

ORDINANCE 99-48

TOWN OF UNICOI, TENNESSEE

CABLE TELEVISION FRANCHISE AGREEMENT

An ordinance granting a franchise to a company, to own and operate and maintain a cable communications system in the Town of Unicoi, Tennessee, setting forth conditions accompanying the grant of franchise: and providing for the regulating and use of said system.

FRANCHISE AGREEMENT

This Franchise Agreement (hereinafter, the "Agreement" or "Franchise Agreement") is made between the Town of Unicoi and Comcast Cablevision of the South (hereinafter, the "Grantee").

The Town, having determined that the financial, legal, and technical ability of the Grantee is reasonably sufficient to provide 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 and operation of a cable system on the terms and conditions set forth herein.

SECTION 1

Definition of Terms

1.1 Terms. For the purpose of this Franchise Agreement, the following terms, phrases, words, and abbreviations shall have the meanings ascribed to them below. Unless otherwise defined herein, any term not defined herein shall have the meaning assigned to such term in the Cable Act.

"Cable Act" means Title VI of the Communications Act of 1934, as amended from time to time, 47 U.S.C. Sections 521 et seq.

"Cable Service" means: (A) the one-way transmission to Customers of (i) video programming, or (ii) other programming service, and (B) Customer interaction, if any, which is required for the selection or use of such video programming or other programming service.

“Cable System” means a facility, consisting of a set of closed transmission paths and associated signal generation, reception, and control equipment that is designed to provide Cable Service which includes video programming and which is provided to multiple Customers within a community, but such term does not include (A) a facility that serves only to retransmit the television signals of one or more television broadcast stations; (B) a facility that serves Customers without using any public right-of-way; (C) a facility of a common carrier which is subject, in whole or in part, to the provisions of Title II of the Cable Act, except that such facility shall be considered a Cable System (other than for purposes of Section 621(c)) to the extent such facility is used in the transmission of video programming directly to Customers, unless the extend of such use is solely to provide interactive on-demand service; (D) an open video system that complies with section 653 of the Cable Act; or (E) any facilities of any electric utility used solely for operating its electric utility systems.

“Control” means the ability to direct the policies and management of the Grantee.

“Customer” means a Person or user of the Cable System who lawfully receives Cable Service therefrom with the Grantee’s expressed permission.

“Effective Date” means ____, 199__.

“FCC” means the Federal Communications Commission, or successor governmental entity thereto.

“Franchise” means the initial authorization, or renewal thereof, issued by the Franchising Authority, whether such authorization is designated as a franchise, permit, license, resolution, contract, certificate, ordinance or otherwise, which authorizes construction and operation of the Cable System.

“Franchise Agreement” or “Agreement” shall have the meaning set forth in the preamble hereof.

“Franchise Area” means the present legal boundaries of the (City/Town/County) as of the Effective Date, and shall also include any additions thereto, by annexation or other legal mean.

“Franchising Authority” means Town of Unicoi or the lawful successor, transferee, designee, or assignee thereof.

“Grantee” shall have the meaning set forth in the preamble hereof.

“Gross Revenue” means any and all gross revenue actually received from the provision of Cable Service over the Cable System within the Franchise Area. “Gross Revenue” shall include monthly basic, premium and pay-per-view service fees, installation fees, and converter rental fees, but shall not include shopping commissions,

ad sales revenues, bad debt nor any taxes imposed and/or assessed by law on Customers that the Grantee collects and pays in full to the applicable authority.

“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 Franchising Authority.

“Public Way” shall mean the surface of, and the space above and below, any public street, 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 rights-of-way dedicated for compatible uses and any temporary or permanent fixtures or improvements located thereon now or hereafter held by the Franchising Authority in the Franchise Area, which shall entitle the Franchising Authority and the Grantee to the use thereof for the purpose of installing, operating, repairing, and maintaining the Cable System. Public Way shall also mean any easement now or hereafter held by the Franchising Authority within the Franchise Area for the purpose of public travel, or for utility or public service use dedicated for compatible uses, and shall include other easements or rights-of-way as shall within their proper use and meaning entitle the Franchising Authority 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 pertinent to the Cable System.

SECTION 2

Grant of Authority

2.1. Grant of Franchise. The Franchising Authority hereby grants to the Grantee under the Cable Act a nonexclusive Franchise, which authorizes the Grantee to construct, and operate a Cable System in, along, among, upon, across, above, over, under, or in any manner connected with Public Ways within the Franchise Area, and for that purpose to erect, install, construct, repair, replace, reconstruct, maintain, or retain in, on, over, under, upon, across, or along any Public Way and all extensions thereof and additions thereto, 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 the Cable System. Nothing in this Franchise shall be construed to prohibit the Grantee from offering any service over its Cable System that is not prohibited by federal, state or local law.

2.2. Term of Franchise. The term of the Franchise granted hereunder shall be for an initial term of ten (10) years, commencing upon the Effective Date of the Franchise, unless the Franchise is renewed or is lawfully terminated in accordance with the terms of this Franchise Agreement.

2.3. Renewal. Any renewal of this Franchise shall be governed by and comply with the provisions of Section 626 of the Cable Act, as amended.

2.4. Reservation of Authority. Nothing in this Franchise Agreement shall (A) abrogate the right of the Franchising Authority to perform any public works or public improvements of any description, (B) be construed as a waiver of any codes or ordinances of general applicability promulgated by the Franchising Authority, or (C) be construed as a waiver or release of the rights of the Franchising Authority in and to the Public Ways.

2.5. Competitive Equity.

2.5.1. The Grantee acknowledges and agrees that the Franchising Authority reserves the right to grant one or more additional franchises to provide Cable Service within the Franchise Area; provided however, that no such franchise agreement shall contain terms or conditions more favorable or less burdensome to the competitive entity than the material terms and conditions herein, including, but not limited to, franchise fees; insurance; system build-out requirements; performance bonds or similar instruments; public, education and government access channels and capital support; customer service standards; required reports and related record keeping; liquidated damages and other sanctions; and universal service. If any such additional and/or competitive franchise is granted by the Franchising Authority which, in the reasonable opinion of the Grantee, contains more favorable or less burdensome terms or conditions than this Franchise Agreement, then the Grantee may give written notice to the Franchising Authority stating the specific terms and/or conditions in the competitive franchise that are more favorable or less burdensome than those contained in this Franchise Agreement. Upon receipt of any such notice, if the Franchising Authority, acting reasonably, agrees with the Grantee's assertion, then the Franchising Authority shall modify this Franchise Agreement to include any more favorable or less burdensome term or condition, provided, the Grantee agrees, upon the request of the Franchising Authority, to also modify this Franchise Agreement to include any term or condition contained in the competitive franchise that is more favorable to the Franchising Authority or more burdensome to the Grantee, in order that one operator not be granted an unfair competitive advantage over another, and to provide all parties equal protection under the law.

2.5.2. Any franchise granted by the Franchising Authority shall be non-exclusive. Any Person desiring a new cable television franchise in the Franchising Area shall file with the Franchising Authority an application for a new cable television franchise in a form acceptable or specified by the Franchising Authority, and in accordance with procedures and schedules established by the Franchising Authority. In the event an application for a new cable television franchise is filed with the Franchising Authority proposing to serve the Franchising Area, in whole or in part, the Franchising Authority shall serve a copy of such application upon any existing Grantee or incumbent cable operator by registered or certified mail.

SECTION 3

The System

3.1. Permits and General Obligations. The Grantee shall be responsible for obtaining, at its own cost and expense, all 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. Construction, installation, and maintenance of the Cable System shall be performed in a safe, thorough and reliable manner using materials of good and durable quality. 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 Ways and the rights and reasonable convenience of property owners who own property that adjoins any such Public Way.

3.2. Conditions on Street Occupancy.

3.2.1. 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 written notice from the Franchising Authority and at its own 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 public funds are available to any Person using such street or public right-of-way for the purpose of defraying the cost of any of the foregoing, the Franchising Authority shall upon written request of the Grantee make application for such funds on behalf of the Grantee.

3.2.2. Relocation at request of Third Party. The Grantee shall, upon reasonable prior written request of any Person holding a permit issued by the Franchising Authority 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.

3.2.3. Restoration of Public Ways. 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 agrees that it shall at its own cost and expense replace and restore any such Public Way to a condition reasonably comparable to the condition of the Public Way existing immediately prior to the disturbance.

3.2.4. Safety Requirements. The Grantee shall, at its own cost and expense, undertake all necessary and appropriate 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 substantial accordance with applicable FCC or other federal, state, and local regulations and the National Electric Safety Code. The Cable System shall not unreasonably endanger or interfere with the safety of Persons or property in the Franchise Area.

3.2.5. Trimming of Trees and Shrubbery. The Grantee shall have the authority to 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. All such trimming shall be done at the Grantee's sole cost and expense. The Grantee shall reasonably compensate the Franchising Authority for any damage caused by such trimming, or shall, in its sole discretion and at its own cost and expense, reasonably replace all trees or shrubs so damaged. Such replacement shall satisfy any obligations the Grantee may have to the Franchising Authority pursuant to the terms of this Section 3.2.5.

3.2.6. Aerial and Underground Construction. If all of the transmission and distribution facilities of all of the respective public or municipal utilities in any area of the Franchise Area are underground, the Grantee shall place its Cable Systems'

transmission and distribution facilities underground; provided that such facilities are actually capable of receiving the 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 municipal utilities are both aerial and underground, the Grantee shall have the sole discretion to construct, operate, and maintain all of its transmission and distribution facilities, or any part thereof, aerially or underground. Nothing in this Section 3.2.6. 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. Notwithstanding anything to the contrary contained in this Section 3.2.6., in the event that all of the transmission or distribution facilities of all of the respective public or municipal utilities are required to be placed underground after the Effective Date of this Franchise Agreement, the Grantee shall only be required to construct, operate and maintain all of its transmission and distribution facilities underground if it is given reasonable notice and access to the public and municipal utilities' facilities at the time that such are placed underground.

SECTION 4 **Service Obligations**

4.1. General Service Obligation. The Grantee shall provide Cable Service to every dwelling unit within the Franchise Area reaching the minimum density of at least twenty (20) dwelling units per mile. The Grantee shall offer Cable Service to all new homes or previously unserved homes located within 125 feet of the Grantee's distribution cable.

The Grantee may elect to provide Cable Service to areas not meeting the above density standards. The Grantee may impose an additional charge in excess of its regular installation charge for any service installation requiring a drop in excess of the above standards. Any such additional charge shall be computed on a time plus materials basis to be calculated on that portion of the installation which exceeds the 125 foot standard set forth above.

4.2. Programming. The Grantee shall offer to all Customers a diversity of video programming services.

4.3. No Discrimination. Neither the Grantee nor any of its employees, agents, representatives, contractors, subcontractors, or consultants, nor any other Person, shall discriminate or permit discrimination between or among any Persons in the availability of Cable Services provided in connection with the Cable System in the Franchise Area. It shall be the right of all Persons to continuously receive all available services provided on the Cable System so long as such Person's financial or other obligations to the Grantee are satisfied.

4.4. New Developments. The Franchising Authority shall provide the Grantee with written notice of the issuance of building or development permits for planned

developments within the Franchise Area requiring undergrounding of cable facilities. The Franchising Authority agrees to require, as a condition of issuing the permit, the developer give the Grantee access to open trenches for deployment of cable facilities and written notice of the date of availability of trenches. Such notice must be received by the Grantee at least ten (10) business days prior to the availability of such trenches. Developer shall be responsible for the digging and backfilling of all trenches. The Grantee shall be responsible for engineering and deployment of labor applicable to its cable facilities. Installation of cable facilities from utility easements to individual homes or other structures shall be at the cost of the home/building owner or developer unless otherwise provided.

4.5. Prohibition against Reselling Service. No Person shall resell, without the express prior written consent of the Grantee, any Cable Service, program or signal transmitted over the Cable System by the Grantee.

SECTION 5 Fees and Charges to Customers

5.1. Rates, Fees, Charges. All rates, fees, charges, deposits and associated terms and conditions to be imposed by the Grantee or any affiliated Person for any Cable Service as of the Effective Date shall be in accordance with the FCC's rate regulations. Before any new or modified rate, fee, or charge is imposed, the Grantee shall follow the applicable FCC notice requirements and rules and notify affected Customers, which notice may be by any means permitted under applicable law. Except to the extent otherwise expressly permitted by applicable law, the Grantee shall provide Cable Service to each resident in the Franchise Area in accordance with a uniform rate structure throughout the Franchise Area. The preceding requirement shall not prevent the Grantee from using bulk, commercial, promotional and other rates in accordance with federal law.

SECTION 6 Customer Service Standards; Customer Bills; and Privacy Protection

6.1. Customer Service Standards. The Franchising Authority adopts the customer service standards and rules set forth in Part 76, §76.309 of the FCC's rules and regulations. The Grantee shall comply in all respects with the customer service requirements established by the FCC pursuant to §632(c) of the Cable Act and any corresponding regulations, thereto.

6.2. Customer Bills. Customer bills shall be designed in such a way as to present the information contained therein clearly and comprehensibly to Customers, and in a way that (A) is not misleading, (B) does not omit material information, and (C) does not mischaracterize any information. Notwithstanding anything to the contrary in Section

6.1, above, the Grantee may, in its sole discretion, consolidate costs on Customer bills as may otherwise be permitted by Section 622(c) of the Cable Act (47 U.S.C. §542(c)).

6.3. Privacy Protection. The Grantee shall comply with Section 631 of the Cable Act and regulations adopted pursuant thereto.

SECTION 7 Oversight and Regulation by Franchising Authority

7.1 Franchise Fees. The Grantee shall pay to the Franchising Authority franchise fees in an amount equal to five percent (5%) of annual Gross Revenue actually received from the operation of the Cable System to provide Cable Service in the Franchise Area; provided, however, that Grantee shall not be compelled to pay any higher percentage of franchise fees than any other cable operator providing service in the Franchise Area. The payment of franchise fees shall be made on an [annual/quarterly] basis and shall be due forty-five (45) days after the close of each [calendar year/calendar quarter]. Each franchise fee payment shall be accompanied by a certified report from a representative of the Grantee, which shows the basis for the computation of all Gross Revenue actually received from the operation of the Cable System for the provision of Cable Service in the Franchise Area during the period for which such franchise fee payment is made. If the franchise fee payment is not actually received by the Franchising Authority on or before the applicable due date set forth in this Section 7.1, interest shall accrue on the outstanding amount at rates published by the Internal Revenue Service for tax refunds and additional tax payments for the period of delinquency.

7.2. Franchise Fees Subject to Audit.

7.2.1. Upon reasonable prior written notice, during normal business hours, the Franchising Authority shall have the right to inspect the Grantee's financial records used to calculate the Franchising Authority's franchise fees, and the right to audit and to re-compute any amounts determined to be payable under this Section; provided, however, that any such audit shall take place within three (3) years from the date the Franchising Authority receives such payment, after which period any such payment shall be considered final.

7.2.2. Upon the completion of any such audit conducted by the Franchising Authority, the Franchising Authority shall provide to the Grantee a final audit report, which sets forth the Franchising Authority's findings in detail, including any and all substantiating evidence. The Grantee shall have thirty (30) days from the receipt of the audit report to provide the Franchising Authority with a written response to the audit report, including any substantiating evidence. Any "Finally Settled Amount(s)" due to the Franchising Authority as a result of such audit shall be paid to the Franchising Authority by the Grantee within thirty (30) days from receipt of written notice of the Final Settlement Amount from the Franchising Authority. For purposes of this Section 7 the term "Finally Settled Amount(s)" shall mean the agreed upon underpayment, if any,

to the Franchising Authority by the Grantee as a result of any such audit. The Franchising Authority shall bear the expense of any inspection or audit of the Grantee's books and records.

7.3. Oversight of Franchise. In accordance with applicable law, the Franchising Authority shall have the right to oversee, regulate and, on reasonable prior written notice, periodically inspect the construction, operation and maintenance of the Cable System in the Franchise Area, and all parts thereof, to monitor Grantee's compliance with the provisions of this Franchise Agreement.

7.4. Technical Standards. The Grantee shall comply with all appropriate 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 alterations, modifications or amendments within a reasonable period after their adoption by the FCC. As provided in these rules, the Franchising Authority 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.

7.5. Maintenance of Books, Records, and Files.

7.5.1. Books and Records. Throughout the term of this Franchise Agreement, the Grantee agrees that the Franchising Authority, upon reasonable prior written notice to the Grantee, may review such of the Grantee's books and records regarding the operation of the Cable System and the provision of Cable Service in the Franchise Area which are reasonably necessary to monitor Grantee's compliance with the provisions of this Franchise Agreement at the Grantee's business office, during normal business hours and without unreasonably interfering with Grantee's business operations. Such books and records shall include, without limitation, any records required to be kept in a public file by the Grantee pursuant to the rules and regulations of the FCC. All such documents pertaining to financial matters that may be the subject of an audit by the Franchising Authority shall be retained by the Grantee for a minimum period of three (3) years.

7.5.2. File for Public Inspection. Throughout the term of this Franchise Agreement, the Grantee shall maintain at its business office, in a file available for public inspection during normal business hours, those documents required pursuant to the FCC's rules and regulations.

7.5.3. Proprietary Information. Notwithstanding anything to the contrary set forth in this Section 7, the Grantee shall not be required to disclose information which it reasonably deems to be proprietary or confidential in nature. The Franchising Authority agrees to treat any information disclosed by the Grantee as confidential and only to disclose it to employees, representatives, and agents of the Franchising Authority that have a need to know, or in order to enforce this Franchise Agreement and who agree to maintain the confidentiality of all such information. The Grantee shall not be required to provide Customer information in violation of Section 631 of the Cable Act. For purposes of this Section 7 the terms "proprietary or confidential" include, but are not limited to,

information relating to the Cable System design, Customer lists, Cable Service and marketing plans, financial information unrelated to the calculation of franchise fees or rates pursuant to FCC rules, or other information that is reasonably determined by the Grantee to competitively sensitive.

7.6. Transfer or Change of Control of Franchise. Neither the Grantee nor any other Person may transfer the Cable System or the Franchise without the prior written consent of the Franchising Authority, which consent shall not be unreasonably withheld. No such 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 an entity owned and/or Controlled by Comcast Corporation. Within thirty (30) days of receiving a request for transfer, the Franchising Authority shall, in accordance with FCC rules and regulations, notify the Grantee in writing of the information it requires to determine the legal, financial and technical qualifications of the transferee. If the Franchising Authority has not taken action on the Grantee's request for transfer within one hundred twenty (120) days after receiving such request, consent to the transfer shall be deemed given.

SECTION 8

Insurance and Indemnity

8.1. Insurance. Throughout the term of this Franchise Agreement, the Grantee shall, at its own cost and expense, maintain Comprehensive General Liability Insurance and provide the Franchising Authority, certificates of insurance designating the Franchising Authority and its officers, boards, commissions, councils, elected officials, agents and employees as additional insureds and demonstrating that the Grantee has obtained the insurance required in this Section 8. Such policy or policies shall be in the minimum amount of One Million Dollars (\$1,000,000.00) for bodily injury or death to any one person, and One Million Dollars (\$1,000,000.00) for bodily injury or death of any two or more persons resulting from one occurrence, and One Million Dollars (1,000,000.00) for property damage resulting from any one accident. Such policy or policies shall be non-cancelable except upon thirty (30) days prior written notice to the Franchising Authority. The Grantee shall provide workers' compensation coverage in accordance with applicable law. The Grantee shall indemnify and hold harmless the Franchising Authority from any workers compensation claims to which the Grantee may become subject during the term of this Franchise Agreement

8.2. Indemnification. The Grantee shall indemnify, defend and hold harmless the Franchising Authority, its officers, employees, and agents from and against any liability or claims resulting from property damage or bodily injury (including accidental death), which arise out of the Grantee's construction, operation, or maintenance of its Cable System, including, but not limited to, reasonable attorneys' fees and costs, provided that the Franchising Authority shall give the Grantee written notice of its obligation to indemnify the Franchising Authority within ten (10) business days of receipt of a claim or action pursuant to this Section 8.2. If the Franchising Authority determines that it is

necessary for it to employ separate counsel, the costs for such separate counsel shall be the responsibility of the Franchising Authority.

SECTION 9

System Description and Service

- 9.1. During the term of this Agreement the Grantee's Cable System shall be capable of providing a minimum of 77 channels of video programming with satisfactory reception available to its customers in the Franchise Area.
- 9.2. Service to School Buildings. The Grantee shall provide free "Basic" and "Expanded Basic" tier Cable Service, and free installation of one outlet to each public and private school located in the Franchise Area within 150 feet of the Grantee's distribution cable.
- 9.3. Service to Governmental and Institutional Facilities. The Grantee shall provide free "Basic" and "Expanded Basic" tier Cable Service and free installation of one outlet to each non-residential municipal building located in the Franchise Area within 150 feet of the Grantee's distribution cable.
- 9.4. Government Access Programming. Upon written request of the Town, Grantee shall cablecast on the designated access channel, pre-recorded video tapes of town meetings supplied to Grantee by the Town or its designated representative; provided, Grantee shall have sole discretion in determining when such tapes shall be cablecast on the access channel, and; provided; further; that such pre-recorded video tapes are in a compatible format and suitable quality to that which is normally utilized by the Cable System, as determined by Grantee.

SECTION 10

Enforcement and Termination of Franchise

- 10.1. Notice of Violation or Default. In the event the Franchising Authority believes that the Grantee has not complied with the material terms of the Franchise, it shall notify the Grantee in writing with specific details regarding the exact nature of the alleged noncompliance or default.
- 10.2. Grantee's Right to Cure or Respond. The Grantee shall have forty-five (45) days from the receipt of the Franchising Authority's notice described in Section 10.1, above: (A) to respond to the Franchising Authority, contesting the assertion of noncompliance or default, or (B) to cure such default, or (C) in the event that, by nature of the default, such default cannot be cured within the forty-five (45) day period, initiate reasonable steps to remedy such default and notify the Franchising Authority of the steps being taken and the projected date that they will be completed.

10.3. Public Hearings. In the event the Grantee fails to respond to the Franchising Authority's notice described in Section 10.1., above, or in the event that the alleged default is not remedied within forty-five (45) days or the date projected pursuant to Section 10.2., above, the Franchising Authority shall schedule a public hearing to investigate the default. Such public hearing shall be held at the next regularly scheduled meeting of the Franchising Authority that is scheduled at a time, which is no less than ten (10) business days therefrom. The Franchising Authority shall notify the Grantee in writing of the time and place of such meeting and provide the Grantee with a reasonable opportunity to be heard.

10.4. Enforcement. Subject to applicable federal and state law, in the event the Franchising Authority, after such meeting, determines that the Grantee is in default of any provision of the Franchise, the Franchising Authority may:

10.4.1. seek specific performance of any provision, which reasonably lends itself to such remedy, as an alternative to damages or seek other equitable relief, or

10.4.2. in the case of a substantial default of a material provision of the Franchise, declare the Franchise Agreement to be revoked in accordance with the following:

(i) The Franchising Authority shall give written notice to the Grantee of its intent to revoke the Franchise on the basis of a pattern of noncompliance by the Grantee, including one or more instances of substantial noncompliance with a material provision of the Franchise. The notice shall set forth with specificity the exact nature of the noncompliance. The Grantee shall have ninety (90) days from the receipt of such notice to object in writing and to state its reasons for such objection. In the event the Franchising Authority has not received a satisfactory response from the Grantee, it may then seek termination of the Franchise at a public hearing. The Franchising Authority shall cause to be served upon the Grantee, at least ten (10) days prior to such public hearing, a written notice specifying the time and place of such hearing and stating its intent to request termination of the Franchise.

(ii) At the designated hearing, the Franchising Authority 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 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 Franchising Authority shall be in writing and shall be delivered to the Grantee in the manner set forth in Section 11.2 herein. The Grantee may appeal such determination to an appropriate court, which shall have the power to review the decision of the Franchising Authority "de novo" and to modify or reverse such decision as justice may require. Such appeal to the appropriate court must be taken within sixty (60) days of the issuance of the determination of the Franchising Authority.

(iii) The Franchising Authority may, at its sole discretion, take any lawful action that it deems appropriate to enforce its rights under the Franchise in lieu of revocation.

10.5. Technical Violation. The Franchising Authority agrees that it is not its intention to subject the Grantee to penalties, fines, forfeitures or revocation of the Franchise for so-called "technical" breach(es) or violation(s) of the Franchise, which shall include, but not be limited, to the following:

10.5.1. in instances or for matters where a violation or a breach of the Franchise by the Grantee was good faith error that resulted in no or minimal negative impact on the Customers within the Franchise Area; or

10.5.2. where there existed circumstances reasonably beyond the control of the Grantee and which precipitated a violation by the Grantee of the Franchise, or which were deemed to have prevented the Grantee from complying with a term or condition of the Franchise.

SECTION 11 Miscellaneous Provisions

11.1 Force Majeure. The Grantee shall not be held in default under, or in noncompliance with, the provisions of the Franchise, nor suffer any enforcement or penalty relating to noncompliance or default (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, 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 and/or equipment is attached, as well as unavailability of materials and/or qualified labor to perform the work necessary.

11.2. Notice. 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 facsimile with confirmed transmission and addressed as follows:

The Franchising Authority:	Town of Unicoi Mayor P.O. Box 327 Unicoi, TN 37692 Facsimile: (423) 743-7165
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The Grantee:	Comcast Cablevision
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General Manager
1794 Old Gray Station Road
Gray, TN 37615
Facsimile: (423) 282-5419

with a copy to: Comcast Cablevision, South Central Region
Vice President of Public Affairs
360 Interstate North Parkway, Suite 600
Atlanta, GA 30339
Facsimile: (678) 385-5101

11.3. Entire Agreement. This Franchise Agreement, including all Exhibits, embodies the entire understanding and agreement of the Franchising Authority and the Grantee with respect to the subject matter hereof. All ordinances or parts of ordinances or other agreements between the Grantee and the Franchising Authority that are in conflict with the provisions of this Franchise Agreement are hereby declared invalid and superseded and this Franchise Agreement shall control.

11.4. Severability. 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.

11.5. Governing Law. This Franchise Agreement shall be deemed to be executed in the County of Unicoi, 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.

11.6. 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 the Franchising Authority and the Grantee, which amendment shall be authorized on behalf of the Franchising Authority through the adoption of an appropriate resolution or order by the Franchising Authority, as required by applicable law.

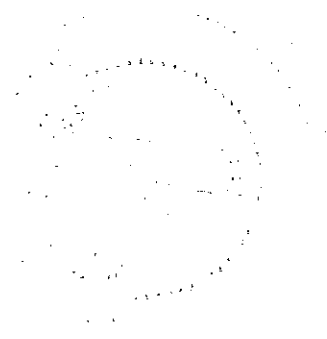
IN WITNESS WHEREOF, this Franchise Agreement has been executed by the duly authorized representatives of the parties as set forth below, as of this 15 day of November 1999.

Attest:

Franchising Authority:

Marcia V. Johnson

By: Charles M. Hensley
Name: CHARLES M. HENSLEY
Title: MAYOR



Attest:

Comcast Cablevision of the South, Inc.

By: _____
John H. Ridall, Jr.,
Regional Sr. Vice President

This ordinance shall take effect upon passage.

Voting for this Ordinance:

First Reading on October 18, 1999:

	<u>Yes</u>	<u>No</u>
Mr. Hopson	✓	—
Mr. Lynch	✓	—
Mr. Street	✓	—
Ms. Edwards	✓	—
Mayor Hensley	✓	—

Second Reading on November 15, 1999:

Mr. Hopson	✓	—
Mr. Lynch	✓	—
Mr. Street	✓	—
Ms. Edwards	✓	—
Mayor Hensley	✓	—

Charles M. Hensley
Charles M. Hensley, Mayor

ATTEST:

Marcia V. Johnson
Marcia V. Johnson, Town Recorder