improvements not currently available in the City, Franchisee shall notify the City of same within thirty (30) days of the effective date of the other franchise, or if such improvements or upgrade are not required by a franchise then within ninety (90) days of completion of such improvements or upgrade. In the notification, Franchisee shall submit a schedule for providing these System enhancements in the City within the same period of time as in the other political subdivision; provided, however, that Franchisee is able to recoup its costs in a manner consistent with the terms in the other community(ies). The City shall grant extensions of the schedule, where necessary, upon receipt of an application by the Franchisee which demonstrates good cause for the extension.
- B. The amount of the franchise fee set forth in this section shall increase to the highest rate that the Franchisee is paying any other municipality located within 100 miles

from the Municipality. Should the Franchisee also pay a minimum fee to any other such municipality, said minimum fee, prorated on the basis of the population of the municipalities, shall be paid to the Municipality. For the purposes of this section, any affiliated person, subsidiary, partnership, or wholly owned corporation related to the Franchisee, or this Franchisee's parent corporation, shall qualify as a Franchisee which will trigger an increase in the amount paid to the Municipality. Any transferee or assignee shall be bound by all rate increases and by the provisions of this section. The change in the amount of an increased franchise fee shall go into effect on the date of Passage of an ordinance in the other Municipality where the Franchisee operates.

- C. The Municipality may require as a term or condition of the Franchisee's initiation of operation or continuance of operation, any term or condition to which the Franchisee is subject to in any other municipality located within 100 miles from the Municipality. The change in a term or condition shall go into effect 15 days after the municipality gives notice thereof to the Franchisee. To facilitate the implementation of this section, the Franchisee shall within 15 days after their passage, send to the Municipality a copy of all Ordinances granting them a franchise within 100 miles from the Municipality, and shall send true copies of any changes made in such thereafter within 15 days of the effective date of said changes.

SECTION 4. SYSTEM CAPABILITIES

4.1 System Capabilities

- A. Cable Franchisee's Cable System and Enhancements shall be constructed and maintained during this Franchise in accordance with the density and line extension requirements of the Cable and Communications Code, and the System Enhancements set forth in Exhibit C to provide Services according to a construction plan and schedule developed by the Cable Franchisee and approved in advance by the City. Construction and activation of the Cable System Enhancements will be completed twelve (12) months from the Effective Date of this Franchise, and the availability of (i) qualified construction contractors; (ii) a skilled labor force; (iii) materials, including fiber optic cable, batteries, commercial cooling units, telephone poles, etc. Cable Franchisee shall use its reasonable best efforts to complete construction six (6) months after the passage of this Franchise Ordinance. The City shall use its reasonable best efforts to facilitate timely construction of the System. The System shall incorporate a new Cable System design that will provide for bandwidth capacity equivalent to at least two hundred (200) Channels, corresponding to an upper operating frequency of eight hundred sixty (860) MHz. The System will serve an average of no more than 500 homes per node. Cable Franchisee shall comply with all customer service obligations with respect to customers whose premises are passed by portions of the Cable Franchisee's network which are fully activated, tested and available for Service. In constructing and activating its Cable System the Cable Franchisee shall not discriminate between different areas of the City on the basis of race, creed, religion, or income level.

- B. Cable Franchisee shall, at a minimum, retain 860 MHz bandwidth capabilities throughout the term of this Franchise.
- C. Cable Franchisee agrees to cooperate with City from time to time in a periodic review, as set forth in 4.2, relating to change in law, technology, and services and agrees to furnish City with information relating to services and technological changes including plans and developments within the industry. Further, upon request, but not more frequently than once every twenty four (24) months, Cable Franchisee agrees to make an update presentation to the City Council regarding, at a minimum, its services and planned developments and changes, industry developments, competition, and other topics reasonably requested to be included in the presentation by the City.

4.2 Periodic Evaluation, Review and Modification.

Grantor and Cable Franchisee acknowledge and agree that the field of cable service is a rapidly changing one that may experience many regulatory, technical, financial, marketing and legal changes during the term of this Franchise. Therefore, to provide for the maximum degree of flexibility in this Franchise, and to help achieve a continued, advanced and modern Cable System, the following evaluation and review provisions will apply:

- A. The City may request evaluation and review sessions at any time 48 months after the acceptance of the Franchise, and every two (2) years thereafter during the term of this Franchise, and Cable Franchisee shall cooperate in such review and evaluation.
- B. Topics which may be discussed at any evaluation and review session include, but are not limited to, channel capacity, System performance, programming, Internet Service access, PEG access, node capacity, high definition television, local office, technology, trends in industry, changes in the multichannel video market, municipal uses of cable, Subscriber complaints, judicial rulings, FCC rulings and any other relevant topics that may arise.
- C. During an evaluation and review session, Cable Franchisee shall fully cooperate with the City and shall provide without cost such reasonable information and documents which are in the possession of Cable Franchisee as the City may reasonably request related to Cable Franchisee's compliance with the terms of the Franchise in order to perform the evaluation and review.
- D. If at any time during the evaluation and review, the City reasonably determines that substantial competent evidence exists of inadequate technical performance of the Cable System, the City may require Cable Franchisee, at Cable Franchisee's expense, to perform appropriate tests and analyses directed toward such apparent technical inadequacies. In making such request, the City shall describe and identify as specifically as possible the nature of the problem, and shall provide Cable Franchisee with an opportunity to examine the evidence upon which the City has relied in identifying such problem. Cable Franchisee shall cooperate fully with the City in performing such tests and shall report to the City the results of the tests, which shall include at least:

- (1) A description of the problem in System performance which precipitated the special tests;
- (2) The System component tested;
- (3) The equipment used and procedures employed in testing;
- (4) The method, if any, by which the System performance problem was resolved; and
- (5) Any other information pertinent to said tests and analyses.

If the Cable Franchisee's actions fail to properly identify and resolve the problem, the Grantor shall have the right to request alternative tests. The cost of said testing shall be borne by Cable Franchisee if the testing reveals the source of the technical difficulty to be within Cable Franchisee's reasonable control. If the testing reveals the difficulties to be caused by factors which are beyond Cable Franchisee's reasonable control, then the cost of said test shall be borne by the City.

- E. As a result of an evaluation and review session, Cable Franchisee and the City shall, in good faith, review the terms of any proposed change and any proposed amendment to this Franchise and seek to reach agreement on such change or amendment.
- F. The City and Cable Franchisee shall act in good faith during such negotiations and shall be obligated to agree to the reasonable requests of the other party for changes in the System or amendment to the Franchise when the change or amendment is not inconsistent with the other terms of the Franchise or with applicable law or regulations, is technically feasible and economically reasonable and will not result in a material alteration of the rights and duties of the parties under the Franchise. The review process contemplated by this Section 4.2 shall not supercede or cause a reopening of the Franchise based on performance violations subject to the procedures for notice, opportunity to cure, and remedying Franchise violations, and is intended for unanticipated events or circumstances not otherwise capable of adequate remedy without Franchise amendment.

4.3 Provision of Cable Service.

The Franchisee shall make Cable Service available to all Persons within the Franchise Area who request it and comply with the lawful financial obligations to pay for such service and subject to availability of legal access to the location. Franchisee shall provide service and extend its System as required by the Cable and Communications Code; provided that (1) in any such area that is a platted subdivision, Franchisee shall extend service not later than 30 days after the request for service to an occupied home within such subdivision, and (2) other extensions shall occur within a reasonable time, but not later than 120 days after Franchisee has been notified of the request or extension requirement, unless a waiver for good cause is requested from the City and approved by the Council.

4.4 Right of Inspection.

Subject to protection of Subscriber privacy, City may inspect all construction, reconstruction or installation work performed by Cable Franchisee under the provisions of the Franchise and its general police powers, to ensure Cable Franchisee's compliance with the Franchise and to protect the public health, safety and welfare of City's citizens. Except in emergency situations, City shall provide Cable Franchisee with reasonable advance notice and Cable Franchisee shall have the right to be present at such inspection.

SECTION 5. SERVICES AND PROGRAMMING

5.1 Programming.

A. Broad Programming Categories. The City acknowledges that it is Cable Franchisee's sole right to select the programming and services to be offered to Subscribers. This right notwithstanding, Cable Franchisee agrees that it shall provide or enable the provision of at least the following initial broad categories of Programming, unless otherwise required by state or federal law:

- (1) Educational programming;
- (2) News & information;
- (3) Sports;
- (4) General entertainment (including movies);
- (5) Children/family-oriented;
- (6) Arts; culture and performing arts;
- (7) Science/documentary;
- (8) Weather information;
- (9) Government affairs; and
- (10) Business/Financial Programming.

B. Deletion or Reduction of Programming Categories.

- (1) Cable Franchisee shall not delete or change the mix, level, or quality of programming and services, or so limit as to effectively eliminate any broad category of Programming identified in Section 5.1.A and within its control;
- (2) In the event of a modification proceeding under federal law, the mix, level, and quality of services provided by the Cable Franchisee on the effective date of this Franchise shall be deemed the mix and quality of services required under this Franchise throughout its term.

5.2 Leased Commercial Access.

Franchisee shall make available to the public in a manner consistent with 47 U.S.C. §532 and associated FCC Rules and Regulations, a Channel or portion of a Channel of the Cable System for commercial use by Persons other than Cable Franchisee, for a fee or charge.

5.3 Supplemental Provisions.

To the extent permitted by law, Franchisee shall be subject to the additional specific obligations set forth in Exhibit D, including those specifically existing in the Franchise previously binding on Franchisee, and such obligations shall continue until or unless modified by mutual amendment, or by application of law causing continued enforcement thereof to be unlawful.

SECTION 6. SUPPORT FOR LOCAL COMMUNITY CABLE RELATED NEEDS

Franchisee will provide public interest service support to the City as set forth herein.

6.1 Institutional Network.

- A. City has identified the public need for an institutional network for public communications and related use as part of the System, but City and Franchisee have been unable to reach agreement on the terms of inclusion of such I-Net as part of this grant of Franchise. Accordingly, Franchisee agrees to contribute to City a capital allowance the amount of which shall be not less than equal to the financial support or allowance provided to participating cities in St. Louis County in assisting each of them with their Institutional Networks.
- B. In the development of the I-Net design, the Franchisee shall assist and coordinate with the City's designated representative for the I-Net to assess equipment needs and requirements necessary to construct, utilize and activate the I-Net. The City shall be responsible for the purchase and maintenance of equipment at its sites and in hub locations serving its sites.
- C. The City shall own all equipment and portions of I-Net paid for by the City.
- D. The obligations for provision of the I-Net will convey to all successors and assigns of this Franchise.

6.2 Public, Educational and Governmental Access.

- A. Access Channels. Subject to the provisions of this Section, upon activation of the System, Cable Franchisee shall offer the following access channels to each of its Subscribers who receive all or any part of the cable television programming offered on the Cable System.
 - (1) Local Educational Access -- One (1) specifically designated channel for local educational access use to be administered by either the public school district(s) located within the Franchise Area or a higher education channel, at option of City.
 - (2) Government Access -- One (1) specifically designated (two-way capable when available elsewhere in the System) channel for government access use by the City ("City Channel"). The City may at its option, utilize this channel for internal departmental training or use; provided that the City shall purchase the required scrambling technology for this use, if the City requires such scrambling. The City may jointly utilize this channel with other jurisdictions served by a common headend of the Cable Franchisee.

- (3) Insertion connection – Franchisee shall provide at no cost to the City local audio/video insertion capability in the System at one location to be designated by the City for purpose of delivering government access programming. Franchisee shall not have to provide such insertion capability beyond the first location designated by the City unless the City agrees to pay the actual costs of provision of such additional insertion capability; provided, however, if the City's primary designated insertion location is relocated by the City, Franchisee agrees to reestablish the insertion point to the new primary location at no cost to the City.
- B. Additional Access Channel. In addition to the educational and governmental access channels described above, if desired by the City, Cable Franchisee shall make one (1) additional access channel available to the City upon request by the City for either educational, governmental or public access purposes and upon demonstration of sufficient need. Sufficient need would be demonstrated if original non-duplicative programming on the current channels reached 85 percent, excluding bulletin board programming, from 9:00 a.m. to 10 p.m., Monday through Friday of every week during a twelve week test period.
- C. Unused Channels. If demand for use of the above access channels does not warrant activation of all such channels, public and educational access programming may be combined on one or more Channels. In no case, however, shall the government access channel or government programming be combined with any other use except by express written permission of the City, and only upon a demonstration that there is no suitable alternative capacity available on other access channels.
- D. Consistent PEG Programming. Cable Franchisee shall cooperate with other cable providers in the City and the surrounding area to make feeds available to and/or receive feeds from such other cable systems at mutually agreeable locations, where economically and technologically feasible, in order to facilitate the receipt or distribution of programming for the PEG access facilities programming on a local and regional basis.
- E. Administration. Oversight and administration of any requested additional access channels, other than the City channel, shall be originally carried out by the City, however, at any time after commencement of this Franchise, the City may elect to transfer responsibility for this channel to a school district, or upon mutual agreement of the parties to a designated community access corporation (CAC),
- F. Cable Franchisee Support for Local Programming. The Cable Franchisee shall reserve and dedicate for cablecast the same Access Channels as are currently being transmitted on Franchisee's Cable System as of the effective date of this Franchise Ordinance. The parties shall mutually agree as to the location(s) and manner in which the signals from these channels are placed on Franchisee's System.
- G. Access Channel Designations. Cable Franchisee acknowledges and agrees that it will use its best efforts within the limitations of this Agreement to ensure that the access channels activated and used by the City will have the same Channel

number designations as those that are currently utilized within the City as of the effective date of this Franchise Ordinance.

- H. Public, Educational and Governmental Access Rules and Procedures. The use of access channels shall be in accordance with and subject to the rules and procedures adopted by the City or City designated CAC administrator, as authorized under the Cable Act.
- I. Assistance with Soliciting Contributions. Once every three years, if requested by the City, the Cable Franchisee shall provide its Subscribers with bill stuffers as an access promotion.
- J. Technical Quality. Cable Franchisee shall maintain all access channels at the same level of technical quality and reliability required by the FCC's rules for residential cable television Subscribers.
- K. Proof of Performance Testing. To ensure high quality service on access channels, copies of results of FCC proof of performance testing of the Cable System shall be made available to the City throughout the term of this Franchise upon request. Included in such proof of performance testing, to the extent feasible and subject to FCC Rules and regulations, Cable Franchisee will designate Cable System taps corresponding to each of the public buildings where programming is originated.
- L. Change in Technology. In the event Cable Franchisee makes any significant change in the Cable System and related equipment and facilities or in its signal delivery technology which directly or indirectly affects the transmission or signal quality of PEG Access services or programming, the Cable Franchisee shall take all necessary technical steps to ensure that the capabilities of PEG access services and programming are not diminished or adversely affected by such change; provided, however, Cable Franchisee shall not be required to purchase any PEG access equipment or facilities.
- M. Governmental Programming Support. Upon written request and sixty (60) days notice by the City, Franchisee shall provide the City with grants of 10 cents per Subscriber per month within the Franchise Area payable in each January, to be used in the City's discretion but solely for government and educational access equipment, facilities, and operations (including but not limited to production assistance costs or recording of public meetings and programming and web/internet access to material). Franchisee shall also provide the City with an additional one time grant of \$6,000 (upon written request by the City) to be used solely for government and educational access capital costs or other lawful public purposes. On request, the City shall document such expenditures. Franchisee will work with the City or others so requested by the City to explore alternatives to efficiently expand and better utilize PEG access. Possible enhancements might include cablecasting of City or other governmental meetings and development of new programming on local issues.
- N. Technical Assistance. Franchisee will provide at no cost, technical assistance, including relating to initial setup, in selecting, obtaining and operating equipment for bulletin board or other City channel broadcasting. The Franchisee will provide

advice and technical assistance to the City to expand and better utilize governmental access.

- O. Additional Equipment and Services. Franchisee will install internet access (functioning with high speed cable modem or lesser technology as requested) at City Hall and at each consenting public library and public and private elementary and secondary school within the Franchise Area at no charge. Franchisee will provide City Hall and each consenting public library and public and private elementary and secondary school with one internet account with Franchisee's affiliated internet service at no charge. Franchisee will provide initial training in conjunction with such additional equipment and services at no charge.
- P. Costs and Payments Not Franchise Fees. The parties for purposes of this Agreement agree, except as otherwise provided herein, that any costs to the Franchisee associated with the provision of support for public, educational or governmental access pursuant to this Franchise Agreement do not constitute and are not part of a franchise fee, and fall within one or more of the exceptions to 47 U.S.C. § 542.
- Q. Editorial Control. Except as expressly permitted by federal law, the Franchisee shall not exercise any editorial control over the content of programming on the designated access channels (except for Franchisee's own programming cablecast on those channels).

6.3 Drops to Public Buildings and Schools.

- A. Cable Franchisee shall provide installation of at least one (1) cable Drop, and one (1) outlet, provide monthly Basic Commercial Service, without charge, to all existing City Buildings and to future City and School Buildings specified by the City in Exhibit E hereto (as may be amended by City from time to time), where the Drop does not exceed one hundred and fifty (150) feet. All accredited schools shall also receive one (1) cable Drop and one (1) outlet and Basic Commercial Service at no charge, subject to the above 150 foot limit. "Basic Commercial Service" shall be defined as "Basic Cable Service" without any set top box or digital programming provided through such equipment. The location of such cable Drops and outlets shall be determined in cooperation with the management of the building to which the connection is to be made. Following the City's designation of additional Public Buildings(s) to receive Cable Service, Cable Franchisee shall complete construction of the Drop and outlet within one hundred eighty (180) days if the City requests construction, weather permitting and subject to payment of the Direct Incremental Costs of installation in excess of one hundred and fifty (150) feet. Drops and outlets that are in addition to the one free Drop and outlet required by this Section shall be provided by Cable Franchisee at Cable Franchisee's Direct Incremental Cost. Alternatively, at an institution's request, the institution may add outlets at its own expense, as long as such installation meets the Cable Franchisee's standards, which shall be made readily available to any public entity upon request. Additional outlets and Services to Public Buildings are subject to the applicable commercial rate.

- B. All such Cable Service outlets shall not be utilized for commercial purposes. The City shall take reasonable precautions to prevent any use of the Cable Franchisee's Cable System in any inappropriate manner or that may result in loss or damage to the System. Users of such outlets shall hold the Cable Franchisee harmless from any and all liability or claims arising out of their use of such outlets, other than for those claims arising out of improper installation or faulty Franchisee owned equipment.
- C. In instances where the Drop line from the feeder cable to the Public Building, school or library exceeds 150 feet, Cable Franchisee may charge for its Direct Incremental Costs that are incurred in exceeding this length. Cable Franchisee may require advance payment of this cost.

6.4 Public Building Cable Modems.

Franchisee agrees to provide at no charge one cable modem and Cable Internet Service to each public school and library within the Franchise Area as shown on Exhibit E (as may be amended by City from time to time).

6.5 Use of Cable Franchisee's Facilities.

The City may obtain access to Franchisee owned poles and/or conduit in a manner consistent with the City's Communications and Cable Service Code and other applicable law. The City shall pay a pole-attachment or other use charge only to the extent and amount required by law.

6.6 Excess Conduit

In any instance where the City requires the construction of excess conduit within a designated area as part of a Franchisee System extension project, City shall pay for the Direct Incremental Cost of such conduit which may be a credit to the Franchise Fees.

6.7 Construction of Facilities.

In all construction, Franchisee shall faithfully observe any of City's requirements regarding construction, placement and undergrounding of facilities lines and shall use existing conduit and communications Facilities in the City where reasonably available instead of disrupting City Right-of-Way with additional construction. No new poles shall be authorized by this Franchise without express consent of the City on showing of cause.

SECTION 7. REGULATION

7.1 Franchise Regulation.

This Franchise shall be subject to regulation by Grantor in accordance with all of the lawful provisions of the Communications and Cable Services Code.

7.2 Force Majeure.

In accordance with the Communications and Cable Services Code, in the event Cable Franchisee's performance of any of the terms, conditions, obligations or requirements of this Franchise or such Code is prevented or impaired due to any cause beyond its reasonable control or not reasonably foreseeable, such inability to perform shall be deemed to be excused and no penalties or sanctions shall be imposed as a result thereof. Such causes beyond Cable Franchisee's reasonable control or not reasonably foreseeable

shall include, but shall not be limited to, acts of God, acts of public enemies, emergency orders of the government of the United States of America or of the State or any of their departments, agencies, political subdivision, or official, military authority; civil emergencies and labor unrest or strikes, severe weather, earthquake, flood, tidal wave, hurricane, landslide, lightning, fires, volcanic activity, epidemics, unavailability of equipment or facilities during the initial construction of the Cable System, untimely delivery of equipment, inability of Cable Franchisee to obtain access to an individual's property, and inability of Cable Franchisee to secure all necessary permits to utilize utility poles and conduit so long as Cable Franchisee made all reasonable efforts to ensure that required equipment, parts, components, personnel and proprietary activity were ordered, hired, paid for, scheduled, checked, approved and/or facilitated.

7.3 Severability.

Consistent with the Communications and Cable Services Code, if any material section, sentence, phrase, provision, paragraph or term of this Franchise is held void or otherwise rendered unenforceable by any court of competent jurisdiction, such provision shall be deemed severable from this Franchise, and the remainder of this Franchise shall continue in full force and effect.

7.4 Acceptance of Terms.

Cable Franchisee shall have until February 28, 2007 to file with the City Clerk of the City its acceptance in writing of the provisions, terms and conditions of this Ordinance in the form attached as Exhibit F hereto (also referred to in this Franchise as the "Acceptance"), which acceptance shall be duly acknowledged before some officer authorized by law to administer oaths; and when so accepted, the Ordinance and acceptance shall constitute a contract between the City and Cable Franchisee subject to the provisions of the laws of the State of Illinois. Cable Franchisee's acceptance shall be deemed to acknowledge that this Franchise is a lawful contract between the City and Franchisee and that Cable Franchisee agrees to the terms hereof voluntarily and with full authority to execute this Franchise.

EXHIBIT A

OWNERSHIP
OF CHARTER COMMUNICATIONS ENTERTAINMENT I, L.L.C

This Exhibit shall be completed by Cable Franchisee and maintained on file with the City at all times during the Franchise term, and updated upon a change of control or transfer of ownership, and shall include at a minimum:

1. Description of ownership (which shall be Charter Communications Annual Report);
2. Authority (corporate resolution authorizing execution); and
3. Proof of financial qualifications of Cable Franchisee to satisfy terms of Franchise (which shall be Charter's SEC Reports (Forms 10-K and 10-Q) and a statement by the Franchisee that it is a Fortune 500 Franchisee, as well as the size of its customer base and position within the cable industry).

EXHIBIT B

[Note: chart is for Illustration Purposes Only]
FRANCHISE FEE PAYMENT WORKSHEET

REVENUE SOURCE Included in Gross Revenue	NUMBER OF SUBSCRIBERS	GROSS REVENUE	5% FRANCHISE FEE	YTD
Installation				
Basic Service				
Premium Channels				
Pay-Per-View				
Additional Outlets				
FM Service				
Remote Control				
VCR				
Late Fees				
Collection Fees				
Advertising				
Shopping				
Internet Access*				
Other				
TOTAL GROSS REVENUE				
System Revenues Not Included in Gross Revenue				
1.				
2.				
3.				
TOTAL EXCLUDED REVENUE				

***Inclusion of Internet Access on this Chart is not an agreement by Franchisee that such revenues are currently lawfully included as Gross Revenues.**

Cable Franchisee must periodically update the list of services contained on the Worksheet, and failure to do so will not relieve the Cable Franchisee of the requirement to pay franchise fees on any services that are actually provided. Specification of specific Revenue Sources in this Worksheet or payment of the Franchise Fee shall not constitute acceptance by the City of the factual or legal classification of such revenue. To the extent such information is marked and actually maintained by Franchisee as "confidential and proprietary," City will maintain such information as a closed record unless otherwise required by law.

EXHIBIT C

SYSTEM DESCRIPTION

System requirements shall be not less than required under the prior Franchise expiring February 7, 2007.

EXHIBIT D

The following supplemental obligations shall apply. Where such provision overlaps or conflicts with any other provision or regulatory obligation, the City shall have the sole discretion, upon request of Franchisee or after identification by the City, in selecting the applicable term as may be necessary to resolve such conflict:

1. Franchisee shall continue to abide by the requirements of Section 10A and Section 12 of the Franchise granted pursuant to Ordinance 486 of the City of Columbia, Illinois as if fully set forth herein;
2. Upon such termination, cancellation and revocation, and upon the expiration of the term of the Grant under this Ordinance, the Municipality shall have the option of purchasing from the Franchisee all System Facilities at fair-market value, or ordering removal. This shall not be a limit upon any other remedies the Municipality may have in connection with the, Franchisee's performance under this Ordinance.
3. To the extent that any fee or monetary payment by the Franchisee or another person under this Ordinance shall be declared or found to be excessive as relates to a license or franchise such fees or monetary payments shall be considered to be taxes.
4. The Franchisee shall not be excused from complying with any of the terms, conditions, and provisions of this Ordinance by any failure of the Municipality upon any one or more occasions to insist upon or to seek compliance with any such terms, conditions or provisions.
5. An application shall be completed and application fee of \$5000.00 shall be paid to the City with delivery of the Acceptance required to effect this Franchise to compensate the City for its costs herein and further pursuant to the renewal franchise terms previously invoked pursuant to Section 7(e) of the prior franchise, Ordinance 486 of the City of Columbia.
6. Franchisee agrees to and shall furnish without installation charge or monthly service fee live connections to the City Hall and one connection to all fire houses, police stations, power plant, public work buildings, and any other municipal buildings designated by the City Council; to all library buildings; and to all public and parochial elementary, secondary and college level schools located within the Municipality. The public buildings so served shall be responsible for all internal wiring from such energized connection source. Future such public buildings constructed in the Municipality shall receive the same service on the same terms
7. The City shall retain any claim which it may have against the Franchisee as to prior Franchise.

EXHIBIT E

CABLE DROPS/CABLE MODEMS SERVICE PUBLIC LOCATIONS

CITY HALL

FIRE STATIONS

COMMUNITY CENTER

PUBLIC WORKS

POLICE

PARKS AND RECREATION

K-12 SCHOOLS

EXHIBIT F

ACCEPTANCE OF CITY OF COLUMBIA CABLE TELEVISION FRANCHISE

Now, this _____ day of, the Franchisee, having been advised by the City of Columbia, Illinois ("City"), that the Mayor and Members of the City Council on the _____ day of _____, 2007 did enact Ordinance No. _____ ("Franchise Ordinance"), wherein a franchise according to the provisions, terms and conditions of the Ordinance was granted to the Franchisee to establish, construct, operate and maintain a cable television system within the City of Columbia, and as a condition to the grant of such franchise the undersigned does hereby unconditionally and fully accept the terms, conditions and provisions of the Ordinance, and will fully comply therewith. Franchisee does herewith submit this Acceptance and required application fee of \$5000.00 to the City in such acceptance of the Franchise Ordinance and all terms stated therein and incorporated therein.

FRANCHISEE:

BY: _____

(SEAL)

ATTEST:

BY: _____

STATE OF ILLINOIS)
) ss
COUNTY OF)

I, the undersigned, a Notary Public in and for said county and State aforesaid, DO HEREBY CERTIFY that _____ and _____ the _____ and _____ of the Franchisee, personally known to be the same persons whose name(s) are subscribed to the foregoing instrument, appeared before me this day in person acknowledged that they signed, sealed and delivered the said instrument as their free and voluntary act and the free and voluntary act of the Franchisee, and that they were fully and duly authorized by the Franchisee to so subscribe, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal, this _____ day of _____, 2007.

(Seal)

Notary Public

EXHIBIT G
CITY OF COLUMBIA, ILLINOIS
APPLICATION FOR CABLE TELEVISION FRANCHISE

SECTION 1: GENERAL INFORMATION

The City of Columbia governs the use of its public rights-of-way by cable television operators pursuant to the applicable provisions of the federal Cable Act, as amended, the rules of the Federal Communications Commission, and applicable state law, as well as requirements under City ordinances related to construction within the public rights-of-way. All cable television operators are required to obtain a franchise from the City. The City has adopted ordinances related to the management, coordination, and use of the right-of-way to provide cable, telecommunications, and other services. In order to allow Applicants to commence the franchise process the City has approved this application form and process. This applicant will be required to pay an application fee of \$5000.00 or such other amount determined by the City as is expected to cover the City's costs in reviewing applicant's proposal, and developing and negotiating the franchise agreement. The application will be used to determine the qualifications and eligibility of the applicant to be granted a franchise under federal and state law, and to assist the City in developing the franchise requirements to best meet the cable-related needs of the City. Any portion of the fee paid to the City that is in excess of the City's actual costs will be refunded to the applicant on request at the completion of the review process, and any additional amount reasonably expended shall be paid by the Applicant.

SECTION 2: INSTRUCTIONS

- A. The City requests each applicant to respond in good faith to each question contained in this Application form.
- B. In responding to this application, applicants should follow the order and format requested in this Application.
- C. Answers to all required questions in this application must be typed, unless otherwise indicated. Please use separate sheets for answering each question in this application. Extra sheets used must reference the question number being answered.
- D. The City will require the payment of an application fee prior to the formal approval of a franchise. The City reserves the right to request reimbursement for its reasonable expenses associated with the review, negotiation and franchise grants that may reasonably be attributed to processing the franchise agreement. The payment of the application fee shall not constitute the payment of a

franchise fee. This requirement is in conformance with the federal Cable Act, 47 U.S.C. 542(g).

- E. Two copies of the application must be filed with:

City of Columbia, Illinois
Columbia City Hall
208 South Rapp
Columbia, IL 62236
ATTN: City Administrator

With a copy to legal counsel

City Attorney
Tom D. Adams
Adams & Huetsch
321 Wedgewood Sq
Columbia, IL 62236
(618) 281-5185

Special Counsel
Daniel G. Vogel
Cunningham, Vogel & Rost, P.C.
Suite One, 75 W. Lockwood
St. Louis, MO 63119
314.446.0800
314.446.0801 (fax)

SECTION 3: Applicable to All Cable Television Providers

All applicants should familiarize themselves with the following requirements that shall be applicable to all cable television providers in the City.

A. Franchise requirement.

- (1) The City shall require a franchise of any cable television system providing service within the City, which shall be in accordance with any applicable requirements of the City Code.
- (2) No franchise shall be granted to an applicant for cable television service for an area included in an existing franchise on terms and conditions that, on the whole, are materially more favorable or less burdensome than those in the existing franchise.
- (3) The above shall not be construed as requiring the use of identical terms or conditions, or limit the enforceability of conditions that are freely negotiated.

B. Contents of franchising proposal.

All proposals for a cable television franchise shall be notarized and contain, but not necessarily be limited to, the following information:

- (1) Plans for channel capacity, including both the total number of channels capable of being activated in the system and the number of channels to be activated immediately;
- (2) A statement of the over-the-air broadcast signals the Applicant intends to carry.
- (3) A description of the proposed system design and planned operation, including at least the following items:
 - (a) the general area for location of antennae and the headend, if known;
 - (b) the schedule for activating two-way capacity;
 - (c) the type of automated services to be provided;
 - (d) the number of channels and services to be made available for PEG access and local origination cable broadcasting; and
 - (e) a schedule of charges for facilities and staff assistance for PEG access cable broadcasting;
- (4) The terms and conditions under which particular service is to be provided to governmental and educational entities;
- (5) A schedule of proposed rates in relation to the services to be provided, a proposed policy regarding unusual services to be provided, and a proposed policy regarding unusual or difficult connection of services;
- (6) A time schedule for construction of the entire system, with the time sequence for wiring the various parts of the area requested to be served in the request for proposal;
- (7) A statement indicating the applicant's qualifications and experience in the cable television field, if any;
- (8) Identification of additional municipalities in which the applicant either owns or operates a cable television system, directly or indirectly, or has outstanding franchises for which no system has been built;

- (9) Plans for financing the proposed system, which must indicate every significant anticipated source of capital and significant limitations or conditions with respect to the availability of the indicated sources of capital;
- (10) A statement of ownership detailing the corporate organization of the applicant, if any, including the names and addresses of officers and directors and the number of shares held by each officer or director, and intracompany relationship, including a percent, subsidiary of affiliated company; and
- (11) A request for waiver and accompanying explanation of any omissions or other variations with respect to the requirements of the proposal.

C. Public Meeting on Franchise.

A public meeting before the City Council, affording reasonable notice and a reasonable opportunity to be heard with respect to all applications for the franchise, may be conducted prior to the adoption of a new franchise agreement.

SECTION 4: CRITERIA FOR EVALUATION OF AN APPLICATION

Subject to applicable state and Federal law, the City reserves the right to grant a franchise to one or more providers or to determine not to grant a particular franchise based upon:

- A. The willingness of the applicant and its ability to meet the present and future cable related community needs and interest of the City, taking into account the cost of meeting these needs and interests. Applicants shall outline community needs for additional cable television franchise(s) and how they will meet the needs now and in the future.
- B. The proposed construction schedule, area served and to be served.
- C. The responsiveness of an applicant to the questions contained in this application, including any provisions and requirements incorporated into a Model Franchise Agreement that is provided to applicant prior to final action on this application.
- D. The legal, technical, financial, and character qualifications of the applicant.
- E. Whether or not rights of way can accommodate applicant's system without disruption or interference with public use and disruption or interference to private use and facilities.

- F. Whether or not applicant is willing to complete system construction before a sale or transfer.
- G. Written evidence of funding to construct, operate and maintain a cable television system.
- H. Willingness to provide a construction completion bond of at least 10% of the estimated construction cost.

SECTION 5: GENERAL INFORMATION REGARDING THE APPLICANT

A. The legal name of the Applicant. _____

Mailing or street address. _____

City _____ State _____ Zip Code _____

Telephone Number _____

B. The legal name of the proposed grantee, if different from the Applicant. _____

Mailing or street address. _____

City _____ State _____ Zip Code _____

Telephone Number _____

C. The person responsible for this Application and who will be available to City representatives to discuss questions and to whom the City shall provide notice regarding the City process, proceedings including public hearings.

Name _____

Mailing or street address. _____

City _____ State _____ Zip Code _____

Telephone Number _____

- D. Attach as an exhibit the name, mailing address, and telephone number of each additional person who should be contacted by the City, if any.

- E. Indicate the address where the records of the Applicant relating to the cable television system proposed for the City will be maintained.

Mailing or street address. _____

City _____ State _____ Zip Code _____

Telephone Number _____

- F. Is this application for:

☐ An initial franchise.

☐ A renewal of an existing franchise.

☐ Other. Explain. _____

SECTION 6: THE APPLICANT'S LEGAL QUALIFICATIONS

- A. The Applicant is a: Corporation ☐ Limited Partnership ☐ General Partnership ☐
Individual ☐ Other (describe in exhibit) ☐

- B. If a corporation or partnership, describe the jurisdiction of incorporation or in which it was formed, the date of incorporation, whether or not the entity is a profit or not-for-profit entity, and the name and address of the registered agent in the jurisdiction of incorporation. Further, provide information relating to the jurisdiction whose laws govern the formation of the entity.

- C. With respect to the applicant, list each of its officers, directors, stockholders, beneficially holding more than 5% of the outstanding voting shares, general partners, and limited partners holding an equity interest of more than 5%. Use only one column for each individual or entity. Attach additional pages, if necessary.

- D. The lettered items below refer to the corresponding lines to be included with respect to each named individual or entity.

- (a) Name, residence, occupation or principle business, and principle place of business. (If other than an individual, also show name, address, and

citizenship of natural person authorized to vote, the voting securities of the applicant that it holds.) List the applicant first, officers, next, then directors and thereafter remaining stockholders and/or partners.

- (b) Citizenship.
- (c) Relationship to the applicant.
- (d) Number of shares or nature of partnership interest.
- (e) Number of votes.
- (f) Percentage of votes.

E. If the applicant is a corporation or limited partnership, is it formed under the laws of, or duly qualified to transact business in, the State of Illinois

☐ Yes ☐ No

If the answer is no, explain in an exhibit.

F. Has the applicant had any interest in or in connection with an applicant that has been dismissed or denied by any franchising authority?

☐ Yes ☐ No

If the answer is yes, describe circumstances in an exhibit.

G. Has an adverse finding been made or an adverse final action been taken by any court or administrative body with respect to the applicant in a civil, criminal, or administrative proceeding, brought under the provisions of any law or regulation relating to the following: any felonies; revocation, suspension or voluntary transfer of any authorization (including cable franchises) to provide video programming services; mass media related anti-trust or unfair competition; fraudulent statements to any government unit; or employment discrimination?

☐ Yes ☐ No

If the answer is yes, attach as an exhibit a full description of the person(s) and matter(s) involved, including an identification of any court or administrative body and any proceeding (by dates and file numbers, if applicable), and the disposition of the proceeding.

H. Are there any documents, instruments, contracts, or understandings relating to ownership or future ownership rights with respect to any attributable interest as

described in question B (including, but not limited to, non-voting stock interest, beneficial stock ownership interest, options, warrants, debentures)?

☐ Yes ☐ No

If the answer is yes, provide particulars in an exhibit.

I. Do documents, instruments, agreements, or understandings for the pledge of stock of the applicant, as security for loans or contractual performance, provide that:

- (a) Voting rights will remain with the applicant, even in the event of default on the obligation;
- (b) In the event of default, there will be either a private or public sale of the stock; and
- (c) Prior to the exercise of any ownership rights by a purchaser at a sale described in (b), any prior consent of the FCC and/or of the franchising authority, if required pursuant to federal, state, or local law or pursuant to the terms of the franchise agreement will be obtained?

☐ Yes ☐ No

If the answer is no, attach as an exhibit a full explanation.

SECTION 7: APPLICANT'S FINANCIAL QUALIFICATIONS

A. The applicant certifies that it has sufficient liquid assets on hand or available from committed resources to develop, build/rebuild and operate the cable television system and related facilities, pursuant to a franchise agreement that will be entered into between the City and applicant for at least three months.

☐ Yes ☐ No

B. Attach as an exhibit the most recent financial statements, prepared in accordance with generally accepted accounting principles, including a balance sheet and income statement for at least one full year, for the applicant or parent entity that has been prepared in the ordinary course of business, if any such financial statements are routinely prepared. Mere statements, if not otherwise publicly available, may be marked CONFIDENTIAL and will be maintained as confidential by the City and its agents to the extent permissible under the laws of the State of Illinois.

Identify the exhibit that is attached.

- C. The applicant understands that the City reserves the right to request additional information relating to applicant's financial qualifications and may require a written bank commitment or similar writing, a parent company guaranty, or other security to ensure applicant has the ability to meet the financial obligations and requirements to perform the obligations of a franchise that may be granted to it, as determined by the City. The Applicant understands this City requirement and agrees to be bound by it.

☐

Yes

☐

No

If the answer is no, provide an exhibit explaining the reasons for the answer.

SECTION 8: APPLICANT'S TECHNICAL QUALIFICATIONS

Set forth as an exhibit to the application, applicant shall provide a narrative account of the applicant's technical qualifications, experience, and expertise regarding cable and the telecommunications systems, including, but not limited to, summary information about appropriate management personnel that will be involved in the system's management and operations. The applicant may, but need not, list a representative sample of cable systems currently or formerly owned or operated by it.

SECTION 9: PROPOSAL TO PROVIDE CABLE TELEVISION SERVICES IN THE CITY.

- A. Set forth in an exhibit a narrative account of the applicant's proposal for cable television services in the City outlining, in as much detail as possible, the type of system, system capacity, the services and offerings that will be provided, tentative rates, the types of services including cable television services, telecommunications services, internet and other services that may be made available through the system. The intent of this portion of the application is to aid the City in understanding the applicant's plans and will be utilized in development of a franchise agreement.
- B. Applicant shall describe any market research studies undertaken by it or others on behalf of the applicant to identify the needs and requirements of the City that were utilized by the applicant in forming the basis for developing this application and its proposal.
- C. Applicant shall review any Model Franchise Agreement developed by the City and to the extent practical, incorporate its terms into its proposal, as well as noting any objections and/or changes to language in the Model Franchise for consideration by the City.

- D. Applicant shall provide a list and address of all public buildings it may currently provide cable services to within the City (City, schools, etc), and if not provided free, the charge/rate associated with the services provided to such public entity.

SECTION 10: CERTIFICATIONS

Applicant. All of the statements made in the application and attached attachments are considered material representations, and all the attachments are a material part hereof and are incorporated herein as if set out in full in the application.

The applicant certifies that he/she:

- (a) Has a current copy of the FCC rules governing cable television systems.
- (b) Is familiar with the federal Cable Act, as amended, the Telecommunications Act of 1996, and applicable Illinois law and if awarded a franchise will comply with applicable ordinances of the City with regard to construction of a cable television system.
- (c) Has attached or paid the required application fee.
- (d) Will use its best efforts to comply with the terms of the franchise and applicable state law and local ordinances and relating regulations, and to affect changes, as promptly as practicable, in the operation of its system, if any changes are necessary to cure any violations thereof or defaults thereunder which may affect the cable television services offered by it.

I CERTIFY that the statements in this application are true, complete, and correct to the best of my knowledge and belief and are made in good faith.

Date: _____

Signature

Print Full Name

WILLFUL FALSE STATEMENTS MADE ON THIS FORM MAY BE PUNISHABLE BY FINE.

Check appropriate classification:

Individual ☐ General Partner ☐ Corporate Officer ☐ Other (explain) ☐
(indicate title)

Notary

State of _____
County of _____

This application was signed on behalf of _____, by
_____, its _____ on the ____ day of ____ 2007, before me a
notary public.

Name

(Seal)