

18. SEVERABILITY

Should any provision of this Agreement be determined to be unenforceable or illegal, then said provisions shall be severed from this Agreement and the remainder shall remain in full force and effect.

19. GOVERNING LAW AND VENUE

This Agreement shall be interpreted in accordance with the substantive and procedural laws of the state in which the poles the subject of this Agreement are located. Any action at law or judicial proceeding shall be instituted only in the state or federal courts of the state in which said poles are located.

20. CONSTRUCTION OF TERMS

Nothing herein shall be construed more strongly against or more favorably toward either party by reason on either party having drafted this Agreement or any portion hereof.

21. EXECUTION AND EFFECTIVE DATE

This Agreement has been executed by the duly authorized officers of the parties and shall be effective as of the 18th day of Oct, 1990.

Witnesses as to Licensor

W. Rowe Han
James C. Beaman

DUKE POWER COMPANY (Licensor)

By John P. Holland
Vice President

ATTEST: Carolyn Huxson
Assistant Secretary

Witnesses as to Licensee Cencom Cable Entertainment, Inc. (Licensee)

Judith M. Rock
Diana L. LeBeau

By Charles M. ...
~~President~~ Senior Vice President

ATTEST: Rudolph W. ...
Secretary

EXHIBIT A

Application and Permit

Location _____ N.C. _____ 19 _____

Licensee _____

Duke Power Company

In accordance with the terms of Agreement dated _____ application is hereby made for license to make attachments to the following poles located in:

_____ (City or Town - County and State)

_____ Proposed Attachments to be made to Duke Poles

_____ Amplifiers to be Attached to Duke Poles

Location of Attachments _____

By _____

Title _____ Licensee

License granted _____ 19 __, subject to your approval of the following changes and rearrangements at an estimated cost to you of \$ _____

DUKE POWER COMPANY

By _____

Title _____

The above charges for the changes and arrangements approved.

By _____ Permit No. _____

Title _____ Licensee Total Poles Attached This Request _____

Total Poles Attached To Date _____

EXHIBIT B

Notification of Removal By Licensee

_____ N.C., _____ 19____
Location

Licensee

Duke Power Company

In accordance with the terms of Agreement dated _____,
please cancel from your records _____ attachments of Licensee's
facilities from Duke poles located in:

(City or Town - County and State)

_____ Attachments to be Removed

_____ Amplifiers to be Removed

Location of Attachments to be Removed _____

By _____

Title _____
Licensee

Notice Acknowledged

_____ 19 _____

DUKE POWER COMPANY

By _____

Title _____

Notice No. _____

Total Attachments Discontinued _____

Total Attachments Removed to Date _____

Total Attachments Remaining to Date _____

EXHIBIT C

Schedule of Required Bond or Letter of Credit

<u>NUMBER OF ATTACHMENTS</u>	<u>AMOUNT OF COVERAGE</u>
0 through 200	800
201 through 400	1,600
401 through 600	2,400
601 through 1000	4,000
1001 through 1500	6,000
1501 through 2500	10,000
over 2500	10,000

ATTACHMENTS OF T.V. DISTRIBUTION SYSTEM TO POLES

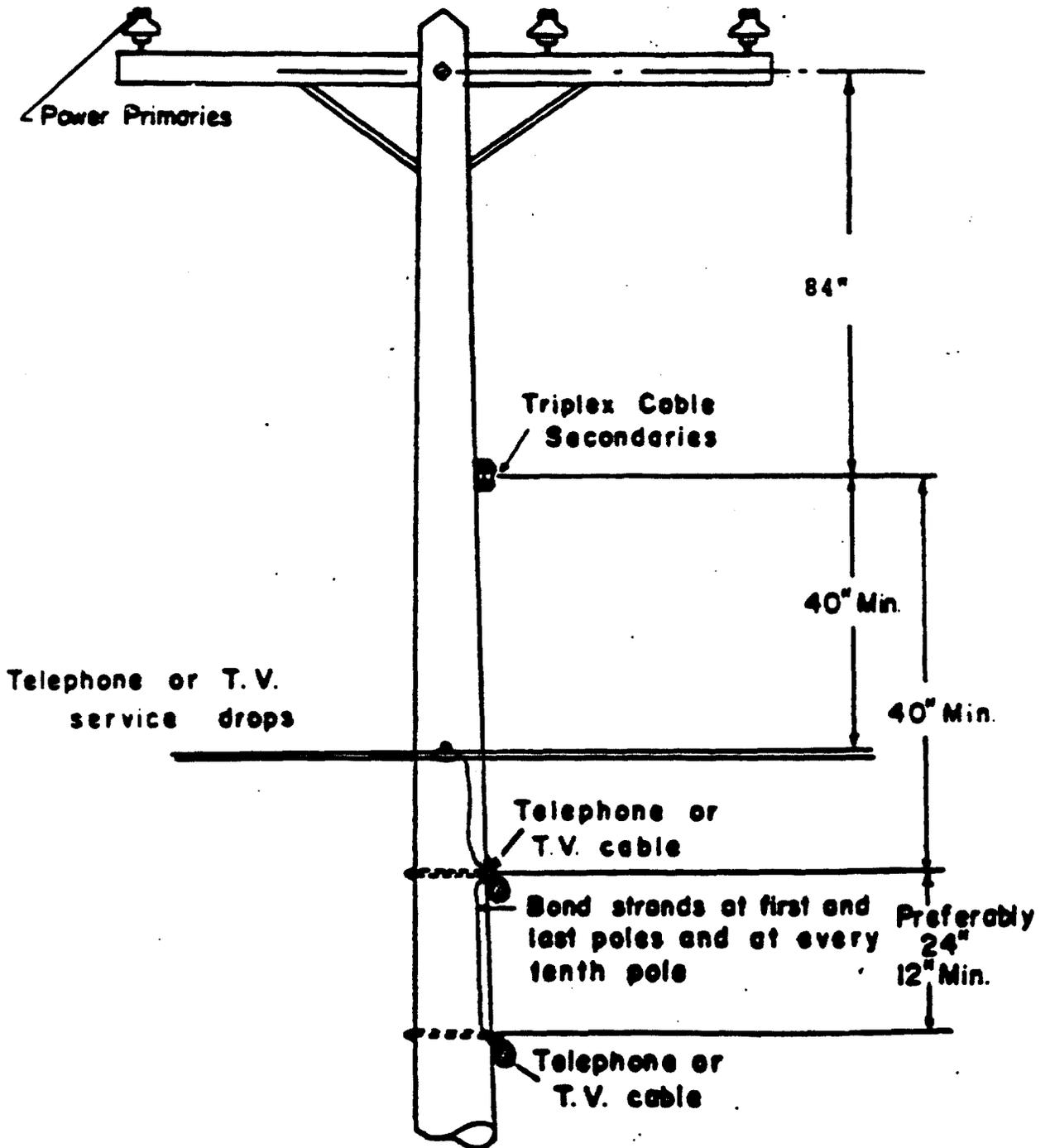
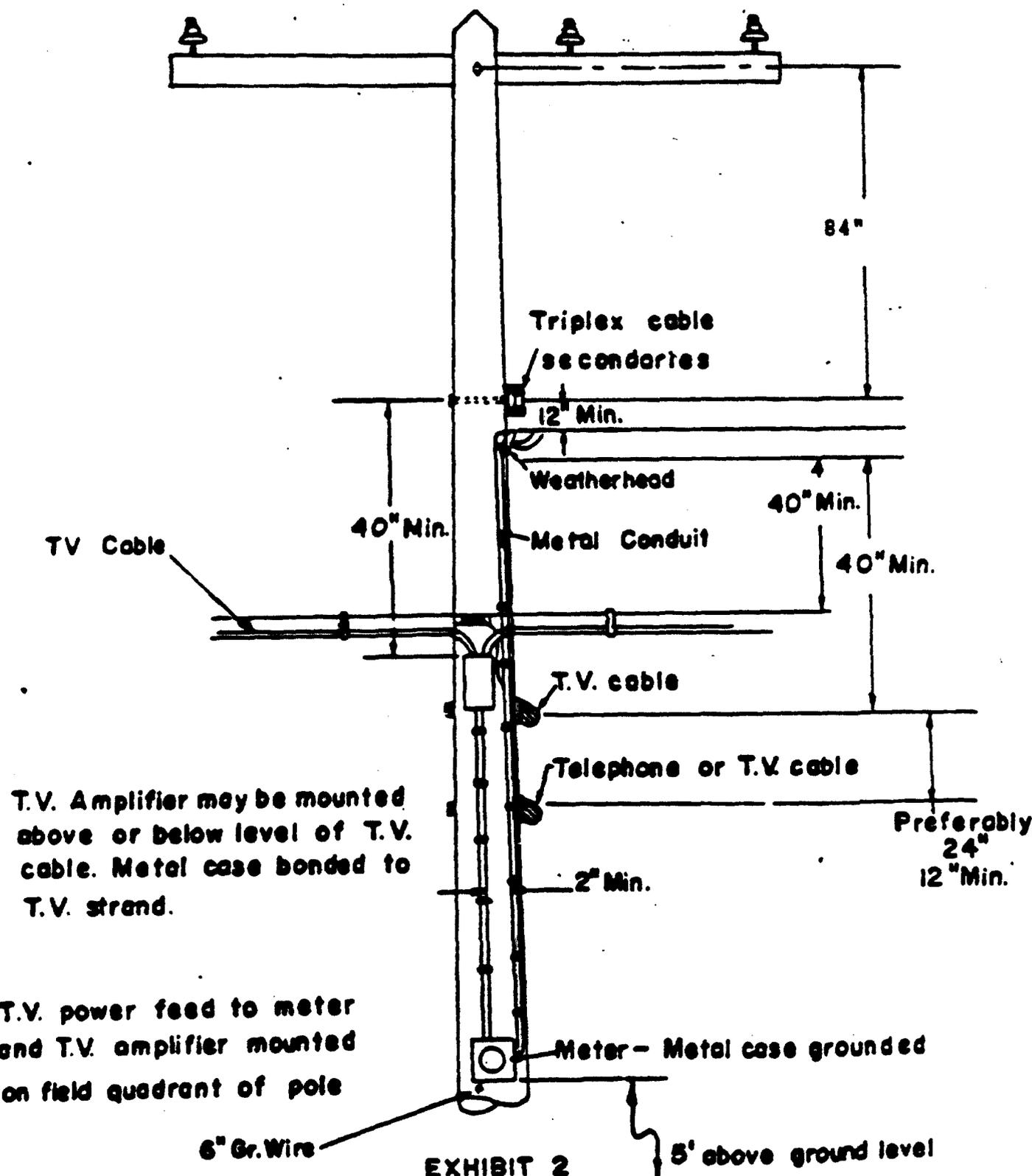


EXHIBIT I

ATTACHMENTS OF T.V. DISTRIBUTION SYSTEM TO POLES



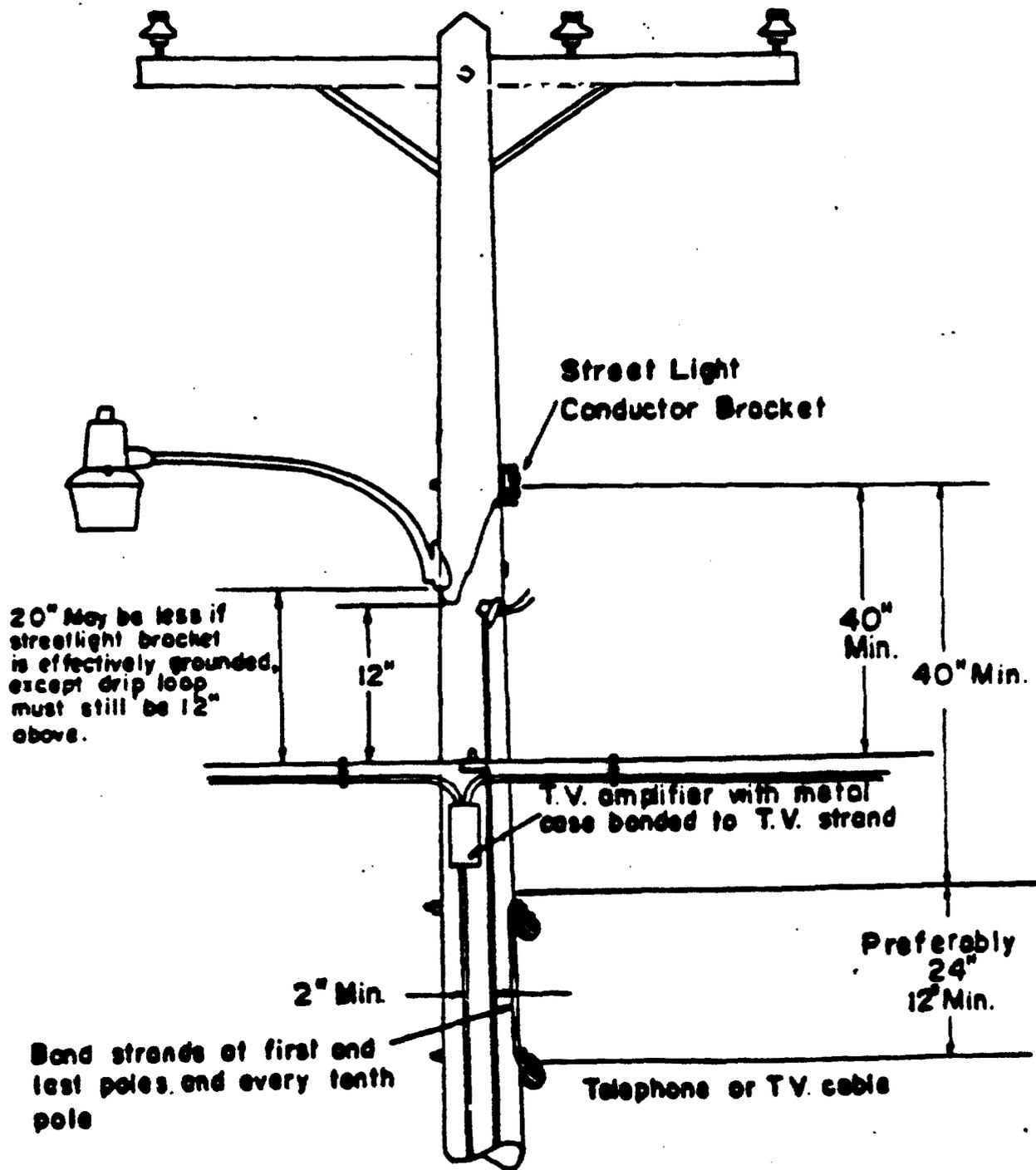
T.V. Amplifier may be mounted above or below level of T.V. cable. Metal case bonded to T.V. strand.

T.V. power feed to meter and T.V. amplifier mounted on field quadrant of pole

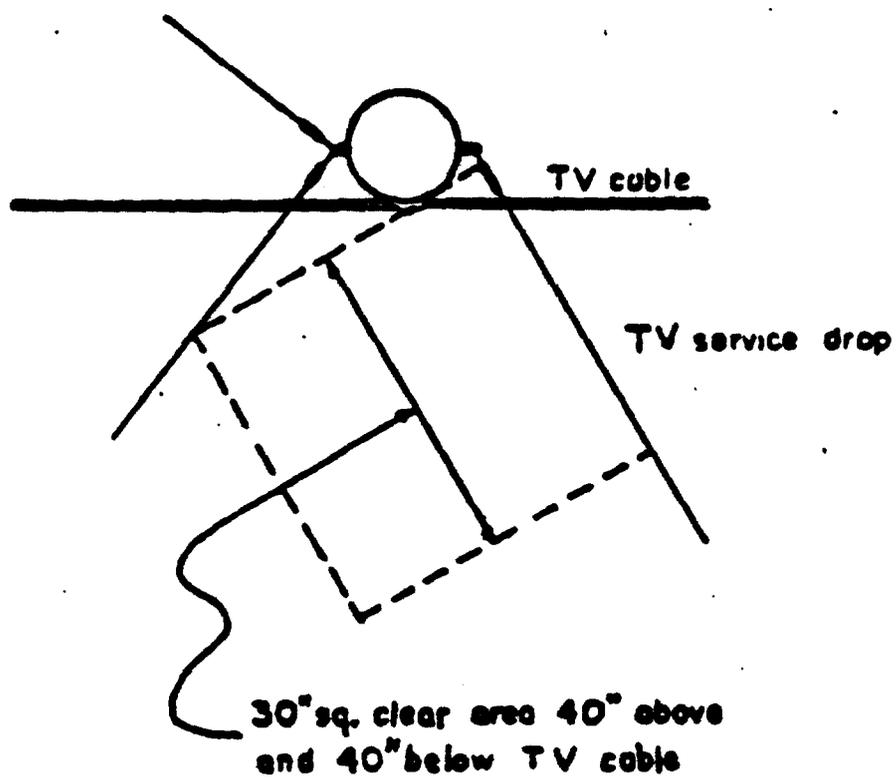
6" Gr. Wire

5' above ground level

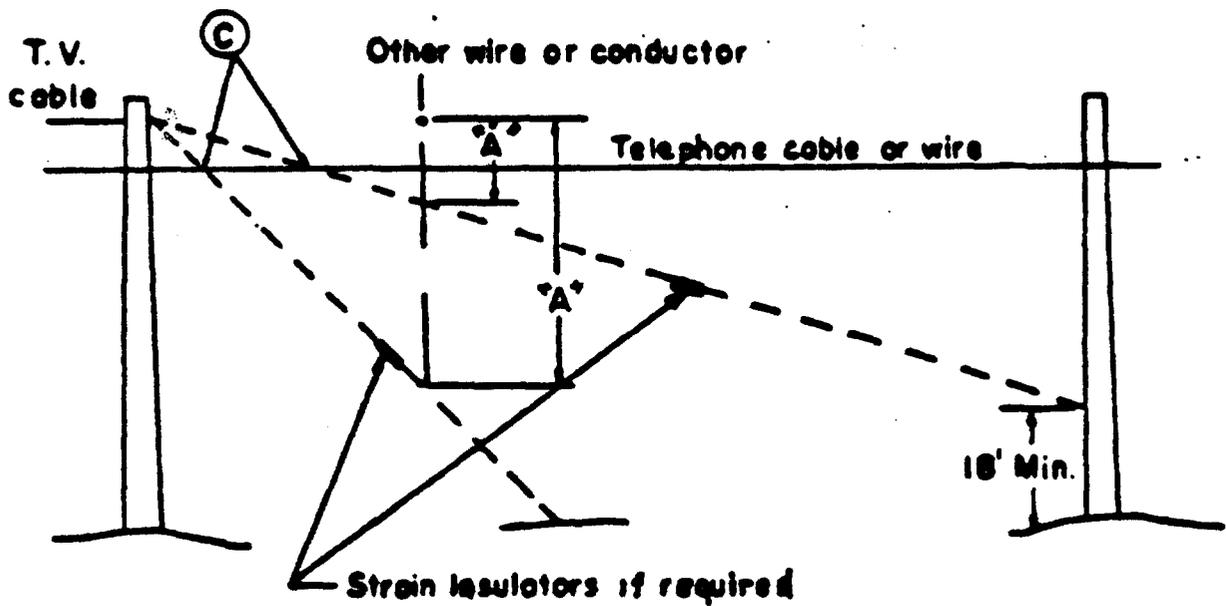
ATTACHMENTS OF T.V. DISTRIBUTION SYSTEM TO POLES



CLIMBING SPACE



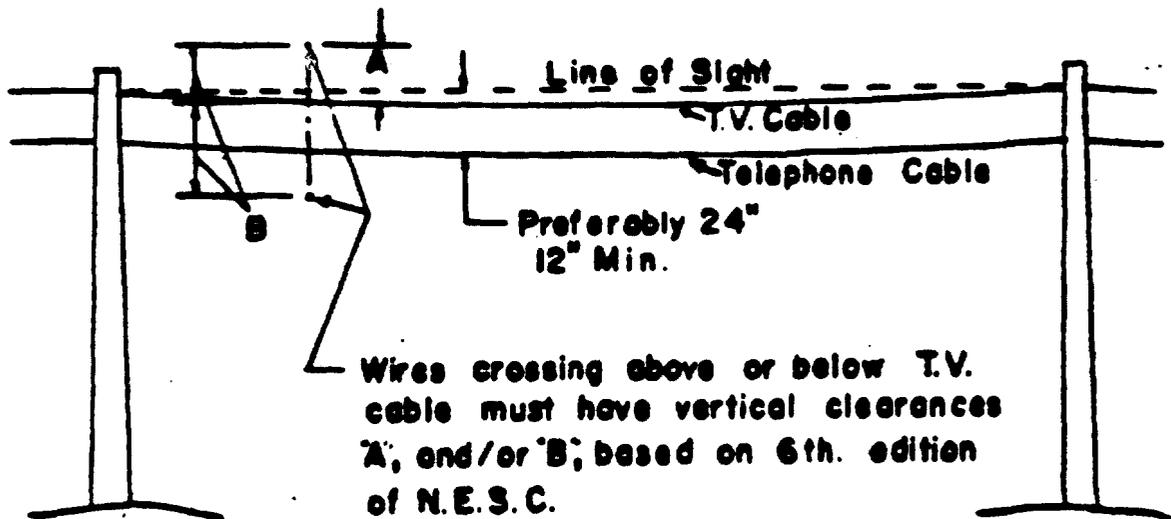
BUYING



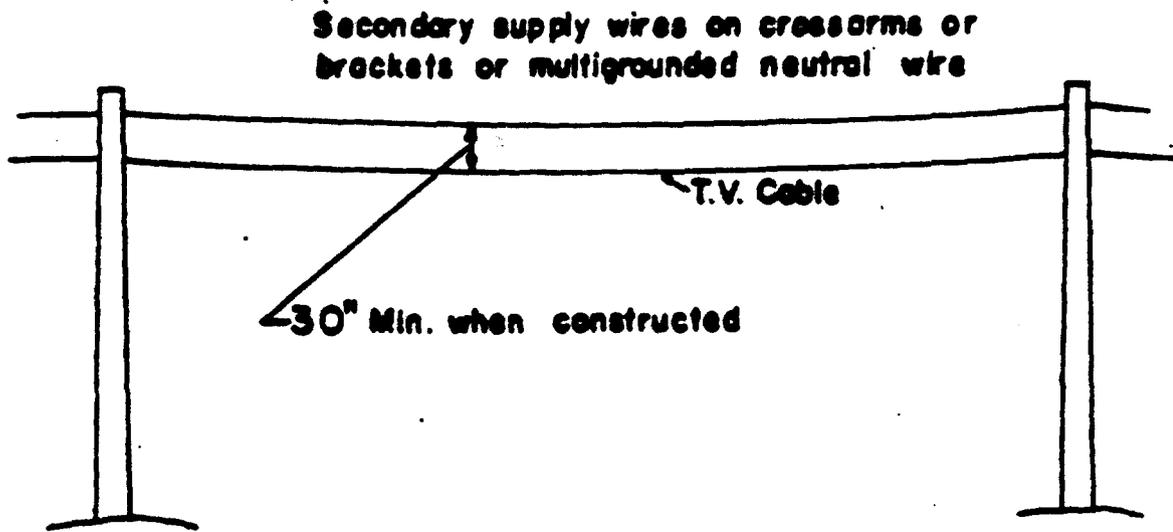
Guy crossing above or below other wires must have vertical clearance "A" based on 6th. edition of N.E.S.C.

Guy at point "C" must clear telephone cable or wires by 3" minimum

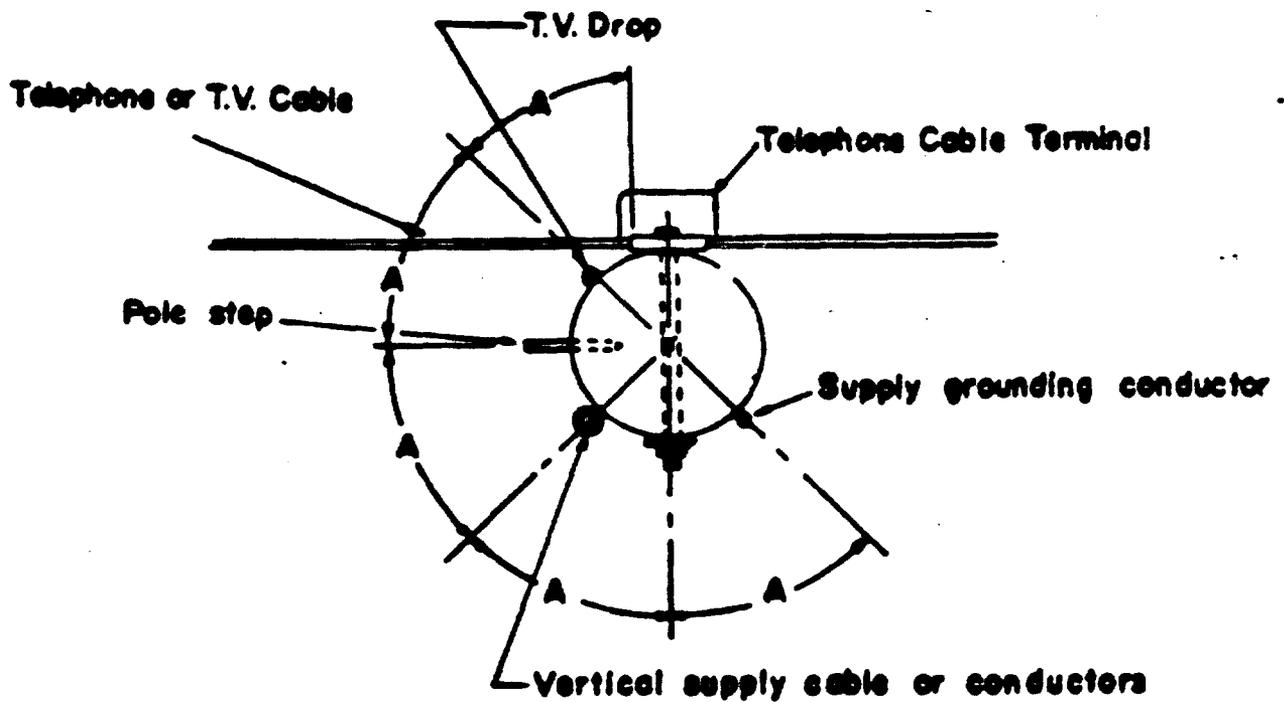
SPAN CLEARANCE



SPAN CLEARANCE



HORIZONTAL CLEARANCE



Dimension 'A' to be 45° where practicable but in no case shall vertical runs have a clearance of less than 2" from the nearest metal part of the equipment of another

ARTICLE 1

RECITALS

ARTICLE 2

ENTIRE AGREEMENT

ARTICLE 3

SCOPE OF AGREEMENT

ARTICLE 4

FEES AND CHARGES

ARTICLE 5

SURETY BOND

ARTICLE 6

MAKE-READY WORK

ARTICLE 7

STANDARDS AND SPECIFICATIONS

ARTICLE 8

UNAUTHORIZED ATTACHMENT

ARTICLE 9

LEGAL REQUIREMENTS

ARTICLE 10

RISK OF LOSS

ARTICLE 11

LIMITATION OF LIABILITY

ARTICLE 12

INDEMNITY

ARTICLE 13

TERM AND TERMINATION

ARTICLE 14

REMOVAL

ARTICLE 15

WAIVER

ARTICLE 16

ASSIGNMENT

ARTICLE 17

SERVICE OF NOTICE

ARTICLE 18

SEVERABILITY

ARTICLE 19

GOVERNING LAW AND VENUE

ARTICLE 20

CONSTRUCTION OF TERMS

ARTICLE 21

EXECUTION AND EFFECTIVE DATE

**POLE ATTACHMENT AGREEMENT
BETWEEN
DUKE POWER COMPANY
AND**

Cencom Cable Television, Inc.

THIS AGREEMENT, Made this 18th day of October, 1990, between DUKE POWER COMPANY, a North Carolina corporation, hereinafter referred to as "Duke or Licensor," and Cencom Cable Television, Inc., hereinafter referred to as "Licensee";

WITNESSETH:

1. **RECITALS**

This Agreement is made with reference to the following facts:

1.1 Licensee proposes to provide cable television service to persons residing in the Greer District of Duke Power Company and desires to utilize the poles of Licensor for such purpose.

1.2 Duke is willing to authorize the installation of attachments on its poles to the extent Duke, in its sole discretion, may deem appropriate and in accordance with the terms of this Agreement.

2. **ENTIRE AGREEMENT**

This Agreement embodies the entire understanding between Licensor and Licensee and shall supersede any prior contracts, representations, negotiations or letters pertaining to the subject matter of this Agreement, whether written or oral. The parties shall not be bound by or be liable for any statement, representation, promise, inducement or understanding of any kind not set forth herein. This Agreement includes all documents attached hereto and incorporated herein by reference. This Agreement may not be modified or amended in any manner unless done so in writing and signed by both parties.

3. **SCOPE OF AGREEMENT**

3.1 **General**

3.1.1 Subject to the provisions of this Agreement, Duke agrees to issue to Licensee a license in the form of Exhibit A hereto attached, as it may be revised from time to time, authorizing attachment of Licensee's cable television facilities to the utility poles of Licensor and on such poles as are, in the sole judgment of Licensor, suitable and available for such attachments. A license must be applied for and obtained for each and every extension of Licensee's cable system where an attachment is to be

made to Licensor's poles. Each license shall describe in sufficient detail the location of the extension and the poles on which the Licensee proposes to attach. Licensor does hereby license attachments to the poles of Licensor made prior to the date of this Agreement by Licensee or by Licensee's predecessor under a prior attachment agreement and which were made in strict compliance with the terms and conditions of the prior attachment agreement. All licenses issued under any such prior agreement shall be incorporated as made under this Agreement.

3.1.2 Joint use of underground trenches or rights of way is not included within the scope of this Agreement.

3.1.3 No license shall be granted for the use of rights of way, easements, corridors, lines, poles or towers classified by Licensor either in whole or in part for transmission use.

3.2 *Services of Licensee* - The facilities attached or to be attached by Licensee shall be used solely and exclusively by Licensee for the operation by Licensee of a cable television system engaged only in activities or services which Congress intended (within constitutional limits) to be protected under the purview of the Pole Attachment Act of 1978, 47 U.S.C., as amended. This Agreement shall be construed to prohibit use of Licensee's attachments for transmission of any signal or for providing any service that may lawfully be excluded as being outside the intended congressional protection of the Pole Attachment Act.

If by final administrative or judicial determination in a proceeding to which Licensee is a party or by final decision of any Federal appellate court, whether or not Licensee is a party, the congressional intent of the term "cable television" as applied to the Pole Attachment Act shall be determined so as to permit Licensor to limit the services or signals Licensee may provide or transmit through its attached facilities while enjoying the benefits and protection of FCC regulation of pole attachment contracts under the Pole Attachment Act, then any service or signal outside the protection of the Pole Attachment Act shall be deemed an unauthorized use under this Agreement and Licensee shall pay to Licensor an attachment fee for the period during which such unauthorized use occurred, for those poles on which Licensee's facilities were used in any way in connection with such unauthorized use in an amount equal to the lowest annual pole attachment fees per pole paid to Licensor by any long distance carrier or any unregulated communications carrier or system, excluding any communication user or system paying a one-time long term attachment fee and any carrier or system claiming to be a cable television system, for the like time period in which such unauthorized use occurred, less credit for pole attachment fees paid, plus interest determined according to the FCC formula for calculating interest on pole attachment payments. Such attachment fee shall remain in effect as an interim rate for a period of six (6) months from the date of said administrative or court order. Licensor reserves the right thereafter to charge a market rate determined by Licensor which may exceed said interim rate.

Licensee shall have the burden of proof in demonstrating which of Licensor's poles were not at any time used for such unauthorized uses. For the purpose of this Section 3.2 all poles to which Licensee is attached shall be deemed to have been used for unauthorized uses, except those poles which Licensee demonstrates were never in any way involved with such unauthorized use.

Licensor and Licensee agree that any past or present use by Licensee of its facilities shall not be deemed to be an accepted use under the scope of "cable television." Failure of Licensor to prohibit Licensee from unauthorized uses shall not prejudice Licensor's right to additional compensation for any such unauthorized use.

3.3 *Attachments* - Upon issuance of a license, Licensee shall have the nonexclusive right to attach its transmission cable consisting of one or more cables lashed together or to a single support wire together with other necessary appurtenances, riser cable, guys, service drops, power supplies and other appurtenances, to the poles described in such license.

3.4 *Rights Reserved*

3.4.1 No use, however extended, of poles or payment of any fees or charges required under this Agreement shall create or vest in Licensee any ownership of property rights in such poles. Licensee's right herein shall be and remain a license. Neither this Agreement nor any license granted hereunder shall constitute an assignment of any of Duke's rights to use the public or private property at the location of such poles.

3.4.2 Nothing contained in this Agreement shall be construed to compel Duke to construct, retain, extend, place or maintain any pole or other facilities not needed for Duke's own service requirements.

3.4.3 Nothing contained in this Agreement shall be construed as a limitation, restriction or prohibition against Duke with respect to any agreement and/or arrangement which Duke has heretofore entered into with others not a party to this Agreement, or may in the future enter into with any electric utility, regulated local service telephone utility or municipality regarding the poles covered by this Agreement. The rights of Licensee shall at all times be subordinate to any such existing or future agreement and/or arrangement with electric utilities, regulated local service telephone utilities and municipalities, except the rights of Licensee shall not be subordinate to a municipality engaging in the business of providing cable television service.

3.4.4 In the event either Licensor, another electric utility, a local service telephone utility or a municipality desires to attach facilities to a pole to which Licensee has previously attached its cable and by reason of the presence of Licensee's cable said pole cannot support or accommodate the proposed facilities of Licensor, other electric utility, telephone utility or municipality, then Licensee shall either remove its cable or

pay make-ready costs in those cases where in the sole opinion of Licensor the pole would have accommodated or supported the facilities of the Licensor, other electric utility, telephone utility or municipality but for the presence of Licensee's cable. Make-ready cost shall be determined in accordance with Article 6 *infra*.

3.4.5 If Licensee does not rearrange, transfer or remove its cable or guy wire within thirty (30) days following the date of written notice from Licensor regarding such requirements, Licensor, other electric utility, local service telephone utilities or municipalities may perform the work involved and Licensee shall pay the full costs thereof.

3.4.6 Licensor reserves to itself, its successors and assigns, and to the owners of other facilities attached to said poles, the right to maintain, replace and enlarge its facilities and to operate the same from time to time in such manner as will best enable it, in its sole judgment, to meet the needs of its customers and fulfill its own service requirements. Licensor shall not be liable to Licensee or to Licensee's customers for any interruption to service of Licensee or for interference with the operation of Licensee's cable arising in any manner out of the use of Licensor's poles hereunder, or arising in any manner out of the condition or character of Licensor's facilities or the manner of the operation thereof.

3.4.7 Licensor reserves the right and option, exercisable in its sole discretion, upon written notice thereof to Licensee, to withdraw from any obligation to issue licenses for additional attachments. In the event Licensor shall withdraw the right to additional licenses, this Agreement shall remain in force as to all licenses then in existence unless terminated by either party pursuant to Article 13.

4. FEES AND CHARGES

4.1 *Application Fee* - Licensee shall pay to Licensor, for the processing and handling of a request for a pole attachment agreement, an Application Fee of Two Hundred Fifty Dollars (\$250.00) for each pole attachment agreement. A separate pole attachment agreement and an additional Application Fee shall be required for each district of Licensor in which Licensee requests to make attachments.

4.2 *Attachment Fee* - Licensee shall pay to Licensor, for attachments of its cable to poles under this Agreement, rental in an amount to be determined by multiplying the number of poles to which Licensee is attached by the maximum Annual Pole Attachment Fee allowable under the rules and regulations issued by the Federal Communications Commission pursuant to the Federal Pole Attachment Act or as may be determined by the appropriate state regulatory commission, as the case may be. The Annual Pole Attachment Fee shall be based upon data from Licensor's most recent Federal Energy Regulatory Commission (FERC) Form 1. The Annual Pole Attachment Fee for the calendar year of 1990 is \$ 4.87. The

Annual Pole Attachment Fee for any future year shall be retroactively adjusted to January 1 and shall be based upon data from Licensor's FERC Form 1 for the prior year.

4.3 *Assessment of Attachment Fee*

4.3.1 The Attachment Fee shall be assessed semiannually based upon the number of poles of Licensor for which licenses have been issued, less those for which the license has been terminated, as of December 1 or June 1 and multiplied by one half the Annual Pole Attachment Fee.

4.3.2 The Attachment Fee shall be assessed as of the effective date of the License and shall not be refundable due to early termination of such License.

4.4 *Additional Fee* - The fee imposed upon Licensee specified in Article 4.2 is for the right to attach Licensee's cable to Licensor's poles under §224 of the Communications Act of 1934 and regulations pursuant thereto. Licensee shall pay an Additional Fee for the following services:

4.4.1 *Power Supplies* - For the privilege of attaching power supply apparatus or similar devices, hereinafter termed "power supplies," to any pole of Licensor, Licensee shall pay an annual fee equal to two times the Annual Pole Attachment Fee then in effect. Licensee shall report on December 1 and June 1 of each year the number of power supplies attached to Licensor's poles. The Additional Fee for power supplies shall be assessed semiannually based upon the number of power supplies attached to Licensor's poles as of December 1 or June 1 and multiplied by the Annual Pole Attachment Fee. No charge shall be made for in-line amplifiers attached to Licensee's cable and not directly attached to Licensor's poles.

4.5 *Fees Cumulative* - The fees herein charged for additional attachments are cumulative. Licensee agrees to pay cumulative rental for all attachments upon any single pole.

4.6 *Adjustment of Additional Fees* - When the basic Annual Pole Attachment Fee is retroactively adjusted pursuant to Article 4.2, then the Additional Fee in Article 4.4 shall be adjusted proportionally to any increase or decrease in the Annual Pole Attachment Fee.

4.7 *Terms of Payment* - The Attachment Fee and all Additional fees shall be payable in advance in semiannual payments as of the first day of January, based upon the number of poles to which Licensee is attached and the number of power supplies attached to Licensor's poles as of the preceding first day of December, and the first day of July, based upon the number of poles to which Licensee is attached and the number of power supplies attached to Licensor's poles as of the preceding first day of June of each year. Nonpayment may be considered a default of this Agreement.

4.8 *Payment* - All payments for Attachment Fees, Additional Fees and bills for costs and expenses reimbursable under this Agreement, shall be payable within thirty (30) days after presentation. Nonpayment of bills may be considered a default of this Agreement.

4.9 *Late Payment Penalty* - If Licensee shall fail to pay when due any sum due Licensor hereunder, Licensee shall pay in addition to the sum due a late payment penalty of 1.5% for each 30-day interval or portion thereof. Partial payment shall be applied first to payment of accrued penalties.

5. *SURETY BOND*

Licensee shall furnish bond or an irrevocable, standby letter of credit issued by a federally chartered commercial bank of good standing and acceptable to Licensor, in such amount as Licensor from time to time may require, and in an initial amount in accordance with Exhibit C hereto attached, to guarantee the payment of any sums which may become due Licensor for fees due hereunder or charges for inspections or for work performed for the benefit of Licensee under the Agreement, including the removal of Licensee's facilities upon termination of this Agreement by any of its provisions. If Licensee shall fail to pay any sums demanded by Licensor as due under this Agreement, Licensor may, at its option, receive payment from Licensee's surety or sureties, whether or not Licensee contests its liabilities to pay such sum, and whether or not Licensor exercises any other rights or remedies it may have at law or under this Agreement. Failure of Licensee to continually comply with this Article 5 shall be an event of default.

6. *MAKE-READY WORK*

6.1 *Field Survey*

6.1.1 When an application for a license is submitted by Licensee, a field survey shall be required, at Licensee's expense.

6.1.2 The field survey shall be performed jointly by representatives of Licensor and Licensee. Licensee shall furnish to Licensor data necessary to perform the field survey, in a format specified by Licensor and according to standards of accuracy and completeness satisfactory to Licensor.

6.2 *Poles*

6.2.1 In the event Licensor determines that a pole to which Licensee desires to attach is inadequate or otherwise needs modification to the existing facilities of Licensor to accommodate the Licensee's facilities, Licensor shall notify Licensee in writing of the estimated charges for the Make-Ready Work that will apply. Licensee shall have fifteen (15) days from the date of the notice to indicate its authorization for required Make-Ready Work and to submit payment for all Make-Ready charges. The estimated charges for Make-Ready Work shall be determined by Licensor in its

sole discretion and shall be based upon Licensor's standard work estimating methods as used for other work estimates and customer charges.

6.2.2 Licensee shall also notify other licensees and/or joint pole participants attached to said pole and pay for any expense incurred by it or them in transferring or rearranging their facilities to accommodate the Licensee's facilities. Licensee shall not be entitled to reimbursement of any amounts paid to Licensor for pole replacements or for rearrangement of facilities on any pole by reason of the use of Licensor, other licensees and/or joint pole participants of any additional capacity resulting from such replacement or rearrangement.

6.3 *Anchors*

Should Licensee install any anchor(s) to accommodate its guy wire, the type and placement of Licensee's anchor(s) shall be approved by Licensor prior to installation. Any such anchor shall be placed so that Licensee's guy wire does not interfere with any guy wire of Licensor.

7. *STANDARDS AND SPECIFICATIONS*

7.1 *Maintenance of Licensee's Facilities*

7.1.1 Licensee shall, at its own expense, make and maintain all its attachments and facilities in safe condition and in thorough repair, and in a manner suitable to Licensor and so that said attachment and facilities of Licensee will not conflict with or alter existing equipment or use of said poles by Licensor, or by other utility companies using or having the right to use said poles, or interfere with the working use of facilities thereon or which may from time to time be placed thereon.

7.1.2 Licensee's cable shall be attached to Licensor's poles with a minimum of twelve (12) inches clearance from telephone cables, exclusive of riser cables, and shall be placed on the same side of Licensor's poles as telephone cables. The use of standoff brackets for Licensee's cables for clearance purposes is prohibited.

7.2 *Standards*

7.2.1 Licensee's cables, wires and appliances, in each and every location, shall be maintained in accordance with the requirements and specifications of the National Electrical Safety Code or any amendments or revisions of said Code, the latest editions of the Bell System Manual of Construction Procedures and safety requirements of Licensor and in compliance with any rules or orders now in effect or that hereafter be issued by the State Regulatory Authority, or other authority having jurisdiction. The Licensee shall maintain its facilities on the Licensor's poles so as to

avoid making said poles unsafe or unsightly in appearance. Licensor has the right to demand removal of any facilities on its poles which will make said poles unsafe or unsightly in appearance. The Licensor has the right to refuse attachment by the Licensee of its facilities if in the opinion of the Licensor the attachment is being maintained in a manner that makes said poles unsafe or unsightly in appearance. Drawings marked Exhibits 1 to 8 inclusive, attached hereto and made a part hereof, are descriptive of required construction under some typical conditions, where span lengths are not over three hundred fifty feet (350') and voltage of power facilities does not exceed fifteen thousand (15,000) volts as measured between phase conductor and ground.

7.2.2 Licensee agrees to take any necessary precautions prescribed by Licensor, by the installation of protective equipment or otherwise, to protect all persons and property against injury or damage that may result from Licensee's attachments to Licensor's poles. If, in Licensor's opinion, Licensee has not taken such necessary precautions, Licensor shall have the right to terminate the permission herein granted upon thirty (30) days' written notice to Licensee. However, Licensor shall not be considered in any way responsible for the adequacy or inadequacy of such precautions of Licensee.

7.3 *Relocation* - Licensee shall at any time, at its own expense, upon five (5) days' notice from Licensor, relocate, replace or renew its facilities placed on said poles, and transfer them to substitute poles, or perform any other work in connection with said facilities that may be required by Licensor; provided, however, that in cases of emergency, Licensor may arrange to relocate, replace or renew the facilities placed on said poles by Licensee, transfer them to substituted poles or perform any other work in connection with said facilities that may be required in the maintenance, replacement, removal or relocation of said poles, the facilities thereon or which may be placed thereon, or for the service needs of Licensor, and Licensee shall, on demand, reimburse Licensor for the expense thereby incurred.

7.4 *Corrections* - If any part of Licensee's facilities is placed or maintained in violation of the standards prescribed in Section 7.2 and Licensee has not corrected the violation within fifteen (15) days from the date of written notice thereof, Licensor may, in addition to any other remedies it may have hereunder, remove or have removed Licensee's facilities from any or all of Licensor's poles or perform or have performed such other work and take such other action in connection with Licensee's facilities that Licensor deems necessary or advisable to comply with the applicable standards, at Licensee's cost and expense and without any liability on the part of Licensor; provided, however, that when in the sole judgment of Licensor such a condition may endanger the safety of the employees of Licensor, other licensees, utilities or municipalities or the employees of other third parties, or interfere with the performance of any service obligations of Licensor, other licensees, utilities or municipalities, Licensor may take such action without prior notice to Licensee.

7.5 *Inspection of Licensee's Facilities* - Licensor may make periodic inspections of any of Licensee's facilities, and Licensee shall reimburse Licensor for any such inspection resulting from a serious safety violation or a series of three or more violations of the Standards set forth in Section 7 during a twelve (12) month period or for inspections made in connection with any unauthorized attachment to poles or anchors of Licensor. Licensor shall give Licensee advance written notice of such inspections, except in those instances where, in the sole judgment of Licensor, safety considerations justify the need for such an inspection without the delay of waiting until a written notice has been forwarded to Licensee. The making of periodic inspections, or the failure to do so, shall not operate to relieve Licensee of any responsibility, obligation or liability assumed under this Agreement.

8. *UNAUTHORIZED ATTACHMENT*

8.1 Expansion of Licensee's cable television system or attachment of its transmission cable, riser cable, service drops, power supplies, and other appurtenances without proper execution of an Exhibit A for such expansions is expressly prohibited. If any of the Licensee's facilities shall be found attached to poles or anchors of Licensor without the proper execution of an Exhibit A for such facilities, Licensor may, in addition to any other rights or remedies provided under this Agreement or by law, require Licensee to remove such facilities forthwith or Licensor may remove them without liability, and the expense of removal shall be borne by Licensee, or Licensor may impose a charge and require Licensee to submit in writing, within fifteen (15) days after the date of written notification from Licensor, a pole attachment license application. If such application is not received by Licensor within the specified time period, Licensee shall remove its unauthorized attachment within fifteen (15) days of the final date for submitting the required applications, or Licensor may remove such unauthorized attachment without liability, and the expense of such removal shall be paid by Licensee.

8.2 Notwithstanding the provisions of Article 8.1, Licensee may without prior application make attachments to poles utilized as "service drop" or "lift" poles ("Service drop" or "lift" poles are defined as poles supporting only that portion of the Licensee's cable television system which is used solely for conveying cable services from the Licensee's transmission cable to an individual subscriber.), provided that Licensee's facilities are installed in accordance with Article 7.2 and that Licensee make proper application therefor within ten (10) normal working days from the date of the attachment. However, if Licensee establishes a history of neglect of the timely filing of such applications, the Licensor may discontinue the allowance of preapplication attachment for "service drop" or "lift" poles and cause all notification requirements of Article 8.1 to apply to "service drop" or "lift" poles.

8.3 No act or failure to act by Licensor with regard to said unlicensed use shall be deemed a ratification or the licensing of the unlicensed use; and if any license should be subsequently issued, said license shall not operate retroactively or constitute a waiver by Licensor of any of

its rights or privileges under this Agreement or otherwise; provided however, that Licensee shall be subject to all liabilities, obligations and responsibilities of this Agreement in regard to said unauthorized use from its inception.

8.4 At intervals of five (5) years during the term of this Agreement, an inventory of Licensee's attachments on Licensor's poles will be conducted at Licensee's expense. This inventory may be conducted either by an independent agent approved by the Licensor, or by the employees of the Licensee and Licensor or their agents working jointly to conduct the inventory, with Licensor's actual cost for the inventory being reimbursed by Licensee.

After each inventory is made, the parties shall adjust the billing for the interim years since the previous inventory by the following method. The new inventory of attachments will be compared to the number of attachments from the most recent billing and including any Exhibits A submitted for attachments made since the most recent billing. Any increase in the number of attachments between the new inventory and the most recent billing and Exhibits A submitted shall be added to each such billing period in accordance with the following formula. Fifty percent of any increase will be added to the earliest billing period and the remaining fifty percent will be divided evenly among the remaining billing periods for the interim years. The billing for each billing period for the interim years shall be adjusted using the Annual Pole Attachment Fee in effect for the billing period and the adjusted number of attachments, plus interest for any underbilled amounts, said interest to be determined in accordance with the FCC rate for calculation of interest on underpayments. The adjusted billing for the interim years, less any amounts previously paid, shall be added to the next regular billing period following the new inventory. Any decrease in the number of attachments between the new inventory and the most recent billing and Exhibits A submitted shall only affect prospective billing. Licensor shall not be liable for refunds or credits of prior billings resulting from the over reporting of attachments. The provisions contained herein for inventory and adjusted billing shall in no way relieve the Licensee of its responsibility to submit timely Exhibits A as described in Article 3 and Article 8.

9. *LEGAL REQUIREMENTS*

9.1 *Laws and Regulations* - Licensee shall at all times observe and comply with all applicable laws, ordinances, statutes, rules or regulations which in any manner relate to the rights and obligations of Licensee under this Agreement.

9.2 *Permits* - Licensee, as required by law, shall obtain authority to erect and maintain its facilities on public and private property or within public streets and highways and shall secure necessary consent from state and municipal authorities or from the owners of property to construct and maintain facilities at the locations of poles of Licensor which it desires to use. No use of Licensor's corridors or poles shall be made prior to Licensee's obtaining all necessary permits. Licensee