

ORDINANCE #65433
Board Bill No. 79

An ordinance relating to cable television; reported on by the Board of Public Service; granting a renewal cable television franchise for a term of fifteen years to St. Louis Tele-Communications, Inc., a Missouri corporation, providing cable television services as AT&T Broadband, for the upgrading, operation and maintenance of a cable television system in the City of St. Louis, upon specified terms and conditions, with definitions of terms; and providing for the regulation of such franchise.

WHEREAS, in 1984 pursuant to Ordinance 59197 the City of St. Louis awarded two cable television franchises (the “prior franchises”) for separate areas of the City comprising the entire area of the City to STL Cablevision Partners and St. Louis City Communications, Inc.; and

WHEREAS, in 1989 pursuant to Ordinance 61093 the City consented to the transfer of the prior franchises from the original grantees to St. Louis Tele-Communications, Inc., a Missouri corporation (the “Grantee”), which was owned by Tele-Communications, Inc.(“TCI”); and

WHEREAS, the expiration dates of the prior franchises have been extended by ordinances, the last of which is Ordinance 65186, which extended such expiration dates until August 13, 2001; and

WHEREAS, pursuant to 47 U.S.C. Section 546 and Ordinance 64882, on January 28, 2000 the City approved a Needs Assessment concerning the needs of residents and the City with respect to cable television in future years; and

WHEREAS, pursuant to 47 U.S.C. Section 546 and Ordinance 64882, the City on January 28, 2000 issued a Request For Renewal Proposal to the Grantee; and

WHEREAS, thereafter representatives of the City and of the Grantee have discussed proposed terms of a renewal franchise; and

WHEREAS, the Board of Aldermen finds and believes that the terms and conditions of the renewal franchise herein set forth are in the best interests of the City and its residents; and

WHEREAS, the Board of Public Service has made a report to the Board of Aldermen on this bill pursuant to Article XIX Section 1 of the Charter;

BE IT ORDAINED BY THE CITY OF ST. LOUIS, AS FOLLOWS:

SECTION ONE. A Franchise is granted to Grantee for the construction, operation and maintenance of a Cable System upon the terms and conditions set forth in, and effective upon the effective date of, a Franchise Agreement between the Grantee and City, in the form attached hereto as Exhibit A, incorporated herein by this reference. The Communications Commissioner and Comptroller are hereby authorized and directed to execute, on behalf of the City, the Franchise Agreement in the form attached hereto as Exhibit A.

EXHIBIT A

CABLE TELEVISION FRANCHISE AGREEMENT

THIS AGREEMENT is made this ___ day of _____, _____, by and between the City of St. Louis, a municipal corporation of the State of Missouri, organized and existing under its Charter and the constitution and laws of the State of Missouri and St. Louis Tele-Communications, Inc., a Missouri corporation.

SECTION ONE. Definitions and Rules of Construction.

A. Definitions

For the purposes of this Agreement, unless otherwise specified, the following terms, phrases, words, and their derivations have the meaning given herein, unless the context clearly indicates that another meaning is intended:

1. “Cable Ordinance” or “Ordinance” means Ordinance ___ (Board Bill ___), as it may be amended from time to time.

2. **“Cable System”** or **“System”** means any cable system (as that term is used in the Cable Ordinance) which Grantee is authorized to construct, operate and maintain pursuant to this Agreement.
3. **“City”** means the City of St. Louis, a municipal corporation of the State of Missouri, organized and existing under its Charter and the constitution and laws of the State of Missouri.
4. **“Downtown Area”** means the portion of the Franchise Area specified in the description attached hereto as Exhibit 1.
5. **“Franchise”** means the franchise (as that term is used in the Cable Ordinance) granted to the Grantee subject to the terms and conditions of this Agreement and applicable law.
6. **“Franchise Area”** means the entire area within the jurisdictional boundaries of the City of St. Louis.
7. **“Franchise Agreement”** or **“Agreement”** means this Agreement and any amendments, exhibits or appendices hereto.
8. **“Franchise Effective Date”** means the date on which the Agreement is lawfully executed by both parties as provided under Section Two of this Agreement and in the manner required by Section Nine of the Cable Ordinance.
9. **“Grantee”** means: St. Louis Tele-Communications, Inc., a Missouri corporation, currently providing services as AT&T Broadband.
10. **“Gross Revenue”** means all revenues derived directly or indirectly by the Grantee, its affiliates, subsidiaries, parents, and any entity in which the Grantee has a financial interest, from or in connection with the operation of its Cable System to provide Cable Services. This definition shall be construed so as to include all gross revenues to the maximum extent permitted by federal law, except to the extent specifically excluded in Section One.A.10(2).
 - (1) Gross Revenues include, by way of illustration and not limitation, monthly fees charged Subscribers for any basic, optional, premium, per-channel, per-program service, or cable programming service; revenues from Internet access over the Cable System (to the extent such services are lawfully considered Cable Services under applicable law); installation, disconnection, reconnection, and change-in-service fees; leased channel fees; late fees and administrative fees; fees, payments, or other consideration received from programmers for carriage of programming on the Cable System; revenues from rentals or sales of converters or other equipment; studio rental, production equipment, and personnel fees; advertising revenues; barter; revenues from program guides; and revenues from home shopping and bank-at-home channels.
 - (2) Gross Revenues shall not include (a) any taxes on services furnished by the Grantee herein imposed directly upon any Subscriber or user by the City, the State of Missouri or the governmental unit and collected by such Grantee on behalf of said governmental unit. A Franchise fee is not such a tax; (b) 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.
 - (3) Any amounts includable as Gross Revenues that are received by an Affiliate, subsidiary, parent, or any entity in which the Grantee has a financial interest shall not be counted as Gross Revenues to the extent that such amounts are also received directly by the Grantee, to ensure that no such revenue is counted twice.
11. **“Node”** means a Facility on a Cable System where transmission by light over Fiber Optic cable is converted to transmission by electricity over coaxial cable, or vice versa.
12. **“Prior Franchises”** means the franchises granted pursuant to Ordinance No 59197, which were both held by the Grantee immediately prior to the Franchise Effective Date.
13. **“System Upgrade”** means the improvement and enhancement in the technology and service capabilities made by the Grantee to its Cable System described in Section Seven.B herein.
14. **“Transfer”** shall mean any transaction in which: (A) any direct ownership or other right, title, or interest of more than ten percent (10%) in the Grantee or its Cable System is transferred, sold, assigned, leased, or sublet; or (B) there is any change

in control of the Grantee; or (C) the rights and/or obligations held by the Grantee under the Franchise are transferred, directly or indirectly, to another Person; or (D) any change or substitution occurs in the managing general partners of the Grantee, where applicable.

- (1) "Control" for purposes of this Section One.A.14 means the legal or practical ability to exert actual working control over the affairs of the Grantee either directly or indirectly, whether by contractual agreement, majority ownership interest, any lesser ownership interest, a change in the entity with management responsibility over the Cable System, or in any other manner.
- (2) A rebuttable presumption that a transfer of control has occurred shall arise upon the acquisition or accumulation of twenty percent (20%) or more of the ownership of the Grantee indirectly, through a change in ownership of its owners, by any person or group of persons acting in concert, none of whom already own or control fifty percent (50%) or more of the ownership of the Grantee, singularly or collectively. For purposes of this Section One.A.14(2), however, an acquisition of publicly traded stock in a publicly traded corporation shall not result in such a rebuttable presumption even if it reaches or exceeds the twenty percent (20%) level of ownership of the Grantee.
- (3) The Grantee is responsible for ensuring that the intent of Section 7 of the Cable Ordinance is carried out. If for any reason an event occurs that would require the City's approval under that Section, whether or not such event is directly or indirectly within the Grantee's control, such event shall constitute a "Transfer" for purposes of this Agreement and any applicable law.
- (4) Notwithstanding the foregoing, " Transfer" does not include:
 - (a) disposition or replacement of worn out or obsolete equipment, property or facilities in the normal course of operating the Cable System, including the renewal or extension of equipment or property leases and contracts; or
 - (b) acquisition, transfer, sale or other disposition of leases, licenses, easements, and other interests in real property in the normal course of operating the Cable System and not involving the relinquishment of any right or power affecting the Grantee's ability to provide services in whole or in part; or
 - (c) restructuring of ownership interests among entities ultimately wholly owned by the ultimate owners of the Grantee, provided that the Grantee provides signed written notice of such restructuring at least thirty (30) days in advance which (i) demonstrates that the conditions of this exception have been satisfied and (ii) warrants and represents that such restructuring will not have a material adverse effect on system rates, services, financial resources, management, or operations.

B. Rules of construction

Unless the context clearly indicates to the contrary, the following rules apply to the construction of this Agreement:

1. Except as otherwise provided herein, the definitions and word usage set forth in the Cable Ordinance and the customer service ordinance adopted concurrently with this Agreement are incorporated herein and shall apply in this Agreement. Unless otherwise expressly stated, words not defined herein or in the Ordinance shall be given the meaning set forth in Title 47 of the United States Code, as amended, or if not defined therein, Chapter 47 of the Code of Federal Regulations, or, if not defined therein, their common and ordinary meaning.
2. Words importing the singular number include the plural number and vice-versa.
3. Words in the present tense include the future tense and vice versa.
4. The masculine gender includes the feminine gender and vice versa.
5. All references to particular sections are references to sections of this Agreement.
6. The headings herein are solely for convenience of reference and do not constitute a part of this Agreement nor do they

affect its meaning, construction or effect.

7. The word “shall” as used herein is always mandatory and not directory, and the word “may” as used herein is permissive.
8. “Applicable law” shall include but is not limited to applicable City ordinances, subject to the provisions of Section Four.E and Section Fifteen.
9. The first letters of terms may be capitalized for convenience, but failure to capitalize a letter shall not affect the meaning.

SECTION TWO. Grant of Franchise; Effective date.

Subject to the terms and conditions of this Franchise Agreement, the Cable Ordinance, and other applicable law, a Franchise is granted to Grantee for the construction, operation and maintenance of a Cable System in the Public Rights-of-Way within the Franchise Area, for the purpose of providing Cable Service. The Franchise does not take the place of any other franchise, license, or permit which the City may lawfully require of Grantee. Neither the Franchise nor the Franchise Agreement grant any authority for the Grantee to use the Public Rights-of-Way for any purposes other than provision of Cable Service, except to the extent this Agreement may expressly and specifically provide that the Grantee may provide other services. Nothing herein shall prevent the Grantee from using its Cable System to provide non-cable services, provided that any and all authorizations lawfully necessary to use the City’s Public Rights-of-Way to provide such services under applicable law have been obtained. No privilege or power of eminent domain is bestowed by the Franchise or this Agreement. This Franchise will not take effect unless and until:

- A. The Grantee executes and files its acceptance of the Franchise in the time and the manner prescribed in Section Sixteen of this Agreement, and
- B. The Grantee meets each and every condition prescribed by Section Sixteen, in the time prescribed by that section.

SECTION THREE. Term of Franchise

The Franchise is for a term of 15 years, beginning on the Franchise Effective Date and subject to renewal pursuant to applicable law.

SECTION FOUR. Franchise conditions and limitations.

- A. The Franchise is subject to forfeiture or revocation as provided herein and in the Cable Ordinance.
- B. Grantee is subject to other remedies and sanctions as provided herein.
- C. The Franchise is non-exclusive, as required by Article XIX § 1 of the City’s Charter and other applicable law. The City shall comply with the provisions of Section Twelve(E) of the Cable Ordinance regarding competitive franchises.
- D. The Grantee shall comply with Ordinance _____ (BB 76) and Ordinance _____ (BB 77), each as adopted on _____, 2001, and all other applicable law, subject to Section Four.E and Section Fifteen hereof.
- E. Grantee, by its acceptance of the Franchise, agrees and acknowledges that pursuant to this Agreement and the Cable Ordinance, it will at all times during the life of its Franchise be subject to the lawful exercise of the City’s police power, authority lawfully to levy any nondiscriminatory taxes on any activity conducted by Grantee, or other lawful authority, whether exercised by ordinance or otherwise. Nothing contained in this Franchise shall be deemed to prohibit in any way the right of the City lawfully to levy any nondiscriminatory taxes on any activity conducted by Grantee.
- F. Grantee agrees that all privileges prescribed by the Franchise are subordinate to any prior lawful occupancy of the public streets. The City reserves the right reasonably to designate where Grantee’s facilities are to be placed within the public ways.
- G. Nothing in this Agreement in any way impairs or waives any right or power of the City to acquire the property of the Grantee by purchase at a price reflective of its fair market value as an ongoing concern (provided that in no event is the Franchise itself to enter as an element into such compensation) or such other price as may be required pursuant to applicable law or ordinances, or through the exercise of the power of eminent domain pursuant to Missouri law.
- H. As long as Internet access provided over the Cable System is deemed to be “cable service” under applicable law, the

Grantee shall comply with all applicable requirements of the Cable Communications Policy Act of 1984, as amended, 47 U.S.C. § 521 *ff.*, regarding such service.

SECTION FIVE. Construction schedule and conditions.

As a condition to the right to exercise its Franchise and its rights thereunder, the Grantee covenants as follows:

A. Grantee shall extend the System Upgrade throughout the Franchise Area as rapidly as practicable, but, in any event, shall meet the following upgrade schedule.

1. Within 34 months after the Franchise Effective Date, the Grantee shall complete the System Upgrade for all parts of the City except for the Downtown Area, and shall complete all the construction required by Section Seven.D. The Grantee shall begin construction of the System Upgrade within nine months after the Franchise Effective Date.

2. Within 46 months after the Franchise Effective Date, the Grantee shall extend cable service to the Downtown Area, except that service shall be activated to certain specified areas earlier as specified in Section Five.A.3.

3. Notwithstanding the time period specified in Section Five.A.2, the Grantee shall activate Cable Service to the Washington Avenue and Cupples Station areas of the City at the locations specified in Exhibit 2 hereto within twelve months after the Franchise Effective Date.

4. Within twelve months after the Franchise Effective Date, the Grantee will activate a two-way fiber connection from City Hall, 1200 Market Street, to 4971 Oakland, so that the City can cablecast live meetings of the Board of Aldermen on a Government Access channel.

B. The Grantee shall submit a construction plan which consists of maps of the entire Franchise Area and clearly delineates the sequence and schedule of the System Upgrade to the Agency six (6) months after the Franchise Effective Date. The Grantee shall file thereafter a map and progress report with the Agency at the close of each calendar quarter until the System Upgrade is complete, and subsequently at the close of each calendar year, showing the exact areas of the City being served by the Cable System and the location and identification of major component parts of the Cable System.

C. The Grantee shall promptly notify the Franchise Agency of any delays known or anticipated in the System Upgrade. Such notice shall be in writing and shall explain in detail the exact conditions responsible for the delay, the circumstances beyond Grantee's control that prevent compliance, and the specific remedies and methods the Grantee has undertaken to correct the conditions causing the delay. Failure on the part of the Grantee to meet the deadlines set forth in Section Five.A, shall be grounds for termination of its Franchise pursuant to the terms of the Cable Ordinance and this Agreement; provided, however, that the Board of Aldermen may extend the time for the commencement and completion of construction and installation and service to Subscribers for additional periods in the event the Grantee, acting in good faith, experiences delays by reasons of circumstances beyond its control.

D. Following the commencement of the System Upgrade, every three months until the construction is completed, the Grantee shall meet with the Franchise Agency to provide an update on the progress of the System Upgrade and to integrate the Grantee's work as far as practicable with the City's development process and street work, unless the Franchise Agency waives such meeting. Upon request, the Grantee shall provide detailed written reports to the Franchise Agency on the Grantee's progress in construction.

E. To ensure that Subscriber service improves prior to the System Upgrade, the Grantee shall implement the preventive maintenance and remediation plan described in Exhibit 3.

SECTION SIX. System performance.

As a condition to its right to exercise its Franchise and its rights thereunder, the Grantee covenants as follows:

A. The Grantee will design, install and operate its cable television system so that the Cable System is at all times:

1. Capable of continuous twenty-four (24) hour daily operation;

2. Capable of operating over an outdoor temperature range of -20° F to 120° F without catastrophic failure or irreversible performance changes over variation in supply voltage from 105 to 130 volts AC;

3. Capable of meeting all specifications as set forth herein over an outdoor temperature range of 0° F to 100° F over variations in supply voltages from 105 to 130 volts AC;
 4. Operated in such a manner as to avoid causing unlawful interference with reception of off-the-air signals by non-Subscribers;
 5. In full compliance with the technical standards of the Federal Communications Commission.
- B. Performance Monitoring.
1. Test procedures used in verification of the performance criteria set forth herein shall comply with all applicable Federal Communications Commission (“FCC”) rules and regulations.
 2. The results of such tests shall be filed with the Franchise Agency within thirty days after completion of each test. Each such filing shall specify the procedures used and shall explain in detail any instances of noncompliance, their actual or likely scope or causes, and Grantee’s recommendation of the best measures to correct the noncompliance.
 3. If complaints received or other evidence indicate an unresolved controversy or significant noncompliance with any applicable technical standards, the Agency may require additional tests, full or partial repeat tests, or tests involving a specific Subscriber’s terminal. Such tests will be limited to the particular matter in controversy. The Agency will endeavor to arrange its requests for special tests so as to minimize hardship or inconvenience to Grantee or to its Subscribers.
 4. The Grantee shall notify the Agency in advance of tests for compliance with FCC standards. The Agency may have representatives present to observe such tests.
 5. The results of annual performance tests in accordance with FCC rules and regulations shall be retained by the Grantee for at least five (5) years and shall be available for inspection by the Franchise Agency during business hours at Grantee offices in the City upon twenty-four hours’ notice. Copies of such test results shall be promptly provided upon the Agency’s request.
 6. Grantee shall conduct monthly tests of the emergency alert system, in conjunction with the City department designated for such testing.
 7. Grantee and the City shall conduct system performance tests pursuant to Exhibit 4.

SECTION SEVEN. Facilities and equipment; access requirements.

As a condition to its right to exercise its Franchise and its rights thereunder, the Grantee covenants as follows:

- A. The Grantee is authorized and required to operate its existing Cable System, and to provide service substantially equivalent to its existing service, within the City as of the Franchise Effective Date, until such time as the System Upgrade is carried out, as provided herein. Such existing Cable System shall have a minimum capacity of fifty-four (54) channels.
- B. System Upgrade
1. The Grantee shall upgrade its Cable System pursuant to the System Upgrade requirements in this Section Seven.B.
 2. The upgraded Cable System shall have a minimum bandwidth of 750 MHz on all active and passive components, and be capable of carrying at least 138 video programming services.
 3. The upgraded Cable System shall utilize hybrid fiber-coaxial (“HFC”) architecture that meets the following criteria upon completion of the System Upgrade. Further deployment of system technology over the life of the Franchise shall be at the Grantee’s discretion, provided that the resulting capacity, signal quality, and reliability of the Cable System shall equal or exceed those of the Cable System as described here.
 - (1) At no place in the Cable System shall more than 1,500 residences, businesses and other structures be served by any single fiber node. The average node size in the City shall not exceed 1,200.

- (2) Each node shall be designed and constructed to provide for segmentation of homes passed without requiring substantial additional construction.
 - (3) There will be no more than eight amplifiers within any amplifier cascade in the Cable System. The average number of amplifiers in any amplifier cascade in the City shall not exceed six.
4. Within six months after completion of the System Upgrade, the Grantee shall provide a continuous automated performance test and measurement system to ensure on an ongoing basis the technical and operational integrity of the Cable System.
 5. The Grantee shall use reasonable efforts to design and build the upgraded Cable System so that channel capacity may be readily expanded and additional programming delivered to Subscribers without compromising signal or service quality.
 6. The Grantee shall use reasonable efforts to design and build the upgraded Cable System so that further upgrades can be accomplished without substantially disturbing the Public Rights-of-Way, through replacement of electronics.
 7. The Grantee shall take reasonable steps to avoid implementing a system design that would preclude accommodation of multiple Internet Service Providers on any cable modem platform established by the Grantee.
 8. Grantee shall, throughout the Franchise Area and for the duration of the Franchise, make available on the System continuous information regarding visual and audio programming. Receiving such information shall not require subscription to any service other than basic and cable programming service tiers.
- C. Line Extension
1. Within the City, the Grantee must extend its Cable System upon request to provide service to any Person upon request, without charging such Person more than the standard installation rates, unless the Grantee demonstrates to the Franchise Agency's satisfaction that the cost for such extension would require the Grantee to incur excessive costs, in which case the Franchise Agency may at its discretion grant a written waiver permitting the Grantee to recover from the Persons who will receive service those amounts that exceed a reasonable cost.
 2. For purposes of Section Seven.C.1, the length of a cable drop to a multiple dwelling unit shall be calculated to the point in the building where the risers begin and shall not include any part of the riser that must be traversed to reach an individual dwelling unit. It will be rebuttably presumed that any such drops are less than 125 feet in length.
 3. Where new dwelling units are developed in the City, including but not limited to in-fill housing and high-rise dwelling units in loft districts, the Grantee shall extend service to Persons in those units within 60 days after service is requested, provided that the owner of the building has granted access.
 4. The Grantee shall make the same Cable Service available to businesses or "commercial" Subscribers for their private use as to residential Subscribers, on the same terms and conditions as apply to such residential Subscribers.
- D. Public, Educational, and Governmental Access
1. **Municipal and School Services:** At no cost to the City or the School involved, the Grantee shall provide activated Cable Services and install one service outlet to each building within the Franchise Area used for public libraries, City operations, or K-12 Schools.
 - (1) In order for such facilities to access PEG channel and other pertinent governmental or educational programming, Grantee shall provide free of charge to all outlets in those facilities:
 - (a) Basic and Expanded Basic Service (or the subsequent equivalent thereto); and
 - (b) any equipment necessary to receive such services, including converters to de-scramble the Government Municipal Services (training) channel at City offices and facilities.
 - (2) Grantee shall install the initial outlet at no charge in the building location specified. Grantee shall install additional outlets to such facilities upon request, and shall charge only its time and materials costs for installation

of such additional outlets. Any outlets and wiring installed by the facility itself rather than the Grantee must also meet FCC technical standards. Any outlets and wires also used for internal facility transmission of non-cable services may not cause disruption to the Cable System and must be used only for lawful purposes. Grantee may decline service to outlets not meeting these standards.

- (3) With respect to any newly deployed eligible municipal and educational facilities not receiving service as of the Franchise Effective Date, the Agency will notify the Grantee with pertinent installation information and addresses for facilities in which new installations need to be made. Whenever possible, the Agency will also supply routing drawings, outlet locations, preferred installation schedules, and contact names. However, the Agency's failure to provide such information does not abrogate the Grantee's responsibility to meet the deadlines set herein, nor must an Agency inspector be on site for an installation to occur.
 - (a) Such new installations within an area currently served by the Cable System shall be made within thirty (30) days of written notification by the Agency, or later if the facility so designates.
 - (b) If the eligible facility is in an area not currently served by the Cable System, internal wiring for requested outlet(s) shall generally be made concurrent with plant deployment so that service can be initiated promptly upon activation of plant. In no event shall activation of service be delayed beyond six months from the initial request or within thirty days of plant construction and activation, whichever is later.

Grantee may seek an Agency temporary waiver of the deadline requirements of this Section Seven.D.1(3) due to technical or budgetary limitations on the part of the Grantee or facility.

- (4) Grantee shall deliver all cable signals to each outlet at a signal strength sufficient to meet FCC technical standards, and provide or reinstall wiring adequate to deliver such signal strength at locations which have more than one outlet, and adequate drop or feeder cable to allow for installation and service at additional outlets. Grantee shall work with the Agency during pre-construction periods to determine which sites need upgraded drops and develop a timeframe for deployment of the upgraded drops. Requisite signal strength for multiple outlet facilities shall generally be 15dBmV or better, measured at the demarcation point of the facility.
- (5) Grantee is not required by this Section to provide free outlets, equipment or services to City-owned facilities leased to third parties for commercial purposes in which the Grantee would normally enter into commercial service contract with the facility occupant.
- (6) Grantee has established a voluntary initiative to provide cable Internet service to all public libraries, K-12 public and state-accredited parochial and Private Schools which are passed by the Cable System at no cost to the City or institutions. Grantee intends to provide each of these Schools and libraries with one outlet of unlimited Internet access, including the necessary modem, once the Cable System is upgraded to support such services. Provision of such services shall not be deemed a requirement of this Franchise for rate regulation purposes.
- (7) For purposes of this Section Seven.D.1 a building used for city operations is a City-owned or -leased building or facility which is regularly occupied by City employees in the performance of their duties, but in any event shall also include all public safety dispatch centers, police stations and fire stations regardless of the extent to which they are so occupied.

2. Access Channels. The Grantee shall make available to all Subscribers on the Cable System Access channels as follows:

- (1) Public Access channels: At least one specially designated, noncommercial Public Access channel and one specially designated, noncommercial Community Access channel.
- (2) Local Government Access channels: At least two specially designated channels available for local government use under the direction of the Franchise Agency. In addition, the three channels dedicated to two-way digital communication pursuant to the Prior Franchises shall be maintained in service pursuant to the requirements of the Prior Franchises until all applications using those channels have been moved to an institutional network.
- (3) Elementary and Secondary Education Access channel: At least one specifically designated channel for use by

local educational authorities at the elementary and secondary levels.

- (4) University and College Access channel: At least one specially designated channel for use by the local (St. Louis or St. Louis County) universities and colleges, whether public or private institutions, or by an educational management entity or consortium generally representing these institutions.
 - (5) Digital Capacity: If the Grantee implements technology that allows any of the above Access channels to be delivered using less than 6 MHz of bandwidth, then the Grantee shall make available additional capacity for the same purposes as are applicable to such Access channels pursuant to this Agreement, up to a maximum total of 6 MHz of bandwidth for each such Access channel, in the event that the capacity otherwise available is fully utilized for PEG access purposes.
 - (a) For purposes of this Section Seven.D.2(5), a video channel (or portion of such channel used to transmit video programming) shall be deemed “fully utilized” if cablecasts of non-duplicated, locally-produced programming exceed seventy-five percent (75%) (for public access) or fifty percent (50%) (for educational and governmental access) of the total time between the hours of 9:00 AM and midnight for at least thirty days in a period of forty-five consecutive days.
 - (b) Such additional capacity shall be provided by the Grantee within ninety (90) days after a written request from the manager of such Access channel specifying the intended uses of such capacity.
- 3. PEG Access and Remote Origination Sites.** Signal input points and equipment shall be available at sites specified in attached Exhibit 5 for live programming origination on Access Channels.
- 4. Digital Conversion.** If the Grantee makes changes to the Cable System that require improvements to access facilities and equipment (such as conversion to an all-digital format), the Grantee shall cover any necessary modification or replacement costs so that PEG facilities and equipment may be used as intended with respect to the PEG channels specified herein.
- 5. Public Access Channel Manager.**
- (1) Public and Community Access channels shall initially be managed by Double Helix Corporation (the “Access Channel Manager”).
 - (2) Public and Community Access facilities shall be open and scheduled by the Access Channel Manager in a manner that ensures availability of equipment and facilities during day, evening, and weekend hours.
 - (3) Training, workshops and internships in video production shall be offered to all City residents on a first-come, first-served basis, at minimal or no cost.
 - (4) Fees and deposits for use of such facilities or equipment shall be reasonable.
 - (5) If the City finds unsatisfactory the performance of an Access Channel Manager, then the City may, in its sole discretion, designate one or more non-profit, tax-exempt Access Channel Manager(s) meeting the requirements of Section Seven.D.5(6) and reassign any facilities or equipment provided by the Grantee to the new Access Channel Manager(s).
 - (6) An Access Channel Manager shall have demonstrated experience in facilitating community programming.
- 6. Regulation of Public Access Channels.** The City may, from time to time, by ordinance, regulate use of public access channels.
- E. Emergency Alert System**
1. Grantee shall design and construct the system to provide for an interrupt of all video channels, and an audio override of all audio channels whereby a designee of the City may introduce an audio message on all of the system’s channels simultaneously, during emergencies or disasters. An emergency power source to preserve this function shall also be provided by the Grantee at the headend of its system. The emergency alert system shall comply with all applicable federal

requirements.

2. The emergency alert system shall provide for activation from the Office of the Mayor, police headquarters, fire headquarters, or the City Emergency Management Agency, via secure coded access. Methods and access codes for activating the emergency alert system shall be filed and kept current with the City Emergency Management Agency director, the Mayor, the Chief of Police, and the Chief of the Fire Department, and also for informational purposes with the Franchise Agency.

F. The City shall have the right, throughout the term of the Franchise, to install and maintain free of charge upon the poles and conduits of the Grantee any fixtures necessary for communications use by the City, on the conditions that (a) such fixtures do not interfere with the Cable System operations of the Grantee; and (b) the City will not use the Grantee's equipment for commercial purposes or to compete with the Cable System, or allow others to use such equipment for commercial purposes or to compete with the Cable System without acceptable reasonable compensation to the Grantee; and (c) to the extent permitted by law, the City shall indemnify the Grantee from damages resulting from any such use.

SECTION EIGHT. Interconnection.

A. Grantee will interconnect channels with the Grantee's other systems in St. Louis County for the purpose of allowing the two-way sharing of PEG Access programming upon the directive of the Franchise Agency. Interconnection of systems may be done by direct cable connection, microwave link, satellite, or other appropriate method that allows PEG Access programming to be shared and transferred between City and County systems.

B. Grantee may be granted a reasonable extension of time to make the interconnection provided for in the preceding subsection, or the Franchise Agency may rescind any order to interconnect upon request by the Grantee.

C. The Grantee shall insure the adequate signal quality of any interconnection.

SECTION NINE. Support of Minorities and Women.

Recognizing the economic benefits it is deriving from its use of the Public Rights-of-Way and the racial, ethnic and socio-economic diversity of the population of the City:

A. Grantee agrees that it shall, on an annual basis:

1. Award technical, professional services and construction contracts with a dollar value equal to at least 40% of the total dollar value of all such contracts to Minority Business Enterprises (MBE) as hereinafter defined and 10% to Women Business Enterprises (WBE) as hereinafter defined.
2. Purchase materials, supplies, and other goods or services of a dollar value equal to at least 30% of the total value of all such purchases from MBEs and 5% of all such purchases from WBEs.

For purposes of this Section, enterprises shall be eligible for MBE or WBE status if (i) they appear on eligibility lists maintained by a City department, division, or office with responsibility for establishing such eligibility, or (ii) the enterprise demonstrates to Grantee's and Agency's satisfaction that the enterprise is an MBE or WBE for purposes of Mayor's Executive Order number 28 with respect to MBE and WBE participation in City contracts. Grantee agrees that expenditure categories under this Section shall generally be determined as provided in Exhibit 6 to this Agreement, and may be modified by mutual agreement of Grantee and the Franchise Agency during the term of this Agreement to address new expenditure categories or business situations of the Grantee.

B. Grantee agrees that, on an annual basis, hiring practices for and composition of its employed work force shall be at least:

1. Technical and professional service employees: 40% Minority Groups, 10% Women
2. Construction employees: 45% Minority Groups, 5% Women
3. Management-level employees: 40% Minority Groups, 30% Women

C. Grantee agrees that any advertised job openings shall be posted with the Missouri Division of Employment Security, and

advertised in publications aimed at minority and women audiences.

D. The City and Grantee agree that to respond to industry and technology advances Grantee's internal training will need to evolve and develop over the life of the Franchise. Grantee's workforce shall receive significant annual training in entry-level and on-going job skills development leading to promotional opportunities for qualified members of its workforce, including minorities and women, as follows:

1. Customer Service Representative Programs: shall take place no less than two times per year for all employees in the category, and encompass specific training in customer satisfaction standards, telephone relations, technical trouble-shooting over the phone, complaint resolution, sales techniques which meet consumer protection and privacy obligations, and proper marketing procedures.
2. Management/Supervisor Programs: shall take place no less than two times per year and be structured as on-the-job training and cross-training which provides opportunities for job skill development. Such training courses shall include, but not be limited to: legal seminars, accounting and audit procedures, employee relations and supervisory practices, implementation of Equal Employment Opportunity (EEO) policies, customer relations, and safety practices.
3. Technical Programs: will be conducted for both installation and repair personnel, and should include or be based on the course work developed by the National Cable Television Institute, including testing and certification of technical personnel. On-the-job training in the field will include quality control and standards for installation to meet local electrical codes.

The Grantee's internal employee training specified in Section Nine.D.1 and Section Nine.D.2 shall generally be conducted in Grantee's facilities in the City of St. Louis, currently 5240 Oakland Avenue.

Grantee agrees that its local origination video programming and other operations will provide opportunities for internships open to qualified students and others as appropriate.

E. To ensure compliance with this Section, Grantee shall contract with a non-governmental entity (hereinafter referred to as the "Monitor") for assistance in establishing and implementing a plan for compliance with this section. Such contract shall provide for consultation between Grantee and Monitor regarding recruiting and hiring of employees, awarding of contracts, and independent verification of all quarterly reports submitted to the Franchise Agency by the Grantee.

F. Within 60 days of the end of each quarter, the Monitor, on behalf of the Grantee, shall file quarterly reports documenting compliance with this Section. The format, content and methodology of such reports shall be subject to Agency approval. The quarterly reports shall be annotated to explain unusual conditions or circumstances reflected in the figures, and be accompanied by a verification statement of the Monitor. Such reports shall address:

1. Information by category regarding contracts and purchases with MBEs and WBEs.
2. Upon request of the City, subject to appropriate measures as to confidentiality, total dollars expended in each category and total dollars expended with MBEs and WBEs.
3. Percentage of employees within the specified categories of Section Nine.B.1, Section Nine.B.2, and Section Nine.B.3, indicating percentages by both gender and racial composition.
4. Training information including:
 - (1) Descriptive summary of the title and content of internal Customer Service Representative and supervisor employee training programs during the previous quarter, also specifying the classifications of employees receiving such training, reasons why any employee in those classifications did not receive such training, and aggregate information as to gender and racial composition of training participants.
 - (2) Descriptive summary of the title and content of internal or third-party courses of training for employees in the technical category during the previous quarter, also specifying the classifications of employees receiving such training, reasons why any employee in those classifications did not receive such training, and aggregate information as to gender and racial composition of training participants.

- (3) Descriptive summary of title and content of all training offered to management personnel and potential applicants for management promotions, also specifying criteria for selection of training participants, and including job titles and general classification of supervisory or management employees receiving such training, reasons why any management employee or applicant did not receive such training, and aggregate information as to gender and racial composition of such training participants.
5. Description of, and information on participation by gender and racial composition, for non-employee internships offered or funded by the Grantee during the previous quarter, as applicable.
- G. Grantee agrees that based upon such reports, the Franchise Agency shall make determinations of compliance for contract awards, employment and training efforts throughout the life of the franchise, and that Grantee is obligated to address any written Agency notice of under-compliance or non-compliance by filing a specific remedial plan to achieve full compliance within the next quarter in regards to contract awards, employment of minorities and women, and within the next two quarters in regards to training. Such remedial plans shall include written policies regarding hiring and training and submission of interim reports during the remedial period as appropriate to the situation, and shall comply with any Agency requirements for report methodologies to verify compliance.
- H. Copies of all reports and filings filed with the FCC in regard to FCC regulations relating to employment practices shall be submitted to the Franchise Agency on an annual basis.

SECTION TEN. Payments to the City.

The Grantee shall pay franchise fees to the City pursuant to Section Eight of the Cable Ordinance.

SECTION ELEVEN. Performance bond, letter of credit, and insurance.

- A. With its acceptance of the Franchise, the Grantee shall file with the Franchise Agency an executed bond in a form and with a surety acceptable to the City as specified in this Agreement to indemnify the City against any loss or damage it may suffer in the event the Grantee fails to comply with one or more of the provisions of its Franchise, in the following amount: \$1 million. Upon written application by the Grantee, the Franchise Agency shall permit the amount of the bond to be reduced in an amount determined by the Agency in writing in the Agency's sole discretion to reflect the percentage of completion of the Grantee's System Upgrade. In no event shall the amount of the bond be reduced below \$500,000. Said bond shall be obtained at the sole expense of the Grantee and remain in effect for the full term of the Franchise or any extension (as distinct from renewal) thereof plus an additional six months thereafter (unless a replacement bond covering that period is agreed to by the City). The Grantee and its surety shall be jointly and severally liable under the terms of the bond for any damages or loss suffered by the City as a result of the Grantee's failure to comply with one or more of the provisions of its Franchise, including a reasonable allowance for the City's lawful attorneys' fees and costs, up to the full amount of the bond.
- B. Neither the filing of a performance bond with the Agency, nor any insurance coverage, nor the receipt of any damages recovered by the City thereunder, shall be construed to excuse faithful performance by the Grantee or limit the liability of the Grantee under the terms of its Franchise for damages, either to the full amount of the bond or otherwise.
- C. The Grantee shall file and maintain with the Franchise Agency at all times during the term of the Franchise an irrevocable direct pay letter of credit from a financial institution licensed to do business in Missouri in the amount of \$50,000 to ensure the Grantee's faithful performance of its obligations under the Franchise. The form and content of the letter of credit shall be approved by the Franchise Agency and the Comptroller.
 1. The letter of credit shall be released only upon expiration of the Franchise or upon the replacement of the letter of credit prior to its expiration.
- D. The following procedures shall apply to drawing on the performance bond and the letter of credit required under this Section Eleven, either of which is referred to below as the "Security Fund."
 1. If the Grantee fails to make timely payment of any amount due under this Agreement or applicable law or ordinances, after reasonable notice by the City and a reasonable opportunity for the Grantee to make the required payment and to be heard regarding any issues concerning such payment, the Franchise Agency may withdraw the amount thereof, with interest and any penalties, from the Security Fund pursuant to the procedures specified in this Section Eleven.D.

2. Within three (3) days of a withdrawal from the Security Fund, the Franchise Agency shall mail, by certified mail, return receipt requested, written notification of the amount, date, and purpose of such withdrawal to the Grantee.
 3. If at the time of a withdrawal from the Security Fund by the Franchise Agency, the amounts available are insufficient to provide the total payment towards which the withdrawal is directed, the balance of such payment shall continue as the obligation of the Grantee to the City until it is paid.
 4. No later than twenty (20) days after mailing of notification to the Grantee by certified mail, return receipt requested, of a withdrawal under the Security Fund, the Grantee shall restore the Security Fund to the total amount specified herein.
 5. Upon termination of the Franchise, the balance then remaining in the Security Fund shall be returned to the Grantee within six months of such termination, provided that there is then no outstanding default on the part of the Grantee.
 6. At no time shall the City seek a withdrawal from both the performance bond and the letter of credit for recovery of the same obligation, unless withdrawal from both becomes necessary to meet the amount of such obligation.
- E. The Grantee will comply with all indemnity and insurance requirements in the Cable Ordinance.

SECTION TWELVE. Revocation and default provisions and remedies.

- A. In addition to all other rights and powers reserved by the City, the City reserves the right to terminate and cancel a Grantee's Franchise and all rights and privileges of the Grantee thereunder pursuant to the termination provisions of the Cable Ordinance.
- B. Upon violation of this Agreement or applicable law or ordinances by the Grantee, the City may proceed to protect and enforce its rights by mandamus or other suit, action or proceeding at law or in equity, including an action for specific performance of any provision of this Agreement and suit for the appointment of a receiver. Such remedies shall be cumulative, except that the City may not obtain both actual and liquidated damages for the same violation.
- C. The following events are hereby defined as and declared to be and shall constitute violations of this Agreement so as to trigger the City's enforcement processes and the Grantee's due process rights ("Violations"):
1. Failure by the Grantee to make timely payment of any Franchise Fee payment as provided herein which is not remedied by making such payment, together with interest and penalties as provided herein, within ten days after a written notice from the City to the Grantee identifying such failure;
 2. Failure by the Grantee to provide, file or maintain, as and when required by this Agreement, any bond, policy of insurance, certificate of insurance or letter of credit, which is not remedied within five business days after a written notice from the City to the Grantee identifying such failure;
 3. Failure by the Grantee to comply with any other agreement, obligation, duty, covenant or provision of this Agreement; provided that, if such failure is curable, the City shall notify the Grantee of the failure in a written notice, and if such failure shall continue beyond a reasonable cure period as stated in such notice, the failure shall be a Violation; provided that, if such curable failure is such that it cannot be cured within such period, it shall not constitute a Violation provided (i) that the Grantee has commenced such cure within such period, and (ii) the Grantee diligently prosecutes such cure to completion.
 4. Failure by the Grantee to comply with any agreement, obligation, duty, covenant or provision of this Agreement, which failure is part of a pattern of repeated failure by the Grantee after written notice to comply with such agreement, obligation, duty, covenant or provision.
- D. Grantee acknowledges that a Violation of this Agreement is also a violation of the Cable Ordinance.
- E. Because the Grantee's failure to comply with provisions of the Franchise and this Franchise Agreement will result in injury to the City, and because it will be difficult with respect to certain provisions to estimate the extent of such injury, the City and the Grantee agree to the following liquidated damages for the following Violations of the Franchise and of this Agreement, which represent both parties' best estimate of the damages resulting from the specified Violation. The parties agree that the liquidated damage amounts are in calendar 2001 dollars and shall be increased each year by the increase in the U.S. City Average of the

Consumer Price Index.

1. For failure to comply with the requirements hereunder with respect to the approval of franchise transfers: \$1,000/day for each Violation for each day the Violation continues;
2. For failure to comply with requirements for the provision of public, educational, and governmental capacity on the Cable System: \$500/day for each Violation for each day the Violation continues;
3. For failure to complete the System Upgrade by the deadlines set forth in the Franchise Agreement: \$1,000/day for each Violation for each day the Violation continues.

F. To initiate the enforcement process for liquidated damages, the City shall pursue the same process described in the Cable Ordinance for imposition of fines, except that if it pursues relief in court, the City may pursue appropriate proceedings in any court of competent jurisdiction rather than in City Court.

G. If a Grantee is fined for a violation of the Cable Ordinance, such Grantee shall not be subject to liquidated damages pursuant to this Agreement for the same violation or act. If a Grantee is subject to liquidated damages pursuant to this Agreement for a Violation, it shall not be fined for a violation of the Cable Ordinance for the same violation or act.

H. No delay or omission by the City to exercise any right or power occurring upon any default or violation shall impair any such right or power or shall be construed to be a waiver of any such default or violation or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient.

I. No waiver of any default or event of default hereunder by the City shall extend to or affect any subsequent default or event of default or impair any rights or remedies consequent thereon.

SECTION THIRTEEN. Reports and records.

A. The Franchise Agency shall have the right to inspect and, subject to Section Thirteen.B, copy at any time during normal business hours at the City Cable System office or at such location as the Franchise Agency may reasonably designate, all records that the Franchise Agency deems reasonably appropriate in order to monitor compliance with the terms of the Cable Ordinance, this Agreement, or applicable law. This includes not only the records of the Grantee, but any records the Franchise Agency reasonably deems relevant but which may be held by an Affiliate, a cable operator of the Cable System, or any contractor, subcontractor or any person holding any form of management contract for the Cable System. The Grantee is responsible for collecting the information and producing it at the location specified above, and by accepting its Franchise it affirms that it can and will do so.

B. Access to inspect the Grantee's records pursuant to Section Thirteen.A shall not be denied by the Grantee on the basis that said records contain confidential personnel or trade secret information. However, copying such records shall be permitted only to the extent the City can and agrees to lawfully protect such information from further disclosure, or to the extent the City is otherwise specifically authorized by applicable law to obtain copies of such records or information. All confidential personnel or trade secret information received by the Franchise Agency shall remain confidential and protected, but only to the extent permitted by Chapter 610, Revised Statutes of Missouri, as amended, and other applicable state and federal law.

C. The Grantee shall maintain its financial records so as to allow analysis and review of its System operations in the Franchise Area.

D. Copies of all petitions, applications, communications and reports submitted by the Grantee to the Federal Communications Commission, Securities and Exchange Commission, or any other federal or state regulatory commission or agency having jurisdiction, in respect to any matters regarding Cable System operations under the Franchise, shall be provided to Agency no later than the filing date for such petitions, applications, communications and reports. Copies of all communications of any kind received by the Grantee from such commissions or agencies regarding Cable System operations under the Franchise shall be filed with the Agency as soon as reasonably possible upon receipt. Confidential personnel, trade secret, or otherwise nonpublic information in such communications may be redacted and treated consistent with the procedures set forth in Section 7(B)(3)(a)-(b) of the Cable Ordinance.

E. Annual Report. Unless this requirement is waived in whole or in part by the Franchise Agency, no later than 90 days after the end of its fiscal year, the Grantee shall submit a written report to the Franchise Agency, in a form directed by the Franchise Agency, which shall include:

1. a summary of complaints, identifying both the number and nature of the complaints received and an explanation of their dispositions, as such records are kept by the Grantee, together with copies of any written complaints received. Where complaints involve recurrent Cable System problems, the nature of each problem and the corrective measures taken shall be identified;
 2. a report showing the number of service calls received by type during each quarter, and the percentage of each type of service call as a percentage of the Subscriber base;
 3. a report showing the number of Outages (as that term is defined in the Customer Service Ordinance) for each quarter, and identifying separately each planned Outage, the time it occurred, its duration, and the estimated area and number of Subscribers affected; each unplanned Outage, the time it occurred, its estimated duration and the estimated area and the number of Subscribers affected; and the total hours of Outages as a percentage of total hours of Cable System operation;
 4. a report showing the number of Service Interruptions (as that term is defined in the customer service ordinance) for each quarter, and identifying separately each Service Interruption, the time it occurred, its estimated duration and the estimated area and the number of Subscribers affected; and the total hours of Service Interruptions as a percentage of total hours of Cable System operation;
 5. an annual financial report for the previous fiscal year, certified by the Grantee's chief financial officer or an independent certified public accountant, including an income statement showing all Subscriber revenue from each category of service, and all revenue from every source of non-Subscriber revenue, derived from the operation of the Cable System;
 6. an organizational chart showing all corporations or partnerships with more than a five (5) percent ownership interest in the Grantee, and the nature of that ownership interest (limited partner, general partner, preferred shareholder, etc.); and showing the same information for each corporation or partnership that holds such an interest in the corporations or partnerships so identified and so on until the ultimate corporate and partnership interests are identified;
 7. a summary of the results of, and/or, at the Grantee's option, copies of the System's technical tests and measurements performed during the past year;
 8. a detailed copy of updated maps depicting the location of all cable plant, showing areas served and locations of all trunk lines and feeder lines in the City, and including changes in all such items for the period covered by the report;
 9. a full schedule of all Subscriber and other user rates, fees and charges;
 10. the Grantee's policies regarding Subscriber privacy;
 11. such other information the Franchise Agency deems reasonably appropriate in order to monitor compliance with the terms of the Cable Ordinance, this Agreement, or applicable law as the Franchise Agency may direct.
- F. Special Reports: Unless this requirement is waived in whole or in part by the Franchise Agency, the Grantee shall deliver the following special reports to the Franchise Agency:
1. The Grantee must submit a copy and full explanation of any notice of deficiency, forfeiture, or other document issued by any state or federal agency instituting any investigation or civil or criminal proceeding regarding the Cable System, the Grantee, or any Affiliate of the Grantee, to the extent the same may affect or bear on operations in the City. By way of illustration and not limitation, a notice that an Affiliate that has a management contract for the Cable System was charged with improper accounting practices regarding its management contracts would be deemed to affect or bear on operations in the City. This material shall be submitted in accordance with the deadlines specified in Section Thirteen.D herein.
 2. The Grantee must submit a copy and brief explanation of any request for protection under bankruptcy laws, or any judgment related to a declaration of bankruptcy by the Grantee or by any partnership or corporation that owns or controls the Grantee directly or indirectly.
- G. Additional Reports. Upon reasonable notice, the Grantee shall prepare and furnish to the Franchise Agency such additional reports as the Franchise Agency deems reasonably appropriate in order to determine compliance with the terms of the Cable Ordinance, this Agreement, or applicable law.

H. In reports or records submitted to the City pursuant to this Section Thirteen, confidential personnel or trade secret information may be redacted pursuant to Section Thirteen.B to the extent permitted by applicable law.

I. Records Required

1. The Grantee shall at all times maintain:

- (1) Records of (a) all written complaints received for the life of the franchise, and (b) all oral complaints received to the extent and in the form that such complaints are recorded by the Grantee in the ordinary course of business, for five years. The term "complaints" as used herein refers to complaints about any aspect of the Cable System or the Grantee's operations, including, without limitation, complaints about employee courtesy. Complaints recorded may not be limited to complaints requiring an employee service call.
- (2) A full and complete set of plans, records, and "as built" (as that term is normally used in the cable industry) maps showing the location of Cable System equipment installed or in use in the City, exclusive of Subscriber service drops.
- (3) A comprehensive record of all utilization of contractors, subcontractors, vendors, and suppliers necessary to demonstrate compliance with Grantee's obligations under Section Nine of this Agreement.
- (4) A public file showing its timetable for completion of the System Upgrade.

J. Voluminous Materials: If any books, records, maps or plans, or other requested documents are too voluminous, or for security reasons cannot be copied and moved, then the Grantee may request that the inspection take place at some other location, provided that (1) the Grantee must make necessary arrangements for copying documents selected by the Franchise Agency after review; and (2) the Grantee must pay all travel and additional copying expenses incurred by the Franchise Agency in inspecting those documents or having those documents inspected by its designee.

K. Retention of Records; Relation to Privacy Rights. The Grantee shall take all reasonable steps that may be required to ensure that it is able to provide the Franchise Agency all information which must be provided or may be requested under the Cable Ordinance, this Agreement, or other applicable law, including without limitation reasonable steps enabling Subscribers to exercise their options regarding release of their information. Nothing in this Section Thirteen shall be read to require the Grantee to violate 47 U.S.C. § 551 or other applicable privacy laws. Records shall be kept for at least five (5) years.

L. Waiver of Reporting Requirements. The Franchise Agency may, at its discretion, waive in writing any particular report or record-keeping requirement of this Section Thirteen.

SECTION FOURTEEN. City's right of intervention.

The Grantee agrees not to oppose intervention by the City in any suit or proceeding to which such Grantee is a party relating to the Franchise or to the City.

SECTION FIFTEEN. Amendment of Franchise.

Any amendment of the Franchise Agreement shall be subject to acceptance by the Grantee, except that nothing herein shall be construed to limit the lawful exercise of the City's police power, authority lawfully to levy any nondiscriminatory taxes on any activity conducted by Grantee, or other lawful authority, whether exercised by ordinance or otherwise. Nothing herein, however, shall affect the City's or the Grantee's rights with respect to renewal of the Grantee's Franchise. Nothing contained in this Franchise shall be deemed to prohibit in any way the right of the City lawfully to levy any nondiscriminatory taxes on any activity conducted by Grantee.

SECTION SIXTEEN. Acceptance.

The Grantee shall file an acceptance of its Franchise pursuant to the Cable Ordinance. The Grantee's Franchise shall not be effective unless in its acceptance such Grantee:

A. Tenders to the Agency in form acceptable to the City, all of the following:

1. An unconditional acceptance of its Franchise;
2. All certificates of insurance required by the Cable Ordinance;
3. The bond as required by Section Eleven.A hereof;
4. The letter of credit required by Section Eleven.C hereof;
5. An executed copy of the Settlement Agreement authorized by Ordinance _____ (BB 78) (“Settlement Agreement”).

SECTION SEVENTEEN. Grantee may promulgate rules.

A. Grantee may promulgate such rules, regulations, terms and conditions of their businesses as are reasonably necessary to enable Grantee to exercise its rights and perform its services under this Agreement and the applicable rules of the FCC, and to assure uninterrupted service to all Subscribers. Such rules and regulations are at all times subject to the provisions of this Agreement, the Cable Ordinance, the City Charter, and other applicable law. Such rules must comply with those provisions and shall not be deemed to have the force of law.

B. Grantee shall not, as to rates, charges, service, services, facilities, rules, regulations, or in any other respect, make or grant any undue preference or advantage to any person, nor subject any person to any prejudice or disadvantage.

SECTION EIGHTEEN. Notices.

Every direction, notice, or order to be served upon Grantee shall be sent to:

General Manager
AT&T Broadband
5240 Oakland Avenue
St. Louis, MO 63110

with a copy to:

Franchise Director
AT&T Broadband
5240 Oakland Avenue
St. Louis, MO 63110

Every notice to be served upon the City shall be delivered or sent by certified mail with return receipt requested to:

President of the Board of Aldermen
City of St. Louis
Room 232, City Hall
Tucker and Market Streets
St. Louis, Missouri, 63103

and to:

Communications Commissioner
4971 Oakland
St. Louis, Mo. 63110

with copies to:

Chairman, Public Utilities Committee
Board of Aldermen
Room 230, City Hall
Tucker and Market Streets

St. Louis, Missouri, 63103

Office of the Register of the City of St. Louis
Room 118, City Hall
Tucker and Market Streets
St. Louis, Missouri, 63103

City Counselor
Room 314, City Hall
Tucker and Market Streets
St. Louis, Missouri, 63103

Either party may change its notice locations by prior notice in writing to the other party clearly indicating that the new address shall replace the old for notices pursuant to this Section. The service of any such notice shall be deemed to have been at the time of receipt.

SECTION NINETEEN. Construction of provisions generally.

This Agreement shall be construed under the law of Missouri.

SECTION TWENTY. Severability.

If any provision of this Agreement or the particular application thereof, is held invalid by any Court, administrative agency, or other body with appropriate jurisdiction, the remaining provisions, and their application, shall not be affected thereby. If the terms of this Agreement are materially altered due to changes in governing law, then the parties shall negotiate in good faith to reconstitute this Agreement consistent with then-applicable law in a form that, to the maximum extent possible, is consistent with the original intent of Grantee and the City and preserves the benefits bargained for by each party.

SECTION TWENTY-ONE. Obscenity provisions.

Ordinance 58539 of the City (Sections 15.32.050 to 15.32.110 Rev. Code St. L. Anno. 1990) is hereby incorporated in this Agreement by express reference.

SECTION TWENTY-TWO. Conflict of provisions.

If any provision of this Agreement expressly waives or contradicts any provision of the Cable Ordinance or the customer service ordinance as adopted concurrently with this Agreement, the provisions of the Agreement shall control.

SECTION TWENTY-THREE. Force Majeure

The Grantee shall not be held in default under, or in noncompliance with the provisions of the Franchise, nor suffer any enforcement or penalty relating to noncompliance or default, where such noncompliance or alleged defaults were caused by extraordinary circumstances reasonably beyond the ability of the Grantee to control. This provision includes, but is not limited to, work delays caused by waiting for utility providers to service or monitor their utility poles to which the Grantee's Cable System is attached, provided, however, that the Grantee shall use its best efforts to prevent such work delays regarding utility poles.

SECTION TWENTY-FOUR. Integration

This Franchise Agreement, together with its Exhibits and with the Settlement Agreement entered into concurrently by the Grantee and the City, constitutes the entire agreement between the Grantee and the City.

CITY OF ST. LOUIS, MISSOURI,
a municipal corporation of Missouri

By: _____

Larry D. Stone
Communications Commissioner

By: _____
Darlene Green
Comptroller

APPROVED AS TO FORM:

City Counselor

DATE FILED WITH REGISTER:

City Register

ST. LOUIS TELE-COMMUNICATIONS, INC.

By: _____
[name & title of signatory]

ATTEST:

[Corporate secretary or other appropriate person]

EXHIBIT 1

DESCRIPTION OF DOWNTOWN AREA
See Section One.A.4

Commencing at the intersection of Jefferson Avenue and Carr Street, thence eastwardly on Carr Street to its intersection on Lewis Street, thence southwardly on Lewis Street, which shall change into Leonor K. Sullivan Street to its intersection on Chouteau Avenue, thence westwardly on Chouteau Avenue to its intersection on Jefferson Avenue, thence northwardly on Jefferson Avenue to the point of origin.

EXHIBIT 2

WASHINGTON AVENUE AND CUPPLES STATION BUILD-OUT
See Section Five.A.3

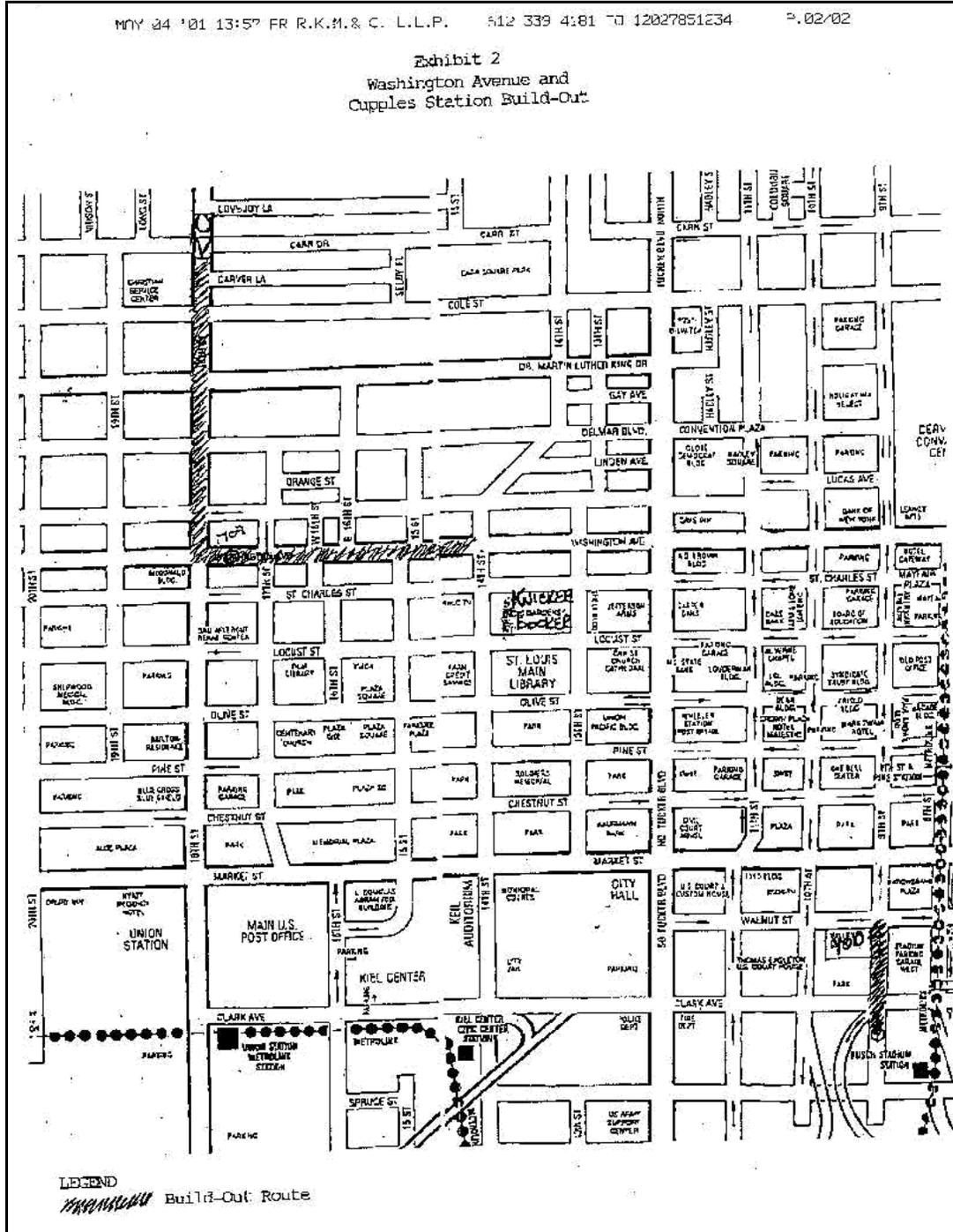


EXHIBIT 3

PREVENTIVE MAINTENANCE AND PROBLEM RESOLUTION PLAN
See Section Five.E

GOAL:

In an effort to provide quality service to its Subscribers in the City of St. Louis during the system upgrade, Grantee has recently formed a dedicated Preventive Maintenance (PM) Team. This team’s objective is to ensure that the Grantee’s existing plant will meet the technical standards, established by the FCC, as well as the Grantee’s own standards for quality and reliability.

SCOPE:

The PM Team has developed a systematic preventive maintenance plan to:

- Inspect and test power supplies;
- Monitor headend efficiency and signal quality;
- Find and address signal leakage problems;
- Monitor for outages;
- Regularly sweep the Cable System to ensure adequate signal strength;
- Repair work order referrals in a timely manner; and,
- Address height clearance issues.

RESOURCES:

Six (6) System Technicians and six (6) Advanced Technicians assigned full-time to this team under Normal Operating Conditions.

Five (5) Quality Control Technicians.

A Technical Supervisor assigned full time to the PM Team to oversee its planning and operation.

Fully equipped bucket trucks including power inverters, for each member of the PM team.

Adequate stock of parts necessary for PM Technicians to maintain/repair cable equipment.

1. Two (2) new spectrum analyzers with CATV options.
2. Three (3) new digital Quam meters for use to troubleshoot digital problems.
3. A new sweep system including one (1) transmitter and eleven (11) sweep receiver/SLM’s
4. Two (2) new metallic TDR’s and a new optical OTDR (used to find faults in cables).
5. A new optical fusion splicer.
6. Three (3) new complete sets of fiber optic tools.
7. Three (3) new sets of power meters, light sources, live fiber ID’s.
8. Sixty-eight (68) combined signal leakage/SLM meters so that each PM Technician, and QC Technician shall have this equipment (Additional equipment will be purchased in 2001 to cover the needs of all remaining members of the technical staff).

MAINTENANCE METHODOLOGY
IMPROVING SYSTEM RELIABILITY AND SYSTEM QUALITY

Power Supplies

Purpose:

A CATV power supply converts 110 volts (AC), supplied by the local electric company, into 60 volts (AC), which travels via the coaxial cable to system amplifiers. The AC voltage is then converted to DC voltage within the amplifier, and is used to power the electronic components in the amplifier.

Part of the power supply has a stand-by unit, which includes three (3) deep cycle batteries that are constantly charging. In the event of an electric company power failure, the DC voltage batteries are converted into 60 volts AC, which travels via the coaxial cable to the system amplifiers, and keeps the system running as the power failure is being corrected. Thus, it is in the best interest of the Grantee to proactively maintain the stand-by units and its batteries.

- Procedure:**
1. Maintenance of power supplies shall be done on a schedule, which assures that each power supply will be tested at least once per calendar quarter.
 2. All power supplies are located on a master list and designated in one of six management areas. Each area has a designated Advanced Technician and System Technician, who are responsible for testing each power supply.
 3. Should a power supply fail the test, the Technician shall use his or her best efforts to make all necessary repairs prior to moving forward onto the next power supply. In such cases where repairs require turning off the system, or interrupting service to Subscribers for more than 1-2 minutes, the Grantee shall make such repairs overnight during the hours designated for such repairs.
 4. The Technical Supervisor in charge of the PM Team shall be responsible for the oversight of the Master Power Supply List and to ensure that the quarterly schedule within each management area is up to date.
 5. The power supply test shall be on file and may be reviewed by the City, upon request, at the Grantee's office during office hours.

Headend Efficiency and Signal Quality

Purpose: The CATV headend is the origination point for all signals that are placed on the fiber/coaxial cable to provide cable services to the Subscribers. It is essential that all signals leaving the headend be of the highest quality (free from noise and distortions).

The PM Team proactively ensures that all signals at the headend either meet or exceed both the Grantee's and the equipment manufacturer's specifications.

- Procedure:**
1. Every morning (Monday-Friday), an Advanced Technician performs an autotest at the headend test point. The test records video and audio levels, channel to channel separation, peak to valley, and hum modulation on all analog channels. Results of the autotest are electronically archived.
 2. The Advanced Technician will also visually check the picture quality and listen to the audio quality of all channels.
 3. Any autotest, picture, or audio problems are corrected before the Advanced Technician leaves the headend.
 4. The Advanced Technician shall review the City's LAN system and the sweep transmitter each day for functionality. If any site on the LAN system is not communicating, or there is a problem with the sweep transmitter, the Advanced Technician and any necessary supporting staff shall immediately work on the problem until completion.
 5. The Advanced Technician also performs a weekly spectrum analyzer test at the headend testpoint. The test records the video and audio carrier levels, video carrier level, aural carrier separation, channel to channel separation, peak to valley, and hum modulation on all channels. A Quam meter is used to check the quality of the digital channels. The results of the tests are recorded on the Weekly Headend Check Sheet and are archived in a binder. Should the test reveal a problem, the Advanced Technician shall make all appropriate corrections at that time.
 6. Each month, the Advanced Technician performs a separate spectrum analyzer test at the headend

testpoint, a waveform monitor test at each modulator, and a Quam test of the digital signals. The spectrum analyzer test follows the same procedure as the weekly test, as does the Quam test. The waveform monitor test records the depth of modulation on each modulated channel. The results of the test are recorded on the Weekly Headend Check Sheet and are archived in a binder. Once again, if the test reveals any problems, the Advanced Technician shall make all necessary corrections at that time.

System Sweeps

Purpose:

With the current system architecture, a minor problem at an early amplifier within an amplifier cascade, may escalate to a more significant picture problem at every amplifier location downstream from the initial problem point. To prevent this from occurring, the PM Team sweeps the trunk and distribution amplifiers to specifications to ensure quality signals, especially at the end of an amplifier cascade.

Procedure:

1. It is the Grantee's objective to sweep 100% of the trunk amplifiers and 50% of the distribution amplifiers on a yearly basis.
2. Each trunk cascade will be assigned to a specific Advanced Technician who will be responsible for sweeping each of the amplifiers on the trunk line. The System Technicians within their assigned management areas will sweep the distribution amplifiers.
3. Each Advanced/System Technician will reference his or her receiver at the launch amplifier at the headend. Once he or she stores the reference, the Technician proceeds to the first amplifier in his or her cascade that is scheduled for the day.
4. At each amplifier, the Technician shall complete the Amplifier Data Sheet, which records the model type of each piece of equipment in the amplifier, data regarding the distribution legs, the input pad and equalizer, the condition of the shrink, the condition of the ground, and the AC and DC voltage.
5. The Technician next records the input RF levels with a sweep receiver. Using the manufacturer's equation, the Technician determines the proper pad and equalizer values for the amplifier. If the proper pad and equalizer are not installed, he or she corrects them by changing them.
6. The Technician then uses the manufacturer's specification chart to determine the correct trunk output levels for the current ambient temperature. The Technician then sets the trunk outputs to those levels, as well as sets the bridger levels.
7. The next step is to use the sweep receiver to adjust the response of the system to obtain maximum flatness. The specifications are determined by the cable system's current architecture. Once the specifications are met, the trunk and bridger output levels are checked again. The final response is recorded on the Amplifier Data Sheet.
8. The final test is the Automatic Gain Control (AGC) test. This test confirms that there is enough headroom and floor room for the AGC to properly compensate for the changes in attenuation of the cable, caused by the changes in the ambient temperature. Once the AGC test is complete, the AGC levels are set. The test results are recorded on the Amplifier Data Sheet. Upon completion of these procedures, the Technician moves to the next amplifier in the cascade and repeats the steps.
9. Should the Technician find a problem that prevents the completion of the sweep of that amplifier, he or she must troubleshoot and isolate the problem. If the repair involves the shut down of the system and interruption of service to Subscribers for more than 1-2 minutes, such work shall take place during the overnight maintenance hours designated for such work.
10. Once the problem has been corrected, the Technician will return to the amplifier and begin the sweep process again.
11. Charts showing the amount and percentage of amplifiers swept shall be on file and may be reviewed

by the City, upon request, at the Grantee's office during office hours.

Outages

Purpose: The Grantee strives through its preventive maintenance practices to prevent outages from disrupting service to its Subscribers. While at times outages will occur, the Grantee has established a proactive response procedure to restore cable service, under Normal Operating Conditions, as quickly as possible.

- Procedures:**
1. The PM Team has the responsibility for repairing outages as they occur.
 2. Once an outage is detected, the dispatcher notifies the Advanced/System Technician within the appropriate management area. The dispatcher also notifies the PM Technical Supervisor of the outage, giving him or her information as to the size of the area affected.
 3. Based upon the information, the PM Supervisor determines what additional manpower, if any shall be sent to assist the responding Technician. During After Business Hours, this is the responsibility of the On-Call Supervisor. The PM/On-Call Supervisor utilizes the Grantee's escalation list for outages and other emergency type situations. The list includes those individuals to contact and when. The list also provides the selected individuals' home, office, cell, and pager numbers.
 4. The PM/On-Call Supervisor remains in contact with the Technician working on the outage, until the outage is restored.
 5. Following the restoration of the outage, the Technician completes an Outage Report, which details the cause and steps taken to restore the outage.
 6. Each Friday morning, the Technicians and the PM Supervisor have an outage review meeting. The purpose of the meeting is to review outages that have presented problems to Technicians. The steps taken to restore each outage are reviewed, with constructive criticism coming from both the Technical Supervisor and the Technician's peers.
 7. Based on these reports, it is the responsibility of the Technical Supervisor to monitor outage locations and causes, and to identify repeat locations.

Signal Leakage

Purpose: Signal leakage is the egress of RF signals from the CATV system into the air. Cable television systems operate on the same frequencies used by the FAA to communicate to commercial aviation. Since a CATV system is a closed system (signals are self-contained within the cable), there should be no interference with commercial aviation. But, signal leakage does occur, for which there are many causes. The FCC has mandated that cable operators keep signal leakage below the thresholds it has established.

- Procedures:**
1. The Grantee monitors 100% of its plant for signal leakage on a quarterly basis. Each PM team shall perform a 100% structured drive-out in their six respective management areas each quarter.
 2. Under Normal Operating Conditions, a System Technician will spend at least two (2) eight hour days per week riding the plant to find, log, and repair leaks.
 3. Prior to the drive-out, the System Technician reviews the assigned drive-out map identifying the starting and ending points of the drive-out. The System Technician then calibrates his or her leakage meter to the "test leak".
 4. Should a leak be detected at a point in the drive-out, the System Technician will use the leakage meter and a dipole antenna to locate the strongest point of the leak. The location and level are recorded on the Leakage Log. The System Technician then determines the cause of the leak and initiates

appropriate repairs

5. The System Technician shall take immediate corrective action if:
 - a. The source of the leak is outdoors and does not require the system to be turned off.
 - b. The source of the leak is outdoors and requires that the cable system be shut down to make the repair, but such repairs can be completed by the System Technician in 15 minutes or less and/or the repair will not affect the trunk cable.
 - c. The signal leakage is detected from inside a Subscriber's residence, and if the Subscriber is home, the interior leak will be identified and the repair will be made. If the Subscriber is not home, a CLI doortag shall be left on the door with a special phone number to the PM Supervisor, an explanation of the nature of the problem, and follow-up steps to be taken. If repairs within the Subscriber's residence are not possible, and the leak is excessive or dangerous, the Subscriber's service may either be padded at the tap to reduce the level of the leak to an acceptable range, or the service will be turned off at the tap.
6. Following the corrective action above, the System Technician then re-measures levels at the strongest point of the original leak to assure that the leakage has been corrected and makes further repairs if necessary. The corrected level of the leak, if any, and cause is recorded on the Leakage Log.
7. If the System Technician cannot repair immediate outdoor signal leakage problems, or the problem(s) cannot be corrected within the allocated timeframe for repairs, the signal leakage site shall be reported for further action.
 - a. The System Technician is responsible for reporting the problem and location that day, documented for further scheduling of repair.
 - b. The Grantee shall then make outdoor repairs overnight during the hours designated for such repairs.
 - c. Follow-up procedures for signal leakage within the Subscriber's residence will include:
 - i. An attempt by the Grantee via phone to contact the Subscriber within 24 hours to set up an appointment convenient for the customer.
 - ii. If the Subscriber has not contacted the Grantee within two (2) business days, the Grantee will again attempt to contact the Subscriber at the residence. If unsuccessful, the Grantee will send a first class letter to the Subscriber informing them of the signal leakage, and that their service may be turned off if they do not call the PM Technical Supervisor.
 - iii. If the Subscriber has not contacted the Grantee five (5) business days after the first class letter was sent, their service will be turned off.
 - iv. The Subscriber's service will be restored when they call the Grantee to schedule a repair appointment and the repair has been made.
8. Once a drive-out for the day is complete, the System Technician notes the mileage on the trip odometer and logs it on the Leakage Log.
9. In addition to the System Technicians, Advanced Technicians, Quality Control Technicians, Service Technicians, Construction Technicians, and Advanced Installers have leakage meters. The leakage meters are to remain on as they perform their normal designated duties. Should a leak be detected, they are required to contact Dispatch, who will log the leak and forward it to the PM Supervisor for appropriate action and repairs.

10. The Leakage Logs, drive-out maps, and the master maps regarding signal leakage are kept in the PM Supervisors office. Each quarter's reports, including maps, are kept in a technical file.
11. The Grantee intends to purchase leakage meters in 2001 for the remainder of its technical staff that currently do not have a leakage meter.
12. The Grantee will perform an annual flyover, which is conducted by an independent third party, to insure that the Grantee meets the FCC threshold of 90%. Copies of the CLI flyover maps, test results and reports are kept at the system offices in accordance with FCC requirements.
13. All reports, maps, logs, and documents may be reviewed by the City, upon request, at the Grantee's office during office hours.

Note: In addition to these preventive maintenance steps, the City will forward to the Grantee, locations the City has identified as having signal leakage. The Grantee will take corrective action and report back to the Franchise Agency on the original City leakage log sheets within 14 business days of the referral.

Clearance Problems

- Procedures:**
1. It is the responsibility of each employee to log on the Damage Plant form any potential clearance problem, hardware problem, or any other problem that requires corrective action that they encounter while performing their normal duties. If the problem is at the residence where they are working, they are required to correct the problem.
 2. The Construction Supervisor is responsible to review the Damage Plant forms and determine what type of corrective action is needed. Construction related corrective actions are scheduled by the Construction Supervisor.
 3. The Quality Control ("QC") Supervisor receives all non-construction related clearance problems.
 - a. The Grantee's QC Team reviews each reported site for low hanging/refuse problem drops. Any drop not meeting height specifications is immediately corrected by a Quality Control Technician and filed as part of his inspection report.
 - b. The Installer or Service Technician who performed the initial work receives a Quality Control Critique as to why the height specification and drop were not properly met, and what steps were taken by the QC Technician to correct the situation.
 4. With respect to cable lines and support strand in the Public Right Of Ways:
 - a. The Construction Technicians are instructed that during pole changes and other upgrade construction, they are required to check and correct height problems on the pole(s) throughout the rights of way they are working on.
 - b. During replacement and/or repairing of strand and cable due to maintenance and damage, Construction Technicians must also check and correct all height problems on poles where maintenance and/or replacement of equipment is occurring.

System Monitoring

Purpose: Monitoring the Cable System is a means to identify and correct minor reception problems before they escalate and generate complaint calls from Subscribers.

The Grantee has several practices that proactively monitor the system to identify and resolve picture quality problems before they escalate into larger problems.

- Procedure:**
1. The PM Team has identified 30 test points, spread strategically throughout the system, that are monitored on a weekly basis.
 - a. The System Technicians have five test points within each of their management areas. One is checked each day of the week (Monday-Friday).
 - b. Each morning (Monday-Friday) the System Technician checks the signal and picture quality at the test point, including the peak to valley, channel to channel, and picture quality ratings. He or she then records the information on the End of Line Log.
 - c. Any problems at the test point are corrected before the System Technician moves on to his or her next assignment.
 - d. The End of Line Logs are kept in the Technical Supervisor's office. The individual test point information are periodically reviewed to identify trends that may indicate a problem that is not obvious on a single end of line test.
 2. The Technical Supervisor and Dispatchers over the Service Team regularly monitor the "pool" of current and next day service calls.
 - a. If a potential problem has been identified, the Service Team notifies the PM Technical Supervisor.
 - b. The PM Technical Supervisor evaluates the information and addresses, then determines if any action is needed.
 - c. If the information indicates that there may be a problem, he directs the appropriate PM personnel to investigate and resolve any problem that is found.

Once the problem has been corrected, the PM Team notifies the appropriate Dispatch personnel, who in turn will call the Subscriber(s) affected by the problem to inform them that the problem has been corrected.

EXHIBIT 4

SYSTEM PERFORMANCE TEST METHODOLOGY

The Grantee and the City hereby agree to conduct performance testing of the Cable System under the following guidelines: (a) on a biennial basis for any given area until upgrade cascade reduction to eight or fewer amplifiers is complete for such area; and (b) if the performance of the Cable System should drop below FCC standards.

1. Tests will be conducted on mutually agreeable dates and times, such agreement to not be unreasonably withheld. Prior to the testing, the City will give the Grantee reasonable notice of specific tests which should be conducted. Such testing shall be coordinated with timeframes of semi-annual FCC required tests if possible, depending upon the availability of City or Grantee representatives at that time.
2. Provision and operation of performance test equipment is the responsibility of the Grantee's representative(s) in order to emulate previous tests as closely as possible and eliminate the need for City representatives to actually handle Grantee's plant components or equipment during this testing. No City representative is authorized by this Exhibit to handle Grantee's plant or equipment.
3. Test equipment will be timely calibrated to manufacturer specifications, with dated certificates attesting to same provided in advance of testing to avoid challenges to the methodology or results.
4. City representatives will record all readings and notations at each test site, witnessed and signed by attending Grantee and City representatives.
5. Following a review of routine headend log records used to monitor and document incoming and processed signal quality,

measurements will be first taken at the appropriate headend before proceeding to the field.

6. Between six and ten test sites will be measured in the field, one to be at the end of the longest amplifier cascade in the system, and the other nine variously distributed throughout the area to be tested. On the day(s) of the testing, the sites will be selected by the City with input from the Grantee. At least seven days prior to the test date, the City will notify the Grantee of the number of sites to be tested (between six and ten).
7. The headend and test site readings will include FCC technical standards measurements under 47 CFR Part 76. The test point testing will include measurements of sweep up to 450 MHz in any biennial test prior to upgrade cascade reduction, but if the test is done after the upgrade is certified at the point tested, up to 750 MHz. The test point testing will also include visual carrier level, carrier noise, distortions, hum modulation. The tests will be conducted on eight channels, selected by the City with input from the Grantee, evenly distributed throughout the bandwidth being tested. In addition, picture quality will be reviewed at the test point using the TASO scale over the range of channels, including specifically each off-air channel.
8. Performance tests will include an A/B comparison of off-air local broadcast signals to the processed local broadcast signals at the Grantee’s headend.
9. The Grantee may take corrective action in response to any deficient findings at any test point within 72 hours and have those sites re-tested for comparison with previous readings.
10. Failure of any one test point to meet FCC standards will not necessarily result in system failure of the entire performance test. Multiple failures at a test site or multiple failures at multiple test sites could contribute to failure of the system as a whole, unless measurements at additional test sites beyond the original test sites lead the City to conclude that such failures were isolated and atypical.
11. All parties to the test – those in the headend and those in the field – will meet at the end of each test day for a brief review of the recorded objective and subjective observations. Copies of all notes, memos and recorded results shall be copied and shared at this time.
12. The City will provide written notification to the Grantee of any report or data received immediately upon receipt, and agrees, to the extent permitted by law, not to make public disclosure of such findings until the City has provided them to the Grantee and given the Grantee a reasonable opportunity to respond.

EXHIBIT 5

PEG SIGNAL INPUT SITES
See Section Seven.D.3

Access Origination Site

The Grantee shall insure that the following PEG Access sites have appropriate signal input points and equipment to conduct live cablecasting.

- Public/Community Access - Double Helix, 625 North Euclid
- Educational Access - St. Louis Public School Studio at Beaumont High School, 3836 Natural Bridge Road
- Government Access - Communications Division, City of St. Louis, 4971 Oakland Avenue

Should any of the above access sites move to new locations, the Grantee shall work with the Agency to develop a timely transition of signal input points and equipment to the new access origination site.

Remote Origination Site

The Grantee shall provide to the City signal input points and equipment available at the sites listed below for the allowance of remote programming on the City's Government Access channel.

- City Hall, Board of Aldermen Chamber
- City Hall, Mayor's Office

City Hall, Room 208
 Police Department Training Academy
 Soldier's Memorial (CEMA location)
 Fire Department, 1421 N. Jefferson

The Grantee shall also allow the City to select one (1) additional remote origination site during the term of this Agreement. The City may make a written request to the Grantee for the additional remote site during any third (3rd) quarter of a calendar year. Upon receiving the request, the Grantee shall have until July 1st of the next calendar year to complete all work related to the remote site.

With the exception of the time requirement to complete the remote sites at City Hall within 12 months of the Franchise Effective Date, all other remote sites must be completed within 6 months after completion of the Cable System Upgrade if such remote sites are in the system upgrade areas. Should a remote site be located under a new build area, the remote site would be completed by the Grantee within 6 months after completion of the new build area.

EXHIBIT 6

MBE/WBE FRANCHISE AGREEMENT SECTION NINE CLASSIFICATIONS

The examples of contracts, services and materials are illustrative and not intended to be exhaustive. To extent other technical, professional services or construction contracts are awarded, or materials, supplies or goods are purchased, they are subject to the terms and conditions outlined herein.

Certain items could equally well be placed with the "technical services," "materials and supplies," or "construction" category (for example, a fleet contract for the combined purchase of tires and installation, or oil changes and vehicle repairs, or purchase of a copier with associated maintenance contracts). Assignment to one category or another should be consistent from quarter to quarter on the reports.

EXAMPLES OF PROFESSIONAL & TECHNICAL CONTRACTS

Architectural & Engineering Design Contracts
 Local Video Production & Channel Management
 Accounting & Tax Services
 Legal & Attorney Services*
 Payment & Collection Services
 Security Guard, Armored Car & Safe Maintenance Services
 Janitorial Cleaning & Maintenance Services
 Real Estate Agent Services
 Vending Machine Contracts
 Installation, Maintenance & Repair Contracts*
 Telephone Answering Services
 Employee Screening & Testing*
 Local Advertising, Legal Notice & Want Ad Services
 Local Advertising (Includes Local Bulk Mail, Bill Stuffer & Marketing Services)
 Subscriber Installation Contracts
 Retrieval, Auditing & Disconnection Contracts
 Survey, Polling & General Consultant Services

EXAMPLES OF CONSTRUCTION CONTRACTS

Underground Conduit Installation, Trenching, and Boring
 Aerial Plant - Construction and Upgrades
 Pre-activation wiring of Subscriber Buildings
 Landscaping, Paving, Exterior Maintenance & Repair
 Plumbing, Electrical, HVAC Maintenance & Repair
 Buildings - Improvements, Renovation, New Construction

EXAMPLES OF MATERIALS & SUPPLIES PURCHASES

Vehicle Tires, Parts and Repairs
 Vehicle Gasoline & Oil
 Vehicles and Trucks*
 Radio and Telecom Equipment*
 Office Furniture, Equipment and Supplies
 Converters and Other Installation Parts*
 Miscellaneous Purchases over \$100
 Miscellaneous Tools and Equipment
 Headend, Transmission and Technical Equipment*
 Computer Hardware and Software*
 Locally Printed Materials and Stationary
 Logo and Signage*

EXAMPLES OF EXEMPT EXPENDITURES

Gas, Electric, Sewer & Water Bills
 Postage & Delivery Services
 Reimbursements to Employees
 National Billings
 Charitable Donations
 Rent
 Emergency Purchases Under \$100
 National Advertising
 Airline Tickets & Hotel Bills
 Local Phone Services
 Long Distance Phone Services
 Federal, State & Local Taxes

*These contracts, services and materials may be acquired by the Grantee in accordance with national policies and restrictions established by the Grantee's corporate parent. For example:

- 1) Requisitions: Regional warehouses store certain items, such as converters, amplifiers, cabling, connectors, taps, and passives which are purchased in bulk by the Grantee's corporate parent. The corporate parent requires the Grantee to acquire these items from the regional warehouses. Grantee does not actually "purchase" these materials and supplies from the vendor.
- 2) Sole Source: The corporate parent of Grantee may establish national contracts that require the Grantee to acquire certain items and services from specific sources. For example, as of the date of the adoption of the Cable Regulatory Ordinance, the Grantee was required to purchase copiers from Xerox, radio equipment from Nextel, telephone systems from Lucent Technologies, employee drug and background checks from Employee Screening, Inc. and computers from CompUSA. Grantee is bound by these contracts and does not have local discretion in choosing vendors.
- 3) Preferred Vendors: The corporate parent of Grantee has established national contracts with certain vendors for services or purchase. For example, as of the date of the adoption of the Cable Regulatory Ordinance, the corporate parent required Ford and GM for vehicle purchases or original manufacturers for equipment repair contracts. Grantee does not have local discretion to choose vendors for those services other than those contracted by the corporate parent.

Incorporating 100% of the amount of these expenditures in an MBE/WBE category would inappropriately skew results when the Grantee has no choice over vendor selection. Therefore, the national portion of the expenditure is excluded from the MBE/WBE calculation. Some of the Grantee's national "sole source" or "preferred vendors" may use local subcontractors (for example, a local car dealership may take delivery and prepare a vehicle or a local contractor may assist with on-site installation, service, or maintenance of equipment). In regards to such national services and contracts established by the Grantee's parent the following apply:

- 1) The vendor should provide copies of its Affirmative Action and/or Non-Discrimination Plan to the Grantee.

- 2) To the extent, the nationally-selected vendor uses local subcontractors to deliver the services or materials, the MBE/WBE expenditure requirements apply to the portion of dollars expended locally.
- 3) Grantee must provide explanations or footnotes regarding such nationally required expenditures when submitting compliance reports and maintain total expenditure records which form the basis of such reports for verification.
- 4) If Grantee's parent no longer requires the Grantee to use nationally selected vendors, then MBE/WBE expenditures requirements will apply.

Approved: March 4, 2002