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FRANCHISE AGREEMENT

This Franchise Agreement (hereinafter, the "Franchise Agreement" or "Agreement") is made between The Metropolitan Government of Nashville and Davidson County, Tennessee (hereinafter, "Metropolitan Government"), and Comcast of Nashville I, LLC (hereinafter, "Grantee").

Metropolitan Government, having determined that the financial, legal, and technical ability of Grantee is reasonably sufficient to provide the services, facilities, and equipment necessary to meet the future cable-related needs of the community, desires to enter into this Franchise Agreement with the Grantee for the construction, operation, and maintenance of a Cable System on the terms and conditions set forth herein.

Section 1 - Definition of Terms

For the purpose of this Franchise Agreement, terms, phrases, words, and abbreviations, unless otherwise defined herein, shall have the meanings ascribed to them in the following order of preference: Title VI of the Communications Act of 1934, as amended from time to time, 47 U.S.C. §§ 521 et seq. (the "Cable Act"); the Competitive Cable and Video Services Act, Tenn. Code Ann. §§ 7-59-301 et seq. (the "CCVSA"); Section 6.08.020 of the Metropolitan Code; and if not defined therein, their common and ordinary meaning.

1.1 "Cable Service" means "cable service" as defined in Section 602(6) of the Cable Act. The definition of "cable service" in the CCVSA, Tenn. Code Ann. Section 7-59-303(3), shall not apply in this Agreement, nor shall the CCVSA's exclusion of "video service" from the definition of "cable service" in Tenn. Code Ann. Section 7-59-303(19).

1.2 "Cable System" means "cable system" as defined in Section 602(7) of the Cable Act. Except as otherwise provided herein, "Cable System" in this Agreement refers to Grantee's cable system.

1.3 "Effective Date" means the date on which all Persons necessary to sign this Agreement in order for it to be binding on both parties have executed this Agreement as indicated on the signature page, unless a specific date is otherwise provided in Section 2.2,

herein.

1.4 "FCC" means the Federal Communications Commission or successor governmental entity thereto.

1.5 "Franchise" means the authorization granted by the Metropolitan Government through this Agreement, which authorizes Grantee to construct and operate its Cable System to provide Cable Service in the Public Way of the Franchise Area.

1.6 "Franchise Agreement" or "Agreement" shall mean this Agreement and any amendments or modifications hereto.

1.7 "Franchise Area" means the present legal boundaries of the Metropolitan Government of Nashville and Davidson County, Tennessee, as of the Effective Date, and shall also include any additions thereto, by annexation or other legal means.

1.8 "Metropolitan Government" means The Metropolitan Government of Nashville and Davidson County, Tennessee, or the lawful successor, transferee, designee or assignee thereof.

1.9 "Grantee" shall mean Comcast of Nashville I, LLC, and its lawful and permitted successors, transferees or assigns.

1.10 "Gross Revenue."

1.10.1 "Gross Revenue" means all revenue derived by the Grantee from the operation of the Cable System in the Franchise Area to provide Cable Service, calculated in accordance with generally accepted accounting principles. Cable Service revenue includes monthly basic, premium, pay-per-view, and video-on-demand fees; advertising and home shopping revenue; installation fees; and equipment rental fees. Where Cable Service is bundled together with one or more non-Cable Services, the portion of the revenue from the bundled service properly attributed to Cable Service shall be determined in accordance with generally

accepted accounting principles.

1.10.2 Gross Revenue shall not include: refundable deposits; investment income; any tax, surcharge, governmental fee or assessment imposed or assessed by any governmental authority (except for the franchise fee imposed by Section 6.1 hereof, which, pursuant to Metropolitan Government Resolution No. RS2010-1274, shall be included in Gross Revenue); revenue billed for but not actually received; revenue received by an affiliate or any other Person in exchange for supplying goods and services to Grantee; amounts attributable to refunds, rebates or discounts; amounts received from non-Cable Services such as digital voice services, Internet access services or Internet advertising services; returned check fees; late fees or interest; revenue from the sale or rental of property; revenue from maintaining an inside wiring plan; and reimbursement of costs including, but not limited to, the reimbursements by programmers of marketing costs incurred for the promotion or introduction of video programming.

1.11 "Person" means any natural person or any association, firm, partnership, joint venture, corporation or other legally recognized entity, whether for-profit or not-for profit, but shall not mean the Metropolitan Government.

1.12 "Prior Franchise" means the franchise granted to Grantee's predecessor-in-interest by Ordinance No. 095-1379, extended through May 5, 2011, by Second Substitute Ordinance No. BL2010-645, extended through May 5, 2012, by Ordinance No. BL2011-865 and extended through May 5, 2013 by Substitute Ordinance No. BL2012-122.

1.13 "Public Way" shall mean the surface of, and the space above and below, any public street, road, highway, freeway, bridge, land path, alley, court, boulevard, sidewalk, way, lane, public way, drive, circle or other public right-of-way, including, but not limited to, public utility easements, dedicated utility strips or other easements dedicated for compatible uses now or hereafter held by the Metropolitan Government in the Franchise Area, which shall entitle the Metropolitan Government and the Grantee to the use thereof for, and is compatible with, the purpose of installing, operating, repairing, and maintaining the Cable System. Public Way shall

also mean any easement now or hereafter held by the Metropolitan Government within the Franchise Area for the purpose of public travel (other than conservation easements, e.g. for "greenways") and shall include other easements or rights-of-way as shall within their proper and comparable use and meaning entitle the Metropolitan Government and the Grantee to the use thereof for the purposes of installing, operating, and maintaining the Grantee's Cable System over poles, wires, cables, conductors, ducts, conduits, vaults, manholes, amplifiers, appliances, attachments, and other property as may be ordinarily necessary and appurtenant to the Cable System. While the Metropolitan Government shall use reasonable commercial efforts to ensure the accuracy of what it references to be its Public Ways, Grantee shall be deemed to gain only those rights to use as are properly located in the Metropolitan Government's jurisdiction and as the Metropolitan Government may have the undisputed right and power to give.

1.14 "Subscriber" means a Person or user of the Cable System who lawfully receives Cable Service therefrom with the Grantee's express permission.

1.15 "Video Service" shall mean "video service" as defined in Tenn. Code Ann.§ 7-59-303(19).

Section 2 - Grant of Authority

2.1 <u>Franchise Granted</u>. Subject to the conditions contained in this Agreement, the Metropolitan Government hereby grants to the Grantee a nonexclusive Franchise authorizing the Grantee to construct and operate a Cable System to provide Cable Service in the Public Way within the Franchise Area, and for that purpose to erect, install, construct, repair, replace, reconstruct, maintain or retain in any Public Way such poles, wires, cables, conductors, ducts, conduits, vaults, manholes, pedestals, amplifiers, appliances, attachments, and other related property or equipment as may be necessary or appurtenant to providing Cable Service over the Cable System. Except as otherwise required by applicable law, this Franchise does not authorize Grantee to occupy or use the Public Way to provide any other service.

2.2 <u>Term of Franchise</u>. The term of the Franchise granted hereunder shall be for a period of ten (10) years, commencing upon May 5, 2013 (the "Effective Date"), and expiring on May 5, 2023, unless the Franchise is renewed or is lawfully terminated in accordance with the

terms of this Franchise Agreement, the Cable Act, or other applicable law.

2.3 <u>Renewal</u>. Any renewal of this Franchise shall be governed by and comply with the franchise renewal provisions of Section 626 of the Cable Act, 47 U.S.C. § 546, as amended.

2.4 <u>Reservation of Authority</u>. Nothing in this Franchise Agreement shall (A) abrogate the right of the Metropolitan Government to perform any public works or public improvements of any description, (B) be construed as a waiver of any lawful codes or ordinances promulgated by the Metropolitan Government, (C) be construed as a limitation on the lawful exercise of Metropolitan Government's police powers including but not limited to its right to exercise the power of eminent domain, (D) be construed as a waiver or release of the rights of Metropolitan Government in and to the Public Way, (E) or be construed as prohibiting the Metropolitan Government, where in the event of an emergency, or where the Cable System creates or is contributing to imminent danger to the health, safety or property, from removing, re-laying or relocating any or all parts of the Cable System without prior notice.

Section 3 - Construction and Maintenance of the Cable System

3.1 Permits and General Obligations. The Grantee shall be responsible for obtaining, all lawful, applicable permits, licenses or other forms of approval or authorization necessary to construct, operate, maintain or repair the Cable System, or any part thereof, prior to the commencement of any such activity, including, but not limited to, any required lane closure and excavation permits from the Metropolitan Department of Public Works. As provided in Section 6.08.050(C)(17) of the Metropolitan Code, no erection or installation of any tower, pole, underground conduit, or fixture or any rebuilding or upgrading of Grantee's Cable System shall be commenced by any Person until approval therefore has been received from the Metropolitan Government, which approval shall not be unreasonably withheld. Grantee shall be permitted to deduct from franchise fee payments to Metropolitan Government, as provided for in Section 6.1, herein, the cost of obtaining any and all municipal permits associated with the Cable System and its operations in the Franchise Area other than those fees paid to the Nashville Electric Service for the right to attach to their poles. Grantee may make such deductions as often as quarterly and the true-up of such payments, if necessary, shall be done in conjunction with the Annual Meeting as provided for in Section 6.6, herein.

3.1.1 Construction, installation, and maintenance of the Cable System shall be safe, thorough, and reliable manner using materials of good and durable quality.

3.1.2 All transmission and distribution structures, poles, other lines, and equipment installed by the Grantee for use in the Cable System in accordance with the terms and conditions of this Franchise Agreement shall be located so as to minimize the interference with the proper use of the Public Way and the rights and reasonable convenience of property owners who own property that adjoins any such Public Way. Grantee shall be permitted to deduct from franchise fee payments to Metropolitan Government, as provided for in Section 6.1, herein, the cost of obtaining any and all municipal permits associated with the Cable System and its operations in the Franchise Area other than those fees paid to the Nashville Electric Service for the right to attach to their poles. Grantee may make such deductions as often as quarterly and the true-up of such payments, if necessary, shall be done in conjunction with the Annual Meeting as provided for in Section 6.6, herein.

3.1.3 All such transmission and distribution structures, poles, other lines, and equipment shall be installed in a manner so as to be consistent with accessibility requirements provided for in the Americans with Disabilities Act, with the obstruction and excavation provisions of Chapter 13.20 of the Metropolitan Code, and with any other related applicable law.

3.2. <u>Conditions of Street Occupancy</u>.

3.2.1 <u>Compliance with Construction Standards.</u> The construction, operation, maintenance, and repair of a Cable System shall be in accordance with all applicable sections of the Occupational Safety and Health Act of 1970, as amended, the National Electrical Safety Code, the National Electric Code, AC70/7460 i.e., Federal Aviation Administration; Construction, Marking and Lighting of Antenna Structures, Federal Communications Commission Rules Part 17; all applicable utility construction requirements of the State of Tennessee;

and other applicable federal, state, or local laws and regulations that may apply to the operation, construction, maintenance, or repair of the Cable System. To the extent there is a conflict amongst these standards, the most stringent rule will apply.

3.2.2 New Grades or Lines. If the grades or lines of any Public Way within the Franchise Area are lawfully changed at any time during the term of this Franchise Agreement, then the Grantee shall, upon reasonable advance written notice from Metropolitan Government, which shall not be less than three (3) months. and at Grantee's cost and expense, protect or promptly alter or relocate the Cable System, or any part thereof, so as to conform with any such new grades or lines. If the Metropolitan Government should elect to seek and successfully obtains any public funds for the purpose of defraying the cost to any Person of relocating facilities, aerial or underground, where such relocation is required to accommodate a public project in the Public Way, then the Metropolitan Government shall allocate these funds fairly, evenly, and without discrimination among all such Persons whose facility relocation costs are eligible for reimbursement from such funds. For purposes of facilitating private development, Grantee will not be required to cover the costs for relocating its facilities in the Public Way as a condition precedent to permitting or approval by the Metropolitan Government of the development in question consistent with Section 4.4 below.

3.2.3 <u>Relocation at Request of Third Party</u>. The Grantee shall, upon reasonable prior written request of any Person holding a permit issued by Metropolitan Government to move any structure, temporarily move its wires to permit the moving of such structure; provided (i) the Grantee may impose a reasonable charge on any Person for the movement of its wires and such charge may be required to be paid in advance of the movement of its wires; and (ii) the Grantee is given not less than ten (10) business days advance written notice to arrange for such temporary relocation.

3.3 <u>Restoration of Public Ways</u>. If, in connection with the construction, operation, maintenance or repair of the Cable System, the Grantee disturbs, alters or damages any Public Way, the Grantee shall, at its own cost and expense, replace and restore any such Public Way to a condition reasonably equivalent to the condition of the Public Way existing immediately prior to the disturbance. Such replacement and restoration shall comply with the Metropolitan Department of Public Works' standard drawings and conditions attached to the construction permit issued by the Department which shall be consistent with commonly accepted industry standards and Tenn. Code Ann. section 7-59-104.

3.4 <u>Safety Requirements</u>. The Cable System shall not unreasonably endanger or interfere with the safety of Persons or property in the Franchise Area. The Grantee shall, at its own cost and expense, undertake all reasonable efforts to maintain its work sites in a safe manner in order to prevent failures and accidents that may cause damage, injuries or nuisances. All work undertaken on the Cable System shall be performed in accordance with applicable FCC and other federal, state, and lawful local regulations.

3.4.1 Grantee's work authorized by this Agreement shall not interfere with the normal flow of traffic on roadways adjoining Grantee's work sites, except to the extent allowed by a properly obtained lane closure permit issued to Grantee by the Metropolitan Government. Where necessary, Grantee shall provide traffic control for such work zones in accordance with the requirements of the current Manual on Uniform Traffic Control Devices.

3.5 <u>Trimming of Trees and Shrubbery</u>. The Grantee may trim trees or other natural growth overhanging any of its Cable System in the Franchise Area so as to prevent contact with the Grantee's wires, cables or other equipment; however, Grantee's activities shall be done in accordance with the standards approved by the urban forester. The Grantee shall be responsible for any damage caused by such trimming.

3.6 <u>Aerial and Underground Construction</u>. Where Grantee performs new construction in regions of the Franchise Area where all of the transmission and distribution facilities of public or other utilities are underground, Grantee shall locate its transmission and distribution facilities

underground. To the extent consistent with applicable state and local law or regulations, Metropolitan Government may waive this requirement if Grantee demonstrates to Metropolitan Government's reasonable satisfaction that such underground locations are actually incapable of accommodating Grantee's cable and other equipment without technical degradation of the Cable System's signal quality. In any region(s) of the Franchise Area where the transmission or distribution facilities of the respective public or other utilities are both aerial and underground, the Grantee may construct, operate, and maintain all of its transmission and distribution facilities, or any part thereof, aerially or underground. Nothing in this Section shall be construed to require the Grantee to construct, operate or maintain underground any ground-mounted appurtenances such as customer taps, line extenders, system passive devices, amplifiers, power supplies, pedestals or other related equipment.

3.7 Undergrounding and Beautification Projects. In the event all users of the Public Way are required to relocate aerial facilities underground as part of an undergrounding or neighborhood beautification project, Grantee shall, upon reasonable prior written notice, participate in the planning for such undergrounding, and Grantee shall relocate its aerial facilities underground contemporaneously with other such users. In cases of new private development, Grantee will not be required to cover the costs of burying its facilities in the Public Way as a condition precedent to permitting or approval by the Metropolitan Government of the development in question consistent with Section 4.4 below. Although, pursuant to Tenn. Code Ann. section 7-59-104 it is under no obligation to do so, if the Metropolitan Government should elect to seek and successfully obtains any public funds for the purpose of defraying the cost to any Person of relocating aerial facilities underground, then the Metropolitan Government shall allocate these funds fairly, evenly, and without discrimination among all such Persons whose facility relocation costs are eligible for reimbursement from such funds.

3.8 <u>Metropolitan Government's Rights</u>. As provided in Tenn. Code Ann. section 7-59-104, where necessary, Grantee shall at its expense, relocate its facilities to accommodate Metropolitan Government owned facilities, including but not limited to traffic signals, traffic signs, traffic communication lines, water mains, sewage, and drainage system. Metropolitan Government shall at all times have the right to repair, maintain, and perform construction necessary for the maintenance of Metropolitan Government owned facilities and property in the

Public Way without interference, and Grantee's exercise of its rights under this Franchise Agreement shall not result in any additional expense or delay to Metropolitan Government in the exercise of its right to repair, maintain, and perform construction necessary for the maintenance of Metropolitan Government owned facilities and property in the Public Way. The Metropolitan Government represents that neither it, nor its affiliates, intends to enter into the business of providing cable services in competition with Grantee. To the extent the Metropolitan Government, or its affiliates, enters into the business of providing Cable Service or Video Service in competition with the Grantee, the Grantee will no longer be obligated to relocate its facilities at Grantee's cost.

Section 4 - Service Obligations

4.1 <u>Programming</u>. The Grantee shall offer to all Subscribers a diversity of video programming services.

4.2 <u>No Discrimination</u>. The Grantee shall not discriminate nor permit discrimination between or among any Persons in the availability of Cable Services or other services provided in connection with the Cable System in the Franchise Area. It shall be the right of all Persons to receive all available services provided on the Cable System so long as such Person's financial or other obligations to the Grantee are satisfied. Nothing contained herein shall prohibit the Grantee from offering bulk discounts, promotional discounts, package discounts or other such pricing strategies as part of its business practice.

4.3. <u>Emergency Alert System</u>. Grantee shall install and thereafter maintain for use by Metropolitan Nashville an emergency alert system ("EAS") in accordance with federal law.

4.4. <u>New Developments and Trenching</u>. The provisions of Tenn. Code Ann. §7-59-310(b)(1)-(4) shall apply in the case of new construction or property development where utilities are placed underground.

Section 5 - Customer Service Standards; Customer Bills; and Privacy Protection

5.1 Customer Service Standards. Metropolitan Government hereby adopts the

customer service standards set forth in Part 76, §76.309(c) and Part 76, §76.309(H) of the FCC's rules and regulations, as amended. The Grantee shall comply in all respects with those standards.

5.2 <u>Subscriber Bills</u>. Subscriber bills shall be designed in such a way as to present the information contained therein clearly and comprehensibly to Subscribers, and in a way that (A) is not misleading, (B) does not omit material information, and (C) is consistent with applicable State and federal law. Grantee may itemize charges on Subscribers' bills in a manner consistent with Section 622(c) of the Cable Act, 47 U.S.C. §542(c), and Section 76.1619 of the FCC's rules and regulations.

5.3 <u>Privacy Protection</u>. The Grantee shall comply with all applicable state and federal privacy laws, including Section 631 of the Cable Act, 47 U.S.C. §551, and any regulations adopted pursuant thereto.

Section 6 - Oversight and Regulation by Metropolitan Government

6.1. <u>Franchise Fees</u>. The Grantee shall pay to Metropolitan Government a franchise fee in an amount equal to five percent (5%) of annual Gross Revenue received from the operation of the Cable System to provide Cable Service in the Franchise Area; provided, however, that Grantee shall not be required to pay a higher franchise fee percentage than any other Cable or Video Service Provider, as defined in Tenn. Code Ann. § 7-59-303(4) and (20), that is authorized under the CCVSA or franchised by the Metropolitan Government to provide Cable Service or Video Services in the Franchise Area.

6.1.1 The payment of franchise fees shall be made on a quarterly basis and shall be due forty five (45) days following the end of each calendar quarter. In the event that a franchise fee payment is not received by the Metropolitan Government on or before the date due, or is underpaid, Grantee shall pay interest at the rate provided for in Tennessee Code Annotated Section 47-14-103(3) until the franchise fee payment is satisfied.

6.1.2 Each franchise fee payment shall be accompanied by a report prepared by

a representative of the Grantee showing the basis for the computation of the franchise fees paid during that period and setting forth, at a minimum, the information listed in Tenn. Code Ann. 7-59-306(c)(1)(A)-(D).

6.1.3 Except as provided for in Section 3.1, herein, and subject to any limitations set forth in the Cable Act or applicable law, the franchise fee is in addition to, and may not be offset against, any other fees, assessments, taxes or payments that Grantee may be required to pay under federal, state or local law, including, without limitation, the payments required to be paid pursuant to Section 11, hereof.

6.1.4 The parties agree that the compensation and other payments to be made pursuant to this Section 6 are not a tax and are not in the nature of a tax and are in addition to any and all taxes of general applicability or other fees or charges (including any fees or charges which may be imposed on the company for the use of poles, conduits or similar facilities that may be owned or controlled by Metropolitan Government) which the Grantee or any affiliated Person shall be required to pay to Metropolitan Government. Notwithstanding the requirement that the Grantee must obtain and hold all necessary municipal permits to operate its Cable System in the Franchise Area, the franchise fee referenced in Section 6.1 authorizes the Grantee's operation in the Public Way, and therefore, other than those fees paid to the Nashville Electric Service for the right to attach to their poles, the Grantee is not required to pay permitting fees to the Metropolitan Government for any and all municipal permits associated with the Cable System, or the provision of Cable Services in the Franchise Area for the duration of this Agreement.

6.2 Franchise Fees Subject to Audit.

6.2.1 Upon reasonable prior written notice, during normal business hours, at Grantee's principal business office located in the Franchise Area, Metropolitan Government shall have the right to inspect, copy, and audit Grantee's relevant

financial records to determine whether Grantee has correctly calculated franchise fees owed to Metropolitan Government; provided, however, that any such inspection and audit shall not occur more often than annually and shall commence within three (3) years from the date that the franchise fee payment to be audited was due, after which period, such payment shall be final. Further, the Metropolitan Government shall not copy any types of documents that Grantee and its affiliates do not, as a policy or practice, allow any other local franchising authority in Tennessee to copy. Once franchise fee payments for a defined time period have been audited, such payments shall not be subject to another audit.

6.2.2 Upon the completion of any such inspection and audit by Metropolitan Government, Metropolitan Government shall provide to Grantee a final report setting forth Metropolitan Government's findings in detail, including any and all substantiating documentation. In the event of an alleged underpayment, the Grantee shall have thirty (30) days from the receipt of the report to provide Metropolitan Government with a written response agreeing to or disputing the results of the audit in detail, including any and all substantiating documentation. Based on these reports and responses, the parties shall attempt in good faith to agree upon a Finally Settled Amount. For purposes of this Section 6.2, the term "Finally Settled Amount" shall mean the agreed-upon remaining balance for the audit period, if any, owed to Metropolitan Government by Grantee. If the parties cannot agree on a Finally Settled Amount, the parties shall submit the dispute to a mutually agreed-upon mediator within sixty (60) days of reaching an impasse in an effort to agree on the Finally Settled Amount.

6.2.3 Any Finally Settled Amount shall be paid to Metropolitan Government by Grantee within thirty (30) days from the date the parties agree in writing upon the Finally Settled Amount, provided that such amount has been memorialized in a settlement and release agreement properly executed by the parties. Once a Finally Settled Amount has been agreed upon, a settlement and release agreement has been executed by the parties, and such amount has been paid by the Grantee, Metropolitan Government shall have no further right to audit or challenge the franchise fee payment for the audit period covered by the Finally Settled Amount.

6.2.4 In the event that the parties cannot agree on a Finally Settled Amount pursuant to Subsections 6.2.2 and 6.2.3, either party may bring an action in court to determine and recover the proper amount owed.

6.2.5 Metropolitan Government shall bear its own costs of its inspection and audit of Grantee's financial records.

6.3 <u>Payment on Termination</u>. If the Franchise lawfully terminates without being renewed or extended and ceases to be in any further force or effect, the Grantee shall file with Metropolitan Government within ninety (90) days of the effective date of such termination, a financial statement, certified by an independent certified public accountant, showing the Gross Revenues received by the Grantee since the end of the previous calendar year.

6.4 <u>Technical Standards</u>. The Grantee shall comply with all applicable technical standards of the FCC as published in subpart K of 47 C.F.R. §76. To the extent those standards are altered, modified or amended during the term of this Franchise, the Grantee shall comply with such altered, modified or amended standards within a reasonable period after such standards become effective or within the period required by the FCC. Metropolitan Government shall have, upon written request, the right to obtain a copy of tests and records required to be performed pursuant to the FCC's rules. The Metropolitan Government shall have the right, on reasonable prior written notice and in the presence of Grantee's employee, to periodically inspect the construction and maintenance of the Cable System in the Franchise Area as necessary to monitor Grantee's compliance with the provisions of this Franchise Agreement.

6.5 Books, Records, and Files.

6.5.1 <u>Books and Records</u>. Throughout the term of this Franchise Agreement, upon reasonable prior written notice to Grantee, Metropolitan Government, acting through its authorized agent may, at Grantee's principal business office located in the Franchise Area and during normal business hours, inspect, copy and audit books and records that are necessary to demonstrate compliance with the

provisions of this Franchise Agreement. Provided, however, the Metropolitan Government shall not copy any types of documents that Grantee and its affiliates do not, as a policy and practice, allow any other local franchising authority in Tennessee to copy. Metropolitan Government will treat such documents in a manner consistent with applicable law, and will make every reasonable effort to carry out such inspection and audit in a manner that does not unreasonably interfere with Grantee's business operations. All documents that may be the subject of an inspection and audit by Metropolitan Government shall be retained by the Grantee for a minimum period of three (3) years.

6.5.2 <u>Proprietary Information</u>. Subject to Section 631 of the Cable Act, 47 U.S.C. §551, and any regulations adopted pursuant thereto, and subject to any other applicable state or federal privacy laws, access to Grantee's records for the purpose of determining Grantee's compliance with this Franchise Agreement shall not be denied on the basis that such records contain information which Grantee deems to be a trade secret or proprietary or confidential in nature. To the extent permitted by the Tennessee Public Records Act or any other applicable federal or state law, information received by Metropolitan Government pursuant to Section 6 hereof that Grantee clearly designates as trade secret, proprietary or confidential shall be protected by Metropolitan Government, and returned to Grantee, as provided in Section 6.08.070(A)(3) of the Metropolitan Code.

6.5.3 In the event Metropolitan Government receives information from Grantee that Grantee has designated as trade secret, proprietary or confidential, and receives a request under the Tennessee Public Records Act or other applicable law for the disclosure of such information, Metropolitan Government shall notify Grantee of such request prior to releasing such information and, to the maximum extent allowed under the Tennessee Public Records Act or other applicable state or federal law, Metropolitan Government shall cooperate with Grantee in opposing such request, until or unless a court of competent jurisdiction orders otherwise.

6.5.4 For purposes of this Section, the terms "trade secret," "proprietary" or "confidential" include, but are not limited to, information, marked as such by the Grantee, relating to the Cable System design, customer lists, marketing plans, financial information unrelated to the calculation of franchise fees or rates pursuant to FCC rules, and other information that is reasonably determined by the Grantee to be competitively sensitive.

6.6 <u>Annual Meeting</u>. No later than (90) ninety days prior to the end of its fiscal year, and upon the request of Metropolitan Nashville, Grantee shall meet with the CATV special committee and the Director of IT, or his or her designee, to discuss the status of the Grantee's operations within the Franchise Area. Grantee shall be prepared to report upon, but may not be limited to: customer opinion surveys if any, a summary of complaints and their disposition, the annual subscriber numbers, a list of new products and services provided, a description of new services rendered, an annual statement of gross revenues and franchise fees, and any other topics that Metropolitan Government may reasonably request in advance. Upon completion of the meeting, Metropolitan Nashville may request any additional necessary information to demonstrate the Grantee's compliance with the Franchise Agreement.

6.7 Other Reports.

6.7.1 To the extent permitted by law, any notice of deficiency, forfeiture or other document issued by any state or federal agency initiating any investigation or civil or criminal proceeding regarding the Cable System or the Grantee, to the extent the same may impair the ability to provide services in Metropolitan Nashville or to the extent it would have a material adverse impact on the Grantee shall be submitted to Metropolitan Nashville at the time it is filed or within (14) fourteen days of the date it is received.

6.7.2 Any request for protection under bankruptcy laws, or any judgment related to a declaration of bankruptcy by the Grantee shall be submitted to Metropolitan Nashville at the time it is filed or within (14) fourteen days of the date it is received.

6.8 <u>Communication with Regulatory Agencies</u>. Grantee shall file with the Metropolitan Government in a form acceptable to Metropolitan Nashville, copies of all petitions, applications, and communications and reports, submitted or received by the Grantee, either to or from the FCC, the Security and Exchange Commission, or any other federal or state regulatory commission or agency having jurisdiction over any matter directly affecting the provision of services in the Franchise Area, and Grantee shall also file any other regulatory documents that would have a material adverse impact on the Grantee.

Section 7 - Transfer of Cable System

7.1 Neither the Grantee nor any other Person may transfer the Cable System or the Franchise without the prior written consent of the Metropolitan Government, which consent shall not be unreasonably withheld or delayed. No consent shall be required, however, for i) a transfer in trust, by mortgage, hypothecation or by assignment of any rights, title or interest of the Grantee in the Franchise or in the Cable System in order to secure indebtedness, or ii) a transfer to any entity directly or indirectly owned or controlled by Comcast Corporation; provided, however, that, prior to any such transfer set forth in (i) or (ii) becoming effective, any entity to which the Franchise or Cable System is to be transferred shall agree in writing to be bound by, and to assume Grantee's obligations under, this Franchise Agreement.

7.1.1 Within thirty (30) days of receiving a request for consent to transfer, Metropolitan Government shall, in accordance with applicable FCC rules and regulations, notify the Grantee in writing of the additional information, if any, it requires to determine the legal, financial, and technical qualifications of the transferee or new controlling party.

7.1.2 If Metropolitan Nashville has not taken final action on the Grantee's written request for consent within one hundred twenty (120) days after receiving such request, consent shall be deemed granted, unless the parties agree to an extension of such time period.

Section 8 - Insurance and Indemnity

8.1 <u>Insurance</u>. Throughout the term of this Franchise Agreement, the Grantee shall,

at its own cost and expense, comply with the following:

8.1.1 <u>Insurance Required</u>. Grantee shall maintain, and by its acceptance of this Franchise Agreement, specifically agrees to maintain, throughout the term of this Franchise Agreement, Worker's compensation and employer liability insurance to meet all requirements of Tennessee law and commercial general liability insurance with respect to the construction, operation, and maintenance of the Cable System and the conduct of Grantee's business in the Franchise Area, in the minimum amounts of:

(i) Three million dollars (\$3,000,000.00) for property damage resulting from any one accident;

(ii) One million dollars (\$1,000,000.00) for personal bodily injury and death for any one person;

(iii) Five million dollars (\$5,000,000.00) for personal bodily injury or death resulting from any one accident; and

(iv) Two million dollars (\$2,000,000.00) for all other types of liability.

8.1.2 <u>Review</u>. Metropolitan Government may review these amounts no more than once every three (3) years and may require reasonable adjustments to them consistent with the public interest. Grantee's insurance obligations shall be objectively rational and fair, as compared to that of other users of the Public Ways, and shall not be prejudicial to Grantee. In the event that Grantee objects to an increase in a policy limit and the parties are unable to agree on a mutually acceptable amount, the dispute shall be resolved by arbitration in accordance with the procedures of the American Arbitration Association.

8.1.3 <u>Qualifications of Insurance</u>. All policies shall be with insurance companies qualified to do business in the State of Tennessee, with an A minus or better rating of insurance by AM Best's Key Rating Guide, Property/Casualty

Edition.

8.1.4 <u>Certificates of Insurance</u>. Grantee shall keep on file with Metropolitan Government copies of certificates of insurance.

8.1.5 <u>Additional Insureds - Prior Notice of Policy Cancellation</u>. All general liability insurance policies shall name the Metropolitan Government, its officers, boards, commissions, commissioners, agents, and employees as additional insureds and shall further provide that any cancellation or reduction in coverage shall not be effective unless thirty (30) days' prior written notice thereof has been given to Metropolitan Government. Grantee shall not cancel any required insurance policy without submission of proof that Grantee has obtained alternative insurance satisfactory to Metropolitan Government which complies with this Section 8.1.

8.1.6 <u>Failure Constitutes Material Violation</u>. Failure to comply with the insurance requirements set forth in this section shall constitute a material violation of this Franchise Agreement.

8.2 Indemnification.

8.2.1 Grantee shall, at its sole cost and expense, indemnify, hold harmless, and defend Metropolitan Government, its officials, boards. commissions. commissioners, agents, and employees, against any and all claims, suits, causes of action, proceedings, and judgments for damages or equitable relief arising out of i) the construction, maintenance or operation of its Cable System, ii) copyright infringements or a failure by the Grantee to secure consents from the owners, authorized distributors, or franchisees of programming to be delivered by the Cable System, iii) the conduct of the Grantee's business, its contractors or agents, or iv) Grantee's enjoyment or exercise of its Franchise, regardless of whether the act or omission complained of is authorized, allowed or prohibited by this Franchise Agreement. Specifically, Grantee shall, at its sole cost and expense, fully indemnify, defend, and hold harmless Metropolitan Government, and in its

capacity as such, the officers, agents, and employees thereof, from and against any and all claims, suits, actions, liability, and judgments for damages or otherwise subject to Section 638 of the Cable Act, 47 U.S.C. § 558, arising out of, or alleged to arise out of, the installation, construction, operation or maintenance of Grantee's Cable System, including but not limited to, any claim against Grantee for invasion of the right of privacy, defamation of any Person, firm or corporation, or the violation or infringement of any copyright, trade mark, trade name, service mark or patent, or of any other right of any Person, firm or corporation.

8.2.2 This indemnity does not apply to i) programming carried on any channel set aside for public, educational, or government use, or channels leased pursuant to 47 U.S.C. § 532, unless Grantee was in any respect engaged in determining the editorial content of the program, or adopts a policy of prescreening programming for the purported purpose of banning or regulating indecent or obscene programming; ii) liability arising solely out of Metropolitan Government's gross negligence or that of its officers, employees, agents or independent contractors; or (iii) any claim by a third party against Metropolitan Government concerning the use of the PEG Capital Support Fee paid by Grantee pursuant to Section 11.7 hereof.

8.2.3 The indemnity provision includes, but is not limited to, Metropolitan Government's reasonable attorneys' fees incurred in defending against any such clam, suit or proceeding.

8.3 <u>Notice</u>. No claim of indemnity shall be valid unless Metropolitan Government has provided the Grantee with prompt notice and a timely opportunity to assume the defense of a claim covered by the indemnity.

8.4 <u>No Limit of Liability</u>. Neither the provisions of this Section nor any damages recovered by Metropolitan Government shall be construed to limit the liability of Grantee for damages under the Franchise.

Section 9 - Enforcement of the Franchise

9.1 <u>Initial Notice of Violation</u>. If the Metropolitan Government believes that the Grantee has not complied with the terms of the Franchise Agreement, the Metropolitan Government shall first informally discuss the matter with the Grantee. If such discussions do not lead to a resolution of the problem, the Metropolitan Government shall notify the Grantee in writing of the nature of the alleged non-compliance (Violation Notice).

9.1.1 <u>Grantee's Right to Cure or Respond</u>. Grantee shall have (60) sixty days to (a) cure the alleged violation or breach, (b) demonstrate to Metropolitan Nashville's satisfaction that a violation or breach does not exist or, (c) submit a plan satisfactory to Metropolitan Nashville to correct the violation or breach.

9.1.2 <u>Hearing</u>. If the Grantee fails to respond to the Violation Notice received from the Franchising Authority, or the alleged matter of noncompliance is not remedied within the cure period set forth above, the Metropolitan Government's Council shall schedule a hearing if it intends to continue its investigation into the matter. The Metropolitan Government shall provide the Grantee at least thirty (30) days prior written notice of such hearing, which specifies the time, place, and purpose of such hearing. The Grantee shall have the right to present evidence and to question witnesses. The Metropolitan Government shall determine if the Grantee has committed a violation and shall make written findings of fact relative to its determination. If a violation is found, the Grantee may petition for reconsideration before any competent tribunal having jurisdiction over such matters.

9.1.3 <u>Enforcement</u>. Subject to applicable federal and State law, in the event the Metropolitan Government, after the hearing set forth above, determines that the Company is in default of the provisions addressed in the Violation Notice, the Metropolitan Government may:

(i) Seek specific performance damages;

(ii) Commence an action at law for monetary damages or seek other equitable relief; or

(iii) In the case of a substantial default of a material provision of the Franchise Agreement, the Metropolitan Government may seek to revoke the Franchise Agreement itself in accordance with Section 9.2 of this Agreement, and in that case, the remedies under this Franchise Agreement are not exclusive of any remedies provided at law or equity, and nothing contained herein shall impair any of the rights of Metropolitan Government under applicable law.

9.2 <u>Revocation</u>

9.2.1 Prior to the revocation or termination of the Franchise Agreement, the Metropolitan Government shall give written notice to Grantee of its intent to revoke the Franchise Agreement on the basis of a material breach by the Grantee. The notice shall set forth the exact nature of the noncompliance. The Grantee shall have sixty (60) days from such notice to either object in writing and to state its reasons for such objection and provide an explanation or to cure the alleged noncompliance. If the Metropolitan Government has not received a satisfactory response from the Grantee it may then seek to revoke the Franchise Agreement at a public hearing. The Grantee shall be given at least thirty (30) days prior written notice of such public hearing, specifying the time and place of such hearing and stating its intent to revoke the Franchise.

9.2.2 At the hearing, the Metropolitan Government's Council shall give the Grantee an opportunity to state its position on the matter, present evidence and question witnesses, after which it shall determine whether or not the Franchise Agreement shall be revoked. The public hearing shall be on the record and a written transcript shall be made available to the Grantee within ten (10) business days. The decision of the Metropolitan Government's Council shall be made in writing and shall be delivered to the Grantee. The Grantee may appeal such determination to an appropriate court, which shall have the power to review the decision of the Metropolitan Government's Council *de novo*. The Grantee may continue to operate the Cable System until all legal appeals procedures have been exhausted.

9.2.3 Notwithstanding the above provisions, the Grantee does not waive any of its rights under federal law or regulation.

Section 10 - Competitive Equity

10.1 <u>Purposes</u>. To on the one hand, foster an environment where Video Service Providers ("VSPs"), as defined in Section 10.5 hereof, using the Public Way can compete on a competitively neutral and nondiscriminatory basis, encourage the provision of new and advanced services to Metropolitan Government's residents, promote local communications infrastructure investments and economic opportunities in Metropolitan Government, and provide flexibility in the event of subsequent changes in the law; on the other hand, also preserve the public benefits to Metropolitan Government and its residents embodied in this Franchise Agreement, the Grantee and Metropolitan Government have agreed to the provisions in this Section 10, and they should be interpreted and applied with the balancing of such purposes in mind.

10.2 <u>New Video Service Provider</u>. If, after the Effective Date hereof, any VSP enters into any franchise agreement with Metropolitan Government to provide cable or video services to subscribers in the Franchise Area or any portion of the Franchise Area, Metropolitan Government, upon written request of the Grantee, shall modify this Franchise Agreement if, and to the extent, necessary to make the obligations of Grantee and such VSP comparable, taking into account the circumstances existing at the time. Metropolitan Government shall make such modification, if any, within ninety (90) days of Grantee submitting such written request to Metropolitan Government, or such longer time period as to which the parties may agree.

10.3 <u>Subsequent Change in Law</u>. If, after the Effective Date hereof, there is a change in federal, state or local law that provides for a new or alternative form of authorization for a VSP to provide cable or video services to subscribers in the Franchise Area or any portion of the Franchise Area, or that otherwise substantially changes the nature or extent of the obligations that Metropolitan Government may impose on a VSP providing cable or video services to subscribers in the Franchise Area or any portion of the Franchise Area, and provided that such subscribers in the Franchise Area or any portion of the Franchise Area, and provided that such

cable franchise holders like Grantee, Metropolitan Government agrees that, notwithstanding any other provision of law, upon Grantee's written request, Metropolitan Government shall enter into good faith negotiations with Grantee to (i) permit Grantee to provide video services to Subscribers in the Franchise Area on terms and conditions that are comparable to those of such VSP under the changed law; (ii) modify this Franchise Agreement to comply with the changed law; or (iii) modify this Franchise Agreement to the extent necessary to promote competitive equity between the Grantee and other VSPs, taking into account the conditions under which other VSPs are permitted to provide cable or video services to subscribers in the Franchise Area on the differences, if any, between Grantee and such other VSP's. Metropolitan Government and the Grantee shall, to the extent required, implement the provisions of this Section 10.3 within ninety (90) days after the Grantee submits a written request to Metropolitan Government, or such longer period as to which the parties may agree. The Grantee may not exercise its rights under this Section sooner than thirty (30) days after the changed law goes into effect.

10.4 <u>Effect on This Franchise Agreement</u>. Any agreement, authorization, right or modification thereof to Grantee's Franchise to provide cable or video services to Subscribers in the Franchise Area or any portion of the Franchise Area that is made under Subsections 10.2 or 10.3 shall, upon adoption by Metropolitan Government and agreement of Grantee, supersede any prior inconsistent provisions of this Franchise Agreement.

10.5 <u>Video Service Provider ("VSP") Defined</u>. For purposes only of this Section 10, the term "Video Service Provider" or "VSP" shall mean (i) a "video service provider" within the meaning of Tenn. Code Ann. § 7-59-303(20) authorized to provide cable or video service in the Franchise Area, or (ii) a cable operator franchised by Metropolitan Government to provide Cable Service in the Franchise Area.

Section 11 - Public, Educational, and Governmental Access

11.1. <u>Channel Positions for Public, Educational, and Governmental Access</u>. Consistent with Section 611 of the Cable Act, Grantee shall provide channel capacity for public, educational and governmental access ("PEG") use as provided in this Section 11.1. Grantee shall continue to

provide channel capacity for a total of four (4) PEG channels. The four (4) PEG channels shall be available on Channel Positions on Grantee's basic service tier. For purposes of this Section 11.1, "Channel Position" means a number designation on the Grantee's channel lineup regardless of the transmission format (analog or digital).

> 11.1.1 Grantee currently carries the four (4) PEG channels on Channel Positions 3, 9, 10, and 19 on its Cable System. Grantee agrees to use reasonable efforts to keep the four (4) PEG Channel Positions on their current channel number designations throughout the term of this Franchise Agreement, and should any of the PEG Channel Positions be changed from their current number designations during the term of this Franchise Agreement, Grantee agrees to use reasonable efforts to keep the PEG Channel Positions in reasonably close numeric proximity to each other's Channel Positions and Grantee agrees to confer with the Metropolitan Government regarding the allocation of the PEG Channel Positions prior to reassigning any PEG Channel Positions. Grantee shall not change the channel number designation of any PEG Channel Position without first giving Metropolitan Government at least sixty (60) days prior written notice. Subject to the foregoing, Grantee does not relinquish its ownership of or ultimate right of control over a Channel Position by designating it for PEG access use. A PEG access user, whether such user is an individual, educational or governmental user, acquires no property or other interest in the Channel Position by virtue of the use of a Channel Position so designated.

> 11.1.2 In the event, and on each occasion, that Grantee moves the PEG channel pursuant to Section 11.1.1 hereof, Grantee shall coordinate with the Metropolitan Government and/or its designated PEG management entity to communicate those changes to Subscribers. The Grantee shall designate up to ninety (90) 30-second ad avails in the forty-five (45) days immediately preceding the change in PEG Channel Position, and ninety (90) 30-second ad avails in the forty-five (45) days following the change in PEG Channel position. These ads shall run on a variety of channels and day parts.

11.1.3 Grantee's subscribers shall not be required to obtain any additional

equipment to receive access to any of the PEG Channels offered in standard definition format other than that which is required generally by Grantee's Subscribers to receive the primary, standard definition signals of local television broadcast television stations carried on Grantee's Cable System.

11.1.4 After the Effective Date of this Agreement, should Metropolitan Government produce PEG programming in a high definition format and deliver such programming in a high definition signal to Grantee, the following requirements and obligations shall apply.

11.1.4.1 Metropolitan Government may, with one hundred twenty (120) day prior written notice to Grantee, begin providing PEG programming in high definition format to Grantee for delivery in standard definition format to Subscribers. Such programming shall be converted by Grantee to a standard definition signal before being provided to Subscribers if Grantee provides standard definition broadcast signals as part of the Basic Service Tier. The cost of modifying the existing fiber links as provided for in Section 11.5, herein, to accommodate high definition signals from Metropolitan Government, or converting such high definition programming to standard definition shall be the responsibility of Grantee. Grantee, at its sole discretion, may pass through to Subscribers the cost of modifying such fiber links and converting such high definition programming to standard definition programming.

11.1.4.2 Within sixty (60) days of a written request from Metropolitan Government, Grantee shall replace one (1) existing standard definition PEG Channel with a high definition PEG Channel provided, however, Grantee shall not be required to provide such high definition PEG Channel unless sixty percent (60%) of the video channels offered on the Basic Service Tier are in high definition format. Further, Grantee shall not be required to provide such high definition PEG Channel unless Metropolitan Government is producing a minimum of five (5) hours per day, five (5) days per week of high definition PEG programming on such

PEG Channel, which programming shall be locally produced, noncharacter generated, programming. An average of 25 hours of week of this programming shall be non-duplicative measured on a monthly basis.

11.1.4.3 Such high definition PEG Channel provided for in Section 11.1.4.2, above, shall be located in as close a proximity as reasonably possible to the local high definition broadcast television signals being carried on Grantee's Cable System. Grantee shall not be required to retain the same numerical designation or placement as the standard definition PEG Channel it replaces. Grantee shall not be required to relocate any existing high definition channels to make room for a high definition PEG Channel.

11.1.4.4 Grantee may implement high definition carriage of the high definition PEG Channel programming in any manner (including selection of compression technology, utilization of IP and other processing characteristics) that produces a signal quality for the Subscriber that is reasonably comparable to similar local broadcast high definition channels carried on the Cable System.

11.1.4.5 Grantee shall replace a second standard definition PEG Channel with a high definition PEG Channel within one hundred twenty (120) days of a prior written request from Metropolitan Government, provided, however, all of the programming being delivered by the second PEG Channel is in a high definition format and eighty percent (80%) of the channels on Grantee's Basic Service Tier are being delivered to Subscribers in high definition format.

11.1.4.6 Notwithstanding anything to the contrary in this Section 11.1.4, Grantee shall not be required to provide more than four (4) PEG channels on its Cable System. Further, Grantee shall be not be required to

delete or rearrange its existing channels to accommodate the carriage of Metropolitan Nashville's high definition PEG Channels.

11.1.4.7 Metropolitan Nashville acknowledges that high definition programming may require special viewer equipment and a subscription to advanced service tiers. By agreeing to make PEG Channel programming available in high definition format, Comcast shall not be required to provide free high definition equipment to its Subscribers, including complimentary municipal and educational accounts, nor modify its equipment or pricing policies in any manner. Further, Metropolitan Nashville acknowledges that every Subscriber may not be able to view high definition PEG Channel programming, may not be able to view such programming on every television set in the home, that additional costs may be involved in the reception of high definition programming, and that this may result in lost viewership to Metropolitan Nashville's PEG programming.

11.1.4.8 Grantee shall not be required to monitor or otherwise survey its Subscribers regarding their viewership of PEG Channel programming offered in high definition format.

11.1.4.9 Except as otherwise provided for above, Grantee shall not be responsible for the purchase, maintenance or repair of any equipment necessary for the production and delivery of high definition PEG programming by the Metropolitan Government or any designated entity to Grantee.

11.2. <u>Management of PEG Channel Positions</u>. Metropolitan Government may designate one (1) or more entities to manage the use of all or part of the PEG Channel Positions provided in Section 11.1, above.

11.2.1 Except to the extent permitted by federal law, Grantee shall not exercise

any editorial control over any PEG content on PEG Channels. Metropolitan Government shall be responsible for developing, implementing, interpreting, and enforcing rules for use of the PEG Channel Positions.

11.2.2 Metropolitan government agrees that PEG Channel Positions shall not be used to provide for-profit commercial services or programming. Metropolitan Government or any PEG access management designee may, however, authorize charges to pay for the direct costs of non-commercial services, such as fees for video class instruction or charges to recover the cost of PEG programmers' use of equipment, and may solicit and obtain donations and sponsorships to contribute to PEG access programming and operations and may cablecast sponsorship identifications. Such sponsorship identification shall not include any advertising materials or other information which is designed to promote the sale of any commercial product or service; any advertising message that promotes publicly declared candidates for elective public office or persons advocating any causes or endorsements; and lottery information or games of chance.

11.3 <u>Grantee Use of Fallow Time</u>. Because blank or under-utilized PEG Channel Positions are not in the public interest, in the event Metropolitan Government or other PEG access users elect not to fully program their Channel Position(s), Grantee may, upon prior written request to the Metropolitan Government given at least ninety (90) days before Grantee's proposed use of Channel Position, and upon the Metropolitan Government's prior written consent, such consent not to be unreasonably withheld, program unused time on those Channel Positions. Grantee's use of such Channel Positions is subject to reclamation by Metropolitan Government upon not less than sixty (60) days written notice.

11.4 <u>Indemnification</u>. Metropolitan Government and its PEG management designee, if any, shall require all public access users that furnish programming for airing on any of the public access Channel Positions to indemnify Grantee and the Metropolitan Government for any liability, loss or damage they may suffer as a result of the carriage of such public access user's programming on the System, including, but not limited to, i) violations of the intellectual property rights of third parties, ii) claims arising out of the content of programming shown on

any public access Channel Position, or iii) claims arising out of Metropolitan Government's rules for the administration of public access Channel Positions and programming. Such indemnification shall be agreed to in writing by the public access user as a condition for, and prior to, the airing of such programming.

11.5 PEG Origination Return Feed.

11.5.1 For the purpose of carrying PEG programming from its origination point to Grantee's Cable System, Grantee shall continue to provide dedicated fiber optic links between its Cable System head end and the following locations:

- Metro Southeast, located at 1417 Murfreesboro Road, Nashville, Tennessee 37219.
- The Metro Courthouse located at One Public Square, Nashville, Tennessee
 37201; and
- The Metro Nashville Public Schools Main Office at 2601 Bransford Avenue, Nashville, Tennessee, 37204.

11.5.2 For the purpose of carrying PEG programming from its origination point to Grantee's Cable System, Grantee shall be required to provide bidirectional fiber optic links between its Cable System head end and the following locations:

- The Howard Office Building located at 700 Second Avenue South, Nashville, Tennessee 37210.
- The Metropolitan Government PEG Studio at Nashville State Tech located at 120 White Bridge Road, P.E.G. TV Studio, Nashville, Tennessee 37209;

11.5.3 The links referenced in Sections 11.5.1 and 11.5.2 shall only be used for PEG channel programing purposes and shall include equipment (including, but not limited to, laser transmitters, modulators, and processors, drops, and wiring) so that each of the locations designated above can transmit PEG programming signals downstream over the Cable System to Subscribers, route such PEG programming signals to any PEG Channel Position, and otherwise control PEG

programming signals to allow for smooth breaks, transitions, and insertion of PEG programming material. Grantee shall not be responsible for the maintenance and replacement, if necessary, of any equipment associated with the operation of the fiber optic links. Grantee's cost of relocating such fiber connections to new locations, if requested to do so by the Metropolitan Government, shall be the responsibility of Metropolitan Government.

11.6. PEG Schedule.

11.6.1 Grantee shall cooperate with the Metropolitan Government in making the PEG schedule available to all Subscribers and to appropriate news sources, in the same manner as, but only to the extent that, Grantee does so with respect to all other programming on the System. Metropolitan Government and/or its designated PEG entity agrees to pay the reasonable cost, of including PEG programming schedule information in any EPG that Grantee controls. Grantee will give the Metropolitan Government an introduction to the EPG and shall not do anything to interfere with or prevent the Metropolitan Government's PEG Channel programming schedule from being made available to Subscribers via the EPG.

11.6.2 Grantee is not responsible for providing PEG programming scheduling information to independent, unaffiliated publishers, video channel or EPG providers, or for any decision by such an unaffiliated provider not to publish the PEG schedule in its EPG or program guide, provided, however, that Grantee will, upon request, provide Metropolitan Government and/or its designated PEG entity with any contact information it has concerning such unaffiliated EPG providers used on Grantee's System, and Grantee will not restrict the ability of Metropolitan Government and/or its designated PEG entity to deliver PEG programming scheduling information to such third-party EPG provider.

11.7 PEG Capital Support One-Time Grant. Grantee shall pay Metropolitan

Government a one-time PEG Capital Support Grant of One Hundred Thousand Dollars (\$100,000) to be paid within forty five (45) days of the Effective Date of this Agreement.

11.8 PEG Capital Support Annual Fee. Grantee shall pay Metropolitan Government or any PEG entity designated by it, an annual PEG Capital Support Fee in the amount of Two Hundred Thousand Dollars (\$200,000) per year ("PEG Capital Support Fee"). The PEG Capital Support Annual Fee shall be paid annually, with the Grantee making the first Two Hundred Thousand Dollar (\$200,000) payment within forty-five (45) days of the Effective Date, and each subsequent Two Hundred Thousand Dollar (\$200,000) payment thereafter on or before each anniversary of the Effective Date. The annual PEG Support Fee shall relieve the Grantee from any other PEG related costs over the life of this Franchise. In the event that the PEG Capital Support Annual Fee is not received by Metropolitan Government on or before the due date, the Grantee shall pay interest at the rate provided for in Tennessee Code Annotated Section 47-14-103(3) until the franchise fee payment is satisfied. The amounts outlined in Sections 11.7 and 11.8 identify the Grantee's maximum capital support obligations for PEG, and the Grantee's support shall not exceed the amounts outlined in these sections

11.9 <u>Itemization of PEG Capital Support Fee</u>. Grantee reserves the right, in a manner consistent with applicable law, to recover the PEG Capital Support Fee as a line item on its bills to Subscribers.

Section 12 - Courtesy Service

12.1 <u>Digital Transport Adapters (DTAs</u>). Grantee shall provide one thousand (1,000) DTAs located within Metropolitan Government facilities or schools, the location of which accounts shall be at the sole discretion of the Metropolitan Government in accordance with the following parameters:

(i) Year One: For the first year of this agreement, the DTAs will be provided at no charge to the Metropolitan Government;

(ii) Year Two: For year two, the Metropolitan Government will pay 33% of the commercial rate for each of the DTAs that the Metropolitan Government has;

(iii) Year Three: For year three, the Metropolitan Government will pay 66% of the commercial rate for each of the DTAs that the Metropolitan Government has;

and

(iv) Year Four and each year thereafter: For year four, and each year thereafter, the Metropolitan Government will pay 100% of the commercial rate for each of the DTAs that the Metropolitan Government has.

Grantee shall provide the Metropolitan Government with the Digital Starter Tier of Cable Service, or the equivalent level of service, to these DTAs. The channels contained in Grantee's Digital Starter tier as of the Effective Date are set forth in Exhibit A hereto and which are subject to change with thirty (30) day notice.

12.2 <u>Additional Outlets</u>. Except as provided in Section 12.1, above, the installation of additional outlets or the re-location of any existing outlets shall be in accordance with Grantee's published rates for such work. Monthly service to existing outlets at Metropolitan Government buildings beyond that provided by the DTAs set forth in Section 12.1 above, as well as monthly service to any new outlets pursuant to this Section 12.2, shall be billed at the prevailing commercial rate for comparable services.

Section 13 - Prior Franchise

13.1 <u>Duty to Comply with Prior Franchise Through Effective Date</u>. In addition to satisfying all the provisions of this Franchise Agreement, the Grantee shall continue to be bound by its obligations under the Prior Franchise, including payment of all franchise fees and other amounts owed, up to the Effective Date of this Franchise Agreement.

13.2 <u>Release of Claims</u>. The Metropolitan Government releases Grantee and all affiliates of Grantee from any and all of the rights and claims it has, may have had, or may have in the future against the Grantee under the Prior Franchise pursuant to the Settlement and Release Agreement dated ______ between the parties.

Section 14 - Miscellaneous Provisions

14.1 <u>Force Majeure</u>. The Grantee shall not be held in default under, or in noncompliance with, the provisions of this Franchise Agreement, nor suffer any enforcement or penalty relating to noncompliance or default (including termination, cancellation or revocation of

the Franchise), where such noncompliance or alleged defaults occurred or were caused by strike, riot, war, earthquake, flood, tidal wave, unusually severe rain or snow storm, hurricane, tornado or other catastrophic act of nature, labor disputes, failure of utility service necessary to operate the Cable System, governmental, administrative or judicial order or regulation or other event that is reasonably beyond the Grantee's ability to anticipate or control. This provision also covers work delays caused by waiting for utility providers to service or monitor their own utility poles on which the Grantee's cable or equipment is attached, as well as unavailability of materials or qualified labor to perform the work necessary.

14.2 <u>Notice</u>. All notices shall be in writing and shall be sufficiently given and served upon the other party by hand delivery, first class mail, registered or certified, return receipt requested, postage prepaid or by reputable overnight courier service and addressed as follows:

To Metropolitan Government:

Information Technology Services Department ATTN: Director of ITS Metropolitan Government of Nashville and Davidson County Nashville, TN 37219-6300

with a copy to:

Department of Law Metropolitan Government of Nashville and Davidson County Metropolitan Historic Courthouse Suite 108 1 Public Square Nashville, TN 37201

To Grantee:

Comcast of Nashville I, LLC Attention: General Manager 2501 McGavock Pike, Suite 1200 Nashville, TN 37214

with a copy to:

Comcast Cable Communications Attention: Vice President, Government Affairs 2925 Courtyards Drive Norcross, GA 30071 And:

Comcast Cable Attention: Vice President, Government Affairs 600 Galleria Parkway, Suite 1100 Atlanta, GA 30339

and:

Comcast Cable Attention: Cable Legal Department One Comcast Center 1701 JFK Blvd. Philadelphia, PA 19103

14.3 <u>Entire Agreement</u>. This Franchise Agreement, including all Exhibits, embodies the entire understanding and agreement of Metropolitan Government and the Grantee with respect to the subject matter hereof and supersedes all prior understandings, agreements, and communications, whether written or oral. All prior ordinances or parts of ordinances that are in conflict with the provisions of this Franchise Agreement are superseded by this Franchise Agreement. Notwithstanding the above, to the extent such local laws, ordinances or regulations clearly conflict with the terms and conditions of this Agreement, the terms and conditions of this Agreement shall prevail.

14.4 <u>Severability</u>. If any section, subsection, sentence, clause, phrase or other portion of this Franchise Agreement is, for any reason, declared invalid, in whole or in part, by any court, agency, commission, legislative body or other authority of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent portion. Such declaration shall not affect the validity of the remaining portions hereof, which other portions shall continue in full force and effect.

14.5 <u>Governing Law</u>. This Franchise Agreement shall be deemed to be executed in the State of Tennessee, and shall be governed in all respects, including validity, interpretation, and effect and construed in accordance with, the laws of the State of Tennessee, as applicable to contracts entered into and performed entirely within the State.

14.6 <u>Modification</u>. No provision of this Franchise Agreement shall be amended or otherwise modified, in whole or in part, except by an instrument, in writing, duly executed by Metropolitan Government and the Grantee, which amendment shall be authorized on behalf of Metropolitan Government through the adoption of an appropriate resolution or order by Metropolitan Government, as required by applicable law.

14.7 <u>No Third-Party Beneficiaries</u>. Nothing in this Franchise Agreement is intended to confer third-party beneficiary status on any member of the public or any other Person other than the parties to enforce the terms of this Franchise Agreement.

14.8 <u>No Waiver of Rights</u>. Nothing in this Franchise Agreement shall be construed as a waiver of any rights, substantive or procedural, either party may have under federal or state law except as provided herein. Notwithstanding the foregoing sentence, this Section 14.8 shall not be construed to permit either party to challenge the validity of this Agreement, or any provision thereof, on the ground that it is inconsistent with federal or state law as of the Effective Date of this Agreement.

IN WITNESS WHEREOF, this Franchise Agreement has been executed by the duly authorized representatives of the parties as set forth below, as of this _____ day of _____ 2013:

FOR METROPOLITAN NASHVILLE AND DAVIDSON COUNTY:

FOR COMCAST OF NASHVILLE I, LLC:

By:

Metropolitan Mayor

APPROVED AS TO AVAILABILITY OF FUNDS

By:

Director of Finance

BY: JCBanett

John Barrett Regional Senior Vice President, Southern Division

14.6 Modification. No provision of this Franchise Agreement shall be amended or otherwise modified, in whole or in part, except by an instrument, in writing, duly executed by Metropolitan Government and the Grantee, which amendment shall be authorized on behalf of Metropolitan Government through the adoption of an appropriate resolution or order by Metropolitan Government, as required by applicable law.

14.7 No Third-Party Beneficiaries. Nothing in this Franchise Agreement is intended to confer third-party beneficiary status on any member of the public or any other Person other than the parties to enforce the terms of this Franchise Agreement.

14.8 No Waiver of Rights. Nothing in this Franchise Agreement shall be construed as a waiver of any rights, substantive or procedural, either party may have under federal or state law except as provided herein. Notwithstanding the foregoing sentence, this Section 14.8 shall not be construed to permit either party to challenge the validity of this Agreement, or any provision thereof, on the ground that it is inconsistent with federal or state law as of the Effective Date of this Agreement.

IN WITNESS WHEREOF, this Franchise Agreement has been executed by the duly authorized representatives of the parties as set forth below, as of this 4 day of April 2013:

By:

FOR METROPOLITAN NASHVILLE AND **DAVIDSON COUNTY:**

Bv:

Metropolitan Mayor

APPROVED AS TO AVAILABILITY OF **FUNDS**

By:

Director of Finance

FOR COMCAST OF NASHVILLE I. LLC:

John Barrett Regional Senior Vice President, Southern Division

APPROVED AS TO FORM AND LEGALITY

By: Jh M Cosston S ASSM Metropolitan Attorney

EXHIBIT A

[List of Grantee's current Digital Starter tier channel lineup.]

ORIGINAL

METROPOLITAN COUNTY COUNCIL

2013 MAR | | AM | |: 59

FILED

а	ill No. BL2013-395 In ordinance approving a settlement greement and accepting a settlement
р	ayment resolving a dispute as to the
	ability of Comcast of Nashville I, LLC Comcast") arising out of an audit of
	concast's franchise fee payments under its
	rior, existing franchise agreement with the
	letropolitan Government and approving a
	enewed franchise agreement with Comcast
	or it to construct, maintain and operate a able television system within Metropolitan
	ashville and Davidson County under the
р	rovisions of Chapter 6.08 of the
	letropolitan Code (Proposal No. 2013M-
	01ER-001)
In	MAR 1 9 2013
Pa	ussed First Reading MAR 1 9 2013
A	mended
 Pa	ssed Second Reading APR 0 2 2013
<u> </u>	Sseu Secona Reaaing
Pa	assed Third Reading APR 1 6 2013
Аŗ	APR 17 2013
By	
-	Metropolitan Mayor
A	dvertised

:**F**.