EFFECTIVE DATE: 11-22-04
EXPIRATION DATE: 11-22-14

ORDINANCE NO. 288

AN ORDINANCE GRANTING A FRANCHISE TO CHARTER COMMUNICATIONS TO BUILD, CONSTRUCT, OPERATE AND MAINTAIN A CABLE TELEVISION SYSTEM IN THE TOWN OF MOUNT CARMEL, TENNESSEE, AND SETTING FORTH CONDITIONS ACCOMPANYING THE GRANTING OF THIS FRANCHISE.

WITNESSETH

WHEREAS, this Board is empowered by the State of Tennessee to grant franchises for the operation of Community Antenna Television Systems (CATV) within the unincorporated areas of Mount Carmel; and

WHEREAS, Grantee wishes to provide Cable Services in Town and has requested a Renewal franchise agreement in order to do same, and

WHEREAS, Town is authorized to grant one or more non-exclusive franchises for the provision of Cable Services service within Town by means of a cable system and,

WHEREAS, Town has audited Grantee's franchise fee payments for the period of time from January 1, 2000, through September 30, 2004, and believes that Grantee may have underpaid its franchise fees in the amount of approximately Twelve Thousand, Four Hundred and Seventy-Six Dollars ($12,476) for this timeframe, , and

WHEREAS, Grantee has not yet fully reviewed the audit findings, and

WHEREAS, Town and Grantee agree that by entering into this Franchise Agreement the Town does not relinquish any of its rights to recover the aforementioned Twelve Thousand, Four Hundred and Seventy-Six Dollars ($12,476), nor grantee its rights in the resolution of the matter and

WHEREAS, Town and Grantee agree to work together to resolve this outstanding issue within Ninety (90) days of the effective date of this Franchise Agreement, and

WHEREAS, Town has reviewed Grantee's request and has considered the terms and conditions of Town's current cable franchise agreement, and

WHEREAS, Town has determined that granting of a franchise on the terms set forth herein is in the public interest and in the interest of Town and its residents and will assist in meeting the cable related needs and interests of the community.

NOW, THEREFORE, in consideration of the mutual covenants and promises herein contained, the parties hereto agree as follows:

This Franchise Agreement is between the Town of Mount Carmel, hereinafter referred to as the "Franchising Authority" and Charter Communications, LLC, hereinafter referred to as the "Grantee."

The Franchising Authority hereby acknowledges that the Grantee has substantially complied with the material terms of the current Franchise under applicable laws, and that the financial, legal and technical ability of the Grantee is sufficient to provide services, facilities and equipment necessary to meet the future cable-related needs of the community, and having afforded the public adequate notice and opportunity for comment, desires to enter into this Franchise with the Grantee for the construction and operation of a cable system on the terms set forth herein.

SECTION 1

Definition of Terms

1.1 Terms. For the purpose of this franchise the following terms, phrases, words and their derivations shall have the meaning ascribed to them in the Cable Communications Policy Act of 1984, as amended from time to time (the "Cable Act"), unless otherwise defined herein. When not inconsistent with the context, words used in the present tense include the future, words in the plural number include the singular number, and words in the singular number include the plural number. The word "shall" is mandatory and "may" is permissive. Words not defined shall be given their common and ordinary meaning.

A. "Basic Cable" shall mean the lowest priced tier of Cable Service that includes the delivery of broadcast signals and any public, educational and governmental access channels.

B. "Board/Council" shall mean the Town of Mount Carmel.

C. "Cable Act" shall mean the Cable Communication Policy Act of 1984, as amended, 47 U.S.C. §§ 521, et. seq.

D. "Cable Services" shall mean (1) the one-way transmission to Subscribers of (a) video programming, or (b) other programming services, and (2) Subscriber interaction, if any, which is required for the selection or use of such video programming or other programming service.

E. "Cable System" shall mean the 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 Service which includes video programming and which is provided to multiple Subscribers within the Service Area.

F. "FCC" shall mean the Federal Communications Commission and any successor governmental entity thereto.

G. "Franchise Authority" shall mean the Town of Mount Carmel.

H. "Franchise" shall mean the non-exclusive rights granted pursuant to this franchise to construct and operate a Cable System along the public ways within all or a specified area in the Service Area.

I. "Grantee" shall mean Charter Communications, LLC d/b/a Charter Communications or its lawful successor, transferee or assignee.

J. "Gross Revenue" shall mean all cash compensation or revenues of any kind or nature received directly or indirectly by the franchisee, its subsidiaries or parent which are cable operators, arising from, attributable to, or in any way derived from the provision of cable services by the franchisee within the Town, as long as all such gross revenues are in accordance with Generally Accepted Accounting Principals, provided, however, that such phrase shall not include: (1) any local, state of federal tax or the FCC User Fee; (2) unrecovered bad debt; and any PEG amounts recovered from Subscribers. Gross Revenues includes, but is not limited to, monthly fees charged to subscribers for basic service; monthly fees charged to subscribers for any optional, premium or per-channel or per-program service; monthly fees charged to subscribers for any tier of service other than basic service; installation, disconnection, re-connection, late fees, franchise fees collected from subscribers and change-in-service fees; leased channel fees; ; converter fees, rentals or sales; advertising revenues; and revenues derived by the Grantee from home shopping channel sales to susbcribers. Gross Revenues shall not include revenues received from the provision of Internet Service over the Cable System unless and until such time as the FCC rules determine that such service shall be designated a Cable Service and included in Gross Revenues for the purpose of calculating franchise fees. Advertising and home shopping revenues shall be allocated on a pro-rata basis based on the proportion of total subscribers on Grantee's cable system represented by subscribers residing within the franchise area, provided they cannot be calculated on a per-franchise basis. Gross Revenues shall be the basis for computing the franchise fee.

On or before April 30th of each year of this Agreement, Grantee shall provide Franchising Authority with a detailed summary of Gross Revenues, by item and type, subject to inclusion in the calculation of franchise fees received during the preceding year, certified by an authorized financial representative. The Franchise Fee shall be payable in accordance with the Franchise Agreement.

K. "Installation" shall mean the connection of the Cable System from feeder cable to Subscribers' terminals.

L. "Person" shall mean an individual, partnership, association, organization, corporation or any lawful successor, transferee or assignee of said individual, partnership, association, organization or corporation.

M. "Public School" shall mean any State accredited school at any educational level operated within the Service Area by any public, private or parochial school system, but limited to, elementary, junior high school, and high school.

N. "Reasonable notice" shall be written notice addressed to the Grantee at its principal office or such other office as the Grantee has designated to the Franchise Authority as the address to which notice should be transmitted to it.

O. "Service Area" shall mean thegeographic boundaries of the Franchise Authority, and shall include any additions thereto by annexation or other legal means, subject to the exception in subsection 6.1 hereto..

P. "State" shall mean the State of Tennessee.

Q. "Street" shall include each of the following which have been dedicated to the public or hereafter dedicated to the public and maintained under public authority or by others and located within the Service Area: streets, roadways, highways, bridges, land paths, boulevards, avenues, lanes, alleys, sidewalks, circles, drives, easements, rights-of-way and similar public ways and extensions and additions thereto, including but not limited to public utility easements, dedicated utility strips, or rights-of-way dedicated for compatible uses now or hereafter held by the Franchising Authority in the Service Area, which shall entitle the Grantee to the use thereof for the purpose of installing, operating, repairing and maintaining the Cable System..

R. "Subscriber" shall mean any person lawfully receiving Cable Service from the Grantee.

SECTION 2
Grant of Franchise

2.1 Grant. The Franchising Authority franchise hereby grants to the Grantee a nonexclusive Franchise which authorizes the Grantee to erect, construct, operate and maintain in, upon, along, across, above, over and under the Streets, now in existence and as may be created or established during its terms; any poles, wires, cable, underground conduits, manholes, and other conductors and fixtures necessary for the maintenance and operation of a Cable System. Nothing in this Franchise shall be construed to prohibit the Grantee from offering any service over its Cable System that is not prohibited by federal, State or local law.

2.2 Term. The Franchise and the rights, privileges and authority hereby granted shall be for an initial term of ten (10) years, commencing on the Effective Date of this Franchise as set forth in subsection 15.8, unless otherwise lawfully terminated in accordance with the terms of this Franchise. Within thirty (30) days after the date of final passage of the Franchise the Grantee shall file with the Franchising Authority its acceptance of the Franchise.

2.3 Additional Franchises.

2.3.1 Additional Cable Franchise Granted in More Favorable Terms. If, following the Effective Date, the Franchise Authority exercises its right to grant to any third party one or more franchises (hereinafter "Additional Cable Franchise"), including any renewal of an already existing cable franchise, for the construction, operation or maintenance of a cable system pursuant to the Cable Act and the Grantee believes the agreement (hereinafter the "Additional Cable Franchise

Agreement") pursuant to which such Additional Cable Franchise is granted bestows benefits and imposes burdens on such third party which on balance, are materially more advantageous to such third party than the benefits bestowed and imposed on the Grantee by this Agreement are to the Company, then, at any time, the Grantee may request that the Franchising Authority make a determination to such effect and, in the event of such a determination, renegotiation of terms and conditions of this Agreement as provided below. The Franchising Authority shall provide advance written public notice of any third party application to obtain an Additional Cable Franchise Agreement.

2.3.2 Procedure. In the event of such a request, The Franchising Authority will consult with the Grantee to determine, under its standard procedures, whether the Additional Cable Franchise Agreement bestows benefits and imposes burdens on the third party, which on balance, are materially more advantageous to the third party than the benefits and burdens imposed by this Agreement are to the Company.

2.3.3 In making a determination under this subsection, the Franchising Authority will consult with the Grantee to consider factors such as, but not limited to: (i) the term of the franchise; (ii) the franchise fee to be paid by each franchisee, including the Company; (iii) the number and density of dwelling units to be served; (iv) differences in construction, operational and maintenance costs; (v) differences in required system characteristics, including state-of-the-art requirements; (vi) differences in service obligations, including PEG Access and institutional service requirements; (vii) differences in permitted Grantee fees and charges; and (viii) such other factors and considerations as it considers to be relevant to an inquiry into the overall economic, technical and operational comparability of the agreements. If the Franchising Authority determines that the Additional Cable Franchise Agreement bestows benefits and imposes burdens on the third party which, on balance, are materially more advantageous to the third party than the benefits bestowed and burdens imposed by this agreement are to the Company, then upon the Company's request, the Franchising Authority and the Grantee shall enter into good faith negotiations to seek to modify this Agreement to bestow benefits and impose burdens which, on balance, create overall economic, technical and operational comparability between this Agreement and the Additional Cable Franchise Agreement.

2.4 Police Powers and Conflicts with Franchise. In accepting this Franchise, the Grantee acknowledges that its rights hereunder are subject to the police power of the Franchising Authority to adopt and enforce the laws and regulations of general applicability necessary to the safety and welfare of the public; and it agrees to comply with all applicable general laws and franchises enacted by the Franchising Authority pursuant to such power. Subject to its lawful police powers, the Franchising Authority may not, by franchise or otherwise, alter any of the Grantee's material rights, benefits, obligations or duties as specified in this Franchise. In the event of a conflict between any franchise and this Franchise, this Franchise shall control, provided, however, that the Grantee agrees that it is subject to the lawful police power of the Franchising Authority.

2.5 Cable System Franchise Required. No Cable System shall be allowed to occupy or use the streets or public rights- of -way of the Service Area or be allowed to operate without a Cable System Franchise.

SECTION 3
Franchise Renewal

3.1 Procedures for Renewal. The Franchising Authority and the Grantee agree that any proceedings undertaken by the Franchising Authority that relates to the renewal of the Grantee's Franchise shall be governed by and comply with the provisions of Section 626 of the Cable Act, or any such successor statute.

3.2 Assessment of Needs. In addition to the procedures set forth in Section 626(a) of the Cable Act, the Franchising Authority agrees to notify the Grantee of all of its assessments regarding the identity of future cable-related community needs and interests, as well as the past performance of the Grantee under the then current Franchise term. The Franchising Authority further agrees that any such assessments shall be provided to the Grantee promptly so that the Grantee has adequate time to submit a proposal under Section 626(b) of the Cable Act and complete renewal of the Franchise prior to expiration of its term.

3.3 Informal Renewal This section left intentionally blank.

SECTION 4
Indemnification and Insurance

4.1 Indemnification. The Grantee shall, by acceptance of the Franchise granted herein, defend the Franchising Authority, its officers, boards, commissions, agents, and employees for all claims for injury to any person or property caused by the negligence of Grantee in the construction or operation of the Cable System and in the event of a determination of liability shall indemnify and hold Franchising Authority, its officers, boards, commissions, agents, and employees harmless from any and all liabilities, claims, demands, or judgments growing out of any injury to any person or property as a result of the violation or failure of Grantee to observe its proper duty or because of the negligence of Grantee arising out of the construction, repair, extension, maintenance, operation or removal of its wires, poles or other equipment of any kind or character used in connection with the operation of the Cable System, provided that the Franchising Authority shall give the Grantee written notice of its obligation to indemnify the Franchising Authority within ten (10) days of receipt of a claim or action pursuant to this section. Notwithstanding the foregoing, the Grantee shall not be obligated to indemnify the Franchising Authority for any damages, liability or claims resulting from the willful misconduct or negligence of the Franchising Authority or for the Franchising Authority's use of the Cable System, including any PEG channels

4.2 Insurance and Bond.

A. The Grantee shall maintain throughout the term of the Franchise insurance in amounts at least as follows:

Workers' Compensation	Statutory Limits

Commercial General Liability	$1,000,000 per occurrence, Combined Single Liability (C.S.L.) $2,000,000 General Aggregate
Auto Liability including coverage on all owned, non-owned hired autos	$1,000,000 per occurrence C.S.L.
Umbrella Liability	$1,000,000 per occurrence C.S.L.

B. The Franchising Authority shall be added as an additional insured to the above Commercial General Liability, Auto Liability and Umbrella Liability insurance coverage.

C. The Grantee shall furnish the Franchising Authority with current certificates of insurance evidencing such coverage.

4.3 Bond. General Requirement for Bond. In the event of an upgrade to the system, Franchisee shall furnish to the Franchising Authority a performance bond, which shall comply with the terms and provisions of the Cable Ordinance and this Agreement, which shall be in the minimum amount of $5,000, while the upgrade is in progress. Upon completion of the upgrade in the franchised area, Franchisee shall furnish to the Franchising Authority a performance bond, which shall comply with the terms and provisions of this Agreement, which shall be in the minimum amount of $5,000. Not withstanding the foregoing, Grantee shall maintain a bond in the amount of $5,000 throughout the term of this agreement.Franchising Authority Franchising Authority.

4.4 Indemnification. The Performance Bond shall indemnify the Franchising Authority, up to the full face amount of the Performance Bond, for (i) any unreimbursed loss or damage to the Streets or any property of the City caused by the Grantee during the construction, installation, operation, upgrade, repair, maintenance or removal of Equipment; or (ii) any other unreimbursed cost, loss or damage actually incurred by the City as a result of the Grantee's failure to perform its material obligations pursuant to this Agreement.

4.5 Other Purposes. The Performance Bond also shall serve as security for:

(a) The faithful performance by the Grantee of material terms, conditions and obligations of this Agreement, including, but not limited to, the insurance requirements set forth in Section 4 or compensation requirements set forth in Section 10;

(b) Any unreimbursed expenditure, damage or loss incurred by the Franchising Authority Franchising Authority occasioned by the Grantee's material failure to comply with all rules, regulations, orders, permits and other lawful directives of the Franchising Authority issued pursuant to this Agreement;

4.6. Not a Limit on Liability. The obligation to perform under, and the liability of the Grantee pursuant to, this Agreement shall not be limited by the acceptance of the Performance Bond required by this Section.

SECTION 5
Service Obligations

5.1 No Discrimination. Grantee shall not deny service, deny access, or otherwise discriminate against Subscribers, channel users, or general citizens on the basis of race, color, religion, national origin, age or sex. Grantee shall comply at all times with all other applicable federal, State and local laws and regulations.

5.2 Privacy. The Grantee shall fully comply with any provisions regarding the privacy rights of Subscribers contained in applicable federal or State law.

5.3 Rates. Grantee shall establish rates that are nondiscriminatory within the same general class of Subscribers. Nothing contained herein shall prohibit the Grantee from offering (i) discounts to commercial and multiple family dwelling Subscribers billed on a bulk basis; (ii) promotional discounts; (iii) reduced installation rates for Subscribers who have multiple services; or (iv) discounted rates in those portions of the Service Area subject to competition.

SECTION 6
Service Availability

6.1 Service Area. The Grantee shall make Cable Service distributed over the Cable System available to every dwelling unit within the Service Area reaching the minimum density of at least twenty-eight (28) dwelling units per mile at its published rates for Installation. The Grantee may elect to provide Cable Service to areas not meeting the above standards.

6.2 Service to New or Previously Unserved Single Family Dwellings. The Grantee shall offer Cable Service to all new homes or previously unserved single dwellings located within 150 feet of Grantee's feeder cable at its published rates for standard Installation subject to provisions of 6.1.

6.3 Service to New Subdivisions. Grantee shall make cable service available to dwelling units within the Town where the dwelling unit is in an area which Grantee has completed construction of its facilities, where the minimum density is twenty-eight (28) dwelling units per cable mile or greater, and provided such dwelling units are located within one hundred fifty (150) feet of Grantee's distribution system. A dwelling unit in a new subdivision shall be considered a dwelling unit if a dwelling unit foundation has been erected and electric or telephone facilities have been installed to provision electric or telephone service to said dwelling unit. Grantee shall extend such service within six (6) months of a request by a resident of the development

6.4 Service to Annexed Areas. Grantee shall offer Cable Service to any area described in any annexation franchise passed after the Effective Date of this Franchise, within one (1) year after the effective date of such annexation franchise, except that Cable Service shall not be required if similar existing Cable Service is in place or if the density of homes is less than that required in Section 6.1. If Grantor annexes any area during the term of this agreement, Grantor shall provide written notice to the Grantee to the addresses provided in Section 15.4 within thirty (30) days of said action.

6.5 Additional Service. Grantee may elect to offer Cable Service to areas not meeting the above standards. The Grantee may impose an additional charge in excess of its regular installation charge for any Cable Service Installation requiring a service drop in excess of the above standards. This additional charge shall be computed on a time plus materials basis to be calculated on that portion of the Installation that is above and beyond 150 feet.

6.6 New Development Underground. In cases of new construction or property development where utilities are to be placed underground, the Franchising Authority agrees to require as a condition of issuing a permit for open trenching to any developer or property owner that such developer or property owner give Grantee at least 30 days prior notice of such construction or development, and of the particular date on which open trenching will be available for Grantee's installation of conduit, pedestals and/or vaults, and laterals to be provided at Grantee's expense. Grantee shall also provide specifications as needed for trenching. Costs of trenching and easements required to bring service to the development shall be borne by the developer or property owner; except that if Grantee fails to install its conduit, pedestals and/or vaults, and laterals within five (5) working days of the date the trenches are available, as designated in the notice given by the developer or property owner, then should the trenches be closed after the five-day period, the cost of new trenching is to be borne by Grantee.

SECTION 7.
Construction and Technical Standards

7.1 Compliance with Codes. All construction practices and installation of equipment shall be done in accordance with all applicable sections of the Occupational Safety and Health Act of 1970 and the National Electric Safety Code.

7.2 Construction Standards and Requirements. All transmission lines, equipment and structures shall be so installed and located as to cause minimum interference with the rights and reasonable convenience of property owners and at all times shall be kept and maintained in a safe, adequate and substantial condition, and in good order and repair. The Grantee shall, at all times, employ ordinary care and shall install and maintain in use commonly accepted methods and devices for preventing failures and accidents which are likely to cause damage, injuries, or nuisances to the public. Suitable barricades, flags, lights, flares or other devices shall be used at such times and places as are reasonably required for the safety of all members of the public. Any

8.2 Underground Construction. The facilities of the Grantee shall be installed underground in those Service Areas where existing telephone and electric services are both underground at the time of system construction. In areas where either telephone or electric utility facilities are installed aerially at the time of system construction, the Grantee may install its facilities aerially with the understanding that at such time as the existing aerial facilities are required to be placed underground by the Franchising Authority, the Grantee shall likewise place its facilities underground.

8.3 Permits. The Franchising Authority shall cooperate with the Grantee in granting any permits required, which shall not be unduly delayed or withheld, providing such grant and subsequent construction by the Grantee shall not unduly interfere with the use of such Streets and that proposed construction shall be done in accordance with the pertinent provisions of the Franchise and franchises of the Franchising Authority.

8.4 System Construction. This section left blank intentionally.

8.5 Restoration of Public Ways. Grantee shall, at its own expense, restore any damage or disturbance caused to the public way as a result of its operation, construction, or maintenance of the Cable System to a condition reasonably comparable to the condition of the Streets immediately prior to such damage or disturbance.

8.6 Removal in Emergency. Whenever, in case of fire or other disaster, it becomes necessary in the judgment of the Franchising Authority to remove any of the Grantee's facilities, no charge shall be made by the Grantee against the Franchising Authority for restoration and repair, unless such acts amount to gross negligence by the Franchising Authority.

8.7 Tree Trimming. Grantee or its designee shall have the authority to trim trees on public property at its own expense as may be necessary to protect its wires and facilities.

8.8 Relocation for the Franchising Authority. The Grantee shall, upon receipt of reasonable advance written notice, to be not less than five (5) business days, protect, support, temporarily disconnect, relocate, or remove any property of Grantee when lawfully required by the Franchising Authority by reason of traffic conditions, public safety, street vacation, freeway or street construction, change or establishment of street grade, installation of sewers, drains, water pipes, power line, signal line, transportation facilities, tracks, or any other types of public structure or improvements which are not used to compete with the Grantee's services. Grantee shall be responsible for any costs associated with these obligations to the same extent all other users of the Franchising Authority rights-of-way are responsible for the costs related to their facilities.

8.9 Relocation for a Third Party. The Grantee shall, on the request of any person holding a lawful permit issued by the Franchising Authority, protect, support, raise, lower, temporarily disconnect, relocate in or remove from the Street as necessary any property of the Grantee, provided that the expense of such is paid by any such person benefiting from the relocation and the Grantee is given reasonable advance written notice to prepare for such changes. The Grantee may require such payment in advance. For purposes of this subsection, "reasonable advance written notice" shall be no less than ten (10) business day in the event of a temporary relocation and no less than one hundred twenty days (120) for a permanent relocation.

8.10 Reimbursement of Costs. If funds are available to any person using the Streets for the purpose of defraying the cost of any of the foregoing, the Franchising Authority shall reimburse the Grantee in the same manner in which other persons affected by the requirement are reimbursed. If the funds are controlled by another governmental entity, the Franchising Authority shall make application for such funds on behalf of the Grantee.

8.11 Emergency Use. If the Grantee provides an Emergency Alert System ("EAS"), then the Franchising Authority shall permit only appropriately trained and authorized Persons to operate the EAS equipment and shall take reasonable precautions to prevent any use of the Grantee's Cable System in any manner that results in inappropriate use thereof, or any loss or damage to the Cable System.

8.12 Use of Grantee Facilities. The Franchising Authority shall have the right, during the life of this Franchise, to install and maintain free of charge upon the poles owned by the Grantee and conduit owned by the Grantee any wire and pole fixtures that do not unreasonably interfere with the current or future system operations of the Grantee. This right shall not apply to any facilities used by the Franchising Authority or other public or quasi-public body or entity funded in whole or part, directly or indirectly, by any government funds or entity to compete with Grantee.

SECTION 9
Service and Rates

9.1 Phone. The Grantee shall have a toll-free listed telephone and be so operated that complaints and requests for repairs or adjustments may be received at any time.

9.2 Notification of Service Procedures. The Grantee shall furnish each Subscriber at the time service is installed, written instructions that clearly set forth information concerning the procedures for making inquiries or complaints, including the Grantee's name, address and local telephone number. Grantee shall give the Franchising Authority thirty (30) days prior notice of any rate increases, channel lineup or other substantive service changes.

9.3 Rate Regulation. To the extent that Federal regulation may now, or as the same may hereafter be amended to, authorize the Franchising Authority to regulate the rates for any particular service tiers, service packages, equipment, or any other services provided by Grantee, the Franchising Authority shall have the right to exercise rate regulation to the full extent authorized by law, or to refrain from exercising such regulation for any period of time, at the sole discretion of the Franchising Authority. If and when exercising rate regulation, the Franchising Authority shall abide by the terms and conditions set forth by the FCC.

9.4 Continuity of Service. It shall be the right of all Subscribers to continue receiving Cable Service insofar as their financial and other obligations to the Grantee are honored. In the event that the Grantee elects to overbuild, rebuild, modify, or sell the Cable System, or the Franchising Authority gives notice of intent to terminate or fails to renew this Franchise, the Grantee shall act so as to ensure that all Subscribers receive continuous, uninterrupted service unless circumstances are beyond the control of the Grantee, unforeseen circumstances, or acts of God. In the event of a change of Grantee, or in the event a new operator acquires the Cable System, the Grantee shall cooperate with the Franchising Authority, new Grantee or operator in maintaining continuity of service to all Subscribers. During such period, Grantee shall be entitled to the revenues for any period during which it operates the Cable System.

9.5 Customer Service Standards. Grantee shall be bound by the Customer Service Standards in Exhibit A.

SECTION 10
Franchise Fee

10.1 Amount of Fee. Grantee shall pay to the Franchising Authority an annual franchise fee in an amount equal to percent (5%) of the annual Gross Revenue. Such payment shall be in addition to any other taxes or permit fees of general applicability owed to the Franchising Authority by the Grantee that are not included as franchise fee under federal law.

10.2 Payment of Fee. The fee due the Franchising Authority shall be made on a quarterly basis, within 45 days of the close of each calendar quarter. The payment period shall commence as of the Effective Date of the Franchise. Each payment shall be accompanied by a written report to Franchising Authority, verified by an financial representative containing a detailed breakdown of the various components of the total revenue reported, including the number of customers served by basic cable service.

10.3 Accord and Satisfaction. No acceptance of any payment by the Franchising Authority shall be construed as a release or as an accord and satisfaction of any claim the Franchising Authority may have for further or additional sums payable as a franchise fee under this Franchise or for the performance of any other obligation of the Grantee.

10.4 Limitation on Recovery. In the event that any Franchise payment or recomputed payment is not made on or before the dates specified herein, Grantee shall pay an interest charge, computed from such due date, at the annual rate of one percent over the prime interest rate. The period of limitation for recovery of any franchise fee payable hereunder shall be five (5) years Any additional amount due Franchising Authority shall be paid within sixty (60)days of Franchising Authority's submitting an invoice for such sum providing Grantee does not contest same , and if such sum shall exceed four percent (4%) of the total Franchise Fee which the audit determines should have been paid for any previous calendar years, Grantee shall pay Franchising Authority's cost of auditing those calendar years as well.Any amounts overpaid by the Grantee shall be deducted from future franchise fee payments.

SECTION 11
Transfer of Franchise

11.1 Franchise Transfer. The Franchise granted hereunder shall not be sold, transferred, leased or assigned, including but not limited to, by forced or voluntary sale, receivership, or other means without the prior consent of the Franchising Authority, such consent not to be unreasonably withheld or delayed. No such consent shall be required, however, for a transfer in trust, by mortgage, by other hypothecation, or by assignment of any rights, title, or interest of the Grantee in the Franchise or Cable System to secure indebtedness. Within thirty (30) days of receiving a request for transfer, the Franchising Authority shall notify the Grantee in writing of any additional information it reasonably requires to determine the legal, financial and technical qualifications of the transferee. If the Franchising Authority has not taken action on the Grantee's request for transfer within one hundred twenty (120) days after receiving such request, consent by the Franchising Authority shall be deemed given.

11.2 Transfer Without Consent Deemed Violation. By its acceptance of this Franchise, the Grantee specifically grants and agrees that any such sale, assignment or transfer of the Franchise occurring without prior approval of the Franchising Authority shall constitute a violation of this Franchise by the Grantee.

11.3 Transfer to Affiliates. The foregoing requirements shall not apply to any sale, assignment or transfer to any Person that is owned or controlled by the Grantee, or any Person that owns or controls the Grantee. Grantee shall notify the Franchising Authority thirty (30) days prior to any such sale, assignment or transfer.

SECTION 12
Records, Reports and Maps

12.1 Reports Required. The Grantee's schedule of charges, contract or application forms for regular Subscriber service, policy regarding the processing of Subscriber complaints, delinquent Subscriber disconnect and reconnect procedures and any other terms and conditions adopted as the Grantee's policy in connection with its Subscribers shall be filed with the Franchising Authority upon request.

12.2 Records Required. The Grantee shall at all times maintain and make available to the Franchising Authority within thirty (30) days of a written request, provided however that Franchising Authority may not request documents referenced in Section 12.2 more often than once a year:

A. A record of all written complaints received regarding interruptions or degradation of Cable Service shall be maintained for two (2) years.

B. A full and complete set of plans, records and strand maps showing the location of the Cable System. Not withstanding the provisions of this section, if Grantee has no facility extensions from one year to the next this requirement shall be waived otherwise, it shall be submitted annually to the Franchising Authority.

C. Grantee shall make available to a duly authorizied representative of the Franchising Authority, upon written request, its books and records to examine, audit, review and/or obtain copies of the papers, books, accounts, documents, maps, plans and other records of Grantee pertaining to compliance with its franchise. Grantee shall provide electronic copies of its books and records if available, and paper copies if electronic copies are not available. Grantee shall fully cooperate in making available its records and otherwise assisting in these activities.

Grantee may require the Franchising Authority, or any of its employees, agents or representatives who will have access to such information to sign a confidentiality agreement prior to the release of any of this information.

12.3 Inspection of Records. Grantee shall permit any duly authorized representative of the Franchising Authority, upon receipt of advance written notice to examine during normal business hours and on a nondisruptive basis any and all records as is reasonably necessary to ensure Grantee's compliance with the Franchise. Such notice shall specifically reference the subsection of the Franchise that is under review so that the Grantee may organize the necessary books and records for easy access by the Franchising Authority. The Grantee shall not be required to maintain any books and records for Franchise compliance purposes longer than three (3) years, except for service complaints, which shall be kept for two (2) years as specified in Section 12.2.A and Exhibit A.14, and franchise fee revenue detail, which shall be kept as specified above in Section 10.4. The Grantee shall not be required to provide Subscriber information in violation of Section 631 of the Cable Act. The Franchising Authority agrees to treat as confidential any books; records or maps that constitute proprietary or confidential information to the extent Grantee make the Franchising Authority aware of such confidentiality. If the Franchising Authority believes it must release any such confidential books or records in the course of enforcing this Franchise, or for any other reason, it shall advise Grantee in advance so that Grantee may take appropriate steps to protect its interests. Until otherwise ordered by a court or agency of competent jurisdiction, the Franchising Authority agrees that, to the extent permitted by state and federal law, it shall deny access to any of Grantee's books and records marked confidential, as set forth above, to any Person.

SECTION 13
Community Programming

13.1 Service to Schools and Buildings. The Grantee shall maintain, without charge, one outlet to each State accredited Public School, located in the Service Area served by the Cable System and will provide free Basic and Expanded Basic Cable Service, for so long as the Cable System remains in operation in the Service Area. Any such school may install, at its expense, such additional outlets for classroom purposes as it desires, provided that such installation shall not interfere with the operation of Grantee's Cable System, and that the quality and manner of installation of such additional connections shall have been approved by the Grantee and shall comply with all local, State and federal laws and regulations. In addition, the Grantee shall furnish to the Franchising Authority, without installation or monthly charges, one outlet to each Police and Fire Station, and to any administration building of the Franchising Authority, hereinafter referred to Public Buildings. All such Public School buildings and Public Buildings currently in existence as of the Effective Date of this Agreement shall be listed in Exhibit B if this Agreement. In recognition of the contribution that the Grantee is providing to the Grantor with such free services, Grantee shall be entitled to place a sign in the public facilities that identifies Charter's contribution and to mention such contribution in any marketing or publicity materials that Charter provides to its customers.

13.2 Limitations on Use. The Cable Service provided pursuant to this Section shall not be used for commercial purposes and such outlets shall not be located in areas open to the public. The Franchising Authority shall take reasonable precautions to prevent any use of the Grantee's Cable System that results in the inappropriate use thereof or any loss or damage to the Cable System. The Franchising Authority shall hold the Grantee harmless from any and all liability or claims arising out of the provision and use of Cable Service required by subsection 13.1 above. The Grantee shall not be required to provide an outlet to any such building where a standard drop of more than 150 feet or additional electronics are required, unless the Franchising Authority or building owner/occupant agrees to pay the incremental cost of any necessary extension or installation.

13.3 Access to the System. Franchising Authority reserves it right to require Grantee to provide one channel on the Cable System for use by the Franchising Authority for non-commercial, video programming for education and government access programming. Franchising Authority shall give Grantee six months (6) advance written notice of its intent to activate the aforementioned channel.

13.4 If Franchising Authority activates the channel referenced in Section 13.4, Grantee shall maintain a return path and all equipment necessary for the Franchising Authority to transmit the EG Channel from the Town Administration building. Said equipment is limited to transmit and receive equipment and does not include cameras, editing, playback equipment or any other equipment the Franchising Authority may need in order to create programming on the Franchising Authority's EG channels.

13.5. EG Funding. Left Blank intentionally.

SECTION 14
Enforcement and Revocation

14.1 Notice of Violation. If the Franchising Authority believes that the Grantee has not complied with the terms of the Franchise, the Franchising Authority shall first informally discuss the matter with Grantee. If these discussions do not lead to resolution of the problem, the Franchising Authority shall notify the Grantee in writing of the exact nature of the alleged noncompliance.

14.2 Grantee's Right to Cure or Respond. The Grantee shall have thirty (30) days from receipt of the notice described in subsection 14.1 to (i) respond to the Franchising Authority, contesting the assertion of noncompliance, or (ii) to cure such default, or (iii) if, by the nature of default, such default cannot be cured within the thirty (30) day period, initiate reasonable steps to remedy such default and notify the Franchising Authority of the steps being taken and the projected date that they will be completed.

14.3 Public Hearing. If the Grantee fails to respond to the notice received from the Franchising Authority pursuant to the procedures set forth in subsection 14.2, or if the default is not remedied within the cure period set forth above, the Board shall schedule a public hearing if it intends to continue its investigation into the default. The Franchising Authority shall provide the Grantee at least twenty (20) days prior written notice of such hearing, which specifies the time, place and purpose of such hearing, notice of which shall be published by the Clerk of the Franchising Authority in a newspaper of general circulation within the Franchising Authority in accordance with subsection 15.5 hereof.

14.4 Enforcement. Subject to applicable federal and state law, in the event the Franchising Authority, after the hearing set forth in subsection 14.3 above, determines that the Grantee is in default of any provision of the Franchise, the Franchising Authority may:

A. Seek specific performance of any provision, which reasonably lends itself to such remedy, as an alternative to damages; or

B. Commence an action at law for monetary damages or seek other equitable relief; or

C. In the case of a substantial default of a material provision of the Franchise, seek to revoke the Franchise itself in accordance with subsection 14.5 below.

14.5 Revocation.

A. Prior to revocation or termination of the Franchise, the Franchising Authority shall give written notice to the Grantee of its intent to revoke the Franchise on the basis of a pattern of noncompliance by the Grantee, including one or more instances of substantial noncompliance with a material provision of the Franchise. The notice shall set forth the exact nature of the noncompliance. The Grantee shall have sixty (60) days from such notice to object in writing and to state its reasons for such objection and provide any explanation. If the Franchising Authority has not received a satisfactory response from Grantee, it may then seek to revoke the Franchise at a public hearing. The Grantee shall be given at least ten (10) days prior written notice of such public hearing, specifying the time and place of such hearing and stating its intent to revoke the Franchise.

B. At the hearing, the Board shall give the Grantee an opportunity to state its position on the matter, present evidence and question witnesses, after which it shall determine whether or not the Franchise shall be revoked. The public hearing shall be on the record and a written transcript shall be made available to the Grantee within ten (10) business days. The decision of the Board shall be made in writing and shall be delivered to the Grantee. The Grantee may appeal such determination to an appropriate court.

C. The Board shall hear any persons interested therein, and shall reasonably determine whether or not any default, failure, refusal or neglect by the Grantee was with just cause.

14.6 Conditions of Sale After Revocation or Termination.

A. At the termination or revocation of the Franchise, as provided herein, Grantee shall, upon notice by the Franchising Authority, cease all operations and upon request by Franchising Authority remove at its own expense the Cable System from all Streets within the Service Area. Notwithstanding the foregoing, the Grantee may abandon any property in place in the public rights-of-way or public property upon written notice to the Franchising Authority. In the event that Grantee, upon written notice to Franchising Authority, abandons any property in place in the public right-of-way or public property, then Franchising Authority shall have the option of 1) within ninety (90) days of the receipt of such notice and if the Franchising Authority determines that the safety, appearance, or use of the public rights-of-way would be adversely affected, the property must be removed by the Grantee by a date reasonably specified by the Franchising

Authority in light of the amount of work to be performed: or 2) Franchising Authority may assign ownership of any property in place in the public right-of-way or public property to any third party, including itself.

SECTION 15
Miscellaneous Provisions

15.1 Compliance with State and Federal Laws. This franchise shall be governed by and construed in accordance with Federal law, the laws of the State of Tennessee and the Town of Mount Carmel, Tennessee. Grantee further acknowledges by acceptance of this Franchise Agreement that it has carefully read the terms and conditions of this Franchise Agreement and any applicable cable ordinance of Town, as it exists upon the execution date of this franchise agreement, and accepts the obligations imposed thereby regardless of whether such obligations are contained in the Franchise Agreement or such cable ordinance, or both. As of the Effective Date, and without waiving any rights Grantee may have to challenge the lawfulness or enforceability of this Franchise Agreement or ordinances in the future, Grantee does not contend that any provisions of the Franchise Agreement is unlawful or unenforceable, nor is it aware of any ordinance which it contends is unlawful or unenforceable. Notwithstanding any other provisions of this Franchise to the contrary, the Grantee shall at all times comply with all laws and regulations of the State and federal government or any administrative agencies thereof which relate to the conduct of Grantee's business.

15.2 Force Majeure. The Grantee shall not be held in default under, or in noncompliance with the provisions of the Franchise, nor suffer any enforcement or penalty relating to noncompliance or default, where such noncompliance or alleged defaults occurred or were caused by circumstances reasonably beyond the ability of the Grantee to anticipate and control. This provision includes work delays caused by waiting for utility providers to service or monitor their utility poles to which Grantee's Cable System is attached, as well as unavailability of materials. Furthermore, the parties hereby agree that it is not the Franchising Authority's intention to subject the Grantee to penalties, fine, forfeitures or revocation of the Franchise for violations of the Franchise where the violation was a good faith error that resulted in no or minimal negative impact on the Subscribers within the Franchise territory, or where strict performance would result in practical difficulties and hardship to the Grantee which outweighs the benefit to be derived by the Franchising Authority and/or Subscribers.

15.3 Action of Parties. In any action by the Franchising Authority or the Grantee that is mandated or permitted under the terms hereof, such party shall act in a reasonable, expeditious and timely manner. Furthermore, in any instance where approval or consent is required under the terms hereof, such approval or consent shall not be unreasonably withheld.

15.4 Notices. Notices. Except as otherwise specified herein, all notices, consents, approvals, requests and other communications (herein collectively "Notices") required or permitted under this Franchise Agreement shall be given in writing and mailed by registered or certified first-class mail, return receipt requested addressed as follows:

If to Town:
Town of Mount Carmel, Tennessee
P.O. Box 1421
Mount Carmel, TN 37645

If to Grantee:
Corporate Vice President of Government Affairs and Franchise Relations
Charter Communications
12405 Powerscourt Drive
St. Louis, MO 63131

With a copy to:
Vice President & General Manager
Charter Communications
1774 Henry G. Lane Street
Maryville, TN 37801

All notices shall be deemed given on the day of mailing. Either party to this Franchise Agreement may change its address for the receipt of Notices at any time by giving notice thereof to the other as provided in this Section. Any notice given by any party hereunder must be signed by an authorized representative of such party.

15.5 Public Notice. Minimum public notice of any public meeting relating to this Franchise shall be by publication at least once in a newspaper of general circulation in the area at least ten (10) days prior to the meeting, posting at the administrative buildings of the Franchising Authority and by announcement on at least one (1) channel of the Grantee's Cable System for five (5) consecutive days prior to the meeting.

15.6 Severability. If any section, subsection, sentence, clause, phrase, or portion of this Franchise is, for any reason, held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity of the remaining portions of this Franchise.

15.7 Entire Agreement. This Franchise sets forth the entire agreement between the parties respecting the subject matter hereof. All agreements, covenants, representations and warranties, express and implied, oral and written, of the parties with regard to the subject matter hereof are contained herein. No other agreements, covenants, representations or warranties, express or implied, oral or written, have been made by any party to another with respect to the matter of this Franchise. All prior and contemporaneous conversations, negotiations, possible and alleged agreements, representations, covenants and warranties with respect to the subject matter hereof are waived, merged herein and therein and superseded hereby and thereby.

15.8 Effective Date. The effective date of this Franchise is November 23, 2004 pursuant to the provisions of applicable law. This Franchise shall expire on November 22, 2014 unless extended by the mutual agreement of the parties.

Considered and approved this 28th day of December 2004.

TOWN OF MOUNT CARMEL

GARY W. LAWSON, Mayor

ATTEST:

NANCY CARTER, Recorder

APPROVED AS TO FORM:

JOSEPH E. MAY, Town Attorney

Accepted this 15th day of February, 20005, subject to applicable federal, state and local law.

CHARTER COMMUNICATIONS, LLC

Signature: ______________________

Name and title: Josh Jamison
Sr. VP Northeast Division

Reviewed by:
Charter Communications Corporate
Government Affairs/Franchise Relations
Jiava Philpott

Exhibit A. Customer Service Standards

A.1 Customer Service Standards. Grantee shall at all times comply with the more stringent of the provisions of the customer service and consumer protection provisions of the Cable Ordinance, this Franchise Agreement, and those from time to time adopted by the FCC or as provided for under federal law. This requirement is in addition to the specific provisions of subsequent sections of Exhibit A.

A.2 Undergrounding. For new installations, excluding locations where all utilities are underground, if a subscriber requests underground Cable Service, Grantee may in addition to the installation charge, which would otherwise apply, charge the subscriber the differential between the cost of aerial and underground installation of the Drop to the subscriber. This provision shall not apply where undergrounding is required by ordinance or policy for all utilities.

A.3 Lockout Device. Grantee without additional charge beyond that for a set top converter shall make available for pick up, by all subscribers, a device by which the subscribers can prohibit the viewing of a particular cable service during periods selected by the subscriber.

A.4 Blocking. Upon request by a subscriber, and within a reasonable period of time, and in no event longer than thirty (30) days, Grantee shall entirely block such subscriber from receiving both the audio portion of any channel with predominately adult oriented programming such as by (a) scrambling both the audio and visual portions of the signal, or (b) (if scrambling is insufficient to totally prevent reception or as requested by a subscriber) with devices such as a notch filter which prevent the frequencies containing a specific channel or channels from being transmitted into the subscriber's premises.

A.5 Notification.

A.5.1 Grantee shall provide written information on at least each of the following areas at the time of installation of service, at least annually to all subscribers, as required by the FCC.

A.5.2 Products and services offered.

A.5.3 Prices (rates) and options for Cable Services and conditions of subscription to Cable Service. Prices shall include those for programming, equipment rental, program guides, installation, disconnection, late fees and optional services, fees, and charges charged by Grantee.

A.5.4 Installation and service maintenance policies.

A.5.5 Instructions on how to use Cable Services, including procedures and options for pay per view and premium channels.

A.5.6 Channel positions of programming carried on the Cable System.

A.5.7 Billing and complaint procedures, including the address and phone number of the person or position at Franchising Authority responsible for cable matters.

A.5.8 The Grantee's address and phone number for the subscriber to initially contact Grantee with complaints and questions.

A.5.9 Applicable privacy requirements as set forth in this Franchise Agreement, the Cable Ordinance, or otherwise provided for by the law.

A.6 Notice of Changes: Subscribers and Franchising Authority shall be notified of any increases in rates, or changes in Cable Services or channel positions as soon as possible through announcements on the Cable System or in writing. Notice must be given to subscribers and the Franchising Authority a minimum of thirty (30) days in advance of such changes if the change is within the control of Grantee and as soon as possible if not within the control of Grantee. In addition, Grantee shall notify subscribers and Franchising Authority thirty (30) days in advance of any significant changes in the other information required by the preceding Section.

A.7 Program Guide: Upon request, Grantee shall provide subscribers with a periodic (e.g. – monthly) written or electronic program guide listing the specific programs available, their times and (when applicable) ratings. Grantee may charge a fee for this service.

A.8 Converters: Grantee shall make available for rental by subscribers the converter equipment necessary for subscribers (such as those with "non-cable ready" television sets) to receive the services offered by Grantee.

A.9 Telephone Service Standards.

A.9.1 Grantee shall have a local or toll-free number available for use by subscribers toll-free twenty-four (24) hours per day, seven (7) day per week.

A.9.2 Grantee's numbers shall be listed, in the directory published by the local telephone company or companies.

A.9.3 Grantee shall have trained Company representatives available to respond to Subscriber telephone inquiries during Normal Business Hours.

After Normal Business Hours, the telephone access line may be answered by a service or an automated response system, including an answering machine. Calls received after Normal Business Hours must be responded to by a representative on the next business day.

A.9.4 Under Normal Operating Conditions, telephone answer time by a customer representative, including wait time, shall not exceed thirty (30) seconds from when the connection is made. If the call needs to be transferred, transfer time shall not exceed thirty (30) seconds. These standards shall be met no less than ninety percent (90%) of the time under Normal Operating Conditions, measured on a quarterly basis.

A.9.5 Under Normal Operating Conditions, the subscriber shall receive a busy signal less than three percent (3%) of the time, measured on a quarterly basis.

A.9.6 Under Normal Operating Conditions, no more than three percent (3%) of subscriber's calls measured on a quarterly basis shall be abandoned.

A.10 Office/Home Delivery-Pick Up.

A.10.1 Grantee shall maintain a "virtual office" consisting of a toll-free telephone number which all subscribers in Town can access twenty-four (24) hours per day, seven (7) days per week to register complaints or ask questions concerning Cable Service, billing matters or the Cable System.

A.10.2 Box Return Policy. In the event that Grantee is unable to schedule a home service call at a mutually agreeable time with a customer for the purposes of returning Grantee owned equipment, which is required to be returned, and a local office is not within a 30 mile radius of the center of the franchise area, then Grantee shall either; 1) make arrangements to meet the customer at their place of business or 2) provide the customer with a self addressed, prepaid courier box, insured at the appropriate level, which the customer can use to return Grantee owned equipment.

A.11 Installations/Service Calls. The following shall apply to subscribers (current or new) requesting installations or service.

A.12 Installation Standards. Under Normal Operating Conditions, installations located up to one hundred fifty (150) aerial feet from the existing distribution Cable System shall be performed within seven (7) business days after an order has been placed no less than ninety-five percent (95%) of the time, measured on a quarterly basis. The preceding requirement shall not apply to commercial subscribers, installations requiring an underground drop, multiple dwellings served by a single drop, or inside "wall fish" installations.

A.12.1 Service calls and installation appointments shall be consistent with applicable FCC rules and regulations or as provided for under federal law.A.12.2 Grantee shall not cancel an appointment with a subscriber after 5:00 PM on the business day prior to the scheduled appointment.

A.12.3 If Grantee's technician is running late for an appointment with a subscriber and will not be able to keep the appointment as scheduled, the subscriber shall promptly be contacted. The appointment shall be rescheduled, as necessary, at a time which is convenient for the subscriber.

A.12.4 In the event access to the subscriber's premises is not made available to Grantee's technician when the technician arrives during the established appointment window, the technician shall leave written notification stating the time of arrival and requesting that Grantee be contacted again to establish a new appointment window.

A.12.5 Notwithstanding the foregoing, if Grantee's technician or service representative telephones the subscriber during or prior to the appointment window and is advised that the technician will not be given access to the subscriber's premises during the appointment window, then the technician shall not be obliged to travel to the subscriber's premises or to leave the written notification referred to above, and the burden shall again be upon the subscriber (or adult representatives of the subscriber) to contact Grantee to arrange for a new appointment.

A.12.6 Except as otherwise provided above, Grantee shall be deemed to have responded to a service or installation request under the provisions of this section when a technician begins work on the request or is advised by telephone no access will be given.

A.12.7 Under Normal Operating Conditions, Grantee shall meet the standards of Section A.9.4 through A.9.A no less than ninety-five percent (95%) of the time, measured quarterly.

A.13 Service Interruptions.

A..13.1Under Normal Operating Conditions, Grantee shall meet the standard of Section A.11 and A.12.1 no less than ninety-five percent (95%) of the time measured on a quarterly basis.

A.13.2 Excluding conditions beyond Grantee's control, Grantee shall begin working on a Service Interruption promptly and in no event later than twenty-four (24) hours after the interruption becomes known to Grantee.

A.13.3 "Service Interruption" means the loss of picture and sound on tenor more cable channels, affecting one or more subscribers.

A.13.4 Excluding conditions beyond Grantee's control, Grantee shall begin working on subscriber complaints involving impairment or degradation of signal quality (other than a Service Interruption) promptly and in no event later than forty-eight (48) hours after the problem becomes known to Grantee.

A.13.5 Grantee shall be deemed to have begun work under the provisions of this section when a technician begins work on the problem in question.

A.14 Log of Complaints. Grantee shall maintain a record for two (2) years of all written complaints, or an equivalent stored in computer memory and capable of access and reproduction in printed form, of all cable-related subscriber complaints requiring a service call or further corrective action by Grantee. Such log shall at a minimum list the date and time of each such complaint, and describing the nature of the complaints and when and what actions were taken by Grantee in response thereto. The log shall be kept at Grantee's office in or near Franchising Authority for a period of at least two (2) years and shall be available for inspection during regular business hours by Franchising Authority upon request.

A.15 Payment Options.

A.15.1 Grantee shall provide all individual, residential subscribers with the option of paying for Cable Service by (1) cash, (2) check, or at Grantee's option (3) an automatic payment plan, where the amount of the bill is automatically deducted from a checking account designated by the subscriber.

A.16 Bills. Grantee shall comply with the following on Cable Service billing:

A.16.1 Bills shall be issued monthly to each subscriber with a balance due or charge of service.

A.16.2 Bills shall be clear, concise and understandable. Bills shall be fully itemized, with itemizations including, but not limited to, basic and premium service charges and equipment charges. Bills shall also clearly delineate all activity during the billing period, including optional charges, rebates, credits and late charges specifically indicating the due date by which a customer must pay their bill in order to avoid a late payment.

A.16.3 In the case of a billing dispute, Grantee shall respond to any complaint from a subscriber within fifteen (15) days.

A.17 Refunds and Credits: Refund checks or credits for Cable Service shall be issued promptly, but no later than either:

A.17.1 The subscriber's next billing cycle or the subsequent billing cycle following resolution of the request or thirty (30) days, whichever is earlier, or

A.17.2 Credits for Cable Service or the return of equipment shall be issued no later than the subscriber's next billing cycle or the subsequent billing cycle following a determination that a credit is warranted.

A.18 Fire, Etc.-Free Replacement. If a subscriber's converter box or other cable-related Grantee owned customer premises equipment is destroyed by fire, flood, tornado, building collapse or otherwise such that the premises are not habitable, Grantee shall refund any deposit for such equipment and shall not charge the subscriber for replacement equipment but may seek reimbursement from applicable insurance policiesNotwithstanding the above, the Grantee may charge a subscriber to the extent of any insurance payment(s) to the subscriber covering the cost of the damaged or destroyed Grantee equipment does not fully cover Grantee's replacement cost of such equipment.

A.19 Late Payments for Cable Service.

A.19.1 No late payment charges, however denominated, shall be added to a subscriber's bill less than twenty-one (21) calendar days after the mailing of the bill to the subscriber.

A.19.2 No late payment charges, however denominated, shall be added to a subscriber's bill by reason of delay in payment other than those described in this Section A. All such charges shall be separately stated on the subscriber's bill and include the word "late" in the description of them.

A.19.3 Late payment charges imposed by Grantee upon subscribers shall be fair and shall be reasonably related to Grantee's cost of administering delinquent accounts.

A.20 Disconnection.

A.20.1 Grantee shall only disconnect a subscriber for failure to pay if at least thirty five (35) days have elapsed after the due date for payment of the subscriber's bill and Grantee has provided at least ten (10) days notice separate from the monthly bill to the subscriber prior to disconnection, specifying the effective date after which Cable Services are subject to disconnection.

A.20.2 Grantee shall not disconnect a subscriber for failure to pay amounts that are legitimately in dispute during a billing dispute.

A.20.3 Grantee may disconnect a subscriber at any time if Grantee in good faith believes the subscriber has tampered with or abused Grantee's equipment, that there is a signal leakage problem (or other non-compliance with FCC rules or other standards which poses a risk to lives or property) on the subscriber's premises, or that the subscriber is or may be engaged in theft of Cable Services.

A.20.4 Grantee shall promptly disconnect within seven (7) business days any subscriber who so requests disconnection. No charge shall be imposed upon the subscriber for or related to disconnection of for any Cable Service delivered after the effective date of the disconnect request (unless there is a delay in returning Grantee equipment). If the subscriber fails to specify an effective date for disconnection, the effective date of disconnect shall be deemed to be the 7th business day following the date the disconnect request is received by Grantee.

A.21 Privacy and Monitoring. Grantee shall not tap or monitor, or arrange for the tapping or monitoring, or permit any other person to tap or monitor, any cable, line, signal, input device, or subscriber facility for any purpose, without the written authorization of the affected subscriber except to the extent allowed by applicable law or pursuant to a valid court order. Such authorization shall be revocable at any time, if allowed by law by the subscriber without penalty by delivering a written notice of revocation to Grantee; provided, however, that Grantee may conduct Cable System-wide or individually addressed "sweeps" solely for the purpose of verifying Cable System integrity, checking for illegal taps or billing.

A.22 Subscriber Information. Grantee shall not record or retain any information not allowed by 47 USC 551. Grantee shall destroy all subscriber information of a personally identifiable nature after a reasonable period of time, consistent with all applicable laws, except as authorized not to do so by the affected subscriber. Grantee shall not sell or otherwise provide to other persons, without the specific written authorization of the subscriber involved, or otherwise make available to any person or entity, lists of some or all of the names or addresses of subscribers except as allowed by applicable law.

A.23 Complaints Referred by Franchising Authority. If Franchising Authority refers a Cable Service complaint from a subscriber to Grantee for resolution, then in five (5) business days of Grantee's receipt of such referral it shall investigate (including attempting to contact the subscriber). Upon resolution of the complaint, Grantee shall respond to Franchising Authority as to its resolution of same.

A.24 Reports. Upon request, Grantee shall provide reports to Franchising Authority, no more than annually as follows:

A.24.1 The reports shall be in form and substance acceptable to Franchising Authority, showing on a consistent basis, fairly applied the matters set forth below so as to measure Grantee's compliance with the customer service and technical standards of the referenced sections and such other matters, as Franchising Authority shall from time to time specify. Reports conforming to the reporting requirements of Federal or State agencies shall be deemed acceptable to the Grantor. Such reports shall show Grantee's performance excluding periods of abnormal operating conditions, and if Grantee contends any such conditions occurred during the period in question, it shall also describe the nature and extent of conditions and show Grantee's performance both including and excluding the time periods Grantee contends such conditions were in effect.

A.24.2 The reports shall show the number of phone calls originating from within Town. The reports may be for a larger area than Town if Grantee can demonstrate the they are, in fact, representative of the phone service provided to subscribers within Town, such as where Grantee's call center receives call from numerous areas with no ability to distinguish between calls from one area or Town over another. The reports shall measure and report on Grantee's compliance with all of Section A and its subparts, where quarterly or annual compliance monitoring is a requirement.

A.25 FCC Technical Standards. Grantee shall operate the Cable System in accordance with the applicable technical specifications, rules and standards set forth in Part 76, Subpart K and Part 78 of the Federal Communications Commission's rules, as such rules may be amended from time to time. The following shall apply to Grantee's implementation of and compliance with the rules and regulations relating to cable television technical standards for signal quality, currently set forth 47 CFR § 76.601 and following, and subsequent amendments thereto:

A.25.1 Grantee will, upon request, provide Franchising Authority with a report of testing for compliance with such standards annually or upon request (but no more than twice a year). Such report shall state, in pertinent part, that the person doing the testing has been provided a copy of and reviewed the rules and regulations of the FCC, the FCC order(s) adopting such rules and regulations, and that such testing when done fairly, in full compliance with the FCC rules and regulations show full compliance with such rules and regulations; or in the alternative setting forth in detail all areas on non-compliance, the actual or likely scope and causes of such non-compliance, and Grantee's professional recommendation of the best corrective measures to immediately correct the non-compliance.

A.25.2 Grantee shall establish the following procedure for resolving complaints from subscribers about the quality of the television signal delivered to them: All complaints shall go initially to Grantee. All matters not resolved by Grantee shall at Grantee's or the subscriber's option be referred to Franchising Authority for it to resolve.

A.26 Damages. Grantee acknowledges that noncompliance with the customer service standards identified above will harm subscribers and Franchising Authority and the amounts of actual damages will be difficult or impossible to ascertain. Upon exhaustion of provisions Section 14 of this Franchise Agreement, the Franchising Authority may therefore assess the following liquidated damages against Grantee for noncompliance with customer service standards set forth in Section A and all of its subparts. (All of which Grantee has agreed to meet individually on average on a quarterly basis).

A.26.1 Failure to correct by Grantee within 30 days of written notice by Franchising Authority, first noncompliance of any standard Two Hundred Fifty dollars ($250).

A.26.2 Failure to correct by Grantee within 30 days of written notice by Franchising Authority, second noncompliance of the aforementioned standard within any calendar quarter- Five Hundred Dollars ($500).

A.26.3 Failure to correct by Grantee within 30 days of written notice by Franchising Authority, third and subsequent noncompliance of the aforementioned standard within any calendar quarter- One Thousand Dollars ($1,000).

A.26.4 Nothing in Sections A.26.1 through A.26.3 shall limit the Franchising Authority from notifying Grantee of separate standards in noncompliance within any calendar quarter.

A.26.5 The amount of fines assessed by the Franchising Authority pursuant to this section in any individual calendar quarter shall exceed no more than $5000.00.

A.27 Continuity of Service. Grantee shall continue to make available Cable Service to residents and commercial businesses already lawfully receiving such services as of the commencement date of this Agreement, assuming such residents and commercial businesses are lawful subscribers and are current in payment with Grantee billings.

Exhibit B. Governmental Buildings

Mount Carmel City Hall
100 East Main Street
Mount Carmel, TN 37645

Mount Carmel Fire/Police Department
211 Hammond Avenue
Mount Carmel, TN 37645

Mount Carmel Public Works Department
201 Hammond Avenue
Mount Carmel, TN 37645

Mount Carmel Library
100 1/2 East Main Street
Mount Carmel, TN 37645

Mount Carmel Wastewater Treatment Plant
116 Seminole Drive
Mount Carmel, TN 37645

Mount Carmel Animal Control
118 Seminole Drive
Mount Carmel, TN 37645

Mount Carmel Elementary School
127 Cherry Street
Mount Carmel, TN 37645

*** Building on this list only qualify for free service it they are within 150 feet of active cable television distribution lines of Grantee.**

FIRST READING	AYES	NAYS	OTHER
Alderman Henry Bailey	✓		
Vice-Mayor Eugene Christian	✓		
Alderman Paul Hale	✓		
Mayor Gary Lawson	✓		
Alderman Tresa Mawk	absent		
Alderman Thomas Wheeler	✓		
Alderman Wanda Worley	✓		
TOTALS			

PASSED FIRST READING October 26, 2004

SECOND READING	AYES	NAYS	OTHER
Alderman Henry Bailey	✓		
Vice-Mayor Eugene Christian	✓		
Mayor Gary Lawson	✓		
Alderman Tresa Mawk	✓		
Alderman Thomas Wheeler	✓		
Alderman Carl Wolfe	✓		
Alderman Worley	✓		
TOTALS	7		

PASSED SECOND READING December 28, 2004

PUBLISHED ON: 12-31-2004
NEWSPAPER: Kingsport Times

Charter COMMUNICATIONS®
A WIRED WORLD COMPANY™

Susan M. Flynn
Senior Paralegal
Government Relations
Direct Dial: 314-543-2404
Email: sflynn@chartercom.com

February 22, 2005

The Honorable Gary W. Lawson, Mayor
Town of Mount Carmel
P.O. Box 1421
Mount Carmel, TN 37645-1421

Re: Franchise Documents

Dear Mayor Lawson:

I attach for your files the following franchise related documents:

- Fully executed original Ordinance No. 288 for the Town granting a ten year franchise to Charter Communications, LLC, dba Charter Communications;
- Certificate of Insurance No. CHI-001252031-01 naming the Town of Mount Carmel as Certificate Holder and Additional Insured; and
- Franchise Bond No. 51S103226856 05 005 in the amount of $5,000 naming the Town of Mount Carmel as Obligee.

Charter Communications appreciates working with your community. If you have any questions or need additional information, please do not hesitate to call.

Sincerely,

Susan M. Flynn
Sr. Paralegal – Government Relations

Attachments
cc: Nick Pavlis

MARSH

CERTIFICATE OF INSURANCE

CERTIFICATE NUMBER
CHI-001252031-01

PRODUCER
Marsh USA Inc.
800 Market Street, Suite 2600
St. Louis, MO 63101-2500

405245-W/UMB-CASUA-04-05 CCLLC y MtC-TN

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER OTHER THAN THOSE PROVIDED IN THE POLICY. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES DESCRIBED HEREIN.

INSURED
Charter Communications Inc.
Charter Investment Inc.
12405 Powerscourt Drive
St. Louis, MO 63131-3674

COMPANIES AFFORDING COVERAGE

COMPANY	
A	AMERICAN HOME ASSURANCE CO (AIG)
B	NATIONAL UNION FIRE INSURANCE CO OF PITTSBURGH
C	INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA
D	BIRMINGHAM FIRE INSURANCE COMPANY

COVERAGES This certificate supersedes and replaces any previously issued certificate for the policy period noted below. 2

THIS IS TO CERTIFY THAT POLICIES OF INSURANCE DESCRIBED HEREIN HAVE BEEN ISSUED TO THE INSURED NAMED HEREIN FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THE CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, CONDITIONS AND EXCLUSIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A	**GENERAL LIABILITY**	5548742	11/01/04	11/01/05	GENERAL AGGREGATE	$ 2,000,000
	X COMMERCIAL GENERAL LIABILITY				PRODUCTS - COMP/OP AGG	$ 2,000,000
	CLAIMS MADE X OCCUR				PERSONAL & ADV INJURY	$ 1,000,000
	OWNER'S & CONTRACTOR'S PROT				EACH OCCURRENCE	$ 1,000,000
					FIRE DAMAGE (Any one fire)	$ 500,000
					MED EXP (Any one person)	$ 10,000
B	**AUTOMOBILE LIABILITY**	2030289 (AOS)	11/01/04	11/01/05	COMBINED SINGLE LIMIT	$ 1,000,000
A	X ANY AUTO	2030290 (MA)	11/01/04	11/01/05		
A	ALL OWNED AUTOS	2030291 (TX)	11/01/04	11/01/05	BODILY INJURY (Per person)	$
A	SCHEDULED AUTOS	2030292 (VA)	11/01/04	11/01/05		
	X HIRED AUTOS				BODILY INJURY (Per accident)	$
	X NON-OWNED AUTOS					
					PROPERTY DAMAGE	$
	GARAGE LIABILITY				AUTO ONLY - EA ACCIDENT	$
	ANY AUTO				OTHER THAN AUTO ONLY:	
					EACH ACCIDENT	$
					AGGREGATE	$
B	**EXCESS LIABILITY**	BE2860835	11/01/04	11/01/05	EACH OCCURRENCE	$ 1,000,000
	X UMBRELLA FORM				AGGREGATE	$ 1,000,000
	OTHER THAN UMBRELLA FORM					$
C	**WORKERS COMPENSATION AND EMPLOYERS' LIABILITY**	SEE ADDITIONAL INFORMATION	11/01/04	11/01/05	X WC STATU-TORY LIMITS OTH-ER	
A		5898944 (CA)	11/01/04	11/01/05	EL EACH ACCIDENT	$ 1,500,000
D	THE PROPRIETOR/ PARTNERS/EXECUTIVE X INCL	5898946 (OR)	11/01/04	11/01/05	EL DISEASE-POLICY LIMIT	$ 1,500,000
B	OFFICERS ARE: EXCL	5898947 (OH, WA, WI, WV)	11/01/04	11/01/05	EL DISEASE-EACH EMPLOYEE	$ 1,500,000
	OTHER					

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS
(See reverse and/or attached for additional information)

CERTIFICATE HOLDER

Town of Mount Carmel
Attn: Mayor
100 E Main Street
P.O. Box
Mount Carmel, TN 37645-1421

CANCELLATION

SHOULD ANY OF THE POLICIES DESCRIBED HEREIN BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE INSURER AFFORDING COVERAGE WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED HEREIN, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER AFFORDING COVERAGE, ITS AGENTS OR REPRESENTATIVES, OR THE ISSUER OF THIS CERTIFICATE.

MARSH USA INC.
BY: Alfred A. Peterfeso Alfred A. Peterfeso

MM1(3/02) VALID AS OF: 02/04/05

ADDITIONAL INFORMATION

CHI-001252031-01

DATE (MM/DD/YY) 02/04/05

PRODUCER	COMPANIES AFFORDING COVERAGE
Marsh USA Inc. 800 Market Street, Suite 2600 St. Louis, MO 63101-2500	COMPANY E
	COMPANY F
405245-W/UMB-CASUA-04-05 CCLLC y MtC-TN	
INSURED Charter Communications Inc. Charter Investment Inc. 12405 Powerscourt Drive St. Louis, MO 63131-3674	COMPANY G
	COMPANY H

TEXT

WORKERS COMPENSATION AND EMPLOYERS' LIABILITY

C. Insurance Company of the State of Pennsylvania Policy Number 5898943 (AOS) Policy Number 5898945 (IN, MA, MI, NY, UT, VA)

Charter Communications, Inc.
Named Insured Includes the Following Entities

Charter Investment, Inc., Charter Communications, Inc. and their:

- subsidiaries, associated, affiliated and inter-related companies;
- controlled or majority (more than 50%) owned partnerships, limited liability companies;
- interest only in (or its subsidiaries' interest in) any other partnerships or joint ventures or limited liability company;
- interest in (or its subsidiaries' interest in) any company or organization coming under its active management or control;
- any entity or party required to be insured under any contract or agreement which may now exist, may have previously existed, or may hereafter be created or acquired.

Marcus Cable Associates, L.L.C.
Marcus Cable of Alabama, L.L.C.
Marcus Cable - Corporate
Marcus Cable Partners, L.L.C.

Renaissance Media LLC
American Cable Entertainment Company, LLC

Charter Communications Entertainment I, LLC

Charter-Helicon, LLC
Helicon Partners I, LP

Rifkin Acquisition Partners, LLC
Interlink Communications Partners, LLC
Cable Equities of Colorado, LLC

Robin Media Group, Inc.
Tennesse, LLC
Charter RMG, LLC

Charter Communications VI, LLC
Falcon
Charter Communications Michigan, LLC
Charter Communications New England, LLC

CC VIII Operating, LLC
Midwest Cable Communications, Inc.
Cablevision of Michigan
Bresnan Communications
Fanch

...and any corporation or other business organization other than a joint venture in which the Named Insured shown in the declarations has or acquires during the policy period an ownership of more than 50% and which is domiciled within the United States of America, its territories or possessions, Puerto Rico or Canada.

Entity: Charter Communications, LLC d/b/a Charter Communications

The Franchising Authority is included as an Additional Insured under the General Liability, Automobile Liability and Umbrella Liability policies where required by written contract.

CERTIFICATE HOLDER

Town of Mount Carmel
Attn: Mayor
100 E Main Street
P.O. Box
Mount Carmel, TN 37645-1421

MARSH USA INC. BY
Alfred A. Peterfeso Alfred A. Peterfeso

FRANCHISE BOND

Travelers Casualty and Surety Company of America
One Tower Square, Hartford, CT 06183

Bond No. **51S103226856 05 005**

KNOW ALL MEN BY THESE PRESENTS, that we, **Charter Communications, LLC d/b/a Charter Communications**, as Principal, and **Travelers Casualty and Surety Company of America**, a corporation of the State of Connecticut, as Surety, are held and firmly bound unto **Town of Mount Carmel, 100 E. Main Street, Mount Carmel, TN 37645**, as Obligee, in the sum of **Five Thousand and No/100---** Dollars, (**$5,000.00**) lawful money of the United States of America, to be paid unto said Obligee, its successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the above bound Principal has entered into a written agreement, dated **December 28, 2004**, with the Obligee which grants a Franchise to the Principal for **to construct, upgrade, operate and maintain a cable television system in the Town of Mount Carmel, TN**. Principal has agreed to faithfully perform and observe and fulfill all terms and conditions of said Franchise agreement referred to above and said agreement is hereby made a part of this bond with like force and effect as if here in set forth in length.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH, that if the above named Principal, its successors or assigns, does and shall well and truly observe, perform and fulfill its obligation as set forth in the above mentioned Franchise agreement, for which a bond must be posted, then the above obligation to be void; otherwise to remain in full force and effect.

The bond is subject, however, to the following express conditions:

FIRST: That in the event of a default on the part of the Principal, its successors or assigns, a written statement of such default with full details thereof shall be given to Surety promptly, and in any event, within thirty (30) days after the Obligee shall learn of such default, such notice to be delivered to Surety at its Home Office in Hartford, Connecticut by registered mail.

SECOND: That no claim, suit or action under this bond by reason of any such default shall be brought against Surety unless asserted or commenced within (12) twelve months after the effective date of any termination or cancellation of this bond.

THIRD: That this bond may be terminated or cancelled by Surety by **thirty** (**30**) days prior notice in writing to Principal and to Obligee. Such termination or cancellation shall not affect any liability incurred or accrued under this bond prior to the effective date of such termination or cancellation. The liability of the Surety shall be limited to the amount set forth above and is not cumulative.

FOURTH: That no right of action shall accrue under this bond to or for the use of any person other than the Obligee, and its successors and assigns.

IN WITNESS WHEREOF, the above bound Principal and the above bound Surety have hereunto set their hands and seals on the **11th** day of **February**, **2005**.

Charter Communications, LLC d/b/a Charter Communications

By: Lynne Ramsey
Lynne Ramsey, Corp. VP, Human Resources , Principal

Travelers Casualty and Surety Company of America

By: Cynthia L. Hanak
Cynthia L. Hanak, Attorney-in-Fact

ACKNOWLEDGMENT BY SURETY

STATE OF Missouri
City of St. Louis } ss.

On this 11th day of February , 2005 , before me personally appeared Cynthia L. Hanak , known to me to be the Attorney-in-Fact of Travelers Casualty and Surety Company of America , the corporation that executed the within instrument, and acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, at my office in the aforesaid County, the day and year in this certificate first above written.

My Commission Expires: **October 6, 2005** .

Heidi A. Notheisen

Heidi A. Notheisen
Notary Public in the State of Missouri
City of St. Louis

(Seal)

HEIDI A. NOTHEISEN
NOTARY PUBLIC - NOTARY SEAL
STATE OF MISSOURI, ST. LOUIS CITY
MY COMMISSION EXPIRES. 10/06/2005

TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA
TRAVELERS CASUALTY AND SURETY COMPANY
FARMINGTON CASUALTY COMPANY
Hartford, Connecticut 06183-9062

POWER OF ATTORNEY AND CERTIFICATE OF AUTHORITY OF ATTORNEY(S)-IN-FACT

KNOW ALL PERSONS BY THESE PRESENTS, THAT TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, TRAVELERS CASUALTY AND SURETY COMPANY and **FARMINGTON CASUALTY COMPANY,** corporations duly organized under the laws of the State of Connecticut, and having their principal offices in the City of Hartford, County of Hartford, State of Connecticut, (hereinafter the "Companies") hath made, constituted and appointed, and do by these presents make, constitute and appoint: **Pamela A. Beelman, Heidi A. Notheisen, Cynthia L. Hanak, Debra C. Schneider, JoAnn R. Frank, Karen L. Roider, Sandra L. Ham, of St. Louis, Missouri**, their true and lawful Attorney(s)-in-Fact, with full power and authority hereby conferred to sign, execute and acknowledge, at any place within the United States, the following instrument(s): by his/her sole signature and act, any and all bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking and any and all consents incident thereto and to bind the Companies, thereby as fully and to the same extent as if the same were signed by the duly authorized officers of the Companies, and all the acts of said Attorney(s)-in-Fact, pursuant to the authority herein given, are hereby ratified and confirmed.

This appointment is made under and by authority of the following Standing Resolutions of said Companies, which Resolutions are now in full force and effect:

VOTED: That the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President, any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary may appoint Attorneys-in-Fact and Agents to act for and on behalf of the company and may give such appointee such authority as his or her certificate of authority may prescribe to sign with the Company's name and seal with the Company's seal bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said officers or the Board of Directors at any time may remove any such appointee and revoke the power given him or her.

VOTED: That the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President may delegate all or any part of the foregoing authority to one or more officers or employees of this Company, provided that each such delegation is in writing and a copy thereof is filed in the office of the Secretary.

VOTED: That any bond, recognizance, contract of indemnity, or writing obligatory in the nature of a bond, recognizance, or conditional undertaking shall be valid and binding upon the Company when (a) signed by the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary and duly attested and sealed with the Company's seal by a Secretary or Assistant Secretary, or (b) duly executed (under seal, if required) by one or more Attorneys-in-Fact and Agents pursuant to the power prescribed in his or her certificate or their certificates of authority or by one or more Company officers pursuant to a written delegation of authority.

This Power of Attorney and Certificate of Authority is signed and sealed by facsimile (mechanical or printed) under and by authority of the following Standing Resolution voted by the Boards of Directors of TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, TRAVELERS CASUALTY AND SURETY COMPANY and FARMINGTON CASUALTY COMPANY, which Resolution is now in full force and effect:

VOTED: That the signature of each of the following officers: President, any Executive Vice President, any Senior Vice President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Secretary, and the seal of the Company may be affixed by facsimile to any power of attorney or to any certificate relating thereto appointing Resident Vice Presidents, Resident Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such power of attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached.

ST PAUL
TRAVELERS

IMPORTANT DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

On November 26, 2002, President Bush signed into law the Terrorism Risk Insurance Act of 2002 (the "Act"). The Act establishes a short-term program under which the Federal Government will share in the payment of covered losses caused by certain acts of international terrorism. We are providing you with this notice to inform you of the key features of the Act, and to let you know what effect, if any, the Act will have on your premium.

Under the Act, insurers are required to provide coverage for certain losses caused by international acts of terrorism as defined in the Act. The Act further provides that the Federal Government will pay a share of such losses. Specifically, the Federal Government will pay 90% of the amount of covered losses caused by certain acts of terrorism which is in excess of an insurer's statutorily established deductible for that year. The Act also caps the amount of terrorism-related losses for which the Federal Government or an insurer can be responsible at $100,000,000,000.00, provided that the insurer has met its deductible.

Please note that passage of the Act does not result in any change in coverage under the attached policy or bond (or the policy or bond being quoted). Please also note that no separate additional premium charge has been made for the terrorism coverage required by the Act. The premium charge that is allocable to such coverage is inseparable from and imbedded in your overall premium, and is no more than one percent of your premium.