Cable TV Franchise

CLARK CABLEVISION, INC.
Searchlight, Nevada

SEPTEMBER 20, 2000 - SEPTEMBER 20, 2010

CLARK COUNTY ADMINISTRATIVE SERVICES
FRANCHISE SERVICES DIVISION
500 S. GRAND CENTRAL PARKWAY, 6TH FLOOR
LAS VEGAS, NEVADA, 89155-1712
(702) 455-3530

CLARK COUNTY BOARD OF COMMISSIONERS
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CABLE TELEVISION FRANCHISE AGREEMENT

BETWEEN THE COUNTY OF CLARK, NEVADA

AND CLARK CABLEVISION, INC.

FOR SEARCHLIGHT, NEVADA

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CABLE TELEVISION FRANCHISE AGREEMENT BETWEEN THE COUNTY OF CLARK, NEVADA AND CLARK CABLEVISION, INC. FOR SEARCHLIGHT, NEVADA

THIS AGREEMENT (the "Agreement") is entered into by and between the County of Clark, a political subdivision of the State of Nevada ("County"), and Clark CableVision, Inc., a company duly organized and validly existing under the laws of the State of Nevada, whose principal place of business is located at 3030 Needles Highway, Suite 1400, Laughlin, Nevada ("Company"). In consideration of the covenants and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby covenant and agree as follows:

1. Definitions

Except as otherwise provided herein, the definitions and word usage set forth in the Cable Ordinance are incorporated herein and shall apply in this Agreement. In addition, the following terms, phrases, words, and their derivations shall have the meanings set forth herein, unless the context clearly indicates that another meaning is intended.

(a) "Access Channel" means any Channel on the Cable System designated by the Company for community, educational, or governmental use.

(b) "Affiliate" means any Person who owns or controls, is owned or controlled by, or is under common ownership or control with an entity.

(c) "Agreement" means this contract and any amendments, exhibits or appendices hereto.

(d) "Basic Service" means any Cable Service tier which includes the retransmission of local television broadcast signals.

(e) "Cable Act" means Title VI of the Communications Act of 1934, as amended, 47 U.S.C. § 521 *et seq.*

(f) "Cable Ordinance" means Clark County Code Chapter 5.02, and as it may be amended from time to time.

(g) "Cable Service" means (1) the one-way transmission to Subscribers of video programming or other programming service; and (2) Subscriber interaction, if any, which is required for the selection or use of such video programming or other programming service.

(h) "Cable System" or "System" means a Facility consisting of a set of closed transmission paths and associated signal generation, reception, and control equipment that is

designed to provide Cable Television Service which includes video programming and which is provided to multiple Subscribers within the County, but such term does not include (1) a Facility that serves only to retransmit the television signals of one or more television broadcast stations; (2) a Facility that serves Subscribers without using any Right-of-Way; (3) a Facility of a common carrier which is subject, in whole or in part, to the provisions of Title II of the Communications Act, except that such Facility shall be considered a Cable System to the extent such Facility is used in the transmission of video programming directly to Subscribers, unless the extent of such use is solely to provide interactive on-demand services; (4) an Open Video System that complies with 47 U.S.C. § 573; or (5) any Facilities of any electric utility used solely for operating its electric utility system. A reference to a Cable System refers to any part thereof, including, without limitation, Converters. The foregoing definition of "Cable System" shall not be deemed to circumscribe or limit the valid authority of the County to regulate or Permit the activities of any other communications system or provider of communications services to the full extent permitted by law. This Franchise Agreement shall be presumed to authorize use of the Rights-of-Way solely for the provision of Cable Service; however, the Company shall have all rights granted by state and federal law as to use of the Rights-of-Way.

(i) "Cable Television Franchise" or "Cable Franchise" or "Franchise" means the non-exclusive right granted by the County to install, maintain and operate a Cable System in the Rights-of-Way to provide Cable Service, and other services allowed by law, to Subscribers within the Service Area, in accordance with the terms and conditions set forth in both the Cable Ordinance and this Agreement. Such authorization shall not mean or include any other license or permit required for the privilege of transacting and carrying on a business within the County as required by the ordinances and laws of the County, or for attaching devices to poles or other structures, whether owned by the County or a private entity, or for excavating or performing other work in or along Rights-of-Way.

(j) "Channel" means a six Megahertz (MHz) frequency band, which is capable of carrying either one standard video signal, a number of audio, digital or other non-video signals or some combination of such signals.

(k) "Channel Equivalent" means the system capacity required to provide the transmission of a video signal, with accompanying audio, that is in digital format and capable of producing sound and picture of NTSC quality or better, based on the technology then in use in the System.

(l) "Company" means Clark CableVision, Inc., a company duly organized under the laws of the State of Nevada, whose principal place of business is located at 3030 Needles Highway, Suite 1400, Laughlin, Nevada.

(m) "Control" means actual working control in whatever manner exercised.

(n) "Converter" means an electronic device which may serve as an interface between a System and a Subscriber's television receiver or other terminal equipment, and which may

perform a variety of functions, including signal security, descrambling, electronic polling, frequency conversion and Channel selection.

(o) "County" means the County of Clark, Nevada, or, as appropriate in the case of specific provisions of this Agreement, any board, bureau, authority, agency, commission, department of, or any other entity specifically designated by the County to act on behalf of the County of Clark, Nevada, or any officer, official, employee, or agent thereof, or any successor thereto. When used in a geographical or territory of jurisdiction context, means the unincorporated areas, including the unincorporated towns within Clark County, Nevada.

(p) "County Commission" or "Commission" means the Board of County Commissioners of the County of Clark, State of Nevada, the governing body of the County.

(q) "Educational Access Channel" or "Educational Channel" means any channel on a Cable System designated by the Company for educational use.

(r) "Effective Date" means the date upon which the County grants this Franchise.

(s) "Facility" means antennae, transmitters, poles, wires, cables, conduits, amplifiers, instruments, equipment, and other appliances used in connection therewith or appurtenant thereto to provide Cable Service in the County.

(t) "FCC" means the Federal Communications Commission, its designee, or any successor thereto.

(u) "Governmental Access Channel" or "Government Channel" means any Channel on a Cable System designated by the Company for government use.

(v) "Gross Revenues" means any and all cash, credits, property or other consideration of any kind or nature arising from, attributable to, or in any way derived directly or indirectly by the Company, its Affiliates, or by any other entity that is a cable operator of the System, from the operation of the Company's Cable System (including the studios and other Facilities associated therewith) to provide Cable Services. Gross Revenues shall be calculated and reported based on generally accepted accounting principles (GAAP). Gross Revenues include, by way of illustration and not limitation, monthly fees charged to Subscribers for any basic, optional, premium, per-channel, per-program service, or cable programming service; Installation, disconnection, reconnection, and change-in-service fees; Leased Access Channel fees and any other fees from lease or license of the System for Cable Services; late fees and administrative fees; revenues from rentals or sales of Converters or other equipment; studio rental, production equipment, and personnel fees for programming carried on the System; advertising revenues; barter; revenues from program guides; revenues from home shopping and bank-at-home Channels; and (to the extent permitted by applicable law) revenues from Internet services provided using the Cable System. Gross Revenues shall include an allocated portion of any revenue derived by the Company or its Affiliates pursuant to any regional, national or international compensation arrangement for any service or activity derived from the operation of the System in the Service

Area, *e.g.*, advertising. Such an allocation shall be based on the number of Subscribers in the Service Area divided by the total number of Subscribers relevant to such regional or national arrangements. Gross Revenues shall not include any bad debt, provided, however, that all or any part of any such actual bad debt that is written off but subsequently collected shall be included in Gross Revenues in the period collected. Gross Revenues shall not include any taxes on services furnished by the Company which are imposed directly on any Subscriber or user by the state, County, or other governmental unit and which are collected by a Cable Company on behalf of said governmental unit. A Franchise or Permit fee is not such a tax. Gross Revenues shall exclude any net amount actually paid by the Company to a programmer for pay or premium Channels (i.e., video programming offered on a per Channel or per program basis as those terms are applied in federal law).

(w) "Installation" means the connection of System services to Subscribers' television receivers or other Subscriber-owned or provided terminal equipment.

(x) "Leased Access Channel" or "Commercial Access Channel" means any Channel on a Cable System designated for use by a person unaffiliated with the Cable Company.

(y) "Normal Business Hours" means those hours during which most similar businesses in the Service Area are open to serve customers, including some evening hours at least one night per week and/or some weekend hours.

(z) "Normal Operating Conditions" means those service conditions that are within the reasonable control of the Company. Conditions that are not within the reasonable control of the Company include, but are not limited to, natural disasters, civil disturbances, power outages, and telephone network outages. Conditions that are within the reasonable control of the Company include, but are not limited to, special promotions, pay-per-view events, rate increases, regular peak or seasonal demand periods, and maintenance or upgrade of the Cable System.

(aa) "Outage" means a Service Interruption affecting all Subscribers that are served by any single node of the System that facilitates the provision of Cable Service to Subscribers within a discrete area within the Service Area.

(bb) "Person" means any natural Person, including the estate of a natural Person, or any association, firm, partnership, joint venture, corporation, or other legally recognized entity, whether for-profit or not-for-profit, but such term does not include the County.

(cc) "Premium Service" means any Cable Service offered on a per-channel, per-program or per-view basis.

(dd) "Public Access Channel" or "Community Access Channel" means any Channel on the Cable System set aside by the Company for use by the general public, including groups and individuals, and which is available for such use under the terms and conditions set forth by an agency established for oversight of such access.

(ee) "Public Improvements" means new roadways and pavements, sidewalks, curbs and gutters, landscaping, street lights, foundations, poles and traffic signal conduits, water mains, sanitary and storm sewers, tunnels, subways, people movers, viaducts, bridges, monorails, underpasses, and overpasses, or other public facilities across along over or under any Right-of-Way, or other such improvements which are to be used by the general public.

(ff) "Rights-of-Way" means public property including air space dedicated to, granted, or held or prescriptively used by the County for public Street purposes.

(gg) "Security Fund" means a performance bond, letter of credit, cash deposit, or any or all of these, to the extent applicable.

(hh) "Service Area" means the general area of unincorporated Clark County located in and around the town of Searchlight, NV, as described in Exhibit A attached hereto and made a part hereof.

(ii) "Service Interruption" means loss of picture or sound on one or more Channels, or degradation of picture or sound beyond permissible levels as defined by applicable law, caused by the System.

(jj) "Street" means the surface, the air space above the surface and the area below the surface of the full width of the Right-of-Way, including sidewalks and thoroughfares, places or ways of any kind used by the public or open to the public as a matter of right for the purposes of vehicular traffic or vehicular and pedestrian traffic.

(kk) "Subscriber" means any Person lawfully receiving any Cable Service provided by the Company by means of or in connection with its Cable System, whether or not a fee is paid for such Cable Service.

(ll) "System Upgrade" or "Upgrade" means a major improvement or enhancement in the technology or service capabilities made by the Company to its Cable System.

(mm) "Transfer" means:

(1) Any transaction in which: (A) any ownership or other right, title, or interest of more than 5% in the Company or its Cable System is transferred, sold, assigned, leased, sublet, or mortgaged, directly or indirectly, in whole or in part; or (B) there is any change or Transfer of Control of the Company or Cable System; or (C) the rights and/or obligations held by the Company under its Cable Franchise are Transferred, directly or indirectly, to another party; or (D) any change or substitution occurs in the managing general partners of the Company, where applicable; or (E) the Company, or its corporate parents at any level, enter into any transaction that materially increases the debt that is to be borne by the Cable System, directly or indirectly, in a manner that will adversely affect Subscribers.

(2) A rebuttable presumption that a Transfer of Control has occurred shall arise upon the acquisition or accumulation of 5% or more of the ownership of an entity by any Person or group of Persons acting in concert, none of whom already own or control 50% or more of such right or Control, singularly or collectively.

(3) The Company is responsible for ensuring that the intent of the Cable Ordinance and this Agreement regarding Transfers is carried out. If for any reason an event occurs that would require the County's approval of a Transfer pursuant to the Cable Ordinance and this Agreement, whether or not such event is directly or indirectly within the Company's control, such event shall constitute a Transfer for purposes of this Agreement and any applicable law.

(nn) "User" means a person or organization using a Channel or equipment and Facilities for purposes of producing or transmitting material, as contrasted with the receipt thereof in the capacity of a Subscriber.

2. Grant of Authority

(a) Grant of Cable Franchise.

Subject to the terms and conditions of this Agreement and the Cable Ordinance, the County hereby grants to the Company the right to own, construct, operate, maintain, upgrade, and repair a Cable System in the Rights-of-Way within the Service Area, for the sole purpose of providing Cable Service. This Cable Franchise shall grant no authority for the Company to use the Rights-of-Way for any purposes other than provision of Cable Service, except to the extent other services may be provided pursuant to applicable state, federal or local law or over an institutional network. No privilege or power of eminent domain is bestowed by this grant; nor is such a privilege or power bestowed by this Agreement. This Agreement does not confer any rights other than as expressly provided herein or as mandated by federal, state or local law.

(b) Area Served:

The Cable Franchise is granted for the Service Area defined herein.

(c) Term of Cable Franchise:

This Cable Franchise shall commence on the Effective Date and shall expire on September 20, 2010, unless the Cable Franchise is earlier revoked or its term shortened as provided herein or in the Cable Ordinance, or it is extended for five years pursuant to NRS § 711.190(5).

(d) Reservation of Authority:

Nothing in this Agreement shall (1) abrogate the right of the County or other public entities to perform any Public Improvements of any description, (2) be construed as a waiver of any codes or ordinances of the County or of the County's right to require the Company or any Person utilizing the System to secure the appropriate permits or authorizations for such use, or (3) be construed as a waiver or release of the rights of the County in and to the Rights-of-Way.

(e) Agreement Subject to Exercise of Police Powers:

All rights and privileges granted herein are subject to the police powers of the County and its rights to make laws and regulations.

(f) Effect of Acceptance:

By accepting the Cable Franchise and executing this Agreement, the Company:

(1) accepts and agrees to comply with each lawful provision of the Cable Ordinance and this Agreement, and all applicable federal, state, and local laws and regulations, provided that the Company reserves the right to challenge any future exercise of the County's legislative or police powers as unlawful or substantially inconsistent with the Company's rights under this Agreement or its Cable Franchise.

(2) acknowledges and accepts the County's legal right to grant the Cable Franchise, to enter into this Agreement, and to enact and enforce ordinances and regulations in the lawful exercise of its police powers;

(3) agrees that, based on the representation of the County, the Cable Franchise was granted pursuant to processes and procedures consistent with applicable law, and that it will not raise any claim to the contrary, or allege in any claim or proceeding against the County that at the time of acceptance of this Agreement any provision, condition or term of this Agreement, or of the Cable Ordinance language, was unreasonable or arbitrary, or that at the time of the acceptance of this Agreement any such provision, condition or term was void or unlawful or that the County had no power or authority to make or enforce any such provision, condition or term.

(g) No Recourse:

The Company shall have no recourse against the County for any monetary loss, cost, expense, claim, liability or damage arising out of any action undertaken or not undertaken by the Company pursuant to the Cable Ordinance or this Agreement, whether or not such action or non-action was required by the Cable Ordinance or this Agreement, arising out of the enforcement or non-enforcement by the County of any provision or requirement of this Agreement, or otherwise arising out of the Cable Ordinance or this Agreement.

3. The System.

(a) The System and Its Operations:

(1) General Obligation. The Company shall construct, operate, maintain, and upgrade its System as provided in this Agreement. The Company in its sole discretion may determine the allocation of analog and digital capacity on its System, and when to commence offering Cable Service or any other services using the digital capacity of its System, subject to the rights of the County stated in Section 4.

(2) System. The Company is authorized and required to operate its System within the Service Area. The System will at a minimum employ technology as required by federal law.

(3) System Equity. The Company's construction plan shall ensure that service is extended to low income areas at least as quickly as it is extended to higher income areas.

(b) Service to All Persons:

(1) General Obligation. The Company shall, pursuant to the criteria set forth in this § 3(b), make Cable Service available to all residences, businesses and other structures within the Service Area, including multiple dwelling unit buildings, whose owners or occupants request Cable Service.

(2) Line Extension Requirements.

(A) Within the Service Area, the Company operate its Cable System to provide service to any person or business upon request, except for sites to which the Company cannot legally obtain access, without charging such person or business more than the standard installation charges.

(B) Within the Service Area, the Company shall extend its Cable System within a reasonable time (but not to exceed 120 days) to provide service to any Person or business upon request, except for sites to which the Company cannot legally obtain access and except for sites already being served by another Cable Company or Satellite Master Antennae TV provider, at no charge other than any applicable installation fees for the individual Subscriber's drop, as long as the following conditions are satisfied:

(i) the new Subscriber requesting service is located 300 feet or less from the termination of the Cable System, and

(ii) the number of potential Subscribers to be passed by the extension necessary to serve such Subscriber is equal to or greater than 35 potential Subscribers per mile measured from any point on the System.

(C) In the event that the requirements set forth in § 3(b)(2)(B) are not met, the Company must offer to extend its Cable System based upon an equitable and reasonable cost-sharing arrangement with affected potential Subscribers.

(3) Continuity of Service.

(A) The Company shall make Cable Service available to all Subscribers in the Service Area as long as their financial and other obligations to the Company are satisfied.

(B) The Company shall ensure that all Subscribers receive continuous uninterrupted service. At the County's request, the Company shall operate its System for a temporary period (the "Transition Period") following the termination, sale, or Transfer of its Cable Franchise as necessary to maintain service to Subscribers, and shall cooperate with the County to assure an orderly transition from it to another Company. The Transition Period shall be no longer than the reasonable period required to ensure that Cable Service will be available to Subscribers, and shall not be longer than 36 months, unless extended by the County for good cause. During the Transition Period, the Company and the County will continue to be obligated to comply with the terms and conditions of this Agreement and applicable laws and regulations.

(C) If the Company abandons its System during the Cable Franchise term, or fails to operate its System in accordance with the terms of this Agreement during any Transition Period, the County, at its option, may operate the System, designate another entity to operate the System temporarily until the Company restores service under conditions acceptable to the County or until the Cable Franchise is revoked and a new franchisee selected by the County is providing service, or seek an injunction requiring the Company to continue operations. If the County is required to operate or designate another entity to operate the Cable System, the Company shall reimburse the County or its designee for all reasonable costs and damages incurred that are in excess of the revenues from the Cable System.

(D) The County shall be entitled to injunctive relief under the preceding paragraph if:

(i) The Company fails to provide Cable Service in accordance with its Cable Franchise over a substantial portion of the Service Area for 96 consecutive hours, unless the County authorizes a longer interruption of service or the failure is due to *force majeure*; or

(ii) The Company, for any period, willfully and without cause refuses to provide Cable Service in accordance with its Cable Franchise over a substantial portion of the Service Area.

(c) Requirements With Respect to Work on the System:

(1) General Requirement. The Company shall comply with all lawful standards and procedures required by the Cable Ordinance or other applicable law.

(2) Licenses and Permits. The Company shall obtain all permits, licenses, or other forms of approval or authorization, including but not limited to encroachment permits, zoning approvals and building permits, necessary to construct, operate, maintain, repair or upgrade the System, or any part thereof, prior to commencement of any such activity.

(d) Interconnection:

(1) The System shall, to the best of the Company's ability, cooperate with the interconnection of all the communities served by the Company so that access programming and emergency alerts placed on the System in one such service area can be shown in other such service areas, given appropriate agreements among the parties involved.

(2) With respect to systems other than those specified in § 3(d)(1), the Company shall design its System so that it may be interconnected for access programming and emergency alerts with other Cable Systems or similar communications systems in the area. Interconnection of systems may be made by direct cable connection, microwave link, satellite or other appropriate methods.

(3) Upon receiving the directive of the County to interconnect, the Company shall immediately initiate negotiations with the other affected system or systems so that all costs of the interconnection link shall be shared equally.

(4) The County may grant reasonable extensions of time to interconnect or rescind its request to interconnect upon petition by the Company to the County.

(e) Emergency Alert System:

(1) Company shall install and thereafter maintain for use by the County an Emergency Alert System ("EAS") by October 1, 2002, consistent with FCC regulations governing Small Cable Operators, or such other date as may be required by federal regulations.

(2) Upon activation, the EAS shall be capable of remote activation by telephone and shall allow a representative of the County to override the audio and provide a video crawl on all Channels on the Company's System that may lawfully be overridden, without the assistance of the Company, for emergency broadcasts from a location designated by the County in the event of a civil emergency or for reasonable tests.

(3) The County will provide a minimum of 48 hours' notice to Company prior to any test use of the EAS. Company shall cooperate with the County in any such test.

4. Access Channels.

(a) Channel Capacity:

(1) Upon commencement of Cable Service to Subscribers in the Service Area, the Company shall make available to all Basic Service Subscribers on the System a full-time analog video Access Channel. All programming that is submitted to the Company by the County or the Educational Access Board, as defined in §4(a)(4), shall be aired on the Access Channel during the time period specified.

(2) In addition to the Channel specified in §4(a)(1), the County may require the Company to make available for programming by the Educational Access Board one additional full-time analog Access Channel if the Channel specified in §4(a)(1) is fully programmed pursuant to the criteria in §4(a)(7)(B), or if the Company has 5,000 or more Subscribers in the Service Area. Such additional Channel shall be provided by the Company within 180 days after receipt of a written request from the County if such criteria are fulfilled.

(3) In addition to the Channels specified in §4(a)(1) and §4(a)(2), the County may require the Company to make available for government programming by the County a third full-time analog Access Channel if the Channel specified in §4(a)(1) is fully programmed pursuant to the criteria in §4(a)(7)(B) and the Channel specified in §4(a)(2) is fully programmed pursuant to the criteria in §4(a)(7)(A), and if the Company has a total of 30,000 or more Subscribers in incorporated and unincorporated Clark County. Such additional Channel shall be provided by the Company within 180 days after receipt of a written request from the County if such criteria are fulfilled.

(4) Educational Access Board.

Educational Access Channels shall be programmed by a non-profit entity ("Access Manager") selected and directed by a Board ("Educational Access Board") as determined by the County.

(5) Digital Access Channel. Upon activation of any digital capacity on the System, a digital Channel Equivalent shall be reserved for future use as an access channel operated as determined by the County. Such Channel Equivalent shall be provided by the Company 180 days after receipt of a written request from the County.

(6) Digital Set-Aside. Upon activation of any digital capacity on the System, the Company shall make available to the County two additional digital Channel Equivalents, upon request by the County pursuant to this Section.

(A) The first of these additional digital Channel Equivalents shall be made available to the County if the Channel specified in §4(a)(5) is fully programmed pursuant to the criteria in §4(a)(7)(B), or if the Company has 5,000 or more Subscribers in the Service Area. This digital Channel Equivalent shall be used for programming by the Educational Access Board.

(B) The second additional digital Chanel Equivalent shall be made available to the County if the Channel specified in §4(a)(5) is fully programmed pursuant to the

criteria in §4(a)(7)(B) and the Channel specified in §4(a)(6)(A) is fully programmed pursuant to the criteria in §4(a)(7)(A), and if the Company has a total of 30,000 or more Subscribers in incorporated and unincorporated Clark County.

(C) Such additional Channels shall be provided by the Company within 180 days after receipt of a written request from the County if such criteria are fulfilled. Capacity made available under this Subsection shall be used for non-commercial governmental or educational purposes only. To the extent that transmissions over such capacity are generally available only to Persons who are not residential Subscribers, such capacity may be used for video, voice, data, or other content; otherwise, it may be used by the County for transmission of content comparable to content the Company may itself lawfully provide to Subscribers. The Company and the County shall work together to implement technical solutions that make the most efficient use of such capacity.

(7) Criteria for Provision of Additional Capacity. A Channel or Channel Equivalent shall be considered fully programmed under the following conditions.

(A) Educational Access: An Access Channel set aside for educational access programming shall be considered fully programmed when it is programmed with qualified programming at least 112 hours per week over a consecutive 26-week period. All qualified programming shall count in this measurement for the actual running time shown. Repeat programs as defined in § 4(a)(7)(C)(i) are qualified programming only to a maximum of 10% of total qualified programming. Alternatively, an Educational Access Channel may be considered fully programmed even if the above criteria are not met if the Company agrees that it is fully programmed.

(B) Governmental Access: An Access Channel set aside for governmental access programming shall be considered fully programmed when it is programmed with qualified programming at least 84 hours per week over a consecutive 16-week period. All qualified programming shall count in this measurement for the actual running time shown. Repeat programs as defined in § 4(a)(7)(C)(i) are qualified programming only to a maximum of 35% of total qualified programming.

(C) As used in this § 4(a):

(i) "repeat program" means the running time of any program only to the extent it is shown more than once during the test hours over the applicable measurement period (*e.g.*, 16 weeks in § 4(a)(7)(B)), except that a public service announcement less than five minutes in length shall count for only 25% of the total time it runs for purposes of determining the amount of repeat programming, regardless of the number of times it is shown.

(ii) "qualified programming," except as specified more particularly above, includes any material except for "bulletin board" material where the same text (or video and text) screen is sent simultaneously to all Subscribers.

(8) The County shall prescribe rules and procedures under which the Company is permitted, in the discretion of the County, to use Access Channel capacity as defined in §4(a)(2), §4(a)(3), §4(a)(5) and §4(a)(6) for the provision of other services if such Channel capacity is not being used for the purposes designated.

(9) Channel assignment for an Access Channel, once made, may be changed only if must-carry obligations legally require such a change, and in such a case the Company shall pay all reasonable costs of the change, including reasonable promotional costs, to protect the Channel User's investment in the Channel name and brand identification.

(10) Access Channels shall be used solely for non-commercial programming. Use of such Access Channels by County enterprise funds and agencies is not "commercial" solely because the enterprise or agency has more revenues than expenses, or because the activity in which it is engaged is provided on a for-profit basis by private entities in other communities or the County. Nothing prevents the County or the Company from authorizing charges to Users or viewers to pay for such non-commercial services such as fees for video class instruction or charges to recover the cost of special use equipment, or to the extent such charges may be required by applicable law.

(11) Access Channels must be carried on Channels of technical quality at least equivalent to that of other Channels on the System.

(b) Cable Drops to Certain Facilities:

Upon the request of the County, the Company shall use its best efforts to provide each non-educational facility used by the County within the Service Area with one Subscriber drop or demarcation interface. If such a drop is 150 feet or less in length, the Company shall provide it at no cost to the County. To the extent that such a drop exceeds 150 feet in length, the County and Company will each pay half of the actual direct cost of construction of the remaining length of the drop.

(c) Surveys and Announcements:

(1) Company shall include in a survey of its Subscribers at least once each year a reasonable number of questions from the County regarding Subscriber acceptance of access programming. Such a survey may be combined with any other survey conducted by the Company.

(2) Company shall air at least 15 minutes monthly of public service announcements and promotional spots for Access Channels produced and provided by the County. The Company may produce character generated announcements of behalf of the County if requested to do so by the County. Such material shall be shown on non-Access Channels at times and on Channels selected by the Company.

(d) Editorial Control:

Except as expressly required by federal law, The Company shall not exercise any editorial control over the content of programming on the designated Educational, Community or Governmental Access Channels (except for such programming as the Company may produce and cablecast on such Channels). To the extent permitted by federal law, the Company may refuse to transmit any public access program or portion of a public access program which contains obscenity, indecency, or nudity.

5. Fees and Charges

The County reserves the right to regulate the rates, fees, charges, deposits and associated terms and conditions for services provided by the Company to the fullest extent permitted by applicable law, and the County may, in connection with any such regulation of rates, establish rules and regulations to the extent permitted by applicable law. In connection with such regulation, the County shall comply with FCC rules and provide the public with an opportunity to comment.

6. Customer Service

(a) General Provisions:

(1) This Section 6 sets forth customer service standards that the Company must satisfy. In addition, the Company shall at all times satisfy any additional or stricter requirements that are mandatory under FCC regulations, or other applicable federal, state, or local law or regulation, as the same may be amended from time to time.

(2) Nothing in this Section in any way relieves the Company of its obligation to comply with other applicable consumer protection laws and its Agreement.

(b) Applicability:

The Company shall use its best efforts to comply with the standards specified in this Section 6 at all times.

(c) Notice to Subscribers:

(1) The Company shall notify Subscribers and the County of any pricing changes or additional charges (excluding temporary marketing and sales discounts, or offers) and/or any changes in programming services (including the scrambling or descrambling of Channels) through announcements on the system and in writing. Notice of proposed rate changes shall itemize all new rates and the amount of increase or decrease from current rates. Notice of proposed programming changes shall include a description of any new programming services, Channel assignments, hours of programming operation, and any changes to existing Channel positions and programming services affected by such changes. Notice must be given to

Subscribers a minimum of 30 days in advance of such changes, and to the County at least 15 days prior to such notice to Subscribers, if the change is within the control of the Company. Notice of any such change that is not within the Company's control shall be provided to the County as soon as practicable, and if possible prior to Subscriber notification.

(2) If the Company participates in promotions in which premium channels offering X, NC-17 or R-rated programming are delivered unscrambled or free of charge, it must provide notice to all Subscribers at least 30 days prior to such promotions advising that the promotional Channel can be blocked if a Subscriber requests that the Company block the Channel prior to such promotion.

(3) The Company shall provide written information to Subscribers on each of the following areas at the time of installation of service, at least annually to all Subscribers, at any time upon request, and at least 30 days prior to making significant changes in the information required by this Section. Copies of all such materials provided to Subscribers shall also be provided to the County at least annually.

(A) products and services offered;

(B) prices and options for service;

(C) conditions and restrictions of service, including but not limited to need for equipment and equipment rental requirements;

(D) service charges, including deposits, Installation, late fees, equipment, and repair charges, whether regulated or unregulated;

(E) Installation and maintenance policies, delinquent Subscriber disconnect and reconnect procedures, and any other of its policies applicable to its Subscribers, including, when applicable, information regarding the Subscriber's home wiring rights and information describing ownership of internal wiring during the period that service is provided;

(F) instructions on how to use the Cable Service and operate any Subscriber terminal equipment;

(G) Channel positions of all programming carried on the System;

(H) billing and complaint procedures;

(I) refund and credit policies;

(J) availability of parental control devices;

(K) procedures for changes or termination of service and any associated charges;

(L) procedures by which the Subscriber will be notified of changes in fees, charges, deposits, or associated terms and conditions for service;

(M) Subscriber privacy rights;

(N) address and telephone number of the Company's local office to which complaints may be reported;

(O) procedures for reporting and resolving service problems;

(P) the Company's emergency service telephone number;

(Q) a copy of the service contract, if any;

(R) notice of the availability of universal remote controls and other compatible equipment (a list of which, specifying brands and models, shall be provided to any Subscriber upon request);

(S) information concerning the County's responsibilities, including the address and telephone number of the County's consumer information office regarding cable.

(4) Prior to the beginning of any System Upgrade construction, and periodically during each phase, the Company shall inform the public and its Subscribers about the progress of the Upgrade, areas where construction crews will be working and any expected temporary interruptions to existing services which may occur.

(5) In order that Subscribers be fully apprized of the charges they may incur, telephonic communications and all Company promotional materials, announcements, and advertising of residential Cable Service to Subscribers and the general public, where price information is listed in any manner, shall clearly and accurately disclose price terms and options and shall quote the rates, fees, and/or charges. In all communications to Subscribers, the Company must use generally accepted terminology. The Company shall take appropriate steps to ensure that price terms are clearly and accurately disclosed to potential customers before an order is accepted.

(6) The Company shall provide the County with a complete schedule of all current programming services, excluding pay-per-view rates and charges and commercial rates, and shall keep this schedule updated during its Franchise term.

(7) The Company shall maintain a public file containing all notices provided to Subscribers under these customer service standards. Copies of all such notices, promotional or special offers sent to Subscribers, and of any agreements used with Subscribers, shall be filed with the County upon request.

(d) Employee Identification:

The Company shall provide and require all employees and agents, including employees of subcontractors, who come in contact with the public to wear Cable Company identification. The identification document shall:

(1) be worn on the outside of said representative's clothing and visible to other persons;

(2) bear the name and a picture of said representative; and

(3) prominently display the Company's name and address.

(e) Vehicle Identification:

Any of the Company's vehicles, including those of its agents and subcontractors, used for construction, installation, maintenance or removal of its facilities, shall prominently display signage identifying the Company.

(f) Telephone and Office Availability:

(1) Telephone Availability. The Company's office shall be accessible by all Persons within its Service Area through a toll-free telephone number 24 hours a day, including weekends and holidays.

(2) Customer Service Representatives. The Company's customer service operators shall be trained to screen requests and assist in solving problems. Such customer service representatives will identify themselves by at least their first names immediately upon initial contact. A Subscriber shall be transferred to a supervisor upon request, or, if none is available, receive a return call from a supervisor within one working day of request.

(3) Office. The Company shall maintain a business office in Laughlin, Nevada, accessible to the public for the purpose of transacting business, including but not limited to taking Installation and service requests, offering and exchanging equipment, receiving billing and service inquiries and resolving complaints. Excluding legal holidays, the business office shall be open to receive inquiries or complaints from the public as follows:

(A) during Normal Business Hours on weekdays, with minimum opening and closing times of 9 a.m. and 5 p.m. respectively; and

(B) for extended hours of at least four hours per week, which may include weekdays after 5 p.m. and/or weekends, at the discretion of the Company.

(4) Staffing. During Normal Business Hours and the extended hours specified in § 6(f)(3)(B), the Company must have telephone lines and adequate staff available to accept or exchange equipment, such as Converters, at the option of the Company either at its office or in

the field; to schedule and perform emergency service or emergency technician calls; to accept payments at its office or at a drop box; and to answer Subscriber inquiries.

(5) Telephone Standards. Under Normal Operating Conditions, the following standards shall be met by the Company at least 90% of the time, measured quarterly:

(A) Telephone answering time, including wait time, shall not exceed 30 seconds.

(B) Call transfer time shall not exceed an additional 30 seconds.

(C) No more than 3% of incoming customer service callers shall receive a busy signal.

(D) Customer service operators will identify themselves immediately upon initial contact.

(E) When the business office is closed, an answering machine or service capable of receiving and recording service complaints and inquiries shall be employed if the telephone is not answered by a person. Inquiries received after hours must be responded to by a trained representative of the Company on the next business day. To the extent possible, the after-hours answering service shall comply with the same telephone answer time standard set forth in this Section. Any answering service employed by the Company shall provide the Company on a monthly basis written detailed records of all service calls received, including date, time and nature of call, which shall be made available for inspection by the County upon reasonable notice during Normal Business Hours.

(6) Emergency Telephone Access. The Company shall at all times provide emergency telephone lines so that the County and other public entities can contact the Company immediately when necessary (*e.g.*, in the event of an emergency or service interruption). The Company shall notify the County as promptly as possible by any available means whenever there is a total interruption of telephone service in the Company's business office which affects the Company's Subscriber service phone lines.

(g) Response to Complaints and Inquiries:

(1) The Company shall investigate complaints, make every effort to resolve such complaints, and report the results of the investigation to the complainant within five working days of receipt of the complaint.

(2) If a complaint is not resolved to the satisfaction of both the complainant and the Company, the Company shall immediately inform the complainant orally, and follow up in writing, of the complaint procedures and the County's cable consumer information office address and telephone number.

(3) If the County refers a complaint to the Company on behalf of a complainant, the Company shall investigate the complaint and report the results of the investigation in writing to the County and to the complainant within seven working days.

(4) Under Normal Operating Conditions, billing inquiries and requests for service, repair, and maintenance not involving service interruptions must be acknowledged by a trained customer service representative within 24 hours, or prior to the end of the next business day, whichever is earlier. The Company shall respond to all other inquiries within five business days of the inquiry or complaint.

(h) Scheduling and Completing Service:

Under Normal Operating Conditions, each of the following standards shall be met by the Company at least 95% of the time, as measured on a quarterly basis:

(1) Prompt Service.

(A) Standard Installations (those Installations at serviceable addresses that consist of an aerial or underground drop of no more than 150 feet in length running from the nearest feeder cable of the System to the terminal of the Subscriber using exposed wiring inside the Subscriber's premises) shall be completed within seven business days after the order is placed, unless a later appointment date is agreed to by the Subscriber.

(B) Non-standard Installations (those which exceed standard minimum lengths or, in the case of underground drop, which involve unforeseen conditions beyond routine trenching and laying of cable) shall be completed within 60 days after such requests, unless reasonable construction permitting or Installation time frames impose a later Installation date. The Company shall immediately notify the affected Subscriber of any such Installation delays beyond the 60-day requirement.

(C) The Company shall investigate all service requests and initiate service or repair as soon as practicable but no later than 36 hours after the request. The results of such service or repair requests shall be reported to the Subscriber within three working days of the request.

(D) Repairs and maintenance for Service Interruptions and other repairs not requiring work within a Subscriber's premises must be completed within 24 hours after the Subscriber reports the problem to the Company or its representative or the Service Interruption or need for repairs otherwise becomes known to the Company.

(E) Work on all other requests for service must be begun by the next business day after notification of the problem.

(F) All requests for service, except Installation requests, must be completed in the shortest time possible, but in any event within three days from the date of the

initial request. The three-day time limit shall not apply if, for reasons beyond the Company's control, the work could not be completed in those time periods even with the exercise of all due diligence. The failure of the Company to hire sufficient staff or to properly train its staff shall not justify its failure to comply with this provision. If the Company fails to complete the work within the specified time period, it shall nonetheless proceed to complete the work as soon as possible. Except as preempted by federal law, no charge shall be made to the Subscriber for such service, except for the cost of repairs to the Company's equipment or Facilities where it can be documented that the equipment or Facility was damaged by a Subscriber.

(2) Service Times. The Company shall perform service calls, Installations, and disconnects at least during Normal Business Hours. Maintenance service capability enabling the prompt location and correction of major System malfunctions shall be available at all times.

(3) Appointments. The Company shall schedule Installation, maintenance or repair service appointments with subscribers during a designated four-hour block of time agreed to by the Subscriber to enter said Subscriber's residence or business to install, maintain, repair or adjust equipment or services. Such appointment blocks shall be scheduled either during morning or afternoon hours (*e.g.*, 8 a.m. to 12 noon, or 1 p.m. to 5 p.m.) or at a time mutually agreed upon by the Subscriber and Company. Where a Subscriber cannot conveniently arrange for a service call or Installation during Normal Business Hours, the Company shall also schedule service and Installation calls outside Normal Business Hours for the express convenience of the Subscriber.

(4) Cancellations. Under Normal Operating Conditions, the Company shall provide a minimum of one day's advance notice of an appointment cancellation and may not cancel an appointment with a Subscriber after the close of business on the business day prior to the scheduled appointment. The Company may not cancel an appointment with a Subscriber after the close of business on the business day preceding the appointment, nor may the Company miss a duly scheduled appointment. If the Company's representative is running late for an appointment with a Subscriber and will not be able to keep the appointment as scheduled, the Company shall contact the Subscriber and reschedule the appointment as necessary at a time which is convenient for the Subscriber. If the Company is unable to keep a scheduled appointment and has not previously provided notice of cancellation to the Subscriber, the Company will make at least two attempts to directly contact and notify the Subscriber during the scheduled appointment block, documenting its efforts to do so. The Company will give the Subscriber notice of its inability to keep the appointment and of its attempts to contact the Subscriber.

(i) Other Service Requirements:

(1) Technical Adjustments. At the time of service, Company technicians will provide appropriate technical adjustments (*e.g.*, grounding) necessary for the Subscriber's equipment to receive satisfactory reception, provided the Subscriber's equipment is in good working condition.

(2) Emergency Maintenance. The Company shall keep an emergency system maintenance and repair staff capable of responding to and repairing System malfunctions or interruptions on a 24-hour basis, and shall respond to Service Interruptions 24 hours a day, seven days a week under Normal Operating Conditions.

(3) Maintenance Service Record. The Company shall keep a maintenance service record which will indicate the nature of each service complaint, the date and time it was received, the disposition of said complaint, and the time and date thereof. Complete records of the Company's action in response to all complaints shall be made available for inspection by the County upon reasonable request during Normal Business Hours.

(4) Company-Owned Equipment. Except as federal law preempts, no charge shall be made to the Subscriber for repairs or maintenance of Company-owned equipment or Facilities, except for the cost of repairs to the Company's equipment or Facilities where it can be shown that the equipment or Facility was damaged by a Subscriber.

(5) Mobility-Limited Subscribers. With regard to mobility-limited Subscribers, upon Subscriber request, the Company shall arrange for pickup and/or replacement of Converters or other Company equipment at the Subscriber's address or by a satisfactory equivalent (such as the provision of a postage-prepaid mailer).

(6) Private Property Access. The Company shall provide at least two days' written notice to the affected property owner of the approximate time its employees or representatives plan to enter onto said property owner's external property for the purpose of equipment Installation, and shall make its best effort to provide such notice to the affected property owner for the purpose of entering onto private property to provide service, maintenance or repair of the System.

(j) Installations, Connections, and Other Services:

(1) Requests for Installation. The Company shall fill all Installation requests pursuant to the provisions of this Section unless:

(A) The Company cannot obtain access to the requesting Person's premises in accordance with the Installation times specified in this Section; or

(B) the requesting Person has not paid reasonable advance deposits and fees required by the Company; or

(C) the requesting Person is currently in debt to the Company; or

(D) the requesting Person has been convicted of theft of Cable Television Service or equipment.

(2) Installations Generally. The Subscriber's preference as to the point of entry into the residence shall be observed whenever feasible. Runs in building interiors shall be as unobtrusive as possible. The Company shall use due care in the process of Installation and shall repair any damage to the Subscriber's property caused by said Installation. Such restoration shall be undertaken as soon as possible after the damage is incurred and shall be completed within no more than 30 days after the damage is incurred. All Installations will include appropriate technical adjustments in order to receive service, and comply with the provision of any consumer information and literature required by applicable law to instruct the Subscriber in the utilization of the service.

(3) Standard Installations. Except as federal rate regulations may otherwise require, the Company shall not assess a Subscriber any cost other than a standard Installation charge for service drops of 150 feet or less, for a single outlet, unless the Company demonstrates to the County's satisfaction that extraordinary circumstances justify a higher charge.

(4) Non-Standard Installations. Except as applicable law may otherwise require, where a drop exceeds 150 feet in length, the Company may charge a Subscriber allowable rates for installing the drop beyond 150 feet, provided that drop length charged for shall be the difference between the actual length of the installed drop and 150 feet.

(5) Location of Drops. In locations where the Company's System must be underground, drops must be placed underground as well. Except as federal law may otherwise require, in any area where the Company would be entitled to install a drop above-ground, the Company will provide the homeowner the option to have the drop installed underground if requested, but may charge the homeowner the difference between the allowable charge for the above-ground Installation and the allowable charge for the underground Installation.

(6) Antennas and Antenna Switches. The Company shall adhere to FCC regulations regarding antenna switches. The Company shall not, as a condition to providing Cable Service, require any Subscriber or potential Subscriber to remove any existing antenna structures for the receipt of over-the-air television signals.

(7) Service Termination on Delinquent Accounts. The Company shall use its best efforts to collect on delinquent Subscriber accounts before terminating service, pursuant to § 6(n)(5). In all cases, the Company shall provide the Subscriber with at least 15 days' written notice prior to disconnection.

(k) Service Interruptions:

(1) The Company may intentionally interrupt service on the Cable System only for good cause and for the shortest time possible and, except in emergency situations or to the extent necessary to fix the affected Subscriber's service problems, only after a minimum of 48 hours' prior notice to Subscribers and the County of the anticipated Service Interruption; provided, however, that planned maintenance that does not require more than four hours' interruption of service and that occurs between the hours of 12 midnight and 6 a.m. shall not require such notice

to Subscribers, but shall require notice to the County no less than 24 hours prior to the anticipated Service Interruption.

(2) If an unscheduled Service Interruption or outage occurs for a duration of two or more continuous hours to 50% or more of the Subscribers in the Service Area, or to 10% or more of the Subscribers in the Service Area if the Company has 5,000 or more Subscribers in the Service Area, the Company shall notify the County within two hours of such occurrence, or at the opening of business on the next business day if the service interruption occurred outside Normal Business Hours.

(3) The Company shall provide the County with prompt notice of any Service Interruptions of which the Company is aware, including advance notice of any planned Service Interruptions.

(l) Billing:

(1) Bills shall be clear, concise, and understandable. Bills must be itemized including, but not limited to, basic and premium service charges and equipment charges as well as charges for any other service packages ordered by the Subscriber. Bills shall clearly delineate all activity during the billing period, including optional charges, rebates, and credits, and permit Subscribers to readily determine the cost of each service or equipment item that is part of the total bill. The portion of the bill retained by the Subscriber must include:

(A) payment due date;

(B) service dates covered by the billing;

(C) any applicable credits due to the Subscriber, or past due amounts owed by the Subscriber;

(D) itemization of charges for each tier of programming or service package and equipment item charged to the Subscriber;

(E) late payment fee, if any, and late payment due date;

(F) address, telephone number and business hours to contact the Company regarding customer service and billing inquiries or disputes;

(G) the County's cable consumer information office, address and telephone number; and

(H) if government-imposed fees or taxes are itemized, such fees or taxes.

(2) The Company shall submit to the County on a monthly basis a sample Company Subscriber billing for that month itemizing all current charges for services and equipment.

(3) The Company's first billing statement after a new Installation or service change shall be prorated as appropriate and shall reflect any security deposit.

(4) The Company's billing statement must show a specific payment due date not earlier than at least ten business days from the date the bill is postmarked, unless otherwise agreed to pursuant to a residential rental agreement establishing tenancy. The Company shall not assess a late fee earlier than the due date of the next billing cycle. Any late fee imposed by the Company that does not exceed $5.50 in 1998 dollars (adjusted annually for inflation based on the Consumer Price Index) shall be presumed reasonable to recover the costs associated with the delinquent payment. The late fee shall appear on the following month's billing statement. The Company may not charge a late fee unless (A) the Subscriber's bill sets forth when the late fee will be assessed, and (B) the bill sets forth the amount of the late fee.

(5) Subscribers shall not be charged a late fee or otherwise penalized for any failure by the Company, including failure to timely or correctly bill the Subscriber, or failure to properly credit the Subscriber for a payment timely made.

(6) The Company must notify the Subscriber that he or she can remit payment in person at the Company's business office and inform the Subscriber of the address of that office.

(m) Deposits, Refunds and Credits:

(1) Under Normal Operating Conditions, if the Company fails, through no fault of the Subscriber or contrary to prior agreement with the Subscriber, to perform Installations within the prescribed time lines as defined in § 6(h), or does not arrive for appointments for Installations within the scheduled appointment block pursuant to § 6(h), the Company shall provide free Installation to the Subscriber, or shall provide a credit of at least $10 if the requested Installation was already free or discounted.

(2) Under Normal Operating Conditions, if the Company fails, through no fault of the Subscriber or contrary to prior agreement with the Subscriber, to perform scheduled maintenance or repairs, or does not arrive for appointments for maintenance or repairs within the scheduled appointment block pursuant to § 6(h), the Company shall provide the scheduled maintenance or repair free to the Subscriber, or shall provide a credit of at least $20 if the maintenance or repair was already free.

(3) Under Normal Operating Conditions, the Company shall issue an automatic credit to the accounts of all Subscribers within a definable service area, whether or not notified by Subscribers, when there is a Service Interruption affecting all Channels, including premium Channels and non-premium Channels, for four hours or longer in a 24-hour period. If there is a Service Interruption on one or more such Channels for two hours or longer in a 24-hour period,

the Company shall issue a credit to accounts of Subscribers who notify the Company of such Service Interruption, whether or not the Subscriber specifically asks for a credit. Such credit shall equal, at a minimum, the value of 1/30th of the Subscriber's current monthly bill, excluding pay-per-view and special events. In the event that a pay-per-view or special events Channel is affected by a Service Interruption, the Company shall issue full credit to the accounts of all Subscribers who paid in advance for such event(s).

(4) Credits pursuant to this § 6(m) will be issued no later than the Subscriber's next billing cycle following the determination that a credit is warranted. Refunds pursuant to this Section will be issued by the Company within 60 days following the resolution of the event giving rise to the refund and/or credit.

(5) If the Company fails to pay a Subscriber any refunds or credits within 60 days pursuant to this subsection, the Company shall pay interest to the Subscriber, in addition to the original credit or refund, at an annual rate equal to the commercial prime interest rate of the County's primary depository during the period that the credit or refund was due.

(6) The Company may require reasonable, non-discriminatory, refundable deposits for service or equipment, provided that:

(A) If a Subscriber's account is in good standing with the Company for one year, the Company shall refund to the Subscriber any deposits made by the Subscriber, plus interest at an annual rate equal to the 12-month average of the commercial prime interest rate of the County's primary depository for the calendar year preceding the date of such refund, as established by the County Treasurer or his or her designee.

(B) Upon termination of service for any reason, the Company shall either:

(i) refund to the Subscriber any unrefunded deposits, plus interest at the rate described above, and the unused portion of any prepaid service charge (if termination is prior to end of a prepaid period), but specifically excluding Installation fees; or

(ii) issue a credit equal to the amount of any refund as defined in § 6(m)(6)(B)(i), including deposit, interest and unused portion of prepaid service charge, which is owed to the Subscriber, to be applied against amounts owed by the Subscriber to the Company. If such credit exceeds the amounts owing, the remainder shall be refunded as indicated in § 6(m)(6)(B)(i).

(7) Credits stated in dollar amounts in this § 6(m) are in 1999 dollars and shall be adjusted annually for inflation based on the Consumer Price Index.

(n) Disconnection/Denial of Service:

(1) A Subscriber may terminate service at any time.

(2) The Company shall disconnect a Subscriber's service within six working days of a Subscriber's request. No period of notice prior to voluntary termination or downgrade of service may be required of Subscribers by the Company. The Company shall cease to charge a Subscriber for Cable Service immediately after receiving a request to discontinue Cable Service. If for any reason a Subscriber terminates Cable Service prior to the end of a prepaid period, the unused portion of any prepaid service fees shall be refunded to the Subscriber within thirty days or by the end of the next billing cycle, whichever is earlier.

(3) No charge may be imposed for any voluntary disconnection or downgrade, except to the extent that federal law specifically provides that the Company must be permitted so to charge a Subscriber. So long as the Subscriber returns, or permits the Company to retrieve, any equipment necessary to receive a service within five business days of the disconnection, no charge may be imposed by any Company for any Cable Service delivered after the date of the disconnect request.

(4) A Subscriber may be asked, but not required, to disconnect the Company's equipment and return it to the business office.

(5) The Company shall not terminate residential service for non-payment of a delinquent account unless the Company furnishes written notice of the delinquency and impending termination at least 15 days prior to the proposed termination. The notice shall be mailed to the Subscriber to whom the service is billed and shall be postmarked no earlier than the 16th day after the due date of the unpaid bill. Such notice shall be mailed, postage pre-paid, to the Subscriber to whom the service is billed, and may be part of a billing statement. The Company shall terminate service only on days when a Subscriber can reach a representative of the Company either in person or by telephone. Service terminated without good cause must be restored without charge for the service restoration. Good cause includes, but is not limited to: failure to pay; payment by check for which there are insufficient funds; theft of service; abuse of Company equipment, employees or representatives, or other similar actions. If the Subscriber pays all amounts due, including late charges, before the date scheduled for disconnection, the Company shall not disconnect service. After disconnection, upon payment by the Subscriber in full of all proper fees or charges, including the payment of the reconnection charge, if any, the Company shall promptly reinstate service.

(6) The Company may immediately disconnect a Subscriber if the Subscriber is damaging or destroying the Company's Cable System or equipment. After disconnection, the Company shall restore service after the Subscriber provides adequate assurance that it has ceased the practices that led to disconnection, and paid all proper fees and charges, including any reconnect fees and amounts owed the Company for damage to its Cable System or equipment.

(7) The Company may also disconnect a Subscriber that causes signal leakage in excess of federal limits. The Company may disconnect a Subscriber without notice where signal leakage is detected originating from the Subscriber's premises in excess of federal limits, provided that the Company shall immediately notify the Subscriber of the problem and, once the problem is corrected, reconnect the Subscriber without charge.

(8) The Company shall reconnect service to customers wishing restoration of service, provided such a customer shall first satisfy any previous obligations owed.

(9) The Company shall furnish and maintain services to each person who makes a *bona fide* request to receive any service. Nothing in this Section 6 shall limit the right of the Company to deny service to any household which or person who has a negative credit or service history with the Company, which may include nonpayment of bills or theft or damage to the Company's equipment, or who has threatened or assaulted employees of the Company in the course of their employment, provided that in the event service is denied, the Company will give notice to the denied person of the right to contact the appropriate regulatory authority, providing name, address, and phone number of the County.

(10) The Company shall not request more personally identifying information than is necessary to confirm the identity of a Subscriber. The type of information considered to be necessary may vary depending on the individual Subscriber, but the Company may not deny service to a Person who fails to provide a Social Security number, although additional deposits may be required. However, the Company may deny service if a Person fails to produce any verifiable personally identifying information after being requested to do so.

(o) Changes in Service:

(1) The Company may not alter the service being provided to a class of Subscribers (including by retiering, restructuring or otherwise) without the express permission of each Subscriber, unless it complies with §6(c) of this Section, except to the extent that federal law specifically provides that the Company must be permitted to make such alterations in a manner inconsistent with this Section.

(2) No charge may be made for any service or product that the Subscriber has not affirmatively indicated it wishes to receive. Payment of the regular monthly bill does not in and of itself constitute such an affirmative indication.

(3) The Company shall comply with all applicable law regarding buy-through of tiers.

(p) Parental Control Option:

Upon the request of a Subscriber, the Company shall make available a device by which the Subscriber can block completely the video and audio signals of a particular Cable Service. The control option described herein shall be made available to all Subscribers requesting it when any Cable Service is provided, or reasonably soon thereafter.

(q) Enforcement:

(1) The Company shall keep such records as are necessary to show compliance with these customer service standards and FCC customer service standards.

(2) Unless this requirement is waived in writing by the County, the Company shall file annually with the County a statement signed by an officer or employee certifying compliance with this Section 6 annually. Each such certification shall be filed with the Company's annual report. If the Company is unable to certify full compliance annually, it must indicate in its filing each standard with which it is in compliance, and file a non-compliance statement.

(3) If the Company is in non-compliance with any standard during any calendar quarter, it shall include in its annual filing a statement specifying areas of non-compliance, the reason for the non-compliance and a remedial plan.

(4) If the Company fails to file a compliance certificate or non-compliance statement as required herein, it shall be liable for the liquidated damages specified herein for violation of customer service standards.

(5) In addition, except as prohibited by federal law, the Company shall be subject to penalties, forfeitures and any other remedies or sanctions available under federal, state or local law if it fails to comply with the standards herein.

(r) Anti-competitive Acts Prohibited:

The Company shall not engage in acts that have the purpose or effect of limiting competition for the provision of Cable Service or services similar to Cable Service within the County, except for such actions as are expressly permitted by federal or state law.

7. Franchise Fee

(a) Payment to County:

As compensation for the use of the Rights-of-Way, the Company shall pay to the County a Franchise fee. The Franchise fee shall be 4% of Gross Revenues until September 30, 2001, and 5% of Gross Revenues thereafter, beginning October 1, 2001.

(b) Intent of Provision:

The parties intend that the Franchise fees be paid on all those revenues derived from the operation of the Cable System to provide Cable Service. The provisions of this Agreement, including but not limited to the definition of Gross Revenues, shall be interpreted so as to prevent the Company from avoiding by corporate reorganization or otherwise the payment of Franchise fees that could otherwise lawfully be collected, and so as to prevent the County from charging Franchise fees twice on the same revenues.

(c) Franchise Fees – Payment:

All payments of Franchise fees shall be made on a quarterly basis, not later than 45 days after the last day of each March, June, September, and December, and shall be remitted simultaneously with a report setting forth the Gross Revenue for the quarter ending on said last day. Such report shall be certified by the Company's chief financial officer or an independent certified public accountant and shall reflect the total amount of monthly Gross Revenues for the payment period pursuant to generally accepted accounting principles (GAAP) and a breakdown by major revenue categories (such as basic service, cable programming service, premium service, and other such categories as indicated in § 1(v)). The County shall have the right to require further reasonable supporting information.

(d) Franchise Fee Payments Subject to Audit:

(1) The County shall have the right to inspect, copy and audit all records relevant to the calculation of the Franchise fee, regardless of where held, and to recompute any amounts determined to be payable under this Agreement. The Company shall either provide such records at a location within the County or pay the full cost for the County's auditors to travel to and work at the site where the Company makes such records available.

(2) The Company shall maintain such records for a minimum of 42 months.

(3) Except as specified in § 7(d)(1), the County's audit expenses shall be borne by the County unless the audit discloses an underpayment in excess of 5% of the amount paid, in which case the costs of the audit shall be borne by the Company as a cost incidental to the enforcement of the Cable Franchise. Any additional amounts due to the County as a result of the audit shall be paid within 30 days following written notice to the Company by the County of the underpayment, which notice shall include a copy of the audit report. If recomputation results in additional amounts to be paid to the County, such amount shall be subject to an interest charge computed at an annual rate equal to the commercial prime interest rate of the County's primary depository during the period that the additional revenue was owed.

(4) The Company shall maintain its fiscal and financial records and have all relevant fiscal and financial records maintained by others on its behalf in such a manner as to enable the County to determine Gross Revenues.

(e) Late Payments:

In the event any Franchise fee payment or recomputation amount is not made on or before the required date, the Company shall pay interest charges computed from such due date, at an annual rate equal to the commercial prime interest rate of the County's primary depository bank as of that date, as a cost incidental to the enforcement of the Cable Franchise.

(f) No Limitation on Taxing Authority:

(1) Nothing in this Agreement shall be construed to limit any authority of the County to impose any tax, fee, or assessment of general applicability. By way of illustration and

not limitation, to the extent permitted by applicable law, the County may impose a tax, fee, or other assessment on any Person (other than a cable operator) with respect to Cable Service or other communications service provided by such Person over a Cable System for which charges are assessed to Subscribers but not received by the cable operator.

(2) The Franchise fee payments required by this Section shall be in addition to any and all taxes of a general nature and not applicable solely to cable television operations within the County or other fees or charges which the Company shall be required to pay to the County or to any state or federal agency or authority, as required herein or by law, all of which shall be separate and distinct obligations of the Company. The Company shall not have or make any claim for any deduction or other credit of all or any part of the amount of said Franchise fee payments from or against any of said County taxes or other fees or charges which the Company is required to pay to the County, except to the extent that applicable law requires the County to permit the Company such a deduction or credit. The Company shall not apply nor seek to apply all or any part of the amount of said Franchise fee payments as a deduction or other credit from or against any of said County taxes or other fees or charges, each of which shall be deemed to be separate and distinct obligations of Company. Nor shall the Company apply or seek to apply all or any part of the amount of any of said taxes or other fees or charges as a deduction or other credit from or against any of its Franchise fee obligations, each of which shall be deemed to be separate and distinct obligations of the Company.

8. Inspection and Regulation

The County shall have the right to regulate and periodically inspect the construction, operation and maintenance of the System to the extent necessary to ensure compliance with the provisions of this Agreement. Except in an emergency, any inspection by the County which may consist of entering onto the premises or opening any physical equipment belonging to the Company will require the presence of a Company designated representative, who, because of the limited number of Company employees available at any given time, will be made available upon 24 hours' notice from the County.

9. Transfers

The Cable Franchise shall be a privilege that is in the public trust and personal to Company. The Company's obligations under its Cable Franchise involve personal services whose performance involves personal credit, trust, and confidence in the Company. No Transfer shall occur except as provided in the Cable Ordinance, provided, however, that the Company may Transfer the Franchise from Clark CableVision, Inc., to another wholly owned Affiliate of Clark CableVision, Inc., upon 30 days' prior written notice, if (A) such new Affiliate accepts the Franchise under its then current terms and conditions and assumes liability for all acts and omissions of its predecessors, and (B) Clark CableVision, Inc., provides a guarantee of such new Affiliate's performance in a form acceptable to the County.

10. Performance Guarantees and Remedies.

(a) Remedies Not Exclusive:

The Company agrees that the County shall have the specific rights and remedies set forth in this Section 10. These rights and remedies are in addition to any and all other rights or remedies now or hereafter available to the County, and will not be deemed waived by the exercise of any other right or remedy. The rights and remedies provided in this Agreement are cumulative and not exclusive of any remedies provided by law, and nothing contained in this Agreement shall impair any of the rights or remedies of the County under applicable law. The exercise of any such right or remedy by the County shall not release the Company from its obligations or any liability under this Agreement, except as expressly provided for in this Agreement or as necessary to avoid duplicative recovery from or payments by the Company. Neither the creation of a Security Fund nor the receipt of any damages recovered by the County thereunder shall be construed to excuse faithful performance by the Company or limit the liability of the Company for damages, either to the full amount of the Security Fund or otherwise.

(b) Liquidated Damages:

(1) Amount of Damages. The County and the Company agree that, as of the time of the grant of this Franchise, it is impracticable, if not impossible, to reasonably ascertain the extent of damages which will be incurred by the County as a result of a breach by the Company of its obligations under this Franchise. Consequently, the County may, at its sole option, collect any of the liquidated damages described below for the violations and in the amounts described below. Such damages shall not be a substitute for actual performance by the Company of a financial payment, but shall be in addition to any such actual performance. To maintain that estimate, the parties agree that the liquidated damage amounts are in year 2000 dollars and shall be increased each year by the increase in the U.S. City Average of the Consumer Price Index. The County may waive or reduce the liquidated damage amounts herein for good cause.

(A) Construction. The County may impose liquidated damages of $500 per day for each day that any increment of new construction as required by this Franchise is not timely completed;

(B) Technical Standards. Not more often than once a year, except for retesting, County may instruct Company to conduct a technical test of a reasonable number of locations to determine compliance with FCC technical standards. If more than 10% of the locations tested fail to meet the FCC technical standards, the County may impose liquidated damages in the amount of $100 per day per location not in compliance, plus the County's reasonable costs of enforcement, measured from the date the non-compliance is detected until the day that FCC standards have been satisfied at each and every retested location.

(C) Customer Service. If Company violates, in any material way, any of the customer service standards specified in the Franchise, the County may impose liquidated damages in an amount up to $250 per violation per day.

(2) Cure. In the event that County has reason to believe that Company has failed to comply with any material provision of the Franchise, the Agreement or the Cable Ordinance and therefore desires to impose damages on Company as stipulated above, County shall notify Company in writing of the provision or provisions which the County believes may be in default as well as a cure period which shall be a reasonable amount of time under the circumstances but in no event less than 30 days ("Cure Period"). Violations that would otherwise be measured on a quarterly basis shall be measured proportionately over any such Cure Period for purposes of determining whether the violation has been cured. Company shall upon receipt of said notice:

(A) Cure the violation within the Cure Period; or

(B) Respond during the Cure Period to the County or a designee appointed by the County in writing, contesting the County's assertion of violation and providing such information or documentation as may be necessary to support Company's position and/or request an extension of the Cure Period.

(3) Payment and Appeal.

(A) In the event Company fails to cure the violation within the applicable Cure Period, or provide an explanation for failure to cure acceptable to County in the County's sole discretion, the County may assess liquidated damages as specified in above and demand the specified amounts from the Company or withdraw them from any Security Fund posted by the Company with the County, subject to Company's right to regain such amounts, with interest, pursuant to § 10(b)(3)(C). The County shall give the Company written notice of any such assessment.

(B) If Company wishes to contest the imposition of liquidated damages pursuant to § 10(b)(3)(A), Company shall so notify the County in writing within 30 days from the date of the written notice specified in § 10(b)(3)(A). The Company shall have an opportunity to present its case to the County or its designee and to make a record. Within 30 days after said notice, the County shall issue a written decision determining whether or not liquidated damages should be imposed. Company shall have the right to appeal such written decision to a court of competent jurisdiction within 90 days of the decision.

(C) If liquidated damages are imposed pursuant to § 10(b)(3)(A), and a later decision by the County or a court of competent jurisdiction holds that such damages should not have been imposed, then the County shall repay to the Company the damages collected, with interest at an annual rate equal to the commercial prime interest rate of the County's primary depository during the period that such damages were held by the County.

(D) Assessment of liquidated damages shall not constitute a waiver by the County of any other right or remedy it may have under the Franchise, the Cable Ordinance, this Agreement or any applicable law including, without limitation, its right to recover from Company such additional damages, losses, costs and expenses, including reasonable attorneys'

fees, as may have been suffered or incurred by the County by reason of or arising out of such breach of the Franchise. Nothing in this § 10(b)(3)(D) is intended to waive, modify or otherwise affect Company's rights under the Franchise, the Cable Ordinance, this Agreement, or any applicable law, except for the specific procedures expressly provided herein, including without limitation the right to judicial review of the legal rights and obligations of the parties with respect to each other, the Company's right to challenge the decision of the County under applicable legal standards, and any issue of performance or breach by either party to this Agreement.

11. Miscellaneous.

(a) Controlling Authorities:

This Agreement is made with the understanding that its provisions are controlled by and subject to all applicable federal, state, and local laws, ordinances, and regulations.

(b) Nonexclusive Cable Franchise

Nothing in this Agreement shall affect the right of the County to grant to any Person a Cable Franchise, consent, or right to occupy and use the Rights-of-Way, or any part thereof, for the construction, operation, or maintenance of all or any part of a Cable System within the Service Area or for any other purpose; provided that any such grant shall comply with the requirements of applicable law.

(c) No Waiver; Cumulative Remedies:

Neither party shall be excused from complying with any of the terms or conditions of this Agreement because of the failure of the other party upon one or more occasions to insist upon or to seek compliance with any such terms or conditions, or because of any failure on the part of the County or the Company to exercise, or delay in exercising, any right or remedy hereunder, nor shall any single or partial exercise of any such right or remedy preclude any other right or remedy.

(d) Notices:

Unless otherwise expressly stated herein, all notices shall be in writing and shall be sufficiently given and served upon the other party by first class mail, registered or certified, return receipt requested, postage prepaid, and addressed as follows. Each party may change its designee by providing written notice to the other party, but each party may only designate one entity to receive notice.

COUNTY:

County Manager
500 S. Grand Central Parkway, 6th Floor
P.O. Box 551712
Las Vegas, NV 89155-1712
(702) 455-3530

COMPANY:

Douglas K. Bridges, Vice President
Clark Cablevision, Inc.
13355 Noel Road, 21st Floor
Dallas, Texas 75240

(e) Delays and Failure Beyond the Control of the Company:

Notwithstanding any other provision of this Agreement, the Company shall not be liable for delay in performance of, or failure to perform, in whole or in part, its obligations pursuant to this Agreement where such delay or failure to perform was due to causes beyond the Company's control, including but not limited to strike, war or act of war (whether an actual declaration of war is made or not), insurrection, riot, act of public enemy, accident, fire, flood or other act of God, technical failure by another party, or sabotage ("*force majeure*"). In the event that such delay in performance or failure to perform affects only part of the Company's capacity to perform, the Company shall perform to the maximum extent it is able to do so and shall take all such steps within its power to correct such cause(s). The Company agrees that in correcting such cause(s), it shall take reasonable steps to do so in as expeditious a manner as possible.

(f) Additional Representations and Warranties:

In addition to the representations, warranties, and covenants of the Company to the County set forth elsewhere herein, the Company represents and warrants to the County and covenants and agrees (which representations, warranties, covenants and agreements shall not be affected or waived by any inspection or examination made by or on behalf of the County) that, as of the Effective Date:

(1) The Company is a company duly organized, validly existing and in good standing under the laws of the State of Nevada and is duly authorized to do business in the State of Nevada and in the County.

(2) The Company is in substantial compliance with all laws, ordinances, decrees and governmental rules and regulations applicable to the System and has obtained all government licenses, permits, and authorizations necessary for the operation and maintenance of the System.

(g) Maintenance of System in Good Working Order:

Until the termination of this Agreement and the satisfaction in full by the Company of its obligations under this Agreement, the Company agrees that it will maintain all of the material properties, assets and equipment of the System, and all such items added in connection with the construction and any upgrade of the System, in good repair and proper working order and condition throughout the term of this Agreement.

(h) Binding Effect:

This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted transferees and assigns. All of the provisions of this Agreement apply to the Company, its successors, and assigns.

(i) Severability:

If any section, subsection, sentence, clause, phrase, or other portion of this Agreement is, for any reason, declared invalid, in whole or in part, by any court, agency, commission, legislative body, or other authority of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent portion. Such declaration shall not affect the validity of the remaining portions hereof, which other portions shall continue in full force and effect. In the event of a subsequent change in applicable law so that the provision which had been held invalid is no longer invalid, said provision shall thereupon return to full force and effect without further action by the County and shall thereafter be binding on the Company and the County. If the terms of this Agreement are materially altered due to changes in or rulings regarding governing law, then the parties agree to negotiate in good faith to amend this Agreement so as to restore the original intent of the Company and the County and preserve the benefits bargained for by each party.

(j) No Agency:

The Company shall conduct the work to be performed pursuant to this Agreement as an independent contractor and not as an agent of the County.

(k) Governing Law:

This Agreement shall be deemed to be executed in the County of Clark, in the State of Nevada, and shall be governed in all respects, including validity, interpretation and effect, and construed in accordance with the laws of the State of Nevada, as applicable to contracts entered into and to be performed entirely within this State.

(l) Claims Under Agreement:

The County and the Company agree that any and all claims asserted by or against the County arising under this Agreement or related thereto shall be heard and determined either in a court of the United States ("Federal Court") located in the State of Nevada or in a court of the State of Nevada of appropriate jurisdiction. To effectuate this Agreement and intent, the Company agrees that if the County initiates any action against the Company in Federal Court or in a court in the State of Nevada, service of process may be made on the Company either in person, wherever such Company may be found, or by registered mail addressed to the Company at its office in the Service Area as required by this Agreement, or to such other address as the Company may provide to the County in writing. This provision shall not be construed to prevent the Company from seeking relief from the FCC.

(m) Compliance With Federal and State Laws:

The Company and the County shall comply with all applicable federal, state, and local laws and regulations.

(n) Time of the Essence:

In determining whether the Company has substantially complied with this Agreement, the parties agree that time is of the essence. As a result, the Company's failure to complete construction, to extend service, to seek approval of Transfers or to provide information in a timely manner may constitute material breaches.

(o) Captions and References:

The captions and headings of sections throughout this Agreement are intended solely to facilitate reading and reference to the sections and provisions of this Agreement. Such captions shall not affect the meaning or interpretation of this Agreement.

APPROVED BY THE CLARK COUNTY BOARD OF COMMISSIONERS THIS 19th DAY OF September, 2000.

CLARK COUNTY
BOARD OF COUNTY COMMISSIONERS

By: _____
BRUCE L. WOODBURY, Chairman

ATTEST:

_____
SHIRLEY B. PARRAGUIRRE, County Clerk

APPROVED AS TO FORM:
CLARK COUNTY DISTRICT ATTORNEY

By: _____
VICTOR PRIEBE

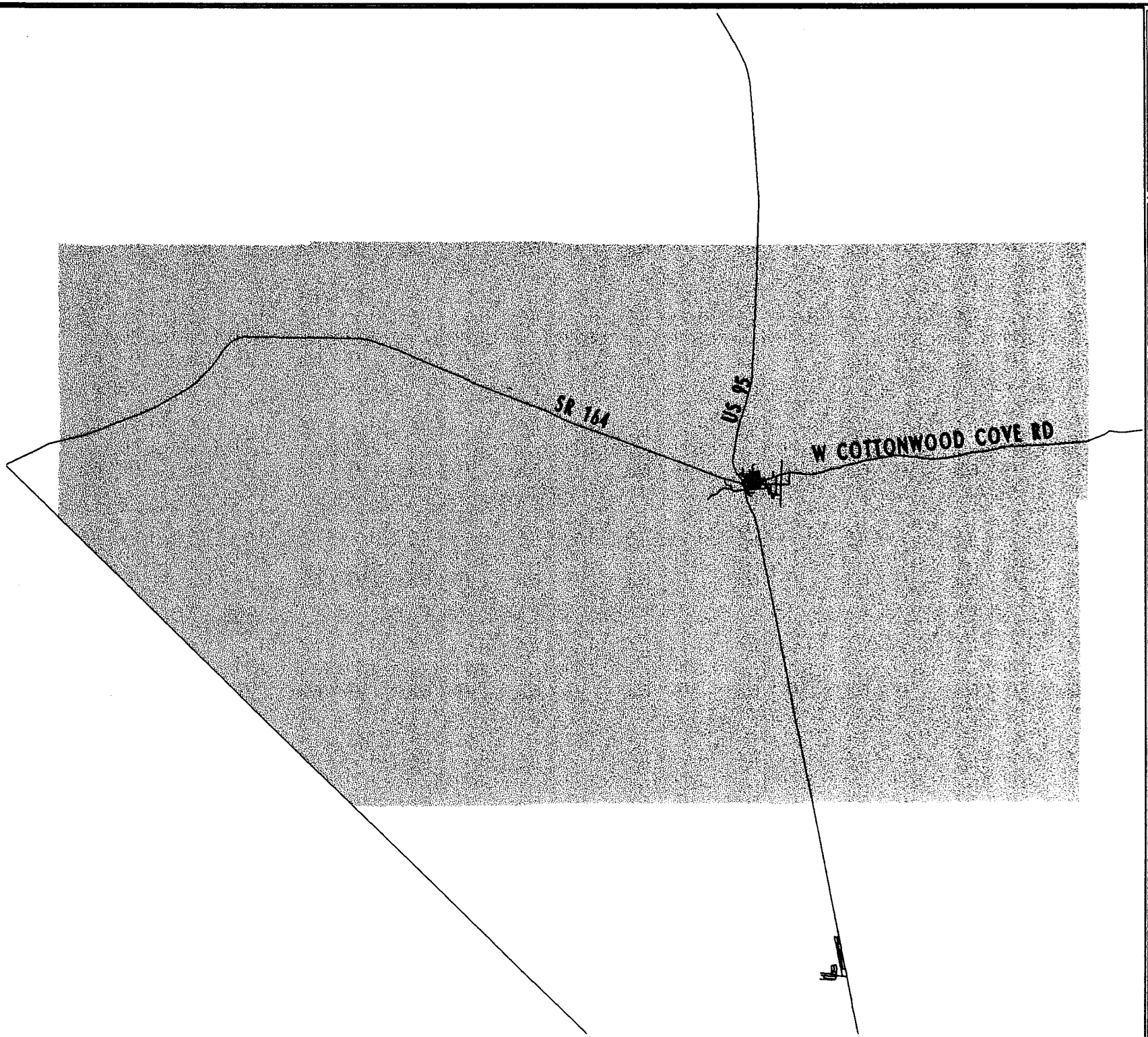
CLARK CABLEVISION, INC.

By: _____
DOUGLAS K. BRIDGES
Vice President

EXHIBIT "A"

Clark Cablevision, Inc.
Cable Television Franchise Agreement

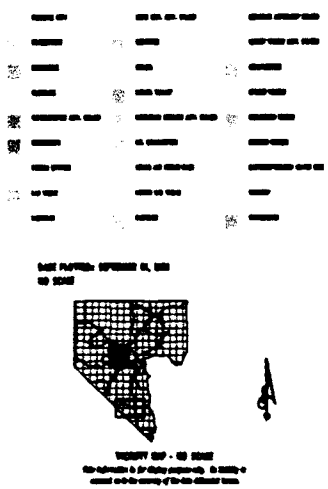
All of the land within the boundaries of the Searchlight Township as it may from time to time exist during the term of the Franchise Agreement to which this Exhibit is attached.



Searchlight Township Boundaries

CLARK COUNTY, NEVADA

GIS

LEGEND

Attachment A
Page 2