

**ORDINANCE
2004-21**

AN ORDINANCE ESTABLISHING A FRANCHISE AGREEMENT BETWEEN WALTON COUNTY, FLORIDA AND BRIGHT HOUSE NETWORK GRANTING A CABLE TELEVISION FRANCHISE TO BRIGHT HOUSE TO CONSTRUCT, OPERATE AND MAINTAIN A CABLE COMMUNICATIONS SYSTEM IN WALTON COUNTY, FLORIDA; AND SETTING FOR THE CONDITIONS FOR THE AGREEMENT AND PROVIDING REGULATIONS AND USE OF THE SYSTEM.

WHEREAS, the Bright House Networks, LLC (GRANTEE) desires to continue to operate a cable television system in Walton County, Florida; and

WHEREAS, The Board of County Commissioners (COUNTY) pursuant to the laws of the State of Florida, is authorized to grant franchisees for the construction, operation, and maintenance of cable television systems;

NOW, THEREFORE BE IT ORDAINED by the Board of County Commissioners to adopt the following:

Section 1. PURPOSE.

The purpose of this ordinance is to grant to the GRANTEE a non-exclusive franchise to erect and maintain a cable television system within the unincorporated areas of Walton County, Florida. The term "GRANTEE," whenever used in this ORDINANCE, shall apply to its successors and assigns, provided COUNTY has given its written consent to any successor or assignee in accordance with the provisions of this ORDINANCE, if any, as fully as if they were an original party to this ORDINANCE.

Section 2. DEFINITIONS.

The following words, terms, and phrases, when used in this ordinance, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning.

- A. Agency - means the Walton County Board of County Commissioners.
- B. Cable Services - has the meaning provided in federal law.
- C. Cable Television System - has the meaning provided in federal law.
- D. Channel - means a portion of the electromagnetic frequency spectrum which is capable of delivering both the audio and video portions of a television signal. At

the time of enactment of this ORDINANCE, such capability generally requires a 6MHZ capacity, but this is subject to changes in technology.

- E. Customer - means any person receiving cable services from GRANTEE.
- F. Educational Access Channel - means a channel reserved for use by local education institutions for locally originated non-commercial programming associated with local education functions.
- G. Federal Communication Commission (FCC) - is the present federal agency of that name as constituted by the Communications Act of 1934, or any successor agency created by the United States Congress.
- H. Franchise Area - means the unincorporated areas of Walton County, Florida as depicted on the attached Exhibit A.
- I. Governmental Access Channel - means a channel reserved for use by the COUNTY or other local governments for locally originated non-commercial programming concerning local government functions.
- J. Public Street - is the surface of and space above and below any public street, avenue, highway, boulevard, concourse, driveway, bridge, tunnel, park, parkway, waterway, dock, bulkhead, wharf, pier, alley, right-of-way, public utility easement, and any other public ground or water within the Franchise Area or belonging to the COUNTY.

Section 3. GRANT OF AUTHORITY.

A. The County does hereby grant unto the GRANTEE the non-exclusive right, privilege, and franchise to erect, maintain, and operate a cable television system and any and every type of transmission or distribution facilities now in existence or hereafter developed incident thereto in, under, over, along, across, and upon the streets, lanes, avenues, alleys, public or utility easements, bridges, highways, and other public places as now exist or may come into existence in the future, and any property which may from time to time be added thereto.

Nothing in this ORDINANCE shall limit the right of the GRANTEE to transmit any kind of signal, frequency, or provide any type of service now in existence or which may come into existence and which is capable of being lawfully transmitted and distributed by those facilities owned and operated by the GRANTEE. The provision by the GRANTEE of any service other than cable service shall be subject to all applicable laws and regulations and to any right the COUNTY may have to require fair and reasonable compensation for GRANTEE's use of the rights-of-way to provide such service provided that such requirement is non-discriminatory and competitively neutral.

B. The ORDINANCE will authorize the GRANTEE to use County roads, streets, and right-of-ways for installing necessary cable, wires, lines, optical fibers, etc., within specified areas of the County. Any franchise granted will be non-exclusive and will not expressly or implicitly preclude the issuance of other franchises to operate cable systems within the County or necessarily preclude the County's right to operate its own cable system.

C. Notwithstanding the grant of a franchise, GRANTEE will still be subject to all applicable state, federal, and county rules, statutes, ordinances, resolutions, and regulations, etc. And to those of the COUNTY which are promulgated in the exercise of its police power and not inconsistent with the terms and conditions of this ORDINANCE.

D. The term of this franchise shall be ten (10) years, commencing on April 1, 2004 and expiring on March 31, 2014.

Section 4. SYSTEM REQUIREMENTS

A. The cable television system to be constructed by GRANTEE shall be, at a minimum, installed, maintained, and operated at all times in full compliance throughout the system with the technical standards of the Federal Communications Commission, as they exist on the effective date of this ORDINANCE, or as may hereafter be amended. The results of annual performance tests conducted in accordance with Section 76.601(c), FCC Rules (or such other section of the Rules as shall incorporate its substance) shall be retained for at least five (5) years and available for inspection by the COUNTY.

B. The facilities used by GRANTEE shall have a minimum capacity of 750 MHz, and that a minimum 110 channel capacity of entertainment and information will be available on the effective day of the Ordinance. The System shall also be capable of distributing color television signals, and when the signals the GRANTEE distributes are received in color, they shall be distributed in color where technically feasible. Company will attempt to keep up with modern technology, throughout the duration of this ordinance.

C. GRANTEE shall maintain and operate its system and render efficient service in accordance with the terms and conditions of this ORDINANCE.

D. The cable system and all equipment will be capable of providing service on a full time basis, i.e., twenty-four hours per day, seven days per week.

E. Whenever it is necessary to shut off or interrupt service for the purpose of making repairs, installations, or adjustments, GRANTEE shall do so at such times as will cause the least amount of inconvenience and unless unforeseen and immediately necessary, it shall give reasonable notice thereof to its customers.

F. The GRANTEE agrees and binds itself to extend its lines and to serve any and all applicants for cable television service whose dwellings or places of business are located within the franchise area and who in good faith have signified their willingness to subscribe for

such television service, provided that these applicants are in an area of density of at least thirty (30) dwelling units per cable mile. For purposes of this section, if GRANTEE has not been granted the authority by an owner or association of owners to extend its facilities to individual apartments, condominiums, and co-operative units within the interior of a multiple unit buildings or complex of multiple-unit buildings shall be considered a single dwelling unit. Density per cable mile shall be computed by dividing the number of dwelling units in the area by the length, in miles or fractions there, of the total amount of aerial or underground cable necessary to make service available to the dwelling units in such area in accordance with the GRANTEE's system design parameters. The cable length shall be measured from the nearest point of access to the then-existing system, provided that extension is technically feasible from that point of access, and located within the public streets. The total cable length shall exclude the drop cable necessary to service individual Customer premises.

The installation of extension required hereunder will be at the expense of the GRANTEE, except where such extension would require:

1. A drop line of more than one hundred fifty (150) feet from the GRANTEE'S distribution line, and
2. Unreasonable or uneconomical expenses by the GRANTEE, considering the potential service revenue to be derived there from.

G. For applicants in areas with a density of less than thirty (30) dwelling units per cable mile, the GRANTEE may extend its lines or service to those applicants at its discretion.

H. The GRANTEE shall have the right to prescribe the reasonable service rules and regulations for the conduct of its business, not inconsistent with the provisions of this ORDINANCE. GRANTEE shall provide a copy of any such written rules and regulations to the COUNTY. The GRANTEE shall have the responsibility of interpreting and administering such rules and regulations on a fair and equitable basis.

I. The GRANTEE shall maintain its service in accordance with such reasonable standards regarding uniformity of transmission, input RMS noise levels, channel voltages, so as to conform to highest industry standards. For the purpose of implementing the terms of this section, the GRANTEE shall maintain, without charge, adequate test equipment to perform periodic tests to determine whether such standards are being complied with. The GRANTEE shall cooperate to permit the COUNTY, or its qualified representative, to observe such tests upon request.

J. The GRANTEE's distribution system shall be operated with complete freedom from spurious radiation to the extent required by federal regulation. Equipment adequate to detect spurious radiation shall be furnished by the GRANTEE at its expense.

K. The antenna, receiving equipment, and distribution system shall be installed and maintained so as to give a reasonable noise-free picture on each channel received.

L. The installation and maintenance of equipment shall be such that no objectionable intermodulation distortion will occur.

M. Installation and maintenance of equipment shall be such that standard NTSC color signals shall be transmitted to any customer/receiver without objectionable picture degradation.

N. GRANTEE will provide and maintain general stand-by power for each headend and battery stand-by power for its system plant to provide for continuous operations of systems for two hours.

O. GRANTEE at its own expense will perform tests designed to demonstrate compliance with the technical standards of the FCC as required by the FCC and shall, upon request, provide copies of the test results to the COUNTY or permit inspection thereof by the COUNTY.

Section 5. CONDITIONS ON STREET OCCUPANCY AND SYSTEM CONSTRUCTION

A. The GRANTEE's transmission and distribution systems, poles, posts, wires and appurtenances shall be located erected, and maintained so that none of it shall interfere with the lives of persons, or interfere with any improvements the COUNTY may deem proper to make, or hinder or obstruct the free use of the streets, alleys, bridges, or other public property. Construction and maintenance of the transmission distribution system, including house connections, shall be in accordance and in full compliance with all applicable rules and regulations. All construction and maintenance activities shall be completed in accordance with the requirements of the "Manual of Uniform Minimum Standards for Design, Construction, and Maintenance for Streets and Highways (Florida Green Book).

B. In the maintenance and operation of the television transmission distribution system, and in the course of any new construction or addition to its facilities, the GRANTEE shall proceed in a safe manner and cause the least possible inconvenience to the general public. Any opening or obstruction in the roads, streets, or other public places made by the GRANTEE in the course of its operations shall be guarded and protected at all times by placement of adequate barriers, fences, or boarding, the bounds of which during the periods of dusk and darkness, shall be clearly designated by warning lights.

C. Any pavements, sidewalks, curbing, right-of-way, or other area taken up, or any excavations made by the GRANTEE shall be done under permits issued by Walton County Public Works and shall be done in such manner as to give the least inconvenience to the inhabitants. GRANTEE shall, at its own cost and expense, replace and restore the pavements, sidewalks, curbing or other paved areas and grass areas which it has disturbed to as good a condition as before the work involving such disturbance was done, and shall also make and keep full and complete plats, maps and records on computer showing the exact locations of its facilities located within the public streets, right-of-ways and easements of the

COUNTY. These maps shall be filed by the GRANTEE with the Planning Department and the Public Works Department.

D. The GRANTEE shall not place any fixtures or equipment where the same will unreasonably interfere with existing gas, electric, telephone, or wire lines, fixtures and equipment; and the location by the GRANTEE of its lines and equipment shall be in such manner as to not unreasonably interfere with the usual travel on said streets, alleys, and public ways.

E. The GRANTEE shall, at its expense, protect, support, temporarily disconnect, relocate, or remove, any of its property when required by the COUNTY by reason of traffic conditions, public safety, road construction change of street grade, installation of sewers, drains, water pipes, power lines, signal lines, tracks, or any other type of municipal improvements. The GRANTEE shall NOT have the privilege of abandoning any property in place. All projects under this paragraph must be completed by the GRANTEE within 30 days notice by the Walton County Director of Public Works.

F. GRANTEE shall, on the request of any person holding a building moving permit, temporarily raise or lower its wires to permit the moving of buildings. The expense of such temporary removal or raising or lowering of wires shall be paid by the person requesting same, and the GRANTEE shall have the authority require such payment in advance. The GRANTEE shall be given not less than 48 hours' advance notice to arrange for such temporary wire changes.

G. GRANTEE shall have authority to trim the trees upon and overhanging the public streets upon obtaining prior approval of the Public Works Department so as to prevent the branches of such trees from coming in contact with the wires and cables of the GRANTEE.

H. In all sections of the Franchise Area where the cable, wires, or similar facilities of public utilities are placed underground, the GRANTEE shall place its cables, wires or other like facilities underground to the extent that existing technology reasonably permits the GRANTEE to do so.

I. GRANTEES cable in COUNTY rights-of-way shall be buried to the depth specified in generally applicable COUNTY regulations in effect at the time of installation.

J. Construction and maintenance of the cable television system, including house connections, shall be in accordance with the provisions of the National Electrical Safety Code prepared by the National Bureau of Standards, the National Electrical Code of the National Board of Underwriters, and such applicable regulations of the COUNTY affecting electrical installations in effect at the time when the particular installation or maintenance is performed. The system shall be adequately ground according to best cable industry practices.

K. Except in an emergency, forty-eight (48) prior to any disturbance of a public street, GRANTEE shall Walton County Public Works of such construction plans and shall coordinate the work with such office before beginning such construction.

L. In the event the COUNTY shall elect to alter or change any road, street, alley, easement or public way requiring the relocation of the facilities of GRANTEE, the GRANTEE, upon reasonable notice by COUNTY shall remove and relocate the same at its own expense.

M. Subject to the provisions of applicable law including without limitation 47 U.S.C. 547, in the event that any part of the cable system is discontinued or abandoned for a continual period of twelve (12) months or longer or has been installed in any COUNTY right-of-way without complying with the requirements of COUNTY rules or ordinances, or if this FRANCHISE is terminated or canceled or expired without right to renewal, FRANCHISEE after thirty (30) days written notice by the COUNTY may be required to commence removal of all such property in the public rights-of-way as the COUNTY may require, except for such property which is installed underground.

Section 6. SAFETY REQUIREMENTS.

GRANTEE shall, at all times:

A. Install and maintain its wires, cables, fixtures, and other equipment in accordance with the requirements of the County's Building Code and other applicable codes and ordinances, and in such manner that they will not interfere with any installations of the COUNTY.

B. Keep and maintain in a safe, suitable, substantial conditions, and in good order and repair, all structures, lines, equipment, and connections in, over, under, and upon the streets, sidewalks, alleys, and public ways or places of the COUNTY, wherever situated or located.

Section 7. SERVICE STANDARDS

The GRANTEE'S equipment shall be installed and maintained in compliance with the applicable federal regulations. Workman-like standards shall be maintained in the installation of drop cable to feeder lines leading from the trunk lines to the service outlets, with all holes in walls through which cables or wires must passed being carefully closed and sealed so as to minimize the danger of water, bug, and rodent invasion of the interior rooms. The GRANTEE shall operate the system so that there will be no unreasonable interference with television reception, radio reception, telephone communications, or other installations which are now or may hereafter be installed and in use in the COUNTY.

Section 8. SERVICE STANDARDS - BUSINESS OFFICE - RESOLUTION OF COMPLAINTS

Throughout the life of its franchise, GRANTEE shall:

A. Maintain all parts of its system in good condition and in accordance with the standards generally observed by the cable television industry. Sufficient employees shall be retained to provide safe, adequate, and prompt service for all of its facilities.

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

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

D. After normal business hours, the access line may be answered by a service or an automated response system, including an answering machine. Inquiries received after normal business hours must be responded to by a trained company representative on the next business day. Grantee must maintain a telephone access line to report outages 24 hours a day seven days a week.

E. Under normal operating conditions, telephone answer time by a customer representative, including wait time, shall not exceed thirty (30) seconds when the connection is made. If the call needs to be transferred, the transfer time shall not exceed thirty (30) seconds. These standards shall be met no less than ninety (90%) percent of the time under normal operating conditions, measured on a quarterly basis.

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

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

G. Customer service center and bill payment locations, will be open at least during normal business hours including some evening or weekend hours, will be conveniently located in Walton County, and shall meet the access requirements of the Americans with Disability Act to the extent applicable. In the alternative the Operator shall provide a secure drop-box for payments after hours.

H. Under normal operating conditions, each of the following four standards will be met no less than ninety-five (95%) percent of the time measured on a quarterly basis.

1. Standard installations will normally be performed within two (2) business days after an order have been placed.

“Standard” installations are those that are located up to 125 feet from the existing distribution system. In case of unusual circumstances or conditions GRANTEE shall have seven (7) business days to perform the installation.

2. Excluding conditions beyond the control of the operator, the cable operator will begin working on “service interruptions” as soon as possible unless there are extenuating circumstances. The cable operator must begin actions to correct other service problems the next business day after notification of the service problem.

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

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

I. If a cable operator representative is running late for an appointment with a customer and will not be able to keep the appointment as scheduled, the customer will be contacted. The appointment will be rescheduled, as necessary, at a time which is convenient for the customer.

J. The cable operator shall provide written information on each of the following areas at the time of installation of service, at least annually to all customers, and at any time upon request.

1. Products and services offered
2. Prices and options for programming services and conditions of subscription to programming and other services.
3. Installation and service maintenance policies;
4. Instructions on how to use the cable service;
5. Channel positions of programming carried on the system;
6. Billing and complaint procedures;
7. Credit policy;
8. Lock-out devices;

9. Privacy

K. Customers and the COUNTY will be notified of any changes in rates, programming services, or channel positions as soon as possible in writing.

Notice must be given to the customers and the COUNTY a minimum of thirty (30) days in advance of such changes if the change is within the control of the cable operator. In addition, the cable operator shall notify customers and the COUNTY thirty (30) days in advance of any significant changes in the other information required by paragraph J of this section. Cable operator shall endeavor to provide thirty (30) days notice of any increase in rates or charges imposed by any federal, state, or county authority. Where thirty (30) days notice can not be given, such notice will be given as soon as practicable.

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

M. In case of a billing dispute, the cable operator must respond to a written complaint from a customer within ten (10) days or at such time as is practicable under the circumstances.

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

1) The customer's next billing cycle following resolution of the request or thirty (30) days, whichever is earlier, or

2) The return of the equipment supplied by the cable operator if services are terminated.

O. Maintain information regarding complaints received which require a service call and the measure taken to resolve them. This information shall be available to the County upon request, subject to the requirements of applicable law, including without limitation those regarding customer privacy.

P. Permit the COUNTY to inspect and witness tests of the system's technical equipment and facilities upon reasonable notice.

Q. In the event of GRANTEE'S failure to provide cable service lasting longer than 4 hours if the length of such failure was not due to an act of God or circumstances beyond the control of the GRANTEE, GRANTEE shall provide a pro rata credit to each affected customer upon request. The affected customer shall receive credit on the next month's billing following such failure.

R. The GRANTEE shall notify customers at the time of initial subscription to the system of the procedure for reporting and resolving complaints by delivering to each customer a written notice.

S. GRANTEE shall take adequate measures to protect customer privacy as provided in applicable law.

T. GRANTEE shall maintain a policy providing a refund credit or complimentary service to affected customers if GRANTEE misses a service call or installation.

U. In the event of GRANTEE'S material failure to meet the standards set forth in this Sections 7 and 8, the COUNTY may demand of GRANTEE the payment of liquidated damages in an amount not to exceed \$5,000 for each quarter for which GRANTEE so fails to meet the standards. The COUNTY may make such demand only after,

1) providing GRANTEE notice that the COUNTY believes GRANTEE has materially failed to comply with the standards of Section IX and the basis for such belief and a reasonable opportunity to cure; and

2) Holding a public hearing upon thirty (30) days notice at which hearing GRANTEE shall have an opportunity to be heard, unless GRANTEE waives the right to such a hearing.

Section 9. SERVICES TO COUNTY, SCHOOLS, AND GOVERNMENT BUILDINGS

A. Prior to December 1, 2004, GRANTEE shall make available one channel an Educational/Governmental Access Channel. Upon the demonstration of need by the County and Walton County School District or Okaloosa Walton Community College or other public education entity, GRANTEE shall make available one channel as an Educational Access Channel and one channel as a Governmental Access Channel. In the event that at any time during the FRANCHISE term both these access channels are programmed with non-duplicative programming an average of 18 hours per day over a six-month period, then GRANTEE shall make available, upon request of the COUNTY, one additional channel as Educational/Governmental Channel for so long as the need for such channel continues. Live meetings of the Walton County Commission will be carried as Government Access programming when programming becomes available. Control of these channels shall be shared with other franchising authorities in the local area.

B. GRANTEE shall provide at least one free basic cable service outlet to all County buildings and all public schools within the franchise area which are located within 200 feet of its activated plant and shall provide additional outlets for basic cable service at a charge which will not exceed GRANTEE'S cost of labor and materials.

C. To the extent required by applicable federal laws and regulations regarding emergency information, GRANTEE shall incorporate into its cable system the capability for the COUNTY in times of emergency to override the audio portion of all channels; shall designate a channel, which may be a Government Access Channel, to be used for emergency broadcast for both audio and video and shall maintain and operate the system to allow the transmission of emergency information.

D. GRANTEE will comply with all applicable federal laws and regulations regarding equipment which facilitates the reception of cable service by the hearing impaired.

Section 10. RATES

GRANTEE shall comply with federal law relating to rate regulation. The COUNTY shall not be prohibited from regulating rates for cable services to the full extent permitted by law.

Section 11. DISCRIMINATION PROHIBITED

GRANTEE shall not illegally discriminate in its rates, charges, or availability of service, or grant illegal preferences or advantages to any customers or potential customers or group of customers prejudicing any other group. Franchisee may not discriminate in providing service or services to customers or users on the basis of age, race, creed, religion, color, sex, handicap, national origin, marital status, political affiliation. Nothing herein prevents GRANTEE from providing bulk discounts to multiple dwelling buildings to the extent that these discounts are permitted by law. Franchisee may not deny cable services to any potential customer because of the income of the area in which any customer resides.

Franchisee shall not discriminate against any person in employment or compensation or in terms and conditions of employment or discharge from employment because of age, race, creed, religion, color, sex, disability, national origin, marital status, or political affiliation. Franchisee must comply with all federal, state, and local regulations governing employment discrimination.

Section 12. LIABILITY AND INDEMNIFICATION AND INSURANCE

A. GRANTEE shall pay, and by its acceptance of this FRANCHISE specifically agrees to pay, any and all damages or penalties which the COUNTY may be legally required to pay arising out of the negligence, or willful misconduct of GRANTEE. These damages or penalties shall include, but shall not be limited to, damages arising out of copyright infringement, and all other damages arising as a result of GRANTEE'S negligence or willful misconduct in the installation, operation or maintenance of a cable television system under this ordinance whether or not the acts or omissions complained of are authorized, allowed or prohibited by the FRANCHISE.

B. GRANTEE shall also pay all expenses incurred by the COUNTY in defending itself with regard to any and all damages and penalties mentioned in subsection (A) above. These expenses shall include all out-of-pocket expenses, including reasonable attorney's fees.

C. The GRANTEE shall maintain, throughout the term of the franchise, liability insurance insuring the GRANTEE and the COUNTY with regard to all damages mentioned in subsection (A) above, caused by GRANTEE or its agent in the minimum amounts of:

1) Workmen's compensation insurance as provided by the laws of the State of Florida.

2) \$3,000,000 for bodily injury or death to any person.

3) \$3,000,000 for property damage resulting from any one accident.

4) The amounts set forth in Subsections C may be increased by the COUNTY no more frequently than once every three years, provided that the percentage of such increase does not exceed the increase in the regional Consumer Price Index.

The insurance policies obtained by GRANTEE in compliance with this section shall be issued by a company or companies reasonably acceptable to the COUNTY, and a current certificate or certificates of insurance, along with written evidence of payment of all required premiums, shall be filed and maintained with the COUNTY upon request during the term of the FRANCHISE. Said policies shall name the COUNTY as an additional insured and shall contain a provision that a written notice of cancellation or reduction in coverage of said policy shall be delivered to the COUNTY thirty (30) days in advance of the effective date thereof.

5) GRANTEE shall obtain and maintain, at its sole cost and expense, a surety bond in the amount of one hundred thousand (\$100,000) dollars conditioned on the faithful performance of the terms and conditions of this FRANCHISE. COUNTY may draw upon such bond in the amount of any damages suffered by the COUNTY as a result of GRANTEE'S failure to abide by the terms and conditions of this FRANCHISE, provided that prior to drawing upon the bond, COUNTY has given GRANTEE reasonable notice of the failure and a reasonable opportunity to cure it.

Section 13. COMPENSATION

Compensation shall be in accordance with Chapter 202, Florida Statutes.

Section 14. FILINGS AND COMMUNICATIONS WITH REGULATORY AGENCIES.

A. At the end of each fiscal year, Franchisee shall provide to the COUNTY an annual report summarizing the previous year's activities as to the development of the system showing such information as services initiated and/or discontinued; number of basic customers and units of pay subscriptions; homes passed; miles of cable distribution; etc.

Franchisee shall also include a financial statement including such matters as statement of revenue and statement of sources of revenue.

B. Copies of all petitions, applications, and communications concerning the cable system in Walton County submitted by the GRANTEE to the FCC, Securities and Exchange Commission, or any other federal or state regulatory commission or agency having jurisdiction in respect to any matters affecting a cable system in the COUNTY, shall be submitted to the

COUNTY upon request.

Section 15. ABANDONMENT OF EASEMENT

In the event any public street under or upon which the GRANTEE shall have located its facilities shall be closed, abandoned, vacated, or discontinued, the COUNTY may terminate such easement or license of the GRANTEE hereto; provided, however, in the event of this termination of easement, the person or persons, firm or corporation requesting such termination shall pay to the GRANTEE, in advance, its costs of removal and relocation of the removed facilities in order to continue its service as theretofore existing, or the GRANTEE shall retain an easement on all sides of the facilities not less than ten (10') feet in width, from the center line of such facilities, for the benefit of the GRANTEE and its facilities.

Section 16. TERMINATION

A. The COUNTY may terminate this FRANCHISE in the event GRANTEE shall refuse, or neglect to correct any failure to comply with any material requirement contained in this FRANCHISE

B. Should the COUNTY determine that GRANTEE is not, in its opinion, in compliance with this FRANCHISE, it shall so notify GRANTEE, in writing. GRANTEE shall, within ninety (90) days, bring the franchised system into compliance, or if compliance cannot be achieved within ninety (90) days make a good faith effort to achieve compliance.

C. If compliance has not been achieved, or good faith progress is not being made toward compliance, the COUNTY may schedule a public hearing to determine whether the FRANCHISE should be revoked. The GRANTEE and the public shall be given at least thirty (30) days notice of such a hearing, and all interested parties shall be heard in open hearing. At the conclusion of the public hearing, the COUNTY shall determine whether the FRANCHISE should be terminated due to failure to achieve or make good faith progress towards compliance and shall set forth, in writing, the facts and reasons upon which its decision is based. Good faith progress toward compliance will be deemed to have been met if GRANTEE is current with the time line indicated in Exhibit "A".

D. For purposes of this Section, it shall be a material failure to comply with a material requirement of this FRANCHISE if GRANTEE shall apply to any tribunal for the appointment of a trustee or receiver of any substantial part of its assets, or an order shall be entered appointing such trustee or receiver or adjudicating the GRANTEE bankrupt or insolvent, or approving the petition in any such proceeding, and such order remains in effect for sixty (60) days.

SECTION 17. TRANSFER

A. This FRANCHISE shall be a privilege which is personal to the original GRANTEE. It shall not be sold, transferred, leased, assigned, or disposed of, in whole or in

part, either by sale, merger, consolidation, or otherwise, without prior consent of the COUNTY. Any such transfer or assignment shall be made only by an instrument in writing, which shall include an acceptance of all terms and conditions of the FRANCHISE by transferee, a duly executed copy of which shall be filed with the COUNTY within thirty (30) days after any such transfer or assignment.

B. COUNTY shall examine the proposed assignee's legal, financial, technical, character, and other qualifications to construct, operate, and maintain a cable television system in the COUNTY and afford all interested parties an opportunity to be heard on the question.

C. Consent of the COUNTY shall not be unreasonably refused or withheld; provided, that the proposed assignee possesses the requisite qualifications and agrees, in writing, to comply with all provisions of the FRANCHISE.

D. Any change in actual working control of the GRANTEE shall be deemed a transfer under this Section. Transfer of twenty (20%) percent or more of the voting securities of a corporate GRANTEE to a person not presently a stockholder shall create a rebuttable presumption of a change of control.

E. No such consent shall be required for a transfer:

- 1) In trust, or system assets by mortgage or by other hypothecation, to secure an indebtedness;
- 2) To a parent, subsidiary, or other entity under common control with GRANTEE; or
- 3) To a corporation whose stock is held by the same stockholders as GRANTEE

SECTION 18. COUNTY REGULATIONS

GRANTEE shall at all times during the term hereof be subject to all lawful exercise of the police power of COUNTY and to such reasonable regulations as COUNTY shall thereafter by resolution or ordinance provide which are not in conflict with the provisions of this FRANCHISE.

SECTION 19. CONTENTS OF FRANCHISE AGREEMENT

This FRANCHISE constitutes the entire agreement between the parties, and no other representations or oral agreements of any nature exist between the parties. This FRANCHISE may be amended only by a writing executed by both parties.

SECTION 20. PERFORMANCE EVALUATION

The COUNTY may, at its discretion in every second year of the term of this FRANCHISE hold evaluation sessions upon reasonable notice to the GRANTEE.

All evaluation sessions shall be open to the public.

Topics which may be addressed or special evaluation session may include, but not limited to, system performance, GRANTEE'S compliance with this FRANCHISE, customer service and complaint response, customer privacy, franchise fees, penalties, possible applications of new technologies on the system, judicial and FCC filings, and line extensions.

As a result of an evaluation session, the COUNTY or GRANTEE may propose an amendment to the terms of this FRANCHISE (a "Proposed Modification"). GRANTEE and the COUNTY will, in good faith, review the terms of the Proposed Modification and consider amending this FRANCHISE accordingly, provided that any improvements to the Cable System contained in the Proposed Modification can be instituted through technology which has been demonstrated to be feasible for its intended purpose, in an operationally workable manner, and in a manner which is normally profitable with respect to each such improvement within the remaining term of the FRANCHISE.

SECTION 21. DELAYS AND FAILURES BEYOND CONTROL OF THE GRANTEE OR THE COUNTY.

Notwithstanding any other provisions of this FRANCHISE, the GRANTEE or the COUNTY shall not be liable for delay in performance of, or failure to perform, in whole or in part, its obligations pursuant to this FRANCHISE due to strike, unavailability of materials, or equipment, war or act of war (whether an actual declaration of war is made or not), insurrection, riot, civil disturbance, sabotage or vandalism, customer tampering or interference, act of public enemy, accident, fire, flood, or other events, to the extent that such causes or other events are beyond the control of the GRANTEE or the COUNTY.

Section 22. SEVERABILITY

Should any word, phrase, sentence, or section of this ordinance be held by a court of competent jurisdiction to be illegal, void, unenforceable, or unconstitutional, then such shall be severed from this ordinance and the remainder of the ordinance shall remain in full force and effect.

Section 23. EFFECTIVE DATE

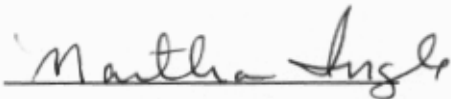
This ordinance shall take effect as provided by law.

Duly enacted, by the Board of County Commissioners of Walton County, Florida, at a regular meeting, on the 11th day of May, 2004.

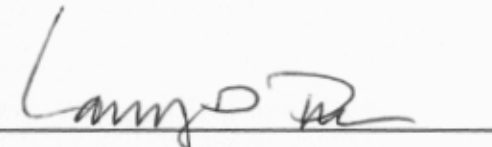
BOARD OF COUNTY COMMISSIONERS

WALTON COUNTY, FLORIDA

Attest:



Martha Ingle, Clerk of Court

By: 

Larry D. Jones, Chair

Bright House Network

as of March 2004

