

A PublicHearing was held at the Loudon County Courthouse on April 6, 1992 @ 7:00 P.M. for the purpose:

-Rezoning on Hwy. 11, Map 23 Parcel 5.0 from C-2. General Commercial to R-1, Suburban Residential.

Mr. Coffey spoke concerning his father's property.

-Rezoning on Hwy. 11, Tax Map 29-J, "A", Parcel 2.0 from R-1, Suburban Residential to C-2, General Commercial.

-Rezoning on Ritchie Rd., Tax Map 64, Parcel 12.0 from A-2 Rural Residential to C-2, General Commercial.

There being no further comment, the Public Hearing was adjourned.

Be it remembered that the Loudon County Legislative Body met in Regular Session on Monday, April 6th, 1992 at 7:15 P.M. with the Chairman, J.J. Blair presiding and County Clerk, Riley D. Wampler were present, whereupon Sheriff Tim Guider Opened Court, Led the Pledge of Allegiance to the Flag and Presented Gary Amos who gave the Invocation.

The following Commissioners were present:

Blair

Price

Park

Bledsoe

Maples

Williams

Millsaps

Masingo

Twiggs

MINUTES APPROVED

It was moved by Commissioner Price and seconded by Commissioner Bledsoe that the minutes be approved as presented. The vote was unanimous.

TELLICO PARKWAY DISCUSSION

County Commissionr, J.J. Blair presented Mr. Glen Adkins, who spoke to the Commission concerning Tellico Parkway. He reported TVA will hold the money another month to give time for a study of the matter to see if the state will take over the Parkway. It was moved by Commissioner Bledose and seconded by Commissioner Millsaps to postpone the study of Tellico Parkway until next month. The vote was unanimous.

QUARTERBACK LEASE

Mr. Sam Lyles spoke to the Commission concerning the Loudon Quarterback Club's Lease. After a much heated discussion concerning the Lease, it was moved by Commissioner Price and seconded by Commissioner Twiggs that since the Soccer Team was included in the discussion and in order to satisfy both parties that the Quarterback Club's Lease be cancelled as soon as possible. On Roll Call the vote was 5 to 4 in favor with Commissioner Bledsoe, Millsaps, Masingo and Park voting against it. It was moved by Commissioner Williams and seconded by Commissioner Twiggs that if the lease can be cancelled that a committee of two, one from the Quarterback Club and one from the Soccer Team with two picking the third person to work out a schedule. On Roll Call, the vote was 5 to 4 in favor with Commissioner Bledsoe, Millsaps, Park and Masingo voting Nay.

TRUST BOOK
FROM 1 to 48
TO BE
REMOVED FROM
VAULT AND
PLACED IN
OFFICE

Commissioner Millsaps presented a letter from the Register of Deeds, Ralph Wear concerning Removal of Older Trust Books from the Vault and placed in the Title Room. It was moved by Commissioner Millsaps and seconded by Commissioner Price and Park that he be permitted to remove Trust Books numbered 1 thru 48 from the Vault and be placed in Title Room which is not a Vault but a Room in the Register of Deeds Office, which would allow approximately four (4) more year's space in the Vault computed on today's recording volume. The vote was unanimous.

APPOINTEES
APPROVED TO
LOUDON
COUNTY
REGIONAL
PLANNING
COMMISSION

It was moved by Commissioner Price and seconded by Commissioner Park that the County Executive's appointment of the following to the Loudon County Regional Planning Commission be approved: James Wiggins - (Reappointed) 6-30-96, Billy Joe Littleton to serve Jack Denton's (unexpired term) 6-30-94. The vote was unanimous and the Resolution is attached hereto as Resolution No. 58-92 Exhibit A.

CIVIL DEFENSE
DIRECTOR

After much discussion concerning appointment of a Civil Defense Director, it was moved by Commissioner Williams and seconded by Commissioner Maples that the funding be cut off until the Commissioners can sit down with the County Executive to work the matter out. On Roll Call the vote was 5 to 4 in favor with Commissioner Bledsoe, Millsaps, Park and Masingo voting against it.

COUNTY & CITY
CONFERENCE

Director of Accounts, Nancy Richesin spoke to the Commission concerning a meeting place for City and County Conference. After some discussion, she was asked to find a place regardless if it had to be during the week and send out Invitations to the group. Those who can go must report back to her.

BUILDING
INSPECTOR'S
REPORT

Building Inspector, Doug Lawrence, presented his report:

Fees-----\$3,579.00
Permits-----49

Taxes----\$15,260.00
Value-\$1,180,000.00

State Planning Commissioner Pat Phillips presented his General Report which is attached.

MAP 23
PARCEL 5.0
APPROVED

It was moved by Commissioner Price and seconded by Commissioner Maples that rezoning on Hwy 11, Map 23, Parcel 5.0, from C-2 General Commercial to R-1 Suburban Residential (2nd Legislative District) be approved. The vote was unanimous and it is attached hereto as Resolution No. 59-92 Exhibit B.

MAP 29-J
"A" PARCEL
2.0
APPROVED

It was moved by Commissioner Park and seconded by Commissioner Williams that the Rezoning on Hwy 11, Map 29-J, "A", Parcel 2.0 from R-1, Suburban Residential to C-2, General Commercial (5th District) be approved. The vote was unanimous and it is attached hereto as Resolution No. 10-72 Exhibit C.

MAP 64
PARCEL 12.0
POSTPONED
UNTIL MAY
MEETING

It was moved by Commissioner Bledsoe and seconded by Commissioner Millsaps that Tax Map 64, Parcel 12.0 from A-2 Rural Residential to C-2, General Commercial (1st & 4th District) be postponed until the May Meeting. The vote was unanimous.

HOSPITAL
SUIT

Attorney Sproul reported that last week he had tried the last pending suit against the Loudon County Memorial Hospital (A.C. Kelly VS Loudon County Memorial Hospital), and that the Court had held for the hospital and dismissed the suit. Attorney Sproul stated that as far as he knew, the only remaining liabilities from the hospital would be in reference to the remote possibility of a suit by a person who was a minor at the time the incident occurred.

SOUTH CENTAL
BELL

County Attorney Sproul stated that the County Trustee, under the authority given by the County Commission at the last meeting, had returned the check that had been paid under protest, and that if the suit should later result favorably to the county, the additional tax would return to the county at that time together with interest.

BUDGET
AMENDMENT
LAW OF 1991

Attorney Sproul explained the procedures under the New Budget Amendment Law of 1991 that governs the request and approval of amendments to line items and to major categories in the Budget.

SUMMARIZED
REPORT OF
CABLE
TELEVISION
NEGOTIATIONS

Attorney Sproul gave a brief summary of the provisions of the proposed Cable Resolution that had been negotiated by the Committee over the past 2.5 years, and introduce David Maney as the Vice-President for Inter-Media Partners, who was the responsible official in Tennessee. The background of the summarized report of Cable Television negotiations is attached hereto as Exhibit D.

RESOLUTION
GRANTING A
FRANCHISE TO
ROBIN CABLE
SYSTEMS II,
INC.
APPROVED

It was moved by Commissioner Park and seconded by Commissioner Price that a Resolution granting a franchise to Robin Cable Systems II, Inc., a Nevada Corporation to build, construct, operate and maintain a Cable Television in the County of Loudon, Tennessee, and setting forth conditions accompanying the granting of this Franchise be approved. The vote was unanimous and it is attached hereto as Resolution No. 61-92 Exhibit 8.

APPOINTMENTS
TO LOUDON
COUNTY
BOARD OF
HEALTH FOR
4 YEARS
APPROVED

It was moved by Commissioner Park and 2nd by Commissioner Price that the following be appointed to the Loudon County Board of Health for a four year term:

Geroge Miller---County Executive
Edward Headlee---Superintendent of Schools
Newell Grimes ---R.N., Loudon County Health Department
Don Mabry -----D.D.S.
Barry Gordon-----D.V.M.
John Williams----Registered Pharmacist
Corrie Blair-----M.D.
James Guider-----M.D.
Barbara Donaldson --M.D., Loudon County Health Officer

The vote was unanimous . This being in compliance with Title 68 of the TCA, Part 1-TCA 68-2-101.

COMMISSIONER
MILLSAPS
RESIGNS FROM
JUSTICE
COMMITTEE

Commissioner Millsaps resigned from the Justice Committee due to a conflict of interest.

CATERPILLAR
926 E
WHEEL LOADER
APPROVED
(LEASE)

Purchasing Agent, Rudy Clenney was requested by Don Palmer, Road Superintendent to recommend to County Commission Stovers Equipment- Caterpillar 926E-Wheel Loader. (LEASE). It was moved by Commissioner Park and seconded by Commissioner Bledsoe that the equipment be approved. On Roll Call, the vote was unanimous and it is attached hereto as Exhibit 9. The lease/purchase agreement was with Caterpillar Financial Services Corporation.

NOTARIES
APPROVED

It was moved by Commissioner Price and seconded by Commissioner Park that the following Notaries be approved:

Garell E. Foshee, Q.E. Richmond, Connie S. Smith, Delores Stafford, Rachel Walker, Brenda D. Sisk, Susan A. Archer, Barry L. Massey, Barbara L. Belcher, Pamela H. Graves, Lee E. Ledbetter, and Kimberly D. Zenakis.

The vote was unanimous.

There being no further business, Court Adjourned at 8:45 P.M.

County Executive

County Clerk

LOUDON COUNTY COMMISSION
RESOLUTION NO. 58-9.2

RESOLUTION APPROVING OR ACKNOWLEDGING BOARD OR COMMITTEE
APPOINTMENT BY COUNTY EXECUTIVE

WHEREAS, by statute, and/or intergovernmental agreement and/or County Procedural Regulations, the County Executive has authority to make certain committee and board appointments; and

WHEREAS, an appointment (or appointments) is necessary and/or desirable at this time; and

WHEREAS, the County Executive appoints the following as a member of:

LOUDON COUNTY REGIONAL PLANNING COMMISSION
(Name of Committee or Board)

<u>Appointee</u>	<u>Term Expiration</u>
<u>JAMES WIGGINS (reappointed)</u>	<u>6/30/96</u>
<u>BILLY JOE LITTLETON</u>	<u>6/30/94</u>
<u>Mr. Littleton appointed to serve J. Denton's</u>	
<u>unexpired term</u>	
<u>Address: 1300 W. 2nd Avenue, L.C.</u>	

NOW, THEREFORE, BE IT RESOLVED that the County Commission in regular session assembled this 6th day of April, 1992, hereby approves or acknowledges (as appropriate), the said appointment(s).

ATTEST:

COUNTY CHAIRMAN

COUNTY CLERK

APPROVED:

George M. Miller
COUNTY EXECUTIVE

The remaining members and their continuing expiration terms for said board or committee are as follows:

	<u>Term Expiration</u>
<u>Glenn Luttrell</u>	<u>6/15/94</u>
<u>John Carnes</u>	<u>Lo. City/Co-termnious</u>
<u>Charles Harrison</u>	<u>6/15/94</u>
<u>Roy M. Brooks</u>	<u>6/15/93</u>
<u>Bill Wolfe</u>	<u>L.C./Co-termnious</u>
<u>Bette Pope</u>	<u>6/15/93</u>
<u>Ron Paris</u>	<u>6/15/94</u>
<u>Glen Goodwin</u>	<u>6/15/95</u>
<u>W.E. Huff</u>	<u>6/15/95</u>
<u>Jim Hamilton</u>	<u>6/15/95</u>

Exhibit A

RESOLUTION 59-92

A RESOLUTION AMENDING THE ZONING MAP OF LOUDON COUNTY, TENNESSEE, PURSUANT TO CHAPTER FOUR, SECTION 13-7-105 OF THE TENNESSEE CODE ANNOTATED, TO REZONE MAP 23, PARCEL 5.0 FROM C-2, GENERAL COMMERCIAL TO R-1, SUBURBAN RESIDENTIAL

WHEREAS, the Loudon County Commission in accordance with Chapter Four, Section 13-7-105 of the Tennessee Code Annotated, may from time to time, amend the number, shape, boundary, area, or any regulation of or within any district or districts, or any other provision of any zoning resolution, and

WHEREAS, the Regional Planning Commission has forwarded its recommendations regarding the amendment to the Zoning Map of Loudon County, Tennessee, and the necessary public hearing called for and held,

NOW, THEREFORE, BE IT RESOLVED by the Loudon County Commission that the Zoning Map of Loudon County, Tennessee be amended as follows:

- I. That Tax Map 23, Parcel 5.0 said property located on Hwy. 11 in the 2nd Legislative District be rezoned from C-2, General Commercial to R-1, Suburban Residential

BE IT FINALLY RESOLVED, that this resolution shall take effect immediately, the public welfare requiring it.

DATE: April 6, 1992

Loudon County Executive

ATTEST:

R. L. Dwyer

Exhibit B

99B

RESOLUTION

60-92

A RESOLUTION AMENDING THE ZONING MAP OF LOUDON COUNTY, TENNESSEE, PURSUANT TO CHAPTER FOUR, SECTION 13-7-105 OF THE TENNESSEE CODE ANNOTATED, TO REZONE MAP 29-J, "A", PARCEL 13.0 FROM R-1, SUBURBAN RESIDENTIAL TO C-2, GENERAL COMMERCIAL

WHEREAS, the Loudon County Commission in accordance with Chapter Four, Section 13-7-105 of the Tennessee Code Annotated, may from time to time, amend the number, shape, boundary, area, or any regulation of or within any district or districts, or any other provision of any zoning resolution, and

WHEREAS, the Regional Planning Commission has forwarded its recommendations regarding the amendment to the Zoning Map of Loudon County, Tennessee, and the necessary public hearing called for and held,

NOW, THEREFORE, BE IT RESOLVED by the Loudon County Commission that the Zoning Map of Loudon County, Tennessee be amended as follows:

- I. That Tax Map 29-J, "A", Parcel 2.0 said property located on Hwy. 11 in the 5th Legislative District be rezoned from R-1, Suburban Residential to C-2, General Commercial

BE IT FINALLY RESOLVED, that this resolution shall take effect immediately, the public welfare requiring it.

DATE: April 6, 1992

Loudon County Executive

ATTEST: _____

Exhibit C

SUMMARIZED REPORT OF CABLE TELEVISION NEGOTIATIONS

BACKGROUND

Cooke Cablevision, Inc., first applied to Loudon County in the Fall of 1989 to approve a transfer of the Loudon County franchise for providing cable TV services to a proposed new buyer, at the time ostensibly to be United Artists, or a subsidiary thereof.¹

In the process of researching and considering this application, the County Attorney determined that the franchise period for Cooke (and its predecessors, First Carolina, Matrix Enterprises, etc.), was soon to expire, and that under the Cable Television Act of 1984, a "Notice of Intention to Renew" was required to be made by a franchise-holder within a certain timeframe, and that Cooke had overlooked doing this and failed to meet the notice deadline.

This took away certain legal rights that an existing franchise holder has and gave Loudon County an edge that it otherwise would not have had in dealing with what had now turned into not only a "Request for Transfer", but an "Application for Renewal".

The County was concerned that a new purchaser from Cooke might be of the same ilk as Cooke and some of its predecessor companies which were merely interested in buying a cable television system, and then attempting to sell it at a profit within a very short period of time. Little attention was given to line extensions, quality of service, prompt repairs, etc. Very importantly, it would appear that the prices for cable services could very well go up exorbitantly because the new company would not only have to pay a substantial purchase price to buy the franchise, but in addition would have to pay a substantial price for a complete reconstruction of the entire system, which had become worn-cut and

¹In almost all cases, the references here to Cooke and InterMedia involve similar-type actions having been made and negotiations having been made, which includes the City of Lenoir City, and in many cases the City of Loudon. The two cities and the County, with the County serving as coordinator and providing most of the staff time.

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out-dated in fifteen years.

After the first contract, and during the ensuing two years, negotiations have been proceeding with Cooke and now its proposed successor, InterMedia Partners, with some difficulties along the way being encountered because Lenoir City, Loudon and Loudon County were attempting to negotiate together, but Loudon became interested in the possibility of constructing its own cable system, and because of the legal complexities, and other reasons.

The County Attorney has kept the County Commission members up to date on the progress of the negotiations and on the various critical issues which have been considered in attempting to agree on a final resolution agreement, and that agreement now has basically been reached for recommendation to the County Commission.

Outline of Proposed Agreement

Following are the important elements of the proposed agreement:

1. Ownership (franchise holder): The agreement will be with Robin Cable Systems II, Inc., a Nevada corporation, which basically is a subsidiary of InterMedia Partners. The County is to be provided all pertinent information concerning the principal persons and owners of Robin and InterMedia Partners, and the financial status of each company.

2. Term of Agreement: This agreement will be for a term of ten (10) years rather than fifteen (15) years. (Section 16)

3. Physical Plant Description: The present entire physical plant shall be completely replaced. It will be replaced with a new 450 MHz state-of-the-art coaxial system with fiber backbone, with the capability of carrying 61 channels. It will meet and exceed all required regulations, codes and standards, and will be built with a minimum of interruption of service to present subscribers.

It will include one-way addressable converters so that pay-per-view will be available, and will have Civil Defense override capabilities. (Sections 6 and 9)

4. The new construction will replace all existing cable and extend new lines to all areas adjacent to the existing system in the County where there is at least 30 homes per mile, and in approximately 10 additional locations the company has agreed to make an extension where there are pockets of customers, even though the 30 homes per mile standard is not reached. The company has agreed to lower the standard of 30 homes passed per mile as the ratio of customers who actually take Cable TV rises. (Section 5)

5. Franchise Fee: The company will pay a five percent (5%) franchise fee which will be based upon all revenue derived directly by the cable company from its operations of the cable TV system in Loudon County. (Sections 20 and 2(b)).

6. Sale or Transfer: The Franchise cannot be leased, assigned, or transferred to any other company without permission of the County Commission, except under very limited situations. (Sections 19 and 3(c)).

7. First Right of Refusal: The County has first right of refusal to purchase the existing physical plant and assets in the event a transfer is requested. (Section 17 and Section 19)

8. Rate Increases: The County probably does not have authority under the present law, but will be allowed to govern basic rates for television services if such should be later allowed by Federal regulations or law, if the County appoints (or combines with Lenoir City and Loudon to form) a Cable Television Authority that is composed of no more than fifty percent (50%) publicly elected officials. (Section 4)

In addition, there are some other phases of cable operations that may be regulated by the County. (Section 4)

9. Enforcement of the Agreement: If the cable company should fail to comply with the provisions of the agreement, in addition to a performance bond and letter of credit, there are several procedures for enforcing the agreement including revocation of the franchise agreement, after notice has been given and an opportunity given for the company to correct any problems.

10. Letter of Credit: A \$25,000.00 letter of credit, subject to the usual rules, will be available to utilize in complying with the agreement. (Section 7).

11. Construction Bond: There will be a Five Hundred Thousand Dollar (\$500,000.00) construction bond issued in reference to the new construction required under the agreement. In addition, the company is required to carry certain insurance coverages and to indemnify the County from the company's negligence or alleged negligence of the operation of the system. (Section 8)

12. Office Location: The cable company is required to have a regular business office in Loudon County. (Section 22)

13. Repairs: Any damage to pavement, sidewalks, public right-of-way, etc., must be replaced and restored at the company's cost within five (5) working days at a maximum (unless prohibited by weather). Section 22)

14. System Failure: Any failure which leaves ten or more subscribers with no cable service must be corrected within twenty-four (24) hours (unless prevented by an act of God). (Section 12)

15. Public, Educational and Governmental Access Channels (PEG): There is to be reserved a minimum of one (1) channel each for public, educational and governmental access (to be available for Lenoir City, Loudon County and the City of Loudon jointly). The company is to provide certain limited equipment in this regard. Company shall provide cable connections and free service to each public school and governmental building passed by the cable system within the County limits, but specifically includes new extensions to the Fort Loudoun Middle School and Fort Loudoun Elementary School. (Section 10)

16. Reports to the County: The company shall file annually with the County an income statement, balance sheet and copies of sales tax and franchise/excise tax returns, and any other reasonable reports requested by the County. The company's books shall be open for inspection by the County. The company is required to keep on file with the County a current list of partners and stockholders, and shall maintain a log of complaints. (Section 15)

17. Programming: Company is required to conduct a survey of current subscribers of the cable system to determine preferences as to programming, so as to attempt to provide the services that

more of the people want as applied to the mix, quality and level of services which have been previously shown to us as a "typical" lineup that we can expect. The number of "active" channels expected initially is approximately 40. (Sections 21 and 6)

18. Non-Exclusivity: It is agreed and understood by everyone that this franchise is non-exclusive, and that the County may issue franchises to other companies. However, because of the expensive cost of reconstructing the entire system, it was not felt to be fair to allow some other company to come in and maybe have some future County Commission grant a franchise for "cream of the crop" locations without having to extend to the other less desirable places, which this company is having to do; so it is agreed that any new company approved by the County must meet all of the same requirements that the present company is having to meet in this agreement. However, further, it is provided that the County may negotiate with those companies already have operating franchise agreements in the County to renew their present franchise agreement for the same territory which they now have. However, if they are to request additional territory, then Robin shall have a period of time within which to indicate its intent as to whether or not it will serve any new area proposed by the existing other cable companies, or by any new cable company proposing to provide services to an area which Robin is not serving. (Section 23)

19. Effective Date: The effective date of this agreement will be April 6, 1992.

20. Credits for Outages: A significant addition is an agreement by the company to "credit" the customer's bill for any outage of at least four (4) hours, and then on a "scale" basis for a twelve hour outage, twenty-four, thirty-six, forty-eight, etc. (Section 32)

Of course, there are many additional legal requirements and considerable legal language concerning the ramifications of the agreement. However, I might say that the agreement we have requested, and the one the company has agreed to is much more stringent and much more protective of the community's rights than the previous agreement, or really than any current franchise agreements that I have seen, particularly for a community of this size.

If you have questions of any significant nature, I would appreciate your getting in touch with me in advance.

The County Commission Cable Committee has approved this basic agreement, although there have been some additions since the last meeting. If any member of the committee feels it desirable, please let me or the County Executive know, and we can call a meeting for 6:30 prior to the regular County Commission meeting.


COUNTY ATTORNEY

RESOLUTION NO. 161-92

A Resolution granting a franchise to Robin Cable Systems II, Inc., a Nevada corporation, to build, construct, operate and maintain a cable television system in the County of Loudon, Tennessee, and setting forth conditions accompanying the granting of this franchise:

Be it ordained by the County Commission of the County of Loudon, Tennessee, as follows:

PREAMBLE

Loudon County has had a contract with Cooke CableVision, Inc., and its predecessors for more than fifteen years for the provision of cable television services to its citizens. The physical "plant" is antiquated, in bad physical condition, and badly needs to be replaced. The Loudon County franchise has been sold twice in the last five years, and negotiations for renewal have centered around the need for a modern reconstruction of the physical plant at the same time that Cooke has agreed to sell its system to a new owner, and the effect all of this will have on subscriber rates, programming and service. This resolution establishing a new franchise agreement is adopted with the understanding that Loudon County citizens will receive a reconstructed system and good service and programming, and that the subscriber rates will be comparable to the rates in like systems even though construction of a state-of-the-art physical plant will begin shortly after the consummation of the sale of the system.

Section 1 -- Title: This resolution shall be known and may be cited as the Terms and Conditions of the Cable Television Franchise.

Section 2 -- Definitions: For the purpose of this Resolution, and when not inconsistent with the context, words used herein in the present tense include the future; words in plural include the singular, and vice versa. The word "shall" is always mandatory. The captions supplied herein for each section are for convenience only. Said captions have no force of law, and are not part of the section. The following terms and phrases, as used herein, shall be given the meaning set forth below:

(a) "County" or "Grantor" is Loudon County, or any successor to the Legislative powers of the present county, including any special delegee (e.g., a cable commission or authority to which City's powers and responsibilities may be delegated).

(b) "Grantee" or "Company" is Robin Cable Systems II, Inc., a Nevada corporation, existing under the laws of the State of Tennessee, and doing business as East Tennessee CableVision; it is the grantee of rights under this franchise.

(c) "Franchise" is the non-exclusive rights given to any person by the County Commission of Loudon County under the terms of this and any agreement entered into by and between Loudon County, Tennessee, and such person according to the terms of this code.

(d) "County Commission" is the governing legislative body of Loudon County, Tennessee.

(e) "Person" is any person, firm, partnership, association, corporation, company or organization of any kind.

(f) "Cable System" or "Cable Television System" means a system of coaxial cables, fiber optics or other electrical conductors and equipment used or to be used primarily to receive or distribute television or radio signals originated directly or indirectly or taken off the air, to subscribers for a fee (collected directly or indirectly).

(g) "CATV System" shall mean cable system.

(h) "County" shall include all areas lying within the limits of Loudon County, Tennessee, as from time to time may be changed by annexation or other legal methods.

(i) "Federal Communications Commission" or "FCC" is the Federal Commission Agency created pursuant to the Communications Act of 1934 or its successor agency.

(j) "Channels" shall mean a group of frequencies in the electromagnetic or radio frequency spectrum capable of carrying an audio-data or an audio-video television signal. Each channel is a block of frequencies containing a six MHz, or greater, band width.

(k) "Basic Cable Service" means any service tier which includes the re-transmission of local television broadcast signals.

(l) "Gross Annual Receipts" shall mean all revenue derived directly by the Grantee and its subsidiaries, from or in connection with the operation of the Cable TV system within unincorporated areas of the County; including the following: gross annual basic cable service receipts, gross annual premium channels receipts, all other service receipts, gross annual receipts from use of commercial channels, installation and reconnection fees, and converter and other equipment rentals; provided, however, that this shall not include any fees or taxes imposed by governmental authorities or copyright fees which arise from Grantee's operation of the cable television system.

(m) "Resolution" or "Franchise Resolution" means this Resolution which grants a franchise and defines the specific rights and obligations of

each party pursuant to the general authority, powers and restrictions of this Resolution.

(n) "Streets" shall mean the surface of and all rights-of-way and the space above and below any public street, road, highway, bridge, freeway, lane, path, public way or place, sidewalk, alley, court boulevard, parkway, drive, waterway, dock, wharf, pier, or easement now or hereafter held by the Loudon County for the purpose of public travel and shall include other easements or rights-of-way as shall be now held or hereafter held by the Loudon County which shall, within their proper use and meaning entitle the franchisee to the use thereof for the purposes of installing or transmitting cable television system transmissions over poles, wires, cable, conductors, ducts, conduits, vaults, manholes, amplifiers, appliances, attachments, and other property as may be ordinarily necessary and pertinent to a cable television system.

(o) "Cable Television Service" The provision of television reception, communications and/or entertainment services for direct or indirect compensation, or as otherwise provided by this Resolution, and distributing the same over a Cable Television System.

(p) "Subscriber" means any person or entity lawfully receiving any portion of the Cable Television Service of a Grantee pursuant to this Resolution.

Section 3 -- Grant of Authority:

(a) The County Commission warrants it has a right to issue a franchise and the Grantee, by acceptance, acknowledges and accepts the right of the County Commission to issue the same.

(b) The County Commission hereby grants to Grantee, subject to the right of amendment as hereinafter provided, the non-exclusive right and privilege to construct, erect, operate and maintain, in, upon, along, across, above, over and under the streets, alleys, public ways and public places now laid out or dedicated, and all extensions thereof, and additions thereto, in Loudon County, poles, wires, cables, underground conduits, manholes, and other conductors and fixtures necessary for the maintenance and operation in Loudon County of a cable system for the interception, retransmission, sale, and distribution of television signals, radio, data, or other electronic signals as may be deemed appropriate by the Grantee, upon the limitations, terms, and conditions in this resolution contained, as the same may be from time to time amended. Grantee, however, shall install underground construction in any area where both electric and telephone utilities are installed underground.

(c) This franchise award shall not be sublet, assigned or leased, nor shall any of the rights or privileges therein granted or authorized be transferred or assigned, either in whole or in part, nor shall title thereto,

either legal or equitable, or any right, title, interest or property therein pass to or vest in any person, either by act of the Grantee or operation of law, without the prior consent of the County Commission expressed by resolution. For the purposes of this section, any stock or equity transfer involving more than 20% of the capital stock or equity of the Grantee to a new owner shall be subject to the provisions herein. County, upon violation by the Grantee, has the right to revoke the franchise without further cause needed.

(d) The right to use and occupy said streets, alleys, public ways and places for the purposes herein set forth shall not be exclusive when granted by the County Commission.

Section 4 -- Compliance with Applicable Laws:

(a) Grantee, at all times during the life of its franchise, shall be subject to all lawful exercise of the police power by Loudon County. Unless otherwise prohibited by State or Federal law, or where jurisdiction has been or shall be conferred upon a State or Federal commission, board or body, Loudon County reserves a right by ordinance or resolution, to create a commission, board, authority, or other body, or to become a party in the creation of a joint commission, board, or body, the members of which (or the representatives to) for Loudon County shall be appointed by the Loudon County Commission, which may be vested with the authority to regulate such cable system as to: attachment fees, if any; rates and charges to be paid by the subscribers for both basic cable service and additional tiers of cable channels, but not rates and charges for premium or "pay" channels such as Home Box Office, Cinemax, Showtime, The Movie Channel, The Disney Channel, Encore, or other similar services, nor for rates for other "pay-per-view" events such as sporting events, concerts, and other entertainment events.

Such commission, board, authority, or other body may additionally regulate such cable system as to: the quality of service to be provided subscribers; the rate of construction of facilities so as to serve the territorial area referred to hereinafter; the promulgation of rules and regulations and other necessary supervisory procedures to assure prompt completion of the construction and/or reconstruction of the system; require cable service for all citizens of the Loudon County and its police jurisdiction wherever located subject to the provisions spelled out in Section 5 of this agreement; set a schedule of construction that will attain the said reasonable completion of such system as hereinabove last stated; and to adopt such other rules and regulations it may now or hereafter lawfully impose in keeping with and not in conflict with applicable State or Federal law, or the lawful rules and regulations heretofore or hereafter adopted by any Federal commission, board or body and/or any lawful State rules and/or regulations lawfully adopted by any State commission, board or body. At least one-half of the members of ~~(if the County should form its own body), or the County's representatives to (should the County form such a body in concert with other franchising authorities),~~ any such regulatory commission, board,

authority, or other body, shall be residents of areas covered by this Agreement and shall not currently hold elective office in any jurisdiction covered by this Agreement.

(b) Grantee, its successors and assigns granted a franchise hereunder shall be subject to lawful regulations heretofore or hereafter adopted by the Federal Communications Commission and should it now or hereafter become subject to the jurisdiction of any other commission then also the lawful rules and regulations adopted by such commission and also the lawful rules and regulations adopted by any similar Federal commission or State regulatory body, having jurisdiction. If the grantee, its successor or assigns, shall fail to comply with any material Federal and/or State statute, rules regulations, orders or conditions lawfully vested under Federal law in any Federal regulatory body and/or rules, regulations, orders and conditions lawfully vested in any State regulatory body and/or rules, regulations, orders and conditions lawfully vested in the County Commission, Loudon County shall have the right to terminate or cancel any franchise granted hereunder after written notice to the Grantee to correct such failure or default and such failure or default shall continue for a period of time specified in such notice, not less than ninety (90) days.

Section 5 -- Franchise Area: Any franchise granted hereunder relates to the present County limits of Loudon County and to any areas hereafter added thereto during the term of any franchise granted hereunder. Grantee shall serve all residences currently served by cable television within the county limits as of the date of this resolution. Within twelve months of the time of completion of the new system, franchisee shall extend its system to portions of the following areas, which such portions are clearly illustrated in Exhibits A through I attached hereto: Harmon Town, White Wing I, Echo Hollow, Waller Ferry, Hines Valley/Timber Ridge, Hotchkiss Valley #1, Hotchkiss Valley #2, Little Mountain East, and Lakeview.

Service shall be extended to other areas of the county that reach a density of at least thirty (30) homes per mile of cable plant required to serve said area within one year of the time such areas are identified to the Grantee in writing and are verified as to house counts by the Grantee. At such time as the ratio of customers paying for cable television service to homes passed by cable in the Lenoir City, Loudon, and Loudon County areas combined reaches sixty-five percent (65%), service shall be extended to other areas of the county that reach a density of at least twenty-five (25) homes per mile of cable plant required to serve said area; at such time as the ratio of customers served to homes passed by cable in the Lenoir City, Loudon, and Loudon County areas combined reaches seventy percent (70%), service shall be extended to other areas of the county that reach a density of at least twenty (20) homes per mile of cable plant required to serve said area. If the County should at any time elect to regulate rates for basic cable television service under Section 4 of this Agreement, the standard shall remain that service shall be extended to other areas of the county that reach

a density of at least thirty (30) homes per mile of cable plant required to serve said area.

Section 6 -- Distribution System:

(a) The present physical plant shall be replaced. To complete the reconstructed system for Loudon County, Grantee shall:

(1) Replace the existing system with a new 450 MHz state of the art coaxial system with fiber backbone, capable of carrying 61 channels. The new system will be built parallel with the existing system to avoid interruption to the existing cable subscribers. The cable television system will be installed and constructed in accordance with accepted industry practices, the National Electric Safety Code, and any federal, state, and local resolutions.

(2) Install standby powering at the headend to minimize system outages during power interruptions.

(3) Install one way addressable converters to provide pay-per-view to be operable and available to those subscribers desiring to purchase pay-per-view services upon completion of construction.

(4) Offer basic and/or premium programming (which may include pay-per-view programming) on channels 2 through 40.

(5) Install ad insertion equipment on 4 channels for local advertising.

(6) Install an audio emergency override system that can be used in case of an emergency. If the city desires to have telephone access to the override system, the city shall install, maintain, and pay for any such telephone line.

(7) Install equipment to enable live or taped local government meetings.

(b) Such rebuilding, replacement and/or upgrading of the distribution system shall be completed within eight months of the acceptance of this franchise by the Grantee.

Section 7 -- Letter of Credit:

(a) Within ten (10) days after the award of this franchise, the Grantee shall deposit with the County a letter of credit in the amount of \$25,000.00. The form and content of such letter of credit shall be approved by the county attorney. The letter of credit shall be used to insure the faithful performance by the Grantee of all provisions of this franchise; and compliance with all orders, permits and directions of any agency,

commission, board, department, division or office of the Governments having jurisdiction over its acts or defaults under this franchise, and the payment by the Grantee of any claims, liens and taxes due the Governments or other municipalities which arise by reason of the construction, operation, or maintenance of the system.

(b) The letter of credit shall be maintained at \$25,000.00 during the entire term of this franchise.

(c) If the Grantee fails to pay the County any compensation within the time fixed herein; or, fails, after thirty (30) days' notice to pay to the County any taxes due and unpaid; or fails to repay the County within thirty (30) days, any damages, costs or expenses which the County is compelled to pay by reason of any act or default of the Grantee in connection with this franchise; or, fails, after thirty (30) days' notice of such failure by the Grantee to comply with any provision of this franchise which the County reasonably determines can be remedied by demand on the letter of credit, County may immediately demand payment of the amount thereof, with interest and any penalties, from the letter of credit. Upon such request for payment, the County shall notify the Grantee of the amount and date thereof.

(d) The rights reserved to the County with respect to the letter of credit are in addition to all other rights of the County, whether reserved by this franchise or authorized by law, and no action, proceeding or exercise of a right with respect to such letter of credit shall affect any other right the County may have.

(e) The letter of credit shall contain the following endorsement: "It is hereby understood and agreed that this letter of credit may not be cancelled by the surety, nor the intention not to renew be stated by the surety until thirty (30) days after receipt by the County, by registered mail, a written notice of such intention to cancel or not to renew."

Section 8 -- Construction Bond:

(a) Within sixty (60) days after the award of the franchise, Grantee shall file with County a construction Bond in the amount of Five Hundred Thousand Dollars (\$500,000.00) in favor of County. This bond shall be maintained throughout the construction of the system, and until such time as determined by the County, but not to exceed thirty (30) days after completion of the system, such completion to be agreed upon by the County and the Grantee using reasonable judgment and common cable television industry standards.

(b) During the construction period, in the event Grantee fails to comply with any law, resolution, ordinance, or regulation governing the franchise, or fails to well and truly observe, fulfill and perform each term and condition of the franchise, including Grantee's proposal which is

incorporated herein by reference, there shall be recoverable, jointly and severally, from the principal and surety of the bond, any damages or loss suffered by County as a result, including the full amount of any compensation, indemnification or cost of removal or abandonment of any property of Grantee, plus a reasonable allowance for attorney's fees, including the County's attorney, and costs, up to the full amount of the bond. This section shall be an additional remedy for any and all violations committed or performed by Grantee.

(c) County may, upon completion of the construction of the service area as approved by Grantee, waive or reduce the requirement of Grantee to maintain said bond.

(d) The bond shall contain the following endorsement:

"It is hereby understood and agreed that this bond may not be cancelled by the surety nor the intention not to renew be stated by the surety until thirty (30) days after receipt by County, by registered mail, of a written notice of such intent to cancel or not to renew."

Section 9 -- Signal Quality Requirements. The Grantee shall comply with the technical standards provided by the Federal Communications Commission as from time to time amended, and further the Grantee shall:

(a) Limit failures which leave 10 or more subscribers with no cable service to a minimum by locating and correcting such malfunctions properly and promptly, but in no event longer than twenty-four (24) hours after notice unless prevented by an act of God.

(b) Demonstrate by instruments or otherwise to subscribers that a signal of adequate strength and quality is being delivered.

Section 10 -- Public, Educational & Governmental Access Channels and Emergency Broadcast Services Required:

(a) The Grantee shall provide, but without charge and subject to the rules and regulations of the Federal Communications Commission, public emergency broadcast capabilities whereby Loudon County can, in conjunction with officials of Lenoir City and the City of Loudon, interrupt audio service on all channels in order to make such public emergency communications as it deems necessary.

(b) Grantee shall reserve a minimum of one channel each for public, educational and governmental (PEG) access use (a total of three) for the joint use of Lenoir City, Loudon County, and the City of Loudon. With prior approval of the County Commission, such channel(s) may be used by Grantee for other purposes when not required by PEG users. Grantee shall make available to PEG users, subject to advance scheduling and during Grantee's normal business hours equipment at no charge limited to

modulators and override equipment and tape playback equipment. Loudon County, Lenoir City, and the City of Loudon shall assume all responsibility for regulation and/or scheduling the use of PEG channels by any and all users.

(c) Grantee shall provide cable connections and free service to each public school and governmental building passed by the cable system within the county limits, including Fort Loudoun Middle School and Fort Loudoun Elementary School.

Section 11 -- Indemnification: Grantee shall save Loudon County, its officials, employees, and agents harmless from all loss sustained by the County on account of any suit, judgment, execution, claim or demand whatsoever against Loudon County resulting from negligence on the part of Grantee in the construction, operation or maintenance of its cable television system in Loudon County; and for this purpose Grantee shall carry property damage and personal injury insurance with some responsible insurance company or companies qualified to do business in the State of Tennessee. The amounts of such insurance to be carried for liability due to property damage shall be \$25,000 as to any one occurrence; and against liability due to injury to or death of person, \$500,000 as to any one person and \$1,000,000 as to any one occurrence. The County Commission shall notify Grantee, in writing, within twenty (20) days after the presentation of any claims or demand, either by suit or otherwise, made against Loudon County on account of any negligence as aforesaid on the part of Grantee. Where any such claim or demand against Loudon County is made by suit or legal action, written notice thereof shall be given by the County Commission to Grantee not less than five (5) days prior to the date upon which an answer to such legal action is due or within ten (10) days after the claim or demand is made upon Loudon County, whichever notice period yields Grantee the larger amount of time within which to prepare an answer. Nothing herein shall be deemed to prevent the parties indemnified and held harmless from participating in the defense of any litigation by their own counsel at Grantee's sole expense, provided that County shall exercise its best efforts to keep such costs as low as possible and shall avoid defending claims already defended by Grantee. Such participation shall not under any circumstances relieve Grantee from its duty of defense against liability or of paying any judgment entered against such party.

Section 12 -- Construction & Maintenance:

(a) All structures, lines and equipment erected by Grantee within Loudon County shall be so located as to cause minimum interference with the proper use of streets, alleys, public ways and places and to cause minimum interference with the rights or reasonable convenience of property owners. Existing poles, posts, conduits, and other such structures of any electric power system, telephone company, or other public utility located in Loudon County shall be used to the extent practicable in order to minimize interference with travel and avoid unnecessary duplication of facilities. Loudon County shall actively assist Grantee to the fullest extent necessary in obtaining reasonable joint pole or conduit use agreements

from owners of existing poles or conduits. To the extent that existing poles, posts, conduits, and other such structures are not available, or are not available under reasonable terms and conditions, including excessive cost or unreasonable limitation upon the use of Grantee's cable television system, Grantee shall have the right to purchase, lease, or in any other manner acquire land, rights-of-way, or public utility easements upon or under which to erect and maintain its own poles, conduits, and other such structures as may be necessary for the construction and maintenance of its cable television system. Where all other existing electric and telephone utilities are underground, Grantee shall locate its facilities underground.

(b) In case of any disturbance by Grantee of pavement, sidewalk, driveway or other surfacing, Grantee shall, at its own cost and expense and in a manner approved by Loudon County, replace and restore all paving, sidewalk, driveway or surface so disturbed in as good condition as before said work was commenced, within five working days, weather permitting.

(c) Grantee shall, on the request of any person holding a building moving permit issued by the County Commission, temporarily raise or lower its lines to permit the moving of the building providing seventy-two (72) hours notification is given. The expense of such temporary removal shall be paid by the person requesting the same, and Grantee shall have the authority to require such payment in advance.

(d) Grantee shall have the right to trim trees upon and overhanging all streets, alleys, public utility easements, sidewalks and public places of the County so as to prevent the branches of such trees from coming into contact with Grantee's facilities.

(e) All poles, lines, structures and other facilities of Grantee in, on, over and under the streets, sidewalks, alleys, public utility easements and public grounds or surface of Loudon County shall be kept by Grantee at all times in a safe condition.

(f) When Loudon County, its departments, or its agencies undertake any reconstruction, realignment or any other work on County streets which would require relocation or modification of Grantee's poles, wires or other facilities, the County shall notify Grantee, and Grantee shall be responsible for relocations of Grantee's facilities within a reasonable time after notification.

Section 13 -- Amendments & Supplemental Agreements: It shall be the policy of Loudon County to amend the Franchise, upon application of the Grantee, when necessary, to enable the Grantee to take advantage of any development or developments in the field of transmission of television and radio signals which will afford it an opportunity to more efficiently, effectively or economically serve its customers; provided however, that this section shall not be construed to require Loudon County to make any amendment.

Section 14 -- Filings & Communications with Regulatory Agencies:

Copies of all petitions, applications, registrations and responses to complaints submitted by the Grantee to the Federal Communications Commission shall also be submitted simultaneously to Loudon County.

Section 15 -- Maps, Plats & Reports:

(a) The Grantee shall file with County Recorder a true and accurate map or plat of all existing and proposed installations.

(b) The Grantee shall file annually with Loudon County, or its designee, not later than ninety (90) days after the end of the company's fiscal year, an income statement applicable to the operations within Loudon County during the preceding twelve month period, a balance sheet, and copies of sales tax and franchise/excise tax returns. There shall be submitted concurrently such other reasonable information as Loudon County shall request with respect to the company's properties and expenses related to its CATV operations with Loudon County. The County shall also have the right to inspect the books and records of Grantee relating to its Loudon County operations during normal business hours.

(c) The Grantee shall at all times keep on file with the County Recorder a current list of its partners and/or stockholders with an interest of 10% or greater, together with a list of its officers, directors and bond holders.

(d) Grantee shall keep on file for a period of not less than three (3) years a listing of the complaints and requests that have been reported to Grantee during the preceding year, indicating the reported basis for the complaint and/or service requests, and the action taken by Grantee. Grantee shall file copies of complaints and/or service request logs with County on a quarterly basis, including copies of all InterMedia Partners "Monthly Activity and Status Reports" for the Loudon County/Lenoir City system, or if this report should subsequently be changed, copies of a monthly report that has comparable information. At the County's written request, Grantee shall also make its best efforts to assemble information from other, similar cable systems that will assist the county in comparing the performance of its system with the performance of others operated by the Grantee.

Section 16 -- Franchise Term & Renewal: This franchise shall take effect and be in full force from (date to be determined). and after acceptance by Grantee as provided in Section 24, the same shall continue in full force and effect for a term of ten (10) years.

Section 17 -- Forfeiture: If Grantee should violate any material terms, conditions, or provisions of this franchise or if Grantee should fail to comply with any material provisions of any resolution of Loudon County

regulating the use by Grantee of the streets, alleys, public utility easements or public ways of Loudon County, and should grantee further continue to violate or fail to comply with the same for a period of ninety (90) days after Grantee shall have been notified in writing by Loudon County to cease and desist from any such violation or failure to comply so specified, then Grantee may be deemed to have forfeited and annulled its franchise and shall thereby forfeit and relinquish the rights and privileges granted by this franchise, provided however, that forfeiture shall be declared only by written decision of the County after an appropriate public proceeding before the County, affording Grantee due and full opportunity to be heard and to respond to any such notice of violation-- to comply; and provided further that the County may, in its discretion and upon a finding of violation or failure to comply, impose a lesser penalty than forfeiture of this franchise or excuse the violation for failure to comply upon a showing by Grantee of mitigating circumstances. Grantee shall have the right to appeal any finding of violation or failure to comply with any resultant penalty to any court of competent jurisdiction. In the event that forfeiture is imposed upon Grantee, it shall be afforded a period of six (6) months within which to sell, transfer, or convey this cable television system to a qualified purchaser at fair market value, any transferee to first have approval of County under the provision of Section 19 hereinafter, or County to have the right of first refusal as outlined therein. During this six (6) month period, which shall run from the effective date of the final order or decision imposing forfeiture, including any appeal, Grantee shall have right to operate this cable television system pursuant to the provisions of the franchise. This provision does not negate any other options or rights County may have under this agreement or under Federal or State regulations in awarding and regulating non-exclusive cable television franchises.

Section 18 -- Surrender Right: Grantee may surrender this franchise at any time upon filing with the County Commission of Loudon County a written notice of its intention to do so at least six (6) months before the surrender date. On the surrender date specified in the notice, all of the rights and privileges and all of the obligations, duties and liabilities of Grantee in connection with this franchise shall terminate. Further, should the Grantee, his and/or its successors and assigns discontinue the business for which this franchise is granted, all poles, wires, cables and other devices shall be removed without expense to Loudon County within ninety (90) days after demand for such removal is made by the County Commission.

Section 19 -- Transfers:

(a) All of the rights and privileges and all of the obligations, duties and liabilities created by this franchise shall pass to and be binding upon the successors of Loudon County and the successors and assigns of Grantee; and the same shall not be assigned or transferred, nor shall control of Grantee be assigned or transferred, without the written approval

of the County Commission, which approval shall not unreasonably be withheld.

(b) It is provided, however, that this Section shall not prevent the assignment or hypothecation of the franchise by Grantee as security for debt without such approval; and provided further that transfers or assignments of this franchise between any parent and subsidiary corporation of Grantee (or its transferee under this section) or between entities of which at least twenty percent (20%) of the beneficial ownership is held by Grantee shall be permitted without the prior approval of the County Commission. In such event, Grantor shall be given thirty (30) days written notice prior to any such transfer, assignment or hypothecation.

(c) It is further provided, however, that County shall have the first right of refusal to purchase the existing physical plant and all assets of the local system at their fair market value. In such event County shall have sixty (60) days from date of notice to render its acceptance which must be done in writing.

(d) Grantee further agrees in the event of a request for transfer to be responsible for reasonable expenses incurred by County in responding to the request, including expenses resulting from litigation (including attorney's fees resulting from said litigation) if such should ensue, and if the Court should decide that reimbursement is justified.

Section 20 -- Franchise Fee:

(a) In consideration of the terms of this franchise, and in conformity with Section 622 (G) (2) of the Cable Communications Act of 1984, Grantee agrees to pay Loudon County a sum of money equal to five percent (5) of Grantee's gross annual receipts per year. Such sum shall be payable quarterly, no later than the 20th of the month following the end of quarter. This payment shall be in addition to any other tax or payment owed to Loudon County by Grantee, including ad valorem or business taxes.

(b) In the event franchise fees are ruled unconstitutional or unenforceable, Loudon County may impose and collect an equivalent charge on any legally permissible basis, provided such charge does not exceed the previously allowed limit on franchise fees.

Section 21 -- Programming: During the construction period, the Grantee shall conduct a survey of the current subscribers of the cable system to determine their preferences of, and attitudes toward, various cable and broadcast programming services as an aid in the crafting of an initial line-up of channels on the system. Grantee has provided County with a proposed line-up for Basic Service, and the mix, quality, and level of services will be maintained thereon unless County should consent to material alterations thereof.

Section 22 -- Office: Grantee shall retain a "manned" office in the geographical limits of County from 8:00 a.m. to 5:00 p.m. at least five (5) days a week.

Section 23 -- Franchise Required:

(a) It shall be unlawful for any person to construct operate or maintain a Cable Television System in the County unless such person or the person for whom such action is being taken shall have first obtained and hold a valid Franchise granted pursuant to this Resolution. It shall also be unlawful for any person to provide Cable Television Service in the County unless such person shall have first obtained and shall currently hold a valid Franchise granted pursuant to the provisions of this Resolution. All Franchises granted by the County pursuant to this Resolution shall contain the same substantive terms and conditions with the exception of the definition of Service Area when the area to be served by a second Grantee will not be served by the existing Grantee within one year of the date of Grantee's designation of intent to serve or not to serve said area. County shall notify Grantee, by certified letter, of any such area being considered for a second franchise. Grantee shall have thirty days from the date of receipt of County's letter to notify County in writing, by certified letter, of its intent to complete the extension of the System to said area within the following twelve months.

(b) Nothing in this section shall prohibit County from renewing other existing franchises for existing areas of cable television service, provided that County shall not expand said service areas without notifying Grantee pursuant to Section 23 (a) above. Any renewal of, or ammendment to, any existing franchise which permits service to areas served by Grantee shall contain the same substantive terms and conditions as this Agreement.

(c) This provision shall not apply to entities which may provide services which are significantly different in their nature and purposes, and nothing in this Section prevents the County from imposing additional terms and conditions on any additional franchises.

Section 24 -- Effective Dates and Acceptance: This Resolution shall become effective on April 6, 1992 and after acceptance by Grantee, shall then be and become a valid and binding contract between Loudon County and Grantee; provided however, that this Resolution shall be void unless Grantee shall, within thirty (30) days after the final passage of this Resolution as provided in Section 37, file with the County Commission of Loudon County an official acceptance of this Resolution and the franchise herein granted, agreeing that it will comply with all of the provisions and conditions hereof and that it will refrain from doing all of the things prohibited by the Resolution.

Section 25 -- Severability: If any section, subsection, sentence, clause, phrase or portion of this Resolution is for any reason held invalid or unconstitutional by any Federal or State Court or administrative or governmental agency of competent jurisdiction, specifically including the Federal Communications Commission, such portion shall be deemed a separate, distinct and independent provision, and such holding shall not affect the validity of the remaining portions hereof.

Section 26 -- Declaration and Release: Grantee agrees that this agreement, upon execution by both parties is valid, binding and of full force and effect; and further that Grantee releases and shall hold harmless the County from any and all claims and damages relating to the Franchise and its operation or lack of operation.

Section 27 -- Consideration: In consideration of awarding the franchise to Grantee and as a principal basis for the franchise award, County has relied upon representations by Grantee that it will provide cable television service to Loudon County which is reasonably, fairly, and competitively priced to the consumer; that it provides varied and quality programming, and that new state-of-the-art cable television facilities, equipment, and improvements will be installed to insure that quality reception and service are provided to subscribers. In the construction and interpretation of this agreement, it is understood by and between the parties that the above purposes shall, in the case of an ambiguity or controversy as to the interpretation of this agreement, be controlling as to the intentions of the parties. The parties further agree that this agreement is a product of their joint effort and drafting, and that Grantee acknowledges the franchise award as adequate consideration to bind it to the terms and provisions of this agreement.

Section 28 -- Economic Viability: Grantee represents and warrants that in preparing its proposal and entering into this Agreement, it thoroughly considered, in the context of the present regulatory environment, the effect of higher interest rates on its business plan; the risks of lower than projected subscriber penetration rates and increased personnel costs; the effect of competition from one or more other cable systems; the risks of alternate technologies; the risks that easements or other means of access to property in the County may not be available for cable television purposes; the risk that obligations or actions undertaken in connection with service to another jurisdiction through the System will affect or impair the Grantee's ability to completely satisfy its obligations under this Agreement; and all other foreseeable economic or business risks that might affect the design, construction, or operation of the system. Further, Grantee confirms its belief that the System is commercially practicable throughout the term of this Agreement and any period after expiration of this Agreement during which the Company continues to operate the System.

Section 29 -- Continuing Obligation: In the event Grantee continues to operate all or any part of the system after the term of this Agreement, the provisions of the Franchise Resolution and any Agreement, including, without

limitation, all franchise fee and other payment provisions, will continue to apply throughout the period of such continued operation, though such continuation shall in no way be construed as a renewal of this agreement.

Section 30 -- General Support: The Company acknowledges that all contributions, services, equipment, facilities, support, resources, and other activities to be paid for or supplied by Grantee pursuant to or in connection with its performance under this Resolution are for the benefit of all subscribers and the public. Grantee also acknowledges that said contributions, services, equipment, facilities, support, resources, and other activities, shall not be deemed to be franchise fees chargeable against the fees to be paid to County by Grantee pursuant to Section 20 herein. The franchise fee payments shall take precedence over all other payments, contributions, services, equipment, facilities, support, resources, and other activities to be paid or supplied by Grantee.

Section 31 -- Enforcement Remedies:

(a) The County has the right to apply any one or a combination of the following remedies in the event Grantee violates any provision of this Resolution or a franchise agreement:

i) Impose liquidated damages in such amount, whether per day, incident, or other measure of violation, as provided in the Franchise Resolution or Agreement. Payment of liquidated damages will not relieve Grantee of its obligation to meet the franchise requirements.

ii) Revoke the franchise as provided for in Section 17.

b) In determining which remedy or remedies are appropriate, the County shall take into consideration the nature of the violation, the person or persons bearing the impact of the violation, the nature of the remedy required in order to prevent further violations, the damages incurred by the County due to the violation, the response of the Franchisee to the violation, and such other matters as the County determines are appropriate, if any.

c) To apply a remedy under subsection a(1) of this Section, the County shall use the following procedure:

i) The County shall serve a notice of violation upon Grantee, describing the violation and setting a date not less than thirty days from the date of the notice of violation for a hearing before the Commission or its designee with respect to the violation.

ii) At the hearing Grantee may respond to the notice of violation. The Commission or its designee may determine what, if any, remedy is appropriate in light of Grantee's presentation and may impose such liquidated damages as are appropriate to remedy the violation; provided, however, that no damages shall be assessed if Grantee has substantially cured the violation before the date of the

hearing, unless Grantee has received more than five notices of violation in that calendar year.

Section 32 -- Credits for Outages: In the event of a system outage in which all service is demonstrably lost to a customer or group of customers for a period of time greater than four hours, credit will be granted to such affected customer or customers upon request by such affected customer or customers according to the following schedule:

Outage lasts more than four hours, but less than twelve hours: one half day's credit.

Outage lasts more than twelve hours, but less than twenty-four hours: one day's credit.

Outage lasts more than twenty-four hours, but less than thirty-six hours: one and one half day's credit.

Outage lasts more than thirty-six hours, but less than forty-eight hours: two days' credit.

Outage lasts more than forty-eight hours: two days' credit for the first forty-eight hours, one day's credit for each additional day or fraction thereof.

Section 33 -- Future Authority: All rights, authority, or powers which are or may hereafter be lawfully vested in Loudon County, pursuant to its police powers, to regulate or control Grantee in the exercise of this agreement are specifically preserved to the benefit of the County; provided that with the exception of the future regulation of basic cable rates (if permitted by Federal law), County may not change a term or condition herein pertaining to the provision of Cable Television Service without the consent of the Grantee. By this contract the parties specifically recognize all such rights now existing or as may hereafter be created and specifically acknowledge this new agreement is entered into by and between the parties knowing that such regulation and supervisory powers of County may be increased or instituted by law or regulation, and Grantee will be bound according to law.

Section 34 -- Delegation of Authority: It is understood that County may assign or delegate its authority and rights to a subsidiary or intergovernmental supervisory cable authority if it should so choose at a later date.

Section 35 -- Venue of Suits: The venue of any suits brought concerning matters arising out of the construction or operation of the cable television system in Loudon County shall be in Loudon County, and the principles of Tennessee law shall be applied in any such controversy.

Section 36 -- Resolutions in Conflict: All resolutions of Loudon County, Tennessee, in conflict with the provisions of this resolution (and in particular, Resolution No.) are hereby repealed to the extent of such conflict.

Section 37 -- Passage and Effective Date. For purposes of becoming a law, this resolution shall be effective from and after its final passage, the public welfare requiring it. For all other purposes, it shall be effective as provided for in Section 24 above.

Adopted by the County Commission of Loudon County,
Tennessee, on the 6th day of April, 1992.

George M. Miller
County Executive

ATTEST:

Billy D. Wampler
County Clerk

ACCEPTANCE

Grantee accepts and hereby agrees to be bound by all the terms and conditions of this franchise.

ROBIN CABLE SYSTEMS II, INC.

BY: _____
Date

TITLE: _____

ATTEST:

Secretary

LOUDON COUNTY HIGHWAY DEPARTMENT WHEEL LOADER

BID FORM

	<u>CONTR.MACH.</u>	<u>STOWERS</u>	<u>POWER EQPT.</u>
1. Manufacturer	<u>CASE</u>	<u>CATERPILLAR</u>	<u>NO BID</u>
2. Model	<u>621</u>	<u>926E</u>	
3. Cash Selling Price per attached bid specification, including new machine warranty and extended power-train warranty for 4 additional years or 7500 operating hours, whichever comes first.	<u>65,844.00</u>	<u>74,324.00</u>	
4. Lease Option: 60 Month Lease rate with a guaranteed Purchase Balloon Payment at the completion of lease period. Interest rate applied must be quoted. Loudon County guarantees purchase of this unit at the termination of the specified lease period. Renewable lease each twelve (12) month interval.	(OPTIONAL ANNUAL CHRG. \$14,976.77)		
A. 60 Month Lease Rate	<u>1,292.65</u>	<u>1,058.94</u>	
B. Balloon Purchase Price	<u>1.00</u>	<u>26,000.00</u>	
C. Interest Rate Applied	<u>6.88 APR</u>	<u>6.00</u>	
5. Guaranteed minimum repurchase price at the end of five year period or 7,500 hours, whichever comes first to be covered by a performance bond.	<u>25,000.00</u>	<u>38,000.00</u>	
6. Estimated five-year maintenance cost based on 7,500 hours of operation.	<u>5,000.00</u>	<u>3,225.00</u>	
7. Delivery Date:	<u>35 DAYS OR LESS</u>	<u>4 WKS. FM ORDER</u>	

(over)

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Exhibit

LOUDON COUNTY HIGHWAY DEPARTMENT - WHEEL LOADER

FINANCIAL PROPOSAL

COMPARISONS

Stowers Equipment

Recommend

CAT 926E

SELLING PRICE \$74,324 @ 6% APR
 PAYMENT \$1,058.94/MO x 60 = \$63,536
 SCHEDULE

BALLOON PURCHASE PAYMENT \$26,000
 TOTAL CASH OUTLAY \$89,536
 LESS GUARANTEED REPURCHASE -38,000
 TOTAL COST \$51,536
 COST/HR $\frac{51,536}{7500 \text{ HRS}} = \$6.87/\text{HR}$

CASE 621

SELLING PRICE \$65,844 @ 6.88% APR
 PAYMENT \$1292.65 X 60 = \$77,559
 + INTEREST COST IN
 PAYING \$233.71 HIGHER 2,195
 MONTHLY PAYMENT @ 6.88%

1
 \$79,755
-25,000
 \$54,755
 COST/HR $\frac{54,755}{7500 \text{ HRS}} = \$7.30/\text{HR}$

*Recommended to County Court
 4/6/92 by Purchasing Committee*

*JR Clenney P.A.
 4/6/92*

YEARLY PAYMENT IN ADVANCE

\$14,976.77 x 5 = \$74,883.85

INTEREST COST IN PAYING
 \$14,976.77 IN ADVANCE
 AT 6.88% APR \$16,949.02

YEAR 1 \$16,007.17
 YEAR 2 17,108.46
 YEAR 3 18,285.52
 YEAR 4 19,543.56
 YEAR 5 20,888.16
 \$91,832.87
-74,883.85
 \$16,949.02

TOTAL CASH OUTLAY \$91,832.87
 GUARANTEED REPURCHASE -25,000.00
 TOTAL COST \$66,832.87

COST/HR $\frac{66,832.87}{7500 \text{ HR}} = \$8.91/\text{HR}$