

**CHARLESTON COUNTY ORDINANCE NO.**

**AN ORDINANCE  
GRANTING A NON-EXCLUSIVE CABLE/TELECOMMUNICATIONS FRANCHISE TO  
US CABLE OF COASTAL-TEXAS, L.P. AND OTHER MATTERS RELATED  
THERETO.**

**ARTICLE I  
FINDINGS OF FACT**

**Section 1.01**

As an incident to the adoption of this Ordinance, the County Council of Charleston County finds that the facts set forth in this Article exist, and that the statements with respect thereto, herein set forth, are true and correct.

1. The findings of fact attached hereto and incorporated herein as Exhibit A, and all recitals and determinations therein are true and correct and it is in the best interests of the citizens of Charleston County to grant the non-exclusive franchise described herein and in the exhibits hereto.
2. The terms and conditions of the Franchise Agreement attached hereto and incorporated herein as Exhibit B are in the best interests of the County and are a valid, binding obligation of US Cable of Coastal-Texas, L.P.

**ARTICLE II  
AUTHORIZATION TO EXECUTE DOCUMENTS**

**Section 2.01**

The Chairman of Charleston County Council is authorized to execute the Franchise Agreement with the appropriate officer of as well as any other documents or instruments necessary to effectuate the grant of the non-exclusive franchise described herein.

**ARTICLE III  
EFFECTIVE DATE**

**Section 3.01**

This Ordinance shall become effective after approval of County Council upon Third Reading.

**EXHIBIT A**

**FINDINGS OF FACT  
IN CONNECTION WITH  
APPLICATION OF  
US CABLE OF COASTAL-TEXAS, L.P.  
FOR A COUNTY-WIDE  
CABLE/TELECOMMUNICATIONS FRANCHISE**

**IN LIGHT OF THE FACT** that the County Council for Charleston County, South Carolina:

- 1) received the application of US Cable of Coastal-Texas, L.P. (AUS Cable@) for the renewal of its County-wide cable franchise;
- 2) reviewed the application of US Cable for a renewal of its County-wide cable franchise;
- 3) received the recommendation of County staff and its cable and telecommunications consultant with respect to the application;
- 4) received the recommendation of the County Council=s Finance Committee concerning the application; and
- 5) listened to, and evaluated the presentation made by representatives of US Cable at the public hearing held on \_\_\_\_\_, concerning the application; and
- 6) received comments and/or information from the public during the public hearing concerning the application.

**AS A RESULT**, the County Council for Charleston County, South Carolina has determined that the application (which includes the original application together with subsequently submitted additional information and documentation) of US Cable for a renewal of its County-wide cable franchise should be granted.

**IN LIGHT OF** the review and analysis of US Cable=s application for a renewal of its County-wide cable franchise, the County Council for Charleston County, South Carolina determines that the renewal of US Cable=s non-exclusive County-wide cable franchise:

- 1) will positively expand and affect the diversity of programming enjoyed by the residents of the County;
- 2) will not unduly burden the existing rights-of-way within the County;
- 3) will not cause a negative impact on the area to be served; and
- 4) will not involve or result in Acherry-picking@ or Acream-skimming@ into areas of higher density and profitability, while substantially excluding and neglecting less dense, or less profitable, or less economically well-off areas of the County.

**FURTHER, IN LIGHT OF**, and consistent with, the review and analysis of US Cable=s application for a County-wide cable franchise, the County Council for Charleston County, South Carolina bases its above determination on the following findings:

- 1) US Cable will provide a level of customer service that is comparable to customer service practices found industry-wide, especially in the area of credits and/or refunds;
- 2) Based on US Cable=s acceptance of provisions that would indemnify and

hold harmless the County for the negligent or willful acts of US Cable or its subcontractors or independent contractors, there is no increased risk assumed by the County as a result of having more than one cable and/or telecommunications franchise within a certain geographical area;

3) Based on the information supplied by US Cable, US Cable has sufficient financial integrity and viability in which to construct, install, operate, and maintain a cable system within Charleston County, South Carolina; and

4) Based on the information supplied by US Cable, and an inspection of US Cable's existing facilities, US Cable's proposed cable system is technically sound and physically compatible with respect to existing utilities and other cable operators and/or franchisees.

**FURTHER, IN LIGHT OF**, and consistent with, the review and analysis of US Cable's application for a County-wide cable franchise, the County Council for Charleston County, South Carolina bases its award of County-wide cable franchise to US Cable on the following:

1) the application, supplemental responses, and presentation by US Cable, as well as, a physical inspection by the County's cable consultant indicates that US Cable has the requisite level of financial experience that is necessary in order to operate and maintain a cable system within Charleston County, South Carolina;

2) the application, supplemental responses, and presentation by US Cable indicates that US Cable has the requisite level of technical expertise that is necessary in order to operate, maintain, repair, and/or replace a cable system within Charleston County, South Carolina;

3) the application, supplemental responses, and presentation by representatives of US Cable indicates that US Cable has the requisite legal capability that is necessary in order to operate, maintain, repair, and/or replace a cable system within Charleston County, South Carolina; and

4) the application, supplemental responses, and presentation by representatives of US Cable indicates that US Cable meets all character qualifications that are necessary in order to operate, maintain, repair, and/or replace a cable system within Charleston County, South Carolina.

**AS A RESULT**, the County Council for Charleston County, South Carolina has determined that the application of US Cable for a renewal of its County-wide cable franchise should be granted.

EXHIBIT B  
FRANCHISE RENEWAL AGREEMENT

THIS CABLE FRANCHISE RENEWAL AGREEMENT (the "Agreement") is entered into effective as of \_\_\_\_\_, 2004 by and between the Charleston County, South Carolina (the "County"), and US Cable of Coastal-Texas, L.P. (the "US Cable").

WHEREAS, US Cable's existing cable television franchise with the County has expired; and

WHEREAS, US Cable had previously and properly preserved its formal cable franchise renewal rights under Section 626 of the Cable Act; and

WHEREAS, both the County and US Cable have expressed a desire to pursue an informal, as opposed to a formal, franchise renewal process; and

WHEREAS, since the expiration date of US Cable's franchise, US Cable has provided service to County residents under an indefinite extension of its current franchise agreement; and

WHEREAS, the County has conducted a public proceeding pursuant to US Cable's request for renewal of its County-wide cable television franchise; and

WHEREAS, the County, upon consideration of US Cable's request for renewal of its County-wide cable television franchise, has determined that it is in the best interests of, and consistent with, the health, safety, and welfare of the citizens of Charleston County to grant US Cable's request for a cable television franchise renewal under the terms and conditions hereinafter set forth; and

WHEREAS, the County has fully analyzed and considered the technical ability, financial integrity, legal and character qualifications of US Cable, and determined that there are no concerns in those above-referenced areas;

WHEREAS, the County and US Cable have agreed to be bound by the conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the grant of authority pursuant to this Agreement, US Cable hereby promises to comply with all the terms, conditions, provisions, and requirements set forth in this Agreement, and, in consideration of US Cable's promises, the County hereby grants to US Cable the rights, privileges, and authorization set forth herein below.

SECTION 1. SHORT TITLE.

This Agreement may be known and cited as the US Cable, Cable Television Franchise Renewal Agreement for Charleston County, South Carolina.

#### SECTION 2. APPLICABLE LAW.

This Franchise shall be governed in all respects by the Ordinances and Resolutions of Charleston County, South Carolina, and the applicable laws of the State of South Carolina, and the United States, including any applicable rules, regulations, or standards of the Federal Communications Commission (FCC).

#### SECTION 3. SEVERABILITY.

If any section, subsection, sentence, clause, phrase, provision, or portion of this Agreement is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such section, subsection, sentence, clause, phrase, provision, or portion shall be deemed a separate, distinct, and independent provision of such holding, and shall not affect the validity of the remaining sections, subsections, sentences, clauses, phrases, provisions, or portions herein.

#### SECTION 4. DEFINITIONS.

For purposes of this Agreement, and unless the context otherwise requires, the terms used herein shall have the same meaning as defined in the Cable Television Regulatory Ordinance for Charleston County, South Carolina (hereinafter sometimes referred to as the Regulatory Ordinance).

#### SECTION 5. GRANT OF NON-EXCLUSIVE FRANCHISE/APPROVAL OF PENDING TRANSFER.

- a. There is hereby granted by the County to US Cable the right and privilege to construct, erect, operate, and maintain, in, upon, along, across, above, over and under the streets, alleys, public ways, and public places now laid out or dedicated, and extensions thereof, and additions thereto, in the unincorporated County, poles wires, cables, underground conduits, manholes, and other equipment, and fixtures necessary for the installation, construction, maintenance, repair, replacement, and operation within the County of a cable television system which includes all lawful and permitted applications of said cable television system.
- b. The right to use and occupy said streets, alleys, public ways, and places for the purposes herein, shall not be exclusive, and the County reserves the right to grant a similar use of said streets, alleys, public ways, and places, to any person, at any time during the term and duration of this Franchise.

c. This Franchise granted to US Cable is conditioned upon US Cable's compliance with Section 58-12-10 of the South Carolina Code of Laws, which specifically includes compliance with the following provisions:

- 1) where possible and practical, US Cable shall enter into an agreement with a telephone company or electric power company (utility) in order to attach US Cable's cable to the poles of the utility or bury US Cable's cable beneath the ground in conduits owned by the utility;
- 2) construct in a manner so as not to endanger the safety of persons or to interfere with the use of public lands, highways, or public roads, or the navigation of waters;
- 3) obtain all necessary State and/or local permits;
- 4) place US Cable's cable television lines underground when both electric and telephone facilities in an area are underground; and
- 5) locate US Cable's cable in a manner so as not to constitute an interference with the right of ingress or egress to, or from, land that is subject to an easement or this Franchise.

d. Approval of Pending Transfer of ownership to Comcast ABB USC, LLC

1) The County granted to Coastal Cablevision, predecessor in interest to US Cable of Coastal-Texas, L.P., a franchise as set forth in an Ordinance No. 488, dated August 16, 1983, to own and operate a cable television system in the County of Unincorporated Areas of the County of Charleston; and

2) On December 19, 2003, US Cable entered into a Contribution Agreement and a Distribution Agreement (the "Transfer"), providing for the contribution by US Cable of certain assets, including the Franchise, to Comcast of Georgia/South Carolina II, LLC, a Delaware limited liability company, and a wholly-owned subsidiary of US Cable (the "LLC"), and the subsequent distribution to Comcast ABB USC, LLC, a Delaware limited liability company (the "Transferee") of US Cable's entire equity interest in and to the LLC; and

3) The County is willing to consent to the transfer of the Franchise to the LLC, which, after giving effect to the distribution of the equity of the LLC to Transferee, will become a wholly-owned subsidiary of Transferee, on the terms set forth herein.

4) The County desires to make the terms of this Franchise Agreement governing US Cable's cable system substantially the same as the Franchise Agreement granted to Comcast Cablevision of Carolina, Inc. on December 5, 2002.

Therefore, with regard to the Transfer, the County agrees as follows:

1. The County consents to (i) the assignment, transfer and conveyance to the LLC of the Franchise and of the cable television system

serving the Franchise Area, and (ii) the distribution to Transferee of US Cable=s entire equity interest in and to the LLC.

2. The County reserves all rights under the Franchise to audit franchise fee payments made by US Cable since the last audit and to collect from Transferee for any underpayment on the part of US Cable, and by engaging in the above described transaction Transferee consents to such continuing audit rights as they may exist in the Franchise.

3. Any future assignments or transfer of control (either equity ownership or operating control) over the Transferee; (b) restructuring of debt or change of the ownership interests among existing equity participants in Transferee; (c) pledges or grants of a security interest to any lender(s) of Transferee=s assets, including, but not limited to, the Franchise, or of interests in Transferee, for purposes of securing any indebtedness; or (d) sale of equity interests in Transferee or any of Transferee=s affiliates; or other matters which require consent or action by the County shall be addressed as required in the Cable Regulatory Ordinance and this Franchise Agreement.

#### SECTION 6. EXTENT OF FRANCHISE.

a. This Franchise shall include all areas within the unincorporated limits of Charleston County into which US Cable=s cable system is extended, including any areas annexed by the County.

b. The County hereby grants to US Cable the authority to contract with the County or any appropriate board or agency thereof or with the holder or owner any utility franchise in the County for the use, rental, or lease of its or their poles, underground conduits, and any other structures and facilities, and appurtenances necessary or desirable for the operation of its cable television system. The County agrees that any public utility owning or controlling such poles or underground conduits may, without amendment to its franchise, allow, and is encouraged to allow, US Cable to make such use thereof pursuant to any agreement reached between such utility and US Cable.

#### SECTION 7. TERM OF FRANCHISE.

- a. Initial Term. This Franchise and the rights, privileges, and authority hereby granted shall take effect and be in force from and after final passage hereof, as provided by law, and shall continue in force and effect until December 5, 2015, provided that within thirty (30) days after the date of this Agreement, US Cable shall file with the Clerk of Council, US Cable=s unconditional acceptance of this Franchise and promise to comply with, and abide by, all its terms, conditions, provisions, and requirements. Such acceptance and promise shall be in writing fully executed and sworn to, by, or on behalf of, US Cable or its fully authorized officers before a Notary Public or other officer

authorized by law to administer oaths. Should US Cable fail to comply with this subsection, it shall acquire no rights, privileges, or authority under this Franchise whatsoever.

- b. **Renewal Term.** This Franchise may be renewed under either the formal or informal renewal procedures set forth in Section 626 (as amended) of the Cable Act (codified at 47 United States Code (USC) Section 546). This Franchise may be renewed for a term not to exceed fifteen (15) years in length. If US Cable does not preserve its rights under the formal renewal procedures set forth in Section 626 of the Cable Act, then the renewal of this Agreement shall be under either the informal process noted elsewhere in Section 626, or under any informal process mutually agreed to by the County and US Cable.

#### SECTION 8. EFFECT OF A TECHNICAL BREACH OR VIOLATION OF THE COUNTY'S CABLE TELEVISION REGULATORY ORDINANCE OR THIS AGREEMENT.

a. It is the intent of the County not to subject US Cable to penalties, fines, forfeitures, or revocation of this Agreement for so-called technical breach(es) or violation(s) of the County's Cable Television Regulatory Ordinance, which include, but are not limited to, the following:

- 1) in instances, or for matters where a violation of the County's Cable Television Regulatory Ordinance by US Cable was a good faith error that resulted in no or minimal impact on the County, or the customers within the County; or
- 2) in instances, or for matters where a violation of the County's Cable Television Regulatory Ordinance by US Cable was caused by a good faith disagreement over County Cable Television Regulatory Ordinance interpretation, or matters related to the County Cable Television Regulatory Ordinance, so long as the good faith disagreement resulted in no, or minimal negative impact to the County, or the customers within the County; or
- 3) where there existed circumstances reasonably beyond the control of US Cable, and which precipitated a violation of the County's Cable Television Regulatory Ordinance on the part of US Cable, or which were deemed to have prevented US Cable from complying with any term, condition, provision or requirement of the County's Cable Television Regulatory Ordinance.

b. It is the intent of the County not to subject US Cable to penalties, fines, forfeitures, or revocation of this Agreement for so-called technical breach(es) or violation(s) of this Agreement, which include, but are not limited to, the following:



- 1) in instances, or for matters, where a violation of this Agreement by US Cable was caused by a good faith error that resulted in no or minimal negative impact on the County, or the customers within the County; or
- 2) in instances, or for matters, where a violation of this Agreement by US Cable was caused by a good faith disagreement over interpretation of this Agreement, or matters related to this Agreement, so long as the good faith disagreement resulted in non, or minimal negative impact to the County, or the customers within the County; or
- 3) where there existed circumstances reasonably beyond the control of US Cable, and which precipitated a violation of this Agreement on the part of US Cable, or where there existed circumstances that were deemed to have prevented US Cable from complying with any term, condition, provision, or requirement of this Agreement.

#### SECTION 9. FORCE MAJEURE.

USCable shall neither be held in default, nor held in non-compliance with the terms, conditions, provisions, or requirements of this Agreement, nor suffer any enforcement or penalty relating thereto (including termination, cancellation or revocation of this Agreement) where such non-compliance or alleged default occurred and/or was caused by a strike, riot, war, earthquake, flood, tidal wave, severe rainstorm, hurricane or other act of nature, or other event that is reasonably beyond US Cable=s ability to anticipate and control. Force majeure also covers work delays caused by waiting for utility providers to service or monitor their own utility poles or conduit on, or in which US Cable=s cable and/or equipment is attached. Force majeure also covers defaults, breaches, violations, or non-compliance caused by delay in US Cable=s authorizations where the delay in receiving such necessary and/or required permits and/or authorizations was not due to the actions or omissions of US Cable.

#### SECTION 10. FAILURE TO ENFORCE OR GRANT A WAIVER DOES NOT ACT AS ACQUIESCENCE OR WAIVER FOR A SUBSEQUENT BREACH OR VIOLATION.

- a. The County=s failure to enforce one (1) or more terms, conditions, provisions, or requirements of this Agreement for a breach or violation by US Cable, shall not be deemed and/or viewed as an act of acquiescence, waiver, or bar on the County pursuing and seeking enforcement in the event one (1) or more of the terms, conditions, provisions, or requirements of this Agreement is subsequently breached or violated by US Cable.

b. The County=s grant of waiver for breach or violation of one (1) or more terms, conditions, provisions, or requirements of this Agreement shall not be deemed and/or viewed as an act of acquiescence, waiver, or bar on the County pursuing and seeking enforcement in the event that one (1) or more of the same terms, conditions, provisions, or requirements of this Agreement is subsequently breached or violated by US Cable.

#### SECTION 11. RELATIONSHIP OF THIS AGREEMENT TO THE COUNTY CABLE TELEVISION REGULATORY ORDINANCE AND FEDERAL LAW.

a. The County=s Cable Television Regulatory Ordinance shall control and prevail in any instance where there is an interpretive question or conflict between the County=s Regulatory Ordinance and this Agreement, except to the extent that a cable operator has requested and/or received an exemption, relief, clarification, or comparable policy substitution from one or more provisions of the County=s Cable Television Regulatory Ordinance.

b. Notwithstanding subsection (a) of this Section, and in the case where this Agreement, as may be amended by the parties, contains an exemption, relief, clarification, or comparable policy substitution from one (1) or more terms, conditions, provisions, or requirements of the County=s Cable Television Regulatory Ordinance, and where such exemption, relief, clarification or comparable policy substitution is contained in this Franchise Agreement, then the specifically noted exemption, relief, clarification, or comparable policy substitution contained in this Franchise Agreement controls, but only in those specific circumstances.

c. US Cable agrees to abide by, and comply with, the County=s Cable Television Regulatory Ordinance that is in effect on the Effective Date of this Agreement, and as modified by the exemptions, relief, clarifications, and comparable policies contained in this Agreement. A subsequent amendment or modification of the County=s Cable Television Regulatory Ordinance by the County will apply to US Cable if the County Council concludes that the amendment, modification, or revision will advance the interests of customers when balanced against its impact upon US Cable. The County shall provide US Cable with at least ninety (90) days notice prior to adopting such amendment, modification, or revision during which notice period US Cable may provide written and oral comment with respect to the amendment, modification, or revision. Notwithstanding the above, US Cable will be expected to comply with, and abide by, any valid present or future ordinance that is generally applicable to businesses within the territorial area. Still, US Cable does not waive any administrative and/or legal claim that it may have regarding whether the County can unilaterally alter or modify the provisions, terms, conditions, or requirements of this Agreement.

- d. Notwithstanding subsection (c) of this Section, US Cable shall not be subject to subsequent amendments to the County's Cable Television Regulatory Ordinance where such amendments would:
- 1) require US Cable to upgrade and/or rebuild its cable system prior to the expiration date of its franchise (unless mutually agreed to by both parties); or
  - 2) change the process and/or conditions for cancellation, revocation, or termination of the franchise (unless the County can note the precise nature of emergency conditions that led to a change in the process and/or conditions for such cancellation, revocation, or termination); or
  - 3) impose additional requirements that create substantial capital commitments that are not contemplated and/or referenced in this Agreement for purposes of this subsection, a substantial capital commitments would constitute and include situations wherein the County would require US Cable to deploy, and/or install new technology or upgraded technology without either conducting a needs assessment/cost assessment study, or conducting a technical inspection/audit, or receiving the results of a technical inspection/audit that indicated that US Cable needed to deploy, and/or install such new technology in order to provide cable service and a cable signal, so as to meet Federal and/or State technical standards.

## SECTION 12. AMENDMENTS TO THIS AGREEMENT.

Any change, amendment, modification, revision, or extension of this Agreement, or the subsequent adoption of another Renewal Agreement shall be in writing and shall be executed by duly authorized representatives of both the County and US Cable.

## SECTION 13. INDEMNITY.

- a. To the extent permitted by law, US Cable shall at all times defend, indemnify, protect, save harmless, and exempt the County, the County Council, the County Administrator, the County Attorney, and other employees of the County acting in their official capacities from any, and all, penalty, damage, or charges arising out of claims, suits demands, causes of action, or award of damages whether compensatory or punitive, or expenses arising therefrom, either at law or in equity, which might be claimed now or in the future, including any payments required by the Workmen's Compensation law, which may arise out of, or be caused by, the construction, erection, location, products performance, operation, installation, maintenance, repair, replacement, removal and/or restoration of the cable television system within the County, by a negligent act or omission of US Cable, its agents or

employees, contractors, subcontractors, independent contractors, or implied or authorized representatives.

b. Reasonable attorneys fees and reasonable consultant and expert witness fees are specifically included as a cost that may be recovered by the County from US Cable.

c. The County, the County Council, the County Administrator and the County Attorney specifically reserve the right to retain counsel of their own choice, at their own expense.

d. If US Cable obtains counsel for the County, the County Council, the County Administrator, or the County Attorney, then any one of them shall have the right to approve counsel, which approval shall not be unreasonably withheld.

e. With respect to US Cable=s own defense of such actions, noted in this Section, it is understood that US Cable reserves the right to select and retain, without the County=s, County Council=s, County Administrator=s or County Attorney=s approval, counsel of US Cable=s choice, at US Cable=s expense.

#### SECTION 14. INSURANCE.

a. US Cable shall maintain, and by its acceptance of this Franchise Agreement specifically agrees that it will maintain throughout the term of this Franchise, public liability and property damage insurance in at least the following amounts:

\$1,600,000.00 (umbrella coverage)

Except that after the Transfer referenced in Section 5, the Franchisee may have its name added to the policy already provided by Comcast Cablevision of Carolina, Inc. instead of providing a separate policy in this amount.

b. The insurance policy shall be issued by an insurance company licensed to do business in the State of South Carolina and which has one of the three (3) highest or best ratings from the Alfred M. Best Company, and which shall include the County, County Council, County Administrator and County Attorney, in their official capacities, as additional insureds, and shall obligate the insurance company to furnish the County Council with at least thirty (30) days= written notice in advance of cancellation.

c. US Cable shall provide the County Council with certificates evidencing the required insurance within fifteen (15) days after acceptance of this

Franchise, and renewal certificates shall be mailed to the County Council before expiration of the insurance policies that such certificates are to renew.

d. At any time that US Cable employs an outside plant contractor or subcontractor, it must require and submit to the County, proof from such contractor or subcontractor of insurance in the amount listed above, naming the County, County Council, County Administrator and County Attorney, acting in their official capacities, as additional insureds. Such insurance coverage shall remain in effect for as long as the construction, installation, repair, replacement, and/or on-going maintenance continues.

#### SECTION 15. WORKMEN=S COMPENSATION INSURANCE.

a. US Cable shall provide and maintain for the life of this Franchise and Agreement, Workmen=s Compensation Insurance for all full-time, non-exempt employees, in accordance with the laws of the State of South Carolina. In the event that such insurance is cancelled, revoked, not renewed, or otherwise terminated, then either the insurance carrier, or US Cable shall notify the County Council in writing, within thirty (30) days of such event.

b. Annually, a certificate shall be filed with the County Council by either the insurance carrier or US Cable, showing such insurance to be in force at all times.

#### SECTION 16. PERFORMANCE AND CONSTRUCTION BONDS.

a. As noted elsewhere in this Agreement, US Cable has been granted relief, in the form of an exemption, from the terms, provisions, conditions, and requirements of the County=s Cable Television Regulatory Ordinance, that are concern, and are associated with Performance and Construction Bonds.

b. As such, US Cable is not required to secure and maintain either a Performance Bond, or a Construction Bond for the duration of this renewal franchise term.

#### SECTION 17. RECORDS AND REPORTS.

a. US Cable shall submit the following reports to the County Cable Administrator within thirty (30) days of a written request:

1. copies of each and every Technical Inspection/Audit (including methodology used/employed, test results, observations/overall impressions and recommendations ) that US Cable, or an authorized engineer/consulting firm conducted with respect to any one of the headends and/or cable systems that serve one or more customers located within the unincorporated area of Charleston County;
  2. copies and test results of all FCC Proof of Performance Tests that are conducted within the first three (3) years of this renewal franchise term;
  3. copies and test results of all FCC CLI (cumulative leakage tests that are conducted within the first three (3) years of this renewal franchise term;
  4. copies of all facilities applications and petitions for special relief filed with the FCC by US Cable with respect to its Charleston County cable television system;
  5. a preventive maintenance report in the frequency, form, and format that satisfies the requirements noted in the County=s Cable Television Regulatory Ordinance;
  6. any other reports, statements, or data in the frequency, form, and format that satisfies the requirements noted in any other Section of the County=s Cable Television Regulatory Ordinance; and
  7. copies of US Cable=s FCC-mandated 395-A Forms.
- b. US Cable shall retain copies of the following reports, and such reports shall be submitted to the County within thirty (30) days of a written request:
1. any, and/or all contents of the FCC-mandated public inspection file;
  2. any, and/or all, FCC Proof-of-Performance Tests conducted after the first three (3) years of this renewal franchise term, so long as the request is made within three (3) years after the FCC Proof-of-Performance Tests are conducted;
  3. any, and/or all, FCC CLI (Cumulative Leakage Index) tests conducted after the first three (3) years of this renewal franchise term, so long as the request is made within three (3) after the FCC CLI tests are conducted;
  4. any, and all, reports data, and filings submitted to the Securities and Exchange Commission, concerning the operation of all, or a part, of the Charleston County, South Carolina cable television system (to the extent that such reports, data, and filings are not protected and/or privileged); and
  5. any, and all, reports, data, and filings submitted to State agencies (excepting tax reports, and/or tax filings) concerning the operation of all, or a part, of US Cable=s Charleston County, South Carolina cable television system (to the extent that such reports, data, and filings are not protected and/or privileged).

- c. Notwithstanding anything to the contrary in this Agreement or the County=s Cable Television Regulatory Ordinance, US Cable shall not be required to submit copies of records or reports that contain confidential or proprietary information, including, but not limited to, feasibility studies, planning and marketing studies, competitive information and evaluations and other materials that identify prospective business plans (Aconfidential information@); provided, however, that such confidential information shall be made available for inspection by the County at US Cable=s business office during normal business hours upon reasonable advance notice.

#### SECTION 18. CONTINUITY OF SERVICE.

Cable shall comply with all terms, conditions, provisions, and requirements concerning continuity of service to subscribers (for which it has not received an exemption, relief, clarification, or comparable policy substitution) that are noted and contained within the County=s Cable Television Regulatory Ordinance.

#### SECTION 19. CUSTOMER SERVICE REQUIREMENTS.

Cable shall comply with all customer service provisions, terms, conditions, and requirements (for which US Cable has not received an exemption, relief, or clarification) that are noted and contained within the County=s Cable Television Regulatory Ordinance.

#### SECTION 20. PREVENTIVE MAINTENANCE.

Cable shall comply with the terms, provisions, conditions, and requirements related to preventive maintenance that are attached as an Exhibit to this Agreement, to the extent that such terms, conditions, provisions, and requirements have not been further modified by Section 34 of this Agreement.

#### SECTION 21. TECHNICAL AND PERFORMANCE STANDARDS.

Cable shall apply with the most current FCC technical standards, and with all applicable standards related to performance, including the most current standards concerning cumulative leakage index (CLI). Moreover US Cable shall conduct Proof-of-Performance Tests, in the manner and frequency prescribed by the FCC.

#### SECTION 22. RESERVED.

#### SECTION 23. FRANCHISE FEE/TOWN OF JAMES ISLAND.

- a. Except as noted elsewhere in this Section, US Cable shall pay a franchise fee in the amount noted in, and in the frequency directed by the County's Cable Television Regulatory Ordinance. Specifically, US Cable shall submit a detailed gross revenue statement in the frequency, form, and format that satisfies the requirements noted in County's Cable Television Regulatory Ordinance.
- b. The parties acknowledge and consent to the fact that through an intergovernmental agreement the County is acting on behalf of the Town of James Island in granting and administering this franchise for the area within the Town. US Cable will remit all franchise fees to the County and abide by the terms of this franchise agreement and the Regulatory Ordinance for the area within the Town. The County will remit appropriate sums to the Town pursuant to the intergovernmental agreement. The parties also acknowledge that the County shall be the entity which will address franchise administration matters for the area inside the Town, until and unless otherwise agreed.

#### SECTION 24. INITIAL FUNDING FOR EDUCATIONAL AND GOVERNMENTAL ACCESS.

In order to assure the initial funding for the governmental and educational access facilities and equipment, US Cable, no later than January 1, 2005, will make a one-time grant in the amount of \$5,000.00 (five thousand dollars), to be used by the County to purchase equipment necessary to fulfill US Cable's obligations under Section 69 of the County's Cable Television Regulatory Ordinance.

#### SECTION 25. RESERVATION OF EDUCATIONAL AND GOVERNMENTAL CHANNELS.

- a. US Cable shall reserve and make sufficient capacity available, to provide up to three (3) channels for either the County's own governmental use, or for educational use.
- b. With respect to any one of the reserved channels, US Cable may use any one of the reserved channels until it receives at least one hundred eighty (180) days advance written notice from the County of its intent to use one of the reserved channels. The advance written notice provided by the County will allow the cable operator to notify its customers of a channel change in the alignment of channels.
- c. It is expressly noted that the County may utilize the first channel for any programming that it deems appropriate, in its sole discretion. After the county and/or educational institution begins cablecasting over either the governmental or educational channel, designated representatives of the



County and the affected cable operators shall review after every six (6) months, the percentage of use on the reserved government all educational access channel. If, during the preceding six (6) months, the first channel is programmed eighty percent (80%) of the time during Monday through Friday, then the County may request a second or third reserved channel by giving the cable operator one hundred eighty (180) days advance written notice. Conversely, if, after any six (6) month period, the percentage of use for any designated governmental and/or educational access channel drops below twenty-five percent (25%) of the total time allocated, then the number of hours shall be reduced to a number that most closely approximates the average number of hours of use per day. If the County Council determines that the average number of hours of use per day for either the governmental and/or educational access channel is less than four (4) hours per day, then the requirement for that channel=s availability shall cease thirty (30) calendar days from that determination, and US Cable may thereafter use such channel for any lawful purpose. At no time shall US Cable have the duty to reserve and/or designate more than three (3) channels for governmental and/or educational use.

d. Notwithstanding any other provision in this Agreement, but without abrogating or waiving any of the County=s rights described in this Section, then in the event that the County provides sufficient advance written notice of its intent to use channel capacity for the purposes set forth herein, the County and any affected cable operator shall cooperate to determine whether the County=s needs can be met by the use of channe1 capacity on an existing channel designated for governmental and/or educational access. The purpose of such cooperation is to minimize the likelihood that an affected cable operator would have to delete or move existing programming channels and/or services. Moreover, the County and affected cable operator will strive toward resolving any differences, so that the needs and interests of both the County and affected cable operator may be met. In this light, and where the interests of the County warrant, the County may agree to utilize part of an existing channel, or existing channel capacity provided by the affected cable operator.

e. US Cable shall place and/or locate the governmental channel on the lowest and/or most basic tier of cable service offered to subscribers.

f. In the event that the US Cable system is connected to the Comcast Cablevision of Carolina, Inc. system following the Transfer referenced in Section 5, it is the intent of the Parties that the Educational and Governmental Channel requirements of the two franchises shall not be cumulative thereby doubling the number of channels required (specifically, the requirement of 3 channels in this franchise shall not be in addition to the

3 channels in the Comcast Cablevision of Carolina franchise so as to require a total of 6 channels).

- g. As a means of understanding the parameters of this Section, the following example is given: Should the County run a video bulletin board or repetitive programming for eighteen (18) hours per day, and County Council meetings or non-repetitive programming for another six (6) hours, the eighteen (18) hours of bulletin board or repetitive programming would not be counted for purposes of securing a second governmental channel. However, the eighteen (18) hours of bulletin board programming combined with the six hours (6) hours of County non-repetitive programming would establish twenty-four (24) hours of continuous programming use. That in effect means that the County would maintain twenty-four (24) hours on the governmental channel as opposed to six (6) hours on the governmental channel. Therefore, upon review of the governmental channel's usage, the County would determine that the channel is being fully used, and that no time or channel space must revert back to US Cable.
- h. For as long as the County provides programming on the governmental channel, it maintains exclusive control over the programming shown on such channel. However, US Cable may, from time to time, request the County grant US Cable temporary access to the County governmental channel in order to allow US Cable to cablecast governmental programming from other municipalities located within the County. It is expressly noted that the County maintains its priority over daily programming timeslots.

## SECTION 26. SERVICE TO COUNTY GOVERNMENT BUILDINGS.

- a. US Cable will connect to and provide ancillary equipment necessary to make its service available for County buildings at no charge. In addition, US Cable will provide continuing extended basic cable service to each facility requested by the County to receive such service, also at no charge. The County may connect as many television sets or monitors to the system within each building as it deems necessary, with continuing notice to US Cable as to the number of such sets and other equipment. With regards to cabling and wiring, US Cable will be responsible only for extending its connection to one point on each building, from which the County may make interior connections. The County shall be responsible for interior wiring and maintenance, unless otherwise agreed.
- b. In order to meet the objective set forth in subsection (a) of this Section, US Cable will connect to County buildings at the time that US Cable's existing system or expanded system (service to areas previously not served) carries US Cable's cable television system lines within two hundred

fifty (250) feet of such County buildings. To effectuate this intent, US Cable agrees that it will run its lines generally along existing streets within its service area, and will not artificially or without good cause change the path of any lines in order to exclude the installation of cable to any County building, it being the intent that all County buildings will receive cable service hereunder.

c. Notwithstanding subsection (a) and subsection (b) of this Section, US Cable and the County agree that the number of connections to television sets, monitors or other equipment in the total of all County buildings shall not exceed two hundred (200). Moreover, in the event that the US Cable system is connected to the Comcast Cablevision of Carolina, Inc. system following the Transfer referenced in Section 5, it is the intent of the Parties that the requirements as to Service to Government Buildings in the two franchises shall not be cumulative thereby doubling the number of buildings to be served (specifically, the cap of 200 buildings shall not be doubled to 400, but shall remain at 200 for the combined system).

#### SECTION 27. EMERGENCY ALERT.

a. US Cable shall comply with all applicable Emergency Alert System (EAS) rules, regulations, and standards of the FCC.

b. To the extent permitted by applicable law, US Cable shall comply with all terms, conditions, provisions, and requirements noted and contained within the County's Cable Television Regulatory Ordinance.

c. To the extent that the FCC requires Homeland Security Regulations, for implementation on cable systems throughout the United States, US Cable shall comply with all applicable Homeland Security Cable Regulations, rules, and standards.

d. Notwithstanding the hereinabove provisions, the parties agree to the following phasing of compliance with the EAS requirements of the Regulatory Ordinance: Upon the closing of the transaction contemplated in Section 5, above, Comcast Cablevision of Carolina, Inc. will complete the tie-in of the US Cable properties served by the ADunes West@ and AJohn=s Island@ headends to Comcast=s network serving Charleston County by no later than March 31, 2005, and will tie-in the US Cable properties served by the AJames Island/Folly Beach@ headend by no later than March 31, 2006. Thereafter for the EAS System, the County will be able to call into the Comcast headend and invoke an emergency alert that would interrupt the audio and video on all channels (except the broadcast stations) for all such connected headends. The County will be able to direct the alert messaging, which may include directing viewers to the Government Access channel where they could view a live cablecast of the emergency alert. The US Cable

Hollywood headend may remain a stand-alone headend, which may require the County official to dial into a separate phone line to override the audio and video portion of programming on all channels (except the broadcast stations) for that headend.. At such time as this headend is tied in to the Comcast system, if any, it will fully meet the requirements set forth for other headends as referenced above. US Cable agrees to make reasonable efforts to accomplish such a tie in as soon as prudent business considerations allow.

- e. Should the Transfer not take place, US Cable agrees to fully implement compliance with the EAS requirements of the Regulatory Ordinance on the terms set forth in e. above.

#### SECTION 28. NONDISCRIMINATORY EMPLOYMENT AND PROCUREMENT PRACTICES.

US Cable shall at all times comply with all applicable State and Federal laws, and with the FCC=s rules governing nondiscriminatory employment and procurement practices, and it shall maintain and place in its public inspection file a written program describing the procedures by which it ensures compliance. Moreover, US Cable shall provide the County annually (and simultaneously with US Cable=s submittal to the FCC) a copy of FCC Form 395-A, or any subsequently developed equivalent.

#### SECTION 29. ASSIGNMENT, TRANSFER, OR SALE OF FRANCHISE.

a. Other than for the Transfer addressed in Section 5, US Cable shall comply with the timeframes and procedures detailed in the County=s Cable Television Regulatory Ordinance should US Cable wish to assign or transfer its franchise, and/or sell its cable television system to another entity or person. Specifically, copies of US Cable=s FCC 394 Forms shall be submitted simultaneously with US Cable=s filing to the FCC of such reports.

b. If the request/petition for consent/approval coincides with a cable television franchise renewal, then it is expressly understood that consistent with Federal law, the request/petition for consent/approval will have no impact and/or effect on the rights, duties, practices, and/or procedures occasioned by the franchise renewal. Further, it is expressly understood, that should the County Council approve/consent to a request/petition for assignment/transfer/sale, such approval/consent does not mean, and/or suggest that approval/consent of the cable franchise renewal is imminent, expected, or required.

#### SECTION 30. DEFAULT OF FRANCHISE; TERMINATION, CANCELLATION OR NON-RENEWAL.

If necessary and/or warranted, the default and termination, cancellation or non-renewal of the Franchise and this Agreement shall be consistent with the provisions, and follow the procedures concerning such, that are detailed in the County's Cable Television Regulatory Ordinance.

#### SECTION 31. RENEWAL OF THE FRANCHISE.

a. Should US Cable choose to preserve its formal renewal rights under the Cable Act, then it must follow, comply with, and abide by, those terms, provisions, conditions, and requirements contained in Section 626 of the Cable Act (or its successor which is presently codified at 47 USC 546). Moreover, to the extent that such terms, provisions, conditions, and requirements do not expressly conflict with the Cable Act, then US Cable must also follow any terms, provisions, conditions, and requirements contained in the County's Cable Television Regulatory Ordinance.

b. At any time, US Cable and the County may engage in informal renewal proceedings. To the extent that such proceedings do not expressly conflict with the Cable Act, then US Cable and the County may develop and follow rules and/or procedures for conducting the renewal process. Such rules and/or procedures may expressly include both the County and US Cable executing a Scope of Renewal Agreement which sets forth the scope and parameters of the renewal process including the length of the renewal process itself, as well as, noting threshold and non-material issues. The Scope of Renewal Agreement may also set forth the procedure for handling any community needs assessments studies or meetings.

#### SECTION 32. FRANCHISE ADMINISTRATION.

As one means of assisting in the administration of this Agreement, the County Cable Administrator and US Cable shall make reasonable efforts to schedule at least two (2) conferences every year in order to discuss matters related to the enforcement and administration of this Agreement. Such conferences may focus on franchise administration business matters including, but not limited to: 1) information supplied pursuant to scheduled and periodic preventive maintenance inspections; 2) franchise fees; 3) response times, billing practices and other customer service items; 4) construction-related concerns; 5) resolving and addressing the concerns, questions or disputes with respect to multiple operators serving or attempting to serve the same subscriber or geographic area (including cutting of cable and/or damage to other facilities and equipment); and 6) the potential and/or actual impact high definition television (HDTV) will have on the provision of cable service to customers within the County.

#### SECTION 33. NOTICES.

- a. Every direction, notice, order, filing, report, record, document written communication, or other type of correspondence to be submitted and/or delivered to US Cable shall be sent to General Manager, US Cable, 900 Main Road, Suite 3, Johns Island, South Carolina 29455, or to such address as the Franchisee shall designate in writing in the future.
- b. Every direction, notice, order, filing, report, record, document, written communications, or other type of correspondence to be submitted and/or delivered to the County shall be sent to County Administrator, 4045 Bridge View Drive, North Charleston, South Carolina 29405.
- c. All notices, orders, ad official directions shall be delivered to each party=s contact by one of the following means:
  - 1) certified mail, return receipt requested;
  - 2) personal service, with a signed receipt of delivery; or
  - 3) overnight delivery with receipt verification.
- d. All other filings, reports, records, documents, and other correspondence may be delivered by any permissible means including, but not limited to, E-mail, facsimile (fax) transmission, personal service, overnight mail, or package delivery via cable. The delivery of all notices, reports, records, and other correspondence shall be deemed to have occurred at the time of receipt (unless otherwise designated by State law).

**SECTION 34. EXEMPTIONS FROM THE COUNTY=S CABLE REGULATORY ORDINANCE FOR US CABLE AND THIS FRANCHISE ONLY.**

- a. The County and US Cable agree that US Cable shall be exempted from the following Sections of the County=s Cable Television Regulatory Ordinance, the respects of which shall extend only to US Cable, and such other cable/telecommunications providers that have been specifically exempted:
  - 1) Section 16 Performance and construction/completion bond; initial franchise term; renewal franchise term: For purposes of the County=s Cable Television Regulatory Ordinance, the provisions contained in Section 16 of this Agreement, concerning performance and construction/completion bonds shall control. As such, Section 26 of the County=s Cable Television Regulatory Ordinance does not apply to US Cable, during the duration of this Agreement, unless, and until, the County determines and documents that one or more of the

provisions of Section 26 of the County=s Cable Television Regulatory Ordinance, should apply to US Cable.

- 2) Section 25 Liability Insurance: For purposes of the County=s Cable Television Regulatory Ordinance, the provisions contained in Section 14 of this Agreement concerning Insurance shall be accepted, and shall control. For example, US Cable shall be permitted to secure and maintain liability coverage totaling \$1,600,000 in umbrella coverage (unless and until subsequently amended and reflected in this Agreement);
- 3) Section 27 Records and Reports: For purposes of the County=s Cable Television Regulatory Ordinance, the provisions contained in Section 17 of this Agreement concerning Reports and Records, shall be accepted, and shall control;
- 4) Section 69 Reservation of cable channels for educational, or governmental use: For purposes of the County=s Cable Television Regulatory Ordinance, the provisions contained in Section 25 of this Agreement concerning Educational and Governmental Use Channels shall be accepted, and shall control.

b. The County and US Cable agree that this Agreement shall grant a comparable policy substitution to US Cable for the following Sections of the County=s Cable Television Regulatory Ordinance, the respects of which shall extend only to US Cable, and such other cable/telecommunications providers that have been specifically granted an identical comparable policy substitution:

- 1) In light of the Transfer referenced in Section 5, above, Comcast=s Customer Service Policy (attached hereto as an Exhibit) is deemed comparable to, and in some cases exceeding, the terms, conditions, provisions, and requirements contained in Section 32 Certification standards for customer service representatives and service technicians;
- 2) In light of the Transfer referenced in Section 5, above, Comcast=s corporate preventive maintenance policy (attached hereto as an Exhibit) is deemed comparable to, and in some cases exceeding, the term, conditions, provisions, and requirements contained in Section 62 Implementation of a preventive maintenance program.

c. The County and US Cable agree that this Agreement will clarify the following Section of the County=s Cable Television Regulatory Ordinance:

- 1) Section 5 Definition #74 service outage is clarified to the extent that service outage does not include a service disruption or interruption that affects less than four (4) persons;
- 2) Section 5 Definition #74 service outage is clarified to the extent that service outage does not include a disruption or interruption that is caused by an act of vandalism or other purposeful act of a third party, or an accident that damages the utility poles or facilities on which Comcast's cable system is attached;
- 3) Section 33(I) Customer service hours: capabilities of customer service office; and telephones is clarified to the extent that an after hours customer inquiry/phone call may be received by an automatic answering device and responded to the next business day unless such an inquiry/phone call reports a service outage in which case, the initial response shall be within ninety (90) minutes;
- 4) Section 35(F) Billing practices; credit refund; billing disputes/contested charges/unsolicited service is clarified to the extent that the service outage referred to shall exceed three (3) continuous hours in length, rather than six (6) hours in length;
- 5) Section 35(G) Billing practices; credits/refund; billing disputes contested charges/unsolicited service is clarified to the extent that the service outage referred to shall exceed twelve (12) continuous hours, rather than six (6) hours;
- 6) Section 35(J) Billing practices; credits/refunds; billing disputes contested charges/unsolicited service is clarified to the extent that the service outage reported by a subscriber shall exceed six (6) continuous hours; and
- 7) Section 14C Initial Application for a Cable Television Franchise; Initial Application Fee: For purposes of the County's Cable Television Regulatory Ordinance, request for a franchise renewal does not constitute an Initial Application for a Cable Franchise, and therefore, does not require an Application Fee from the existing franchised cable operator

#### SECTION 35. TIME IS OF THE ESSENCE.

Whenever this Agreement shall set the time or date for any act to be performed by or on behalf of the County or US Cable, such date shall be deemed to be of the essence.



IN WITNESS WHEREOF, the parties hereto have set their respective hands and seals on the day first written above.

COUNTY OF  
CHARLESTON,  
SOUTH CAROLINA

\_\_\_\_\_

\_\_\_\_\_  
Witness

Subscribed and Sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 2004.

\_\_\_\_\_  
Notary Public, County of Charleston, SC

My Commission Expires \_\_\_\_\_

US CABLE

\_\_\_\_\_  
(Insert Title)

\_\_\_\_\_  
Witness

Subscribed and Sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 2004.

\_\_\_\_\_  
Notary Public, County of Charleston, SC

My Commission Expires \_\_\_\_\_

