

AGREEMENT

This Refund Agreement ("Agreement") entered into June 19, 1995 between the City of Calhoun (the "City") and Scripps Howard Cable ("Scripps").

WHEREAS, Scripps provides cable television services to the City; and

WHEREAS, the Federal Communications Commission ("FCC") has adopted rules for the regulation of cable television rates, and the City has certified with the FCC to regulate the basic service tier and associated equipment and installation (collectively "Basic Tier") rates of Scripps and filed a complaint with the FCC on January 18, 1994 with respect to Scripps' cable programming service tier rate (the "Complaint"); and

WHEREAS, City has reviewed the Basic Tier rates of Scripps, including amounts charged to subscribers between September 1, 1993 and the date of this Agreement; and

WHEREAS, the City's rate review identified a number of refund issues which: (1) are subject to reasonable disagreement between the City and Scripps; (2) are not clearly addressed under the FCC rate regulations; and (3) would involve litigation at the FCC and in the courts to resolve; and

WHEREAS, Scripps has offered to make certain refunds to subscribers in the event the FCC dismisses the Complaint and terminates the complaint proceeding without a decision on the merits; and

WHEREAS, taking into consideration the interests of subscribers, the results of the City's rate review, the costs of additional analyses and possible litigation, the City has determined that it is in the best interests of subscribers to enter into this agreement that will require Scripps to pay refunds to subscribers in the event the FCC dismisses the Complaint and terminates the complaint proceeding without a decision on the merits;

NOW, THEREFORE, City and Scripps hereby agree as follows:

1. Within three business days after the execution of this Agreement by the parties, the City shall file a request with the FCC to withdraw its complaint. The City agrees to promptly adopt any necessary resolutions, ordinances or take such other actions that are necessary to permit the City to file a request to dismiss the Complaint.
2. Within 60 days of the dismissal by the FCC of the City's Complaint and the termination of the Complaint proceeding at the FCC without a decision on the merits, Scripps will issue refunds to subscribers pursuant to this Agreement. The 60th day after dismissal of the Complaint and termination of the complaint proceeding is referred to herein as the "Refund Date." By the Refund Date, Scripps shall refund \$6,353.00 to cable program service tier subscribers of record in the City as of the Refund Date. By the Refund Date, Scripps shall also refund \$23,300.00 to Basic Tier subscribers of record in the City as of the Refund Date. Commencing on August 15, 1995, interest calculated in an amount in accordance with the FCC rate regulations shall begin to accrue on the total amounts to be refunded pursuant to this paragraph

two.

3. The City agrees that, in the event that the FCC dismisses the Complaint and terminates the complaint proceeding without a decision on the merits, the City shall adopt a rate order consistent with this Agreement and acknowledging that Scripps' rate filings and subsequent information provided by Scripps, and refunds Scripps has agreed to pay, justify the rates charged by Scripps for the Basic Tier for the period September 1, 1993 through the Refund Date, and that the payment by Scripps of the amounts specified in paragraph two above shall constitute full satisfaction by Scripps of any refunds payable to cable subscribers in the City attributable to the provision of Basic Tier Service between September 1, 1993 and the Refund Date.
4. This Agreement does not constitute any agreement by the City to forbear from regulating Scripps' Basic Tier rates, or from filing a rate complaint at the FCC with regard to Scripps' cable programming service tier rates, after the date of this Agreement.
5. In the event the FCC dismisses the Complaint and terminates the complaint proceeding without a decision on the merits, Scripps agrees that in the event it raises any of its rates for the basic tier, and associated equipment and installations:
(a) the City shall have the right to review, pursuant to the FCC Rules, the reasonableness of the amount of any proposed increase(s) and the current rate(s); (b) nothing in this Agreement or any actions that the City takes pursuant to this Agreement shall prevent the City from determining the reasonableness of the current rate for the basic service tier, and associated equipment and installations, and any proposed increase in such rates; and (c) City shall have the right to review any FCC Form 393s, 1200s, 1205s, 1210s and 1215s submitted by Scripps prior to the date of this Agreement for the Basic Tier and any supplemental rate information the City might request in determining the reasonableness of the current rates for the Basic Tier. Upon completion of its review under this paragraph five, the City agrees that it will not seek any refunds for the period of time preceding the Refund Date.
6. To protect its rights, Scripps may file an appeal with the FCC concerning any local rate order if adopted by the City prior to the date of this Agreement. Scripps agrees to consent to extension of the City's procedural deadline for responding to any such appeal until 15 days after the FCC has acted upon the City's request that the FCC dismiss the City's Complaint. Notwithstanding the above, if the FCC has not acted upon the City's request by September 1, 1995, the extension of the City's procedural deadline will expire on September 15, 1995, unless the parties mutually agree to an additional extension to the City's procedural deadline beyond September 15, 1995.
7. The City agrees that it will not adopt a Basic Tier rate order after the date of this Agreement with respect to rates in effect between September 1, 1993 and the Refund Date, except to the extent permitted by paragraph three.
8. In the event that the FCC dismisses the Complaint

and terminates the complaint proceeding without a decision on the merits, Scripps shall, within three business days of such termination, make an appropriate filing at the FCC to dismiss its appeal. In the event the FCC issues a decision on the merits on Scripps' appeal before such appeal is dismissed, Scripps and the City agree that they will nonetheless comply with the terms of this Agreement, including, among other things, paying Basic Tier and cable programming service tier subscribers refunds pursuant to the terms of this Agreement, if the FCC dismisses the Complaint and terminates the complaint proceeding without a decision on the merits.

9. The parties agree that the rights and obligations of each party under paragraphs 2, 3, 5, 7 and 8 are contingent upon the FCC dismissing the Complaint and terminating the complaint proceeding without a decision on the merits. In the event the FCC fails to dismiss the Complaint and terminate the complaint proceeding without a decision on the merits, the parties shall retain all rights under the FCC rules and will not be bound by the terms of paragraphs 2, 3, 5, 7 and 8. Notwithstanding the foregoing, if the FCC has not withdrawn the Complaint and dismissed the complaint proceeding without a decision on the merits by September 1, 1995, and if the parties do not mutually agree to be bound by paragraphs 2, 3, 5, 7 and 8 after September 1, 1995, the parties shall retain all rights under the FCC rules and will not be bound by paragraphs 2, 3, 5, 7 and 8.
10. Scripps and the City mutually agree to toll the City's rate review process from May 18, 1995 until 45 days after a decision by the FCC on the City's request to dismiss the Complaint ("Standstill Agreement"). Scripps and the City mutually agree that the effect of this Standstill Agreement with regard to each of Scripps' rate filings is to toll, from May 18, 1995 until 45 days after an order by the FCC denying the City's request that the FCC dismiss the Complaint and terminate the complaint proceeding, the refund liability period, the period for the City to review rates, and all other applicable time periods, under the rate regulation rules of the FCC. Notwithstanding the above, if the FCC has not acted upon the City's request by September 1, 1995, the tolling of the City's rate review process will end on September 15, 1995, unless the parties mutually agree to an additional tolling of the City's rate review process beyond September 15, 1995.
11. The City and Scripps each warrant that this Agreement constitutes a valid enforceable obligation. City warrants that all necessary action has been taken to authorize the City to execute this Agreement. Scripps warrants that all necessary corporate actions have been taken to authorize Scripps to execute this Agreement.
12. These parties agree that by their execution below, they each accept the validity and reasonableness of the provisions of this agreement and waive any rights they have to assert that this Agreement is not consistent with applicable law. To the extent that any provision of this Agreement is held to be invalid or unenforceable, the parties shall use good faith efforts to modify the Agreement in a manner that accomplishes the intent of the parties

as set forth herein.

13. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same document.

ACKNOWLEDGED AND AGREED TO:

THE CITY OF CALHOUN

By: s/ John D. Meadows, III

Title: Mayor

Date: 6/19/95

SCRIPPS HOWARD CABLE

By: s/ Neal Fondren

Title: _____

Date: 6/29/95