

COPY

FRANCHISE AGREEMENT
TO PROVIDE CABLE TELEVISION SERVICES

Between

THE CITY OF PORTSMOUTH, OHIO

AND

CENTURY OHIO CABLE TELEVISION CORP.
(a corporation organized under the laws of Delaware)
(d/b/a Adelphia Cable Communications)

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THIS FRANCHISE AGREEMENT (this "Agreement") is made and entered into as of this 1st day of November, 1999 between the CITY OF PORTSMOUTH, OHIO (the "City") and CENTURY OHIO CABLE TELEVISION CORP., d/b/a Adelphia Cable Communications, a corporation organized and existing in good standing under the laws of Delaware ("Grantee").

RECITALS

- A. The City and Century Ohio Cable Television Corp., a Delaware corporation ("Century") successor to Teleprompter Corporation, were parties to a certain franchise agreement between them (the "Old Agreement") which provided for, among other things, the City's grant of a franchise to Century for the use of public rights-of-way and easements for the construction, maintenance, and operation of a cable television system.
- B. The franchise under the Old Agreement expired on April 1, 1997.
- C. The City and Grantee have both determined that it is in their best interests to enter into a new franchise agreement.

AGREEMENT

SECTION 1. STATEMENT OF INTENT AND PURPOSE.

1.1 Statement of Intent and Purpose. The City and Grantee intend, by entering into this Agreement, to establish the terms, conditions, and responsibilities for the development and operation of a cable television system. The cable television system is intended to satisfy the cable television needs and desires of the City's residents and institutions.

1.2 General Application of FCC Rules and Regulations. Unless specifically stated to the contrary in this Agreement, Grantee is obligated to fully comply with all applicable federal, state, and local laws, rules, and regulations, including, without limitation, the Federal Communications Commission regulations ("FCC Regulations") contained in Title 47 of the Code of Federal Regulations ("CFR"). It is the stated and unambiguous intent of the parties that, unless specifically stated to the contrary in this Agreement, the FCC Regulations establish a minimum -- not a maximum -- level of service and performance to be provided and maintained by Grantee in its exercise and use of the Franchise granted to it under this Agreement.

SECTION 2. SHORT TITLE.

This Agreement shall be known and cited as the "City of Portsmouth Cable Television Franchise Agreement." Within this document it shall also be referred to as "this Agreement."

SECTION 3. DEFINITIONS.

For the purpose of this Agreement, the following terms, phrases, words, and their derivations shall have the meanings given herein. When not inconsistent with the context, words used in the present tense include the future tense, words in the plural number include the singular number, and words in the singular number include the plural number. All capitalized terms used in the definition of any other term shall have their meaning as otherwise defined in this Section 3. The words "shall" and "will" are mandatory and "may" is permissive. Words not defined shall be given their common and ordinary meaning.

3.1 "Basic Service" shall have the meaning assigned to it under 47 CFR § 76.901(a), as may be amended by subsequent statute or regulation.

3.2 "Cable Act" means the Cable Communications Policy Act of 1984, Pub. L. No. 98-549, 98 Stat. 2779 (1984) (codified at 47 U.S.C. §§ 521-611) as amended by the Cable Television Consumer Protection and Competition Act of 1992, Pub. L. No. 102-385, 106 Stat. 1460 (1992) and the Telecommunications Act of 1996, Pub. Law No. 104-104, 110 Stat. 56 (1996), as each act might be further amended.

3.3 "Cable Programming Service" shall have the meaning assigned to it under 47 CFR §76.901(b), as may be amended by subsequent statute or regulation.

3.4 "Cable Television Service" means: (i) the one-way transmission to Subscribers within the City of video programming or other programming service; and (ii) Subscriber interaction, if any, which is required for the selection or use of such video programming or other programming service.

3.5 "Cable Television System" means Grantee's facility, consisting of a set of closed transmission paths and associated signal generation, reception, and control equipment that is designed to provide Cable Television Service which includes video programming and which is provided to multiple Subscribers within the City, but such term does not include (A) a facility that serves only to retransmit the television signals of one (1) or more television broadcast stations; (B) a facility that serves subscribers without using any public right-of-way; (C) a facility of common carrier which is subject, in whole or in part, to the provisions of title 47 of the Cable Act (47 U.S.C. §§201 et seq.), except that such facility shall be considered a Cable Television System (other than for purposes of 47 U.S.C. §541(c)) to the extent such facility is used in the transmission of video programming directly to subscribers; unless the extent of such use is solely to provide interactive on-demand services; (D) an open video system that complies with 47 U.S.C. §573; or (E) any facilities of any electric utility used solely for operating its electric utility system.

3.6 "Channel" means a portion of the electromagnetic frequency spectrum, which is used in a cable television system and is capable of delivering a television channel as television channel is defined by FCC regulation.

3.7 "City" means the City of Portsmouth, Ohio.

3.8 "City Council" means the governing body of the City.

3.9 "City Franchise Fees" means those fees paid by Grantee to the City for use of Streets and Public Property and for supervision of this Agreement as more fully defined in Section 10.1 of this Agreement.

3.10 "Complaint" means any verbal or written inquiry, allegation or assertion made by a Person regarding the unsatisfactory performance of the Cable Television System or any portion thereof, or raises an objection to the customer service practices of Grantee.

3.11 "Construction Bond" has the meaning given to it in Section 10.3 of this Agreement.

3.12 "Default by Grantee" means the failure of Grantee to comply with any material term of this Agreement in accordance with the specifications set forth in this Agreement.

3.13 "Drop" means the cable that connects the Subscriber's home, office, or building (as the case may be) to the nearest feeder cable of the Cable Television System.

3.14 "Economically Feasible and Technically Viable" means capable of being provided: (a) through technology which has been demonstrated in actual commercial applications (not simply through tests or experiments) to operate in a workable manner in communities of similar size or demographics; and (b) in a manner which will generate additional revenues or other financial benefits for the Cable Television System over the remaining term of the franchise sufficient to provide Grantee with a reasonable rate of return on the investment necessary to implement the technology or other improvements at issue.

3.15 "Effective Date" has the meaning given to it in Section 14.12 of this Agreement.

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

3.17 "Franchise" has the meaning given to it in Section 4.1 of this Agreement.

3.18 "Grantee" means Century Communications, its agents, employees, officers, designees, or any successor thereto, and for Section 10.1 of this Agreement, also means all parent, subsidiary and affiliated Persons.

3.19 "Gross Revenues" means all revenue (including, without limitation, subscription, equipment and advertising revenue), received from Grantee's operation of the Cable Television System to provide Cable Television Service in the City. Gross Revenues shall not include refunds or converter deposits returned to Subscribers, or uncollected Subscriber debts.

3.20 "Late Fees" means those fees paid by the Grantee to the City as more fully defined in Section 10.1 of this Agreement.

3.21 "Performance Bond" has the meaning given to it in Section 10.3 of this Agreement.

3.22 "Person" means any natural person or any association, firm, partnership, joint venture, corporation, limited liability company, or other legally recognized entity, private or public, whether for-profit or not-for-profit.

3.23 "Public Property" means any real property owned by any governmental unit.

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

3.25 "Street" means the surface of and the space above and below any public street, public road, public highway, public freeway, public lane, public path, public way, public alley, public court, public sidewalk, public boulevard, public parkway, public drive or any public easement or right-of-way now or hereafter held by the City.

3.26 "Subscriber" means any Person who lawfully subscribes to Cable Television Service provided by Grantee by means of or in connection with the Cable Television System.

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

SECTION 4. GRANT OF AUTHORITY AND GENERAL PROVISIONS.

4.1 Grant of Franchise. Upon the Effective Date and subject to the terms and conditions of this Agreement, Grantee will be granted a non-exclusive franchise for the occupation and use of the City's Streets for the operation, maintenance, construction, repair, upgrade, and removal of the Cable Television System (the "Franchise"). This Agreement and the Franchise specifically give Grantee the limited right to: provide Cable Television Service via the Cable Television System within the City.

4.2 Authority for Use of Streets.

A. For the purpose of operating, maintaining, and constructing a Cable Television System in the City, Grantee may erect, install, construct, repair, replace, relocate, reconstruct and retain in, on, over, under, upon, across and along the Streets within the City such lines, cables, conductors, ducts, conduits, vaults, manholes, amplifiers, appliances, pedestals, attachments and other property and equipment as are necessary and appurtenant to the operation of the Cable Television System, provided that all applicable permits are applied for and granted.

B. Prior to any material (non-emergency) construction, reconstruction or any modification or change of the Cable Television System -- which includes any work which; (i) could result in an interruption of Cable Television Service lasting more than three (3) hours, (ii) could result in a hindrance to traffic on the Streets which is reasonably foreseeable, (iii) could interfere with the delivery of any utility service in the City, or (iv) could create a public nuisance or safety hazard -- Grantee shall, in each case, file plans with the City and receive written approval of such plans, which approval shall not be unreasonably withheld.

C. Grantee shall operate and maintain the Cable Television System so as not to interfere with other uses of Streets. Grantee shall make use of existing poles and other facilities available to Grantee. Insofar as reasonably possible, Grantee shall notify all affected Persons (whether by posting signs, direct mail, advertisement in newspaper of general circulation, or other means reasonably calculated to provide general public notice) of proposed construction work at least one (1) week prior to commencement of that work. Further, to the extent reasonably possible, Grantee shall fully participate and cooperate in any "one-call" or similar system for the exchange of information on the utility location or work to be conducted. Grantee shall, to the extent reasonably possible, individually notify in writing all Persons affected by proposed underground work not less than one (1) week prior to commencement of that work. Such notice shall include the Grantee's telephone number and the name of an individual or department to contact who is able to answer questions and provide information about the work.

D. Notwithstanding the above grant to use the Streets, no Street shall be used by Grantee if the City, in its sole, but reasonable, opinion, determines that such use is

inconsistent with the terms, conditions of provisions by which such Street was created or dedicated, or presently used.

4.3 Franchise Term. The Franchise shall commence on the Effective Date as defined in Section 14.12 and shall expire ten (10) years thereafter on November 1, 2009, (the "Franchise Term") unless renewed, revoked or terminated sooner as herein provided.

4.4 Area Covered. The Franchise is granted for the territorial boundary of the City. In the event of annexation by the City, any new territory shall become part of the area covered.

4.5 Police Powers. Grantee'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. Grantee shall comply with all applicable general laws and ordinances duly enacted by the City pursuant to that power not in conflict with this Agreement; provided, however, that any subsequently adopted ordinance not materially conflict with this Agreement.

4.6 Use of Grantee Facilities. The City shall have the right to install and maintain, free of charge, upon the poles and within the underground pipes and conduits of Grantee, any wires and fixtures desired by the City to the extent that such use and maintenance does not interfere with the operations of Grantee.

4.7 Written Notice. All notices, reports or demands shall be given in writing and shall be deposited in the United States mail in a sealed envelope, with certified mail postage prepaid thereon, or by express mail or overnight air courier addressed to the party to which notice is being given, as follows:

If to City: City of Portsmouth, Ohio
Municipal Building
728 Second Street
Portsmouth, Ohio 45662
Attn: Director of Law

If to Grantee: Century Ohio Cable Television Corp.
807 Washington Street
P. O. Box 1508
Portsmouth, Ohio 45662
Attn: General Manager

with a copy to: Century Communications Corp.
50 Locust Avenue
New Canaan, Connecticut 06840
Attn: Legal Department

Such addresses may be changed by either party upon notice to the other party given as provided in this Section.

4.8 Franchise Non-Exclusive. The Franchise granted herein is non-exclusive. The City specifically reserves the right to grant, at any time, additional franchises for a cable television system in accordance with city, state and federal law. The City agrees that any grant of additional franchises by the City to any other entity to provide services similar to those provided by Grantee pursuant to this Agreement and over which the City has regulatory authority similar to the City's regulatory authority over Grantee, shall not be on terms and conditions (including, without limitation, the franchise fee) more favorable or less burdensome to Grantee of any such additional franchise than those which are set forth herein.

4.9 Compliance with Laws. The Franchise is granted as an exercise of the City's governmental powers, pursuant to the specific authority conferred upon it by Ohio law.

4.10 Cable Commission. The City may delegate to its Cable Television Commission ("CTC") from time to time such powers and duties as are in accordance with law and not in conflict with this agreement.

SECTION 5. DESIGN PROVISIONS.

5.1 System Upgrade.

A. Grantee will Upgrade, maintain and operate the Cable Television System as a hybrid fiber coaxial system with the capability of delivering at least seventy-eight (78) video Channels, with a minimum of fifty-five (55) activated Channels. The System Upgrade shall include all subscriber drops as needed in the City to pass the increased channel capacity of the upgraded system. Grantee shall install, if it has not done so already, approximately two hours of standby power at key locations throughout the distribution system for the City of Portsmouth. The Upgrade of the Cable Television System will be completed within eighteen (18) months of the Effective Date of this Agreement.

B. Grantee shall provide the City with a full description of the Cable Television System as upgraded.

C. Grantee shall give sixty (60) days written notice to the City prior to commencing construction of the System Upgrade. Along with such notice, Grantee shall provide the City with a detailed description of, and information concerning the System Upgrade as proposed, including, but not limited to, the streets that will be rewired, location of poles and the wire, cables and equipment to be placed on those poles and other relevant information.

5.2 Two-Way System. The Cable Television System shall have the technical capacity (including, but not limited to, return transmission paths and amplifiers) for video return communications. The two-way system will be activated at Grantee's sole discretion except for those locations identified in Section 6.4B of this Agreement.

5.3 Interconnection.

A. The Cable Television System shall be designed to be capable of interconnection with systems serving municipalities adjacent to the City.

B. The City may request Grantee to negotiate interconnecting the Community Institutional Network described in Section 6.3, the PEG Channels, or both, with systems serving adjacent communities. In no event shall Grantee be required to connect the Community Institutional Network or PEG channels with those of a direct competitor of Grantee.

5.4 Provision of Cable Television Service.

A. Grantee shall provide Cable Television Service to any requesting Subscriber within seven (7) days from the date of request.

B. Grantee shall install and provide Basic Cable Service to the public buildings designated below at no charge for the initial installation and monthly service provided at each location. Each of these installations must include a Signal Drop, one outlet, and one converter, if required. The public buildings to be provided this Cable Television Service are:

1. Two (2) locations in the City Municipal Building, to be designated by the Mayor;
2. All three (3) City Service Department Buildings;
3. The main Fire Station;
4. All public school buildings;
5. All public library buildings; and
6. The County Court House.
7. All public buildings constructed, leased or otherwise newly occupied during the term of this Franchise by the City, public schools, County, public library or similar public institution in which substantial public services are provided. Grantee shall provide installation free of charge provided that such building is one hundred fifty (150) feet or less from the location of Grantee's cable plant in the City's right-of-way. Grantee shall provide installation for buildings farther than one hundred fifty (150) feet from Grantee's cable plant if the City pays the cost of installation for that portion of the distance between the building and Grantee's cable plant that exceeds one hundred fifty (150) feet.

5.5 Technical Standards. The Cable Television System shall be designed, constructed, and operated so as to meet the technical standards promulgated by the FCC relating to Cable Communications Systems contained in part 76 of the FCC's rules and regulations relating to Cable Communications Systems and found in the Code of Federal Regulations, Title 47, as may be amended from time to time. The results of those tests being conducted pursuant to FCC rules and regulations must be made available to the City free of charge within thirty (30) days of completion of the tests if required by FCC regulations. In the event the Cable Television System fails any test, Grantee shall promptly notify the City of such fact with or without request by the City. If the above-described FCC rules and regulations are terminated, the City reserves the right to mandate technical standards to the extent permitted by applicable law.

5.6 Special Testing.

A. Upon thirty (30) days advance written notice to Grantee, the City may test or cause to be tested all or any part of the Cable Television System for any reason and at any time during the term of this Franchise ("Special Tests"). If the City is performing Special Tests in response to a complaint, the City's advance notice to Grantee shall include a description of the problem that is the subject of the complaint.

B. The City and Grantee shall schedule the Special Tests so as not to interfere with Grantee's routine business, cause undue delay or cause unnecessary hardship or inconvenience to the City, Grantee and Subscribers.

C. The City shall pay the costs of Special Tests unless the tests reveal items of significant noncompliance with FCC technical standards in which case Grantee shall reimburse the City for the costs of testing.

5.7 Signal Quality. The Cable Television System shall produce a picture and sound on all Channels which meet the FCC's technical standards.

5.8 Quarterly Operational Status Reports. Upon request, but no more than quarterly, Grantee shall provide reports to the City of the following statistical information: 1) number of service requests received from Subscribers seeking repair, maintenance, or related action from Grantee; 2) breakdown by type of Complaints received; 3) breakdown by cause of problems experienced on the Cable Television System; 4) breakdown by type of response or resolution of Complaints received or problems experienced with the Cable Television System; 5) number of Subscribers added; 6) number of Subscribers disconnected; and 7) such other reports as may be reasonably required by the City to enable it to determine whether Grantee is operating the Cable Television System in accordance with the terms of this Agreement and/or the City's service standards.

SECTION 6. SERVICE PROVISIONS.

6.1 Programming and Channel Tiers.

A. The parties recognize that current law prohibits the City from requiring specific programs on the Cable Television System. However, Grantee agrees to provide a broad and diverse mix and quality of programs which shall include at least some programming in each of the following broad categories:

1. A broad selection of general entertainment including cultural films and entertainment, music and other special interests;
2. Regional professional sports and national collegiate and national professional sports;
3. News, public, and government affairs;
4. Cultural;
5. Religious;
6. Local broadcast television stations;
7. Children and adult educational;
8. Weather.

B. Within thirty-six (36) months of the Effective Date of this Agreement, all programming that Grantee receives in stereo will be provided to Subscribers in stereo.

6.2 Emergency Alert System.

A. In accordance with and at the time required by the provisions of FCC Regulations Part 11, subpart D, Section 11.51, and as such provisions may from time to time be amended, the Grantee shall install and maintain an Emergency Alert System (EAS) for use in transmitting Emergency Act Notifications (EAN) and Emergency Act Terminations (EAT) in local and state-wide situations as may be designated to be an emergency by the Local Primary (LP), the State Primary (SP) and/or the State Emergency Operations Center (SEOC), as those authorities are identified and defined within FCC Regulation Section 11.18.

B. The City shall permit only appropriately trained and authorized Persons to operate the EAS equipment and shall take all necessary precautions to prevent any use of the Grantee's Cable Television System in any manner that results in inappropriate use thereof, or any loss or damage to the Cable Television System. Except to the extent

expressly prohibited by law, the City shall indemnify and hold the Grantee, its employees, officers and assigns harmless from any claims arising out of the emergency use of its facilities by the City, including, but not limited to, reasonable attorneys' fees and costs.

C. To the extent it is technically feasible and not in conflict with FCC requirements, at the time of the upgrade of the Cable Television System as set forth in Section 5.1(A), Grantee shall install and thereafter maintain an emergency override system (the "Emergency System") for use by the City. The Emergency System shall have the capacity for instantaneous and direct voice override of all Channels on the Cable Television System from a location or locations designated by the City and shall serve all Subscribers. Subject to technical feasibility, the Emergency System shall be capable of being interconnected with any other cable television system servicing City residents. Grantee shall, at the City's request, use its best efforts to obtain agreements with other cable television systems for such interconnection in order to make the Emergency System available to all residents of the City of Portsmouth. The City shall pay the cost of labor and materials of any actual interconnection.

6.3 Community Institutional Network. The City desires to have an institutional network for the City, Library, County, Public School buildings and Shawnee State University located in the City ("Shawnee State") that will provide video, audio and data transmission linkage, including two-way transmission capability, between the buildings specified in Exhibit A (the "Community Institutional Network"). The purpose of the Community Institutional Network shall be to permit audio, video and data communication between and among: (a) the school buildings; (b) the public libraries; (c) County buildings; (d) Shawnee State; and (e) the City buildings, all as specified in Exhibit A.

In furtherance of the foregoing, Grantee agrees to the following:

A. Grantee shall provide, at no cost to the City or the schools, fiber connections to the equipment closets where such closets exist inside of each public school building listed in Exhibit A to this Agreement, or at a location designated by the local school board.

B. Grantee shall provide, at no cost to the City or the public library, the fiber connections to the equipment closets where such closets exist inside of each public library building as specified in Exhibit A to this Agreement, or at a location designated by the library.

C. Grantee shall provide, at no cost to the City or the County, the fiber connections to the equipment closets where such closets exist inside of the County Courthouse as specified in Exhibit A to this Agreement, or at a location designated by the County. Grantee shall also provide the fiber connections to the inside of the new County juvenile facility to be located within the City as specified in Exhibit A to this Agreement, at a location designated by the County, within three (3) months of written request by the County.

D. Grantee shall provide, at no cost to the City, fiber connections to the equipment closets where such closets exist inside of all City buildings as specified in Exhibit A to this Agreement, or at a location designated by the City.

E. Grantee shall provide, at no cost to the City or Shawnee State, a fiber connection to a location at Shawnee State as specified in Exhibit A to this Agreement.

F. Grantee shall maintain, at no cost to the City, the fiber which Grantee provides for the Community Institutional Network which is overlashed to Grantee's Cable Television System or otherwise shares strand with Grantee's Cable Television System. Grantee shall maintain, at its incremental cost charged to the City, the fiber which Grantee provides for any portion of the Community Institutional Network which is not overlashed, or does not otherwise share strand with, Grantee's Cable Television System. For purposes of this Section, the term "incremental costs" means any cost incurred by Grantee which would not have been incurred but for its maintenance of that portion of the Community Institutional Network which is not overlashed, or does not otherwise share strand with, the Grantee's Cable Television System.

G. Grantee shall retain sole and exclusive title to any cable installed by it.

H. The Community Institutional Network may be used only to provide institutional services to publicly-funded governmental and educational institutions for uses that are non-commercial. No Community Institutional Network user may resell or otherwise provide to any third party access to the Community Institutional Network.

I. There shall be no charge by Grantee to the City, the Schools, the Library, the County or Shawnee State for usage of the Community Institutional Network as specified in this Agreement. The parties recognize, however, that the City, the Schools, the Library, the County, or Shawnee State may desire additional services or facilities with respect to the Community Institutional Network, and that if Grantee agrees to provide such additional services or facilities, it may charge the affected entities a rate that is as low or lower than the commercial rates for such services or facilities available in the telecommunications marketplace.

J. Each user of the Community Institutional Network shall be responsible for purchasing and maintaining any additional equipment necessary at the user's site. By way of clarification, and not limitation, each user of the Community Institutional Network is responsible for the purchase, installation, operation and maintenance of all electronics necessary to make the Community Institutional Network operational.

K. Community Institutional Network users, their agents, employees and/or contractors will not make any modification to the outside plant (as the same term is commonly understood in the cable and telephone industry) nor attach any equipment or otherwise use the Community Institutional Network in any way that will interfere with the signal quality and normal operation of the system, including signal leakage. The City

indemnifies Grantee for any loss, harm or damage to Grantee or Grantee's Cable Television System arising from the City's use of the Community Institutional Network, or from any other user's use of the Community Institutional Network.

6.4 Access Channels. Upon completion of the upgrade, Grantee shall make available to the City without charge up to two (2) Channels on the Cable Television System dedicated exclusively to non-commercial, non-profit municipal government, educational, and/or public access use ("PEG Channels") as described herein. Unless preempted by federal law, the PEG Channels shall be a part of Basic Service.

A. Grantee shall provide one (1) PEG Channel dedicated exclusively for public access use to be administered by the City or its designee.

B. Grantee shall provide one (1) PEG Channel dedicated exclusively for municipal and educational access to be administered by the City, the local school board and/or the public library at the election of the City. Within sixty (60) days of written request from the City, Grantee shall provide an additional PEG Channel to the City for municipal and educational access when first-run locally produced, non-character generated programming on the first PEG Channel occupies fifty percent (50%) of the hours between 11 a.m. and 11 p.m., five (5) days per week, for any six (6) consecutive weeks. The second PEG Channel must maintain first-run, locally produced, non-character generated programming twenty-five percent (25%) of the hours between 11 a.m. and 11 p.m., five (5) days per week, for six (6) consecutive weeks. If the required level of programming on the second PEG Channel is not maintained, the channel will automatically return to Grantee. Unless agreed to by the City, Grantee shall not carry any other programming over any PEG Channel being used for PEG purposes at the required level. The City shall agree to indemnify, save and hold harmless Grantee from and against any liability resulting from the City's use of any PEG Channel for public, educational or government access.

C. To enable the City to utilize the PEG Channel(s) for municipal and educational access, Grantee shall provide a remote origination point at the City Hall Council Chambers, a remote origination point at the public library and a remote origination point at the High School ("Return Lines"). Grantee shall provide cable wires, lines, a modulator at each remote origination point, and a demodulator for each active PEG Channel to allow for transmission from the above locations directly to Grantee's headend for distribution over the PEG Channel(s) through the Cable Television System to Subscribers in the City. The remote origination points at the City Hall Council Chambers, the library and the High School shall be made operational by Grantee within ninety (90) days of the Effective Date of this Agreement for transmission on Grantee's local origination channel until the educational and governmental access channel is activated upon completion of the rebuild. The City shall be responsible for providing any necessary production equipment and personnel required to utilize the Return Lines and PEG Channel(s).

D. The Grantee shall provide to the City capital funds for PEG or other purposes associated with this Agreement in the amount of Sixty Thousand Dollars (\$60,000) as a one-time payment to be made to the City within sixty (60) days of the Effective Date of this Agreement.

E. The costs associated with paragraphs A through D may be treated as external costs but shall not be separately itemized on Subscriber bills.

6.5 Promotion of PEG Channels. The City of Portsmouth has a strong interest in encouraging use of the PEG Channels. Grantee agrees to work with the City and the CTC and the School District to promote PEG Channel usage and viewing including, but not necessarily limited to: a listing of PEG programming as a part of Grantee's daily programming bulletin board if Grantee is using such a bulletin board.

SECTION 7. CONSTRUCTION PROVISIONS.

7.1 Construction Standards.

A. All construction practices shall be in accordance with all applicable sections of the Occupational Safety and Health Act of 1970, as amended, as well as all state and local codes where applicable, as adopted by the City.

B. All installation of electronic equipment shall be durable and in accordance with the provisions of the National Electrical and Safety Code and National Electrical Code as amended.

C. Antennas and their supporting structures (tower) shall be painted, lighted, erected and maintained in accordance with all applicable rules and regulations of the Federal Aviation Administration and all other applicable state or applicable local laws, codes and regulations.

D. All of Grantee's plant and equipment, including, but not limited to, the antenna site, headend and distribution Cable Television System, towers, house connections, structures, poles, wire, fiber optic, coaxial cable, fixtures and appurtenances: (a) shall be installed, located, erected, constructed, reconstructed, replaced, removed, repaired, maintained and operated in accordance with good engineering practices; and (b) all such work must be performed by experienced maintenance and construction personnel so as not (i) to endanger or interfere with improvements the City may deem appropriate to make, (ii) to interfere in any manner with the rights of any property owner, or (iii) to unnecessarily hinder or obstruct pedestrian or vehicular traffic.

E. Grantee shall at all times employ ordinary care and shall install and maintain in use commonly accepted methods and devices preventing failures and accidents which are likely to cause damage, injury or nuisance to the public.

7.2 Construction Codes and Permits.

A. Grantee shall obtain all required permits from the City before commencing any work requiring a permit, including the opening or disturbance of any Street, or Public Property or public easement within the City. Grantee shall strictly adhere to all building and zoning codes currently or hereafter applicable to construction, operation or maintenance of the Cable Television System in the City.

B. The City shall have the right to inspect all construction or installation work (including installations necessary to connect an individual Subscriber to the Cable Television System) performed pursuant to the provisions of this Agreement and to make such tests as it shall find necessary to ensure compliance with the terms of this Agreement and applicable provisions of local, state and federal law. Grantee shall notify the City's

Director of Public Utilities (the "Director of Public Utilities") of any work in a Street ten (10) days in advance of commencement of work.

C. Nothing contained in this Agreement shall be construed to give Grantee the authority to enter upon or work on private property in areas not encumbered with public easements without the permission of the property owner.

D. The obligations of Grantee under this Section 7.2 are subject to the procedures for imposition of penalties under Section 10.5 of this Agreement.

7.3 Repair of Streets and Property. Any and all Streets, Public Property, or private property, which are disturbed or damaged during the construction, repair, replacement, relocation, operation, maintenance or reconstruction of the Cable Television System shall be promptly repaired by Grantee, at its expense, to a condition as good as that prevailing prior to Grantee's disturbance of, or damage to, the property. If Grantee fails to repair, replace, or otherwise correct a Street or property, the City may draw on the Performance Bond and complete any repair, replacement or other correction, provided, however, Grantee is first given notice and opportunity to correct same.

7.4 Use of Existing Poles.

A. No poles or other wire-holding structures shall be erected by Grantee without prior approval of the Director of Public Utilities with regard to location, height, type, and any other pertinent aspect. The Director of Public Utilities shall consider the availability of poles and the need to avoid pole proliferation in approving new poles. However, no location of any pole or wire-holding structure of Grantee shall be a vested interest and such poles or structures shall be removed or modified by Grantee at its own expense whenever the City determines that the public convenience would be enhanced thereby. Nothing herein shall be construed as granting to Grantee any right or interest in any pole or conduit of any other utility, including any utility owned by the City. It is the responsibility of Grantee to secure agreements for use of such poles or conduits.

B. Where poles or other wire-holding structures already existing for use in serving the City are available for use by Grantee, but it does not make arrangements for such use, the City may require Grantee to use such poles and structures if it determines that the public convenience would be enhanced thereby and the terms of the use available to Grantee are just and reasonable.

C. Where the City desires to make use of the poles or other wire-holding structures of Grantee, the City may require Grantee to permit such use for such consideration and upon such terms as are just and reasonable, if the use would enhance the public convenience and would not interfere with Grantee's operations.

7.5 Undergrounding of Cable.

A. Cable shall be installed underground at Grantee's expense where both the existing telephone and electrical utilities are already underground. Grantee shall place cable underground in newly platted areas in concert with both the telephone and electrical utilities, unless this requirement is waived by the City. Grantee shall be responsible to pay its pro-rata share of make-ready costs.

B. In the event an underground installation is required and the ground is frozen, saturated, or otherwise unable to immediately facilitate underground installation, such installation shall be performed on a temporary basis in compliance with all state and federal rules, regulations, codes, or other generally applicable standards. As soon as conditions change to permit proper underground installation of the cable, Grantee shall immediately, and in no event later than thirty (30) days after such conditions have changed to allow underground installation, undertake all necessary steps to install the cable underground pursuant to the terms and conditions of this Agreement.

7.6 Reservation of Street Rights.

A. Nothing in this Agreement shall be construed to prevent the City from constructing, maintaining, repairing or relocating sewers; grading, paving, maintaining, repairing, relocating and/or altering any Street; constructing, laying down, repairing, maintaining or relocating any water mains; or constructing, maintaining, relocating, or repairing any sidewalk or other public work.

B. All such work shall be done, insofar as practicable in such a manner as not to obstruct, injure or prevent the free use and operation of the poles, wires, conduits, conductors, pipes or appurtenances of Grantee.

C. If any such property of Grantee shall interfere with the construction or relocation, maintenance or repair of any Street or public improvement, whether it be construction, repair, maintenance, removal or relocation of a sewer, public sidewalk, or water main, Street or any other public improvement, thirty (30) days notice shall be given to Grantee by the City and all such poles, wires, conduits or other appliances and facilities shall be removed or replaced by Grantee in such manner as shall be directed by the City so that the same shall not interfere with the said public work of the City, as determined by the City's Director of Public Utilities and such removal or replacement shall be at the expense of Grantee unless otherwise provided by Ohio law.

D. Nothing contained in this Agreement shall relieve any Person from liability arising out of the failure to exercise reasonable care to avoid injuring Grantee's facilities while performing any work connected with grading, regrading, or changing the line of any Street or public place or with the construction or reconstruction of any sewer or water system.

7.7 Trimming of Trees. Grantee shall keep its lines free from trees so as to prevent the branches of such trees from interfering with the Cable Television System.

7.8 System Abandonment; Street Abandonment.

A. To the extent reasonably possible, Grantee shall provide the City with no less than six (6) months advance written notice before it stops using any portion of the Cable Television System, except for non-usage which occurs in the ordinary course of system operations and maintenance.

B. If (a) any Street or portion thereof is vacated or abandoned by the City during the term of this Agreement, or (b) Grantee discontinues the use of all or part of any Street during the term hereof, Grantee shall, at Grantee's expense, promptly remove the affected portion of the Cable Television System unless the City agrees that such removal is not required. After completing the removal, Grantee shall repair and reconstruct the Street area where such removal has occurred and restore the Street to a condition substantially similar to that existing before such removal took place. If Grantee has not completed the required removal and Street restoration within thirty (30) days of receiving notice from the City to do so, the City has the option to complete the removal and restoration, and all reasonable and actual costs and expenses incurred by the City will be the direct and uncontested liability of Grantee. Grantee must promptly pay all reasonable and actual removal and restoration costs and expenses upon receiving evidence of the same from the City.

7.9 Movement of Facilities. In the event it is necessary temporarily to move or remove any of Grantee's wires, cables, poles, or other facilities placed pursuant to this Agreement, in order to lawfully move a large object, vehicle, building or other structure over the Streets of the City, upon two (2) weeks notice by the City to Grantee, Grantee shall move at the expense of the Person requesting the temporary removal, such of its facilities as may be required to facilitate such movements. Any service disruption provisions of this Agreement shall not apply in the event that the removal of Grantee's wires, cables, poles or other facilities pursuant to this Section 7.9 results in temporary service disruptions.

SECTION 8. OPERATION AND REPORTING PROVISIONS.

8.1 Audit and Inspection. The City, its agents and its representatives shall have the authority, during normal business hours, to arrange for and conduct an inspection of the books, records, documents, maps, plans, performance test results, record of requests for service, and other like materials of Grantee relevant to Grantee's compliance with the terms of this Agreement. Grantee will be given fifteen (15) business days advance written notice of the inspection request and a description, to the best of the City's ability, of the books, records, documents, maps, plans, performance test results, record of requests for service, and other like materials it wants to inspect.

8.2 Communications with Regulatory Agencies. Copies of all petitions, applications, communications and reports submitted by Grantee to the FCC, the Securities and Exchange Commission or any other federal or state regulatory commission or agency having jurisdiction over matters affecting the Cable Television System shall also be made available to the City upon request. Copies of responses from the regulatory agencies to Grantee shall likewise be made available to the City within fifteen (15) days of receipt of the response.

8.3 Annual Report. No later than ninety (90) days after the end of each fiscal year during the term of this Agreement, including the year in which the Franchise becomes effective, Grantee shall file with the City a copy of an annual performance review which shall provide the following information regarding the Cable Television System and Cable Television Service in the City:

A. A description of all tiers or levels of service being offered in the City together with a description of any changes made in any service during the reporting year.

B. A compilation setting forth the results of all Subscriber surveys (but not including any proprietary marketing survey).

C. A compilation summarizing the Complaints received during the reported year, by category, number for each category and a discussion of any unresolved Complaints.

D. A copy of Grantee's ultimate parent's annual report, and a copy of Grantee's annual report, if it prepares one.

E. A report of Grantee's Gross Revenues for the preceding year certified by an officer of Grantee or his or her designee. The officer's certification shall include a statement that the officer has reviewed all necessary records, including the definition of Gross Revenues in this Agreement, to determine that the statement of Gross Revenues is accurate.

8.4 Maps. Grantee shall maintain and make available to the City upon request at all times a current map or set of maps drawn to scale showing the Cable Television System and all equipment installed or in place in Streets and other public places.

8.5 Periodic Evaluation and Review. The field of cable communications is a relatively new and rapidly changing one which may see many regulatory, technical, financial, marketing and legal changes during the term of this Agreement. Therefore, the following evaluation provisions will apply:

A. The City may require, at its sole discretion, evaluation sessions at any time during the term of this Agreement; provided, however, there shall not be more than one (1) evaluation session during any calendar year and no more than three (3) evaluations per Franchise Term.

B. Topics which may be discussed at any evaluation session include, but are not limited to rates, Channel capacity, Cable Television System performance, programming, access, municipal uses of cable, Subscriber Complaints, judicial rulings, FCC rulings, developments in technology and cable services and any other topics the City or Grantee deem relevant.

C. During an evaluation session, Grantee shall fully cooperate with the City and shall provide without cost such reasonable information and documents as the City may request to perform the evaluation.

D. The City or Grantee may determine that a change in the terms of this Agreement may be required in which case the Parties will negotiate in good faith to attempt to reach agreement on the change and amend the Agreement. In addition, at the conclusion of any evaluation session held between the third and sixth anniversaries of this Franchise, the City may require Grantee to incorporate into the Cable Television System advances in technology or Cable Television Services which meet the needs of the City and which have been shown during evaluation to be Economically Feasible and Technically Viable.

SECTION 9. CONSUMER PROTECTION PROVISIONS.

9.1 Rate Regulation. The City reserves the right to regulate rates for Basic Service and any other Cable Television Services to the extent not prohibited by federal or state law. Grantee shall maintain on file with the City at all times a current schedule of all rates and charges for all Cable Television Services, equipment, and installation and other services, including tier changing, offered by Grantee.

9.2 Customer Service Standards. The City has determined to regulate customer service by ordinance.

9.3 Customer Service Office. Grantee shall maintain a customer service office within the City, which shall operate during normal business hours including at least one (1) evening per week and one-half day on Saturday. At least once a year and upon any change, Grantee shall provide Subscribers with written notice of the customer service office's address, telephone number and business hours.

9.4 Discount. Grantee agrees to provide a discount program for low and moderate income subscribers for as long as Grantee has such a program in place.

SECTION 10. GENERAL FINANCIAL AND INSURANCE PROVISIONS.

10.1 Payment to City.

A. Grantee shall pay to the City an annual amount equal to five percent (5%) of its Gross Revenues ("City Franchise Fees"). The foregoing payment shall be compensation for use of Streets and other Public Property and for supervision of this Agreement. The City reserves the right to reduce the City Franchise Fees, in its sole discretion, to any amount permitted by law, upon ninety (90) days written notice to Grantee.

B. Payments due the City under this provision shall be computed quarterly for the preceding quarter as of March 31, June 30, September 30 and December 31 of each year. Payments shall be due and payable for each quarter not later than forty-five (45) days from the last day of the quarter. Each payment shall be accompanied by a brief report of Grantee's Gross Revenues for the preceding quarter certified by an officer of Grantee. The officer's certification shall show the basis for the computation and include a statement that the officer has reviewed all records necessary to determine that the statement of Gross Revenues is accurate including the definition of Gross Revenues contained in this Agreement.

C. 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 or additional sums payable under the provisions of this Agreement. All amounts paid shall be subject to audit and recomputation by the City.

D. In the event any payment is not made on the due date, interest on the amount due shall accrue from such date at the lesser of: (a) the annual rate of twelve percent (12%), or (b) the maximum rate permitted by law ("Late Fees").

10.2 Franchise and Other Fees.

A. Grantee expressly acknowledges and agrees that except for the City Franchise Fees and Late Fees, none of the payments or contributions made by Grantee, or the Cable Television Services, equipment, facilities, support, resources, or other activities to be provided or performed by Grantee at the direction of the City or otherwise pursuant to this Agreement, or otherwise in connection with the operation, maintenance, construction, or any upgrade of the Cable Television System are Franchise Fees chargeable against the compensation payments to be paid to the City by Grantee pursuant to Section 10.1 hereof.

B. Grantee expressly acknowledges and agrees that, as applicable, except for the City Franchise Fees, each of the payments or contributions made by, or the services, equipment, facilities, support; resources, or other activities to be provided by Grantee are

within the exclusions from the term "franchise fee" set forth in Section 622(g)(2) of the Cable Act (47 U.S.C. 542(g)(2)).

C. The City Franchise Fees and Late Fees are not deemed to be in the nature of a tax, and are in addition to any and all taxes of general applicability or other fees or charges which Grantee shall be required to pay to the City or any state or federal agency or authority.

D. Grantee shall not apply the compensation or other payments to be made to the City pursuant to this Agreement as a deduction from, or a credit against, any City taxes of general applicability (other than income taxes) or other City fees or charges, each of which shall be deemed to be separate and distinct obligations of Grantee.

E. Grantee shall not apply any federal, state, local, or any other form of taxes, governmental fees or charges as a deduction from, or credit against, any of the City Franchise Fees or the Late Fees, each of which shall be deemed to be separate and distinct obligations of Grantee.

10.3 Performance and Construction Bonds.

A. Performance Bond.

1. On or before the Effective Date, Grantee shall furnish and file with the City a performance bond (the "Performance Bond"). The Performance Bond shall run to the City in the amount of Fifty Thousand Dollars (\$50,000) which shall be provided to the City on or before the Effective Date. Grantee shall always maintain the full value of the Performance Bond regardless of the claims against the Performance Bond made by, or paid to, the City. The Performance Bond shall be conditioned upon and insure the faithful performance of Grantee of all terms and conditions of this Agreement and the payment by Grantee of any claim, liens, costs, expenses and taxes due the City that arise by reason of the operation or maintenance of the Cable Television System and including provision of the Community Institutional Network. The rights reserved to the City with respect to the Performance Bond or other security are in addition to all other rights the City may have under this Agreement or any law. The company providing such bond must be licensed to do business in the State of Ohio.

2. The Performance Bond shall be subject to the reasonable approval of the City and shall, among other things, contain language substantially the same as the following:

"This Performance Bond is executed to comply with the terms of that certain Franchise Agreement (the "Franchise Agreement") dated _____, 199__, by and between the City of Portsmouth, Ohio (the "City") and Century

Communications (the "Grantee") pursuant to which a franchise has been granted to Grantee to use the public streets and place within the City's jurisdiction for the purpose of providing certain cable television services within the City. This Bond guarantees that Grantee will faithfully perform well, and truly observe and fulfill each term and condition of the Franchise Agreement, and in the event of Default by Grantee (as defined in the Franchise Agreement) the amount of this Bond shall be recoverable from the Principal and Surety by the City for all damages proximately resulting from the failure of Grantee to well and faithfully observe and perform any provision of the Franchise Agreement up to a maximum of Fifty Thousand Dollars (\$50,000)."

The Performance Bond shall further contain the following endorsement:

"It is hereby understood and agreed that this bond may not be canceled without the consent of the City of Portsmouth, Ohio until sixty (60) days after receipt by the City by registered mail, return receipt requested, of a written notice of intent to cancel or not to renew."

3. Upon any Default by Grantee, including, without limitation: If Grantee fails to pay to the City any taxes due and unpaid; or fails to repay to the City, any damages, costs or expenses which the City shall be compelled to pay by reason of any act or default of Grantee in connection with this Agreement; or fails, within ten (10) days of receiving notice of such failure from the City, to comply with any provision of this Agreement which the City reasonably determines can be remedied by a claim against the Performance Bond, the City shall then be entitled to receive the respective payment from the bonding company under the Performance Bond.

B. Construction Bond.

1. Grantee shall give sixty (60) days written notice to the City prior to commencing construction of the System Upgrade as described in Section 5.1, which construction shall be completed within eighteen (18) months of the Effective Date of this Agreement. Grantee shall also give written notice to the City when construction of the System Upgrade commences ("Commencement of Construction").

2. Before Commencement of Construction, Grantee shall furnish and file with the City a construction bond (the "Construction Bond"). The Construction Bond shall run to the City in an amount no less than One Hundred

Thousand Dollars (\$100,000). The Construction Bond shall be conditioned upon and insure the faithful performance of Grantee of all terms and conditions of this Agreement with regard to the System Upgrade including the Community Institutional Network. The rights reserved to the City with respect to the Construction Bond or other security are in addition to all other rights the City may have under this Agreement or any law. The company providing such bond must ~~be licensed to do business in the State of Ohio.~~

3. The Construction Bond shall be subject to the reasonable approval of the City and shall, among other things, contain language substantially the same as the following:

"This Construction Bond is executed to comply with the terms of that certain Franchise Agreement (the "Franchise Agreement") dated _____, _____, by and between the City of Portsmouth, Ohio (the "City") and Century Communications (the "Grantee") pursuant to which a franchise has been granted to Grantee to use the public streets and places within the City's jurisdiction for the purpose of providing certain cable television services within the City. This Bond guarantees that Grantee will faithfully perform well, and truly observe and fulfill each term and condition of the Franchise Agreement with respect to the construction of the System Upgrade, and in the event of Default by Grantee the amount of this Bond shall be recoverable from the Principal and Surety by the City for all damages proximately resulting from the failure of Grantee to well and faithfully observe and perform any provision of the Franchise Agreement regarding the System Upgrade including, without limitation, the City reasonable costs in completing construction of the Cable Television System Upgrade (as defined in the Franchise Agreement) up to a maximum of One Hundred Thousand Dollars (\$100,000)."

The Construction Bond shall further contain the following endorsement:

"It is hereby understood and agreed that this bond may not be canceled without the consent of the City of Portsmouth, Ohio until sixty (60) days after receipt by the City by registered mail, return receipt requests, of a written notice of intent to cancel or not to renew."

4. Upon the satisfactory completion of the System Upgrade, the City will permit Grantee to release the Construction Bond.

5. If Grantee fails, within thirty (30) days of receiving notice of such failure from the City, to commence or complete the System Upgrade in accordance with the specifications and timetable set forth in this Agreement, the City shall have the right to complete construction of the System Upgrade, including the Community Institutional Network and be reimbursed by Grantee for the City's reasonable costs for such construction and the City shall further be entitled to receive payment for such construction costs from the bonding company under the Construction Bond.

10.4 Penalty Payments. Civil penalties for violations of this Agreement are set forth below. As a result of any of the below-described penalties arising from Grantee's violation of, or failure to perform under, this Agreement, the City may, at its option, assert a claim against the Construction Bond, Performance Bond or Grantee and collect from the bonding company or the Grantee the following amounts:

A. For failure to complete any construction or upgrade in accordance with this Agreement unless the City approves the delay, the penalty shall be Five Hundred Dollars (\$500.00) per day for each day, or part thereof, such failure occurs or continues.

B. For failure to provide, upon request, data, documents, reports or any other information required under this Agreement to the City, the penalty shall be Two Hundred Dollars (\$200.00) per day, provided ten (10) business days have passed since the items were required to be delivered to the City.

C. For failure to comply with all conditions of the City permits to disturb Streets, fix Streets, or other terms or conditions of the City, the penalty shall be Two Hundred Dollars (\$200.00) per day.

D. For any other failure to comply with any other material terms of this Agreement, for which a penalty is not otherwise specifically provided, the penalty shall be One Hundred Dollars (\$100.00) on occurrence and for each day thereafter such failure continues.

E. In the event the above penalties are determined not to be permitted by law, the amounts set forth above shall be considered liquidated damages. In no event shall the provision of this Section 10.4 affect the City's right to make, after notice to Grantee, any upgrades, repairs or modifications necessary to cure Grantee's failure to complete any upgrade or repair the streets as may otherwise be permitted under the terms of this Agreement or by law.

10.5 Procedure for Imposition of Penalty Payments.

A. Whenever the City finds that Grantee has allegedly violated one (1) or more terms, conditions or provisions of this Agreement, a written notice shall be given to Grantee. The written notice shall describe in reasonable detail the alleged violation so as

to afford Grantee an opportunity to remedy the violation. Grantee shall have thirty (30) days subsequent to receipt of the notice in which to correct the violation before the City may resort to the Construction Bond, Performance Bond or demand payment directly from Grantee.

B. The time for Grantee to correct any alleged violation may be extended by the City if more than five (5) days is required to correct the alleged violation; provided, however, that Grantee must commence the corrective action within five (5) days of receipt of the notice and thereafter use reasonable diligence, as determined by the City, to correct the violation.

C. The rights reserved to the City with respect to the Construction Bond and Performance Bond are in addition to all other rights of the City whether reserved by this Agreement or authorized by law, and no action, proceeding or exercise of a right with respect to the Construction Bond and Performance Bond shall affect any other right the City may have, including the procedures set forth in any of the City's ordinances governing customer service, public access channels, rate regulation and rights-of-way.

10.6 Damages and Defense. Grantee shall indemnify, defend, and hold harmless the City for all damages and penalties incurred as a result of Grantee's conduct or performance under this Agreement or exercise of the Franchise. These damages and penalties shall include, but shall not be limited to, damages arising out of personal injury, property damage, copyright infringement, defamation, antitrust, errors and omission, theft, fire, and all other damages arising out of Grantee's exercise of the Franchise, whether or not any act or omission complained of is authorized, allowed or prohibited by this Agreement; such indemnification shall include, but not be limited to, reasonable attorney's fees and costs. Grantee's obligations hereunder shall not extend to any claim or loss arising from the City's gross negligence or willful misconduct. The City shall indemnify and hold Century harmless from any damage or claims resulting from any acts of the City or its officials, boards, commissions, agents, contractors or employees including, but not limited to, acts in connection with the use of any emergency alert system or PEG access channels, facilities or equipment and for work performed by the City or any of its agents, contractors or employees on or adjacent to the Cable System.

10.7 Liability Insurance.

A. Grantee shall maintain, throughout the term of the Franchise, commercial general and umbrella liability insurance with a company licensed to do business in the State of Ohio with a rating by Best of not less than "A," insuring Grantee and the City (wherein the City is named as additional insured) with regard to all damages mentioned in paragraph A of Section 10.5 hereof, in the minimum amounts of:

1. One Million Dollars (\$1,000,000.00) for bodily injury or death to any one (1) Person;
2. Three Million Dollars (\$3,000,000.00) for bodily injury or death resulting from any one (1) accident or occurrence;

3. One Million Dollars (\$1,000,000.00) for all other types of liability.
4. Five Million Dollars (\$5,000,000.00) excess liability or umbrella coverage.

B. The amounts shown in paragraph A shall be reviewed annually and an increase in the coverage amounts may be required by the City to account for inflation or change in conditions or circumstances.

C. Grantee shall maintain in force, during the term of this Agreement and any renewal thereof, Workers' Compensation Insurance, covering its obligations under the Workers' Compensation statute, and shall show to the City's reasonable satisfaction that such insurance is in effect at all times.

D. The insurance required by paragraph A above shall be on an "Occurrence Coverage Basis" so that if the Cable Television System is sold or transferred, or if the Franchise is terminated or revoked, the insurance required by this Agreement shall provide coverage through the end of the period established by the applicable statutes of limitation for all items insured.

E. On or before the Effective Date, Grantee shall furnish to the City a certificate evidencing that a satisfactory insurance policy has been obtained. Such insurance policy shall require that the City be notified sixty (60) days prior to any expiration or cancellation.

F. All insurance policies maintained pursuant to this Section 10.7 shall contain the following endorsement:

"It is hereby understood and agreed that this insurance policy may not be canceled by the surety, nor may the intention not to renew be stated by the surety until sixty (60) days after receipt by the City of Portsmouth, Ohio, by registered mail, of a written notice of such intention to cancel or not to renew."

In addition, Grantee shall be obligated to promptly notify the City of any pending or threatened litigation that would be likely to affect its insurance coverage.

10.8 City's Right to Revoke. In addition to all other rights which the City has pursuant to law or equity, the City reserves the right to revoke, terminate or cancel this Agreement and the Franchise, and all rights and privileges pertaining thereto, in the event that:

- A. Grantee substantially violates any material provision of this Agreement; or
- B. Grantee attempts to evade any of the material provisions of this Agreement and refuses to cure such evasion; or

- C. Grantee practices any fraud or deceit upon the City or any Subscriber; or
- D. Grantee denies, or fails to provide, Cable Television Service to any City resident as provided for herein for reasons other than failure to make payments due to Grantee and intentional destruction of Grantee's property; or
- E. Grantee becomes insolvent or unable or unwilling to pay its debts, or makes an assignment for the benefit of creditors or a preferential transfer under Ohio law; or
- F. An order for relief in the name of Grantee is entered, or a case is commenced by Grantee, under Title 11 of the United States Code, as amended from time to time (the "Bankruptcy Code"); or
- G. Grantee misrepresents a material fact in the application for or negotiation of, or renegotiation of, or renewal of, the Franchise; or
- H. Any provision of this Agreement is held to be illegal or unenforceable and the City determines that the provision is material to the intent and fulfillment of this Agreement.

SECTION 11. FORECLOSURE, RECEIVERSHIP AND ABANDONMENT.

11.1 Foreclosure. Upon the foreclosure or other judicial sale of the Cable Television System, Grantee shall promptly notify the City of such fact and such notification shall be treated as a notification that the Franchise has been transferred and Section 12.2 of this Agreement shall apply without regard to how such transfer occurred.

11.2 Receivership. The City has the right to cancel this Agreement and revoke the Franchise, subject to any applicable provisions of federal and state law, including the Bankruptcy Code, one hundred twenty (120) days after the appointment of a receiver or trustee to take over and conduct the business of Grantee, whether in receivership, reorganization, bankruptcy or other action or proceeding, unless such receivership or trusteeship shall have been vacated prior to the expiration of said one hundred twenty (120) days, or unless:

A. Within one hundred twenty (120) days after his election or appointment, such receiver or trustee shall have fully complied with all the provisions of this Agreement and remedied all defaults thereunder; and,

B. Such receiver or trustee, within said one hundred twenty (120) days, shall have executed an agreement, duly approved by the Court having jurisdiction in the premises, whereby such receiver or trustee assumes and agrees to be bound by each and every provision of this Agreement.

SECTION 12. REMOVAL, TRANSFER AND PURCHASE.

12.1 Removal After Revocation or Termination.

A. At the termination of the Franchise Term, or upon its revocation, as provided for, the City shall have the right to require Grantee to remove, at Grantee's expense, all or any portion of the Cable Television System from all Streets and Public Property within the City. In so removing the Cable Television System, Grantee shall refill and compact at its own expense any excavation that shall be made and shall leave all Streets, Public Property and private property in as good a condition as that prevailing prior to Grantee's removal of the Cable Television System, and without affecting, altering or disturbing in any way electric, telephone or utility, cables wires or attachments. The City, or its delegate, shall have the right to inspect and approve the condition of such Streets and Public Property after removal. The Construction Bond, Performance Bond, insurance, indemnity and penalty provision of this Agreement shall remain in full force and effect during the entire term of removal. The insurance and indemnity provisions of this Agreement in Section 10 shall survive any termination or revocation.

B. If Grantee has failed to substantially commence removal of the Cable Television System, or such part thereof as was designated within thirty (30) days after written notice of the City's demand for removal is given, or if Grantee has failed to complete such removal within one (1) year after written notice of the City's demand for removal is given, the City shall have the right to exercise one of the following options:

1. Declare all right, title and interest to the Cable Television System to be in the City or its delegate with all rights of ownership including, but not limited to, the right to operate the Cable Television System or transfer the Cable Television System to another for operation by it; or

2. Declare the Cable Television System abandoned and cause the Cable Television System, or such part thereof as the City shall designate, to be removed at no cost to the City. The cost of said removal shall be recoverable (at the City's discretion) from the Performance Bond, from Grantee directly, or any combination thereof.

12.2 Sale or Transfer of Franchise.

A. The Franchise shall not be sold, assigned or otherwise transferred, either in whole or in part and whether directly or indirectly, or leased or sublet in any manner, nor shall title thereto, either legal or equitable, or any right, interest or property therein, pass to or vest in any Person (a "Franchise Transfer") without full compliance with the procedure set forth in this Section.

B. Franchise Transfer includes the following: (i) the sale, assignment or other transfer of all or a majority of the assets of Grantee or Grantee's parent corporations

(Grantee and its parent corporations collectively referred to as the "Operators" and each an "Operator"); (ii) the merger, consolidation, reorganization or other restructuring of an Operator with or into any other Person so as to transfer a controlling interest to such other Person; (iii) the sale, assignment or other transfer of capital stock or partnership, membership, or other equity interests in an Operator by one or more of its existing shareholders, partners, members or other equity owners so as to transfer controlling interest in that Operator; (iv) the issuance of additional capital stock or partnership, membership or other equity interest by an Operator so as to create a new controlling interest in that Operator; and (v) any other transaction or restructuring of stock, assets or otherwise that has the effect of changing the ultimate voting control or effective control of the Operator. The term "controlling interest" as used herein is not limited to majority equity ownership of an Operator, but also includes actual working control over the Grantee or the Cable Television System in whatever manner exercised. Notwithstanding the foregoing, no consent shall be required for any transfer of the Franchise or any interest in an Operator to any other entity controlling, controlled by or under common control with the Operator.

C. The parties to a Franchise Transfer shall make a written request to the City for its approval of the Franchise Transfer. Such a written request shall contain a description of all of the material terms and conditions of the Franchise Transfer.

D. Upon receiving such a written request, and in addition to the information supplied to the City on FCC Form 394 (and any other information which may be required by the FCC), the City shall have the right to require the Grantee and any other party or parties to the transaction to promptly supply the City with any and all information concerning the transaction and the parties thereto as the City may reasonably request in order to determine the legal, financial and technical qualifications of the transferee. The information will be made available at Grantee's Portsmouth, Ohio office.

E. The City shall have one hundred twenty (120) days, or such longer period of time as may be provided by federal law or regulation, from the date of receiving the written request for a Franchise Transfer, together with all exhibits required by law, and any additional information required by the terms of this Agreement, to act upon the request. If the City fails to act upon the request for transfer within such time period, such request shall be deemed granted unless the City and the requesting party otherwise agree to an extension of time.

F. Within thirty (30) days of the consummation of any Franchise Transfer subject to the provisions of this Section, Grantee shall file with the City a copy of the deed, agreement, mortgage, lease or other written instrument evidencing such sale, assignment, or other transfer, certified and sworn to as correct by the Grantee.

G. In reviewing a request for approval of a Franchise Transfer, the City may inquire into the legal, technical and financial qualifications of the prospective purchaser, assignee, transferee or other controlling party (including, without limitation, the proposed

transferee's financial strength and capabilities in comparison to Grantee), and Grantee shall assist the City in so inquiring. The City may condition its approval of any Franchise Transfer upon such terms and conditions as it deems reasonably appropriate; provided, however, that the City shall not unreasonably withhold its approval. In no event shall a Franchise Transfer subject to this Section be approved by the City without the purchaser, assignee, transferee or other controlling party agreeing in writing to be subject to and bound by this Agreement.

12.3 Purchase By City Upon Expiration or Revocation.

A. At the expiration of the Franchise if the franchise renewal is denied, the City may, in lawful manner and upon the payment of fair market value, determined on the basis of the Cable Television System as valued as a going concern exclusive of any value attributable to the Franchise itself, lawfully obtain the Cable Television System.

B. Upon the revocation of the Franchise for cause, the City may in lawful manner and upon the payment of an equitable price lawfully obtain the Cable Television System.

SECTION 13. RIGHTS OF INDIVIDUALS PROTECTED.

13.1 Discriminatory Practices Prohibited. Grantee shall not deny service, deny access, or otherwise discriminate against Subscribers or general citizens on the basis of race, color, religion, creed, national origin, sex, sexual orientation, disability or age. Grantee shall comply at all times with all other applicable federal, state and City laws, and all executive and administrative orders relating to non-discrimination.

13.2 Subscriber Privacy.

A. Except as provided in Section 631 of the Cable Act (47 U.S.C. § 551), no Signal of a cable communications Channel may be transmitted from a Subscriber terminal for purposes of monitoring individual viewing patterns or practices without the express written permission of the Subscriber. The request for such permission shall be contained in a separate document with a prominent statement that the Subscriber is authorizing the permission in full knowledge of its provisions. Such written permission shall be for a limited period of time not to exceed one (1) year which shall be renewed at the option of the Subscriber. No penalty shall be invoked for a Subscriber's failure to provide or renew such authorization. The authorization shall be revocable at any time by the Subscriber without penalty of any kind whatsoever.

B. Except as provided in Section 631 of the Cable Act (47 U.S.C. § 551), no information or data obtained by monitoring transmission of a Signal from a Subscriber terminal which in any manner, direct or indirect, provides the identity of the Subscriber shall be sold or otherwise made available to any party other than to Grantee and its employees for internal business use, and also to the Subscriber subject of that information, unless Grantee has received specific written authorization from the Subscriber to make such data available.

C. Written permission from the Subscriber shall not be required for the conducting of the Cable Television System wide or individually addressed electronic sweeps for the purpose of verifying the Cable Television System integrity or monitoring for the purpose of billing or for any other non-subscriber purpose. Confidentiality of such information shall be subject to the provision set forth in paragraph B of this Section.

SECTION 14. MISCELLANEOUS PROVISIONS.

14.1 Compliance with Laws. Grantee shall conform to all state and federal laws and rules regarding cable television as they become effective. Grantee shall also conform with all City ordinances, resolutions, rules and regulations heretofore or hereafter adopted or established during the entire term of the Franchise (including, without limitation, customer service standards and rights-of-way permits), provided the same do not materially alter Grantee's rights and obligations under this Agreement. Nothing in this Agreement shall be deemed to waive any rights Grantee has at any time under law, and Grantee expressly reserves its right to challenge the lawfulness or enforceability of any resolution, ordinance or other enactment of the City.

14.2 Franchise Renewal. Subject to Grantee's compliance with and performance under this Agreement, the Franchise and this Agreement may be renewed in accordance with, and to the extent required by, applicable state and federal law.

14.3 Continuity of Service Mandatory. Upon expiration or the termination of this Agreement, the City may require Grantee to continue to operate the Cable Television System for an extended period of time not to exceed six (6) months. Grantee shall, as trustee for its successor in interest, continue to operate the Cable Television System under the terms and conditions of this Agreement. In the event Grantee does not so operate the Cable Television System, the City may take such steps as it, in its sole discretion, deems necessary to assure continued service to Subscribers.

14.4 Work Performed by Others. All provisions of this Agreement shall apply to any subcontractor or others performing any work or services pursuant to the provisions of this Agreement.

14.5 Severability. If any provision of this Agreement is held to be invalid or unenforceable, that provision will be ineffective but the remainder of this Agreement will not be affected, and it will, in all other respects, continue to be effective and enforceable. If the holding of invalidity or unenforceability is subsequently repealed, unenforceable or otherwise changed so that the provision which had been held invalid is no longer in conflict with the law, rules and regulations then in effect, the provision will return to full force and effect.

14.6 Nonenforcement by City. Grantee shall not be relieved of its obligation to comply with any of the provisions of this Agreement by reason of any failure of the City to enforce prompt compliance.

14.7 Administration of Franchise.

A. The City shall have continuing regulatory jurisdiction and supervision over the Cable Television System and the Grantee's operation under this Agreement. The City may issue such reasonable rules and regulations concerning the construction, operation and maintenance of the Cable Television System as are consistent with the provisions of this Agreement and law.

B. Grantee shall operate, maintain and construct the Cable Television System subject to the supervision of all the authorities of the City who have jurisdiction in such matters and in strict compliance with all laws, ordinances, departmental rules and regulations affecting the Cable Television System.

14.8 Emergency Use. In the case of any emergency or disaster, Grantee shall, upon request of the City or emergency management personnel, make available the Cable Television System and related facilities to the City for emergency use during the emergency or disaster period.

14.9 Controlling Law. This Agreement shall be construed and enforced in accordance with the laws of the State of Ohio (without regard to the laws regarding conflicts of law).

14.10 Captions. The paragraph captions and headings in this Agreement are for convenience and reference purposes only and shall not affect in any way the meaning of interpretation of this Agreement.

14.11 Calculation of Time. Where the performance or doing of any act, duty, matter, payment or thing is required hereunder and the period of time or duration for the performance or during thereof is prescribed and fixed herein, the time shall be computed so as to exclude the first and include the last day of the prescribed or fixed period or duration of time. When the last day of the period falls on Saturday, Sunday or a legal holiday, that day shall be omitted from the computation.

14.12 Effective Date. This Agreement shall be executed by the authorized officials and officers of the parties and, subject to Section 14.13, will take effect on November 1, 1999 (the "Effective Date").

14.13 Binding Effect; Payments. Upon execution of this Agreement, Grantee shall be bound by all the terms and conditions contained in this Agreement and shall be deemed to have accepted the Franchise. Grantee shall provide all services and offerings set forth herein.

14.14 Reservation of Rights. Acceptance of the terms and conditions of this Agreement will not constitute, or be deemed to constitute, a waiver, either expressly or impliedly, by Grantee of any constitutional or legal right which Grantee may have or may be subsequently determined to have, either by subsequent legislation or court decisions. The City hereby acknowledges that Grantee reserves all of its rights under applicable Federal and State Constitutions and laws.

14.15 Force Majeure. With respect to any provision of this Agreement, the violation or noncompliance with which could result in the imposition of a financial penalty, forfeiture or other sanctions upon Grantee, such violation or noncompliance shall be excused where such violation or noncompliance is the result of an Act of God, war, civil disturbance, strike, other labor unrest, or any event beyond Grantee's reasonable control or not reasonably foreseeable.

IN WITNESS WHEREOF, the City and Grantee have caused this Agreement to be signed by their duly authorized officials and officers as of November 1, 1999.

CITY OF PORTSMOUTH, OHIO

CENTURY OHIO CABLE TELEVISION
CORP. d/b/a Adelphia Cable
Communications

By: *[Signature]*

By: *[Signature]*

Title: *Mayor*

Title: *11/2/99*
Executive Vice President

Approved as to form:

[Signature]
City Solicitor

EXHIBIT A

City

Municipal Building

Public Library

Library Building

County

County Courthouse

Public Schools

Portsmouth High School

Portsmouth East High School

Grant Middle School

McKinley Middle School

Harding Elementary School

Highland Elementary School

Lincoln Elementary School

Roosevelt Elementary School

Wilson Elementary School