



CITY OF GERMANTOWN TENNESSEE

1930 South Germantown Road • Germantown, Tennessee 38138-2815
Phone (901) 757-7200 Fax (901) 757-7292 www.germantown-tn.gov

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2008 JUL -9 PM 12:49
T.R.A. DOCKET ROOM

July 8, 2008

Tennessee Regulatory Authority
ATTN: Lisa Cooper, TRA Programs Manager
460 James Robertson Parkway
Nashville, TN 37243

Dear Ms. Cooper:

In response to your letter dated July 3, 2008, the following is the information requested of the City of Germantown in compliance with Public Chapter 932, the Competitive Cable and Video Services Act, Section 10(a).

The existing Cable Television Franchise Agreement began June 1, 1996. The franchise was entered into between the City of Germantown and Time Warner Communications. The non-exclusive franchise agreement is for a period of twenty years. On August 1, 2006 the franchise was transferred to Comcast Communications under the terms identified in our cable ordinance. Comcast is contractually obligated to the terms and conditions of the original franchise until its expiration in 2016. Under the terms and conditions of the franchise agreement, Comcast pays the City 5% of their gross revenue as a franchise fee.

In addition and per your request under Section 10(a) of Public Chapter 932, Comcast provides a payment to the City to support the capital needs of public, educational and governmental access (the PEG channels) and the facilities and equipment for this programming in the following manner:

1. Commencing effective July 1, 1996, the Company shall be obligated to pay to the City as the Capital Contribution for each franchise year an amount equal to \$1.21 for each of the Company's basic service subscribers on the last day of the month preceding the year for which the calculation is being made.
2. Commencing upon July 1, 2001, the Capital Contribution factor of \$1.21 shall increase to \$1.25 for each basic service subscriber each month.
3. Commencing upon July 1, 2006, the Capital Contribution factor of \$1.25 shall increase to \$1.30 for each basic service subscriber each month.
4. Commencing upon July 1, 2011, the Capital Contribution factor of \$1.30 shall increase to \$1.34 for each basic service subscriber each month.

For purposes of calculating the Capital Contribution, the number of basic service subscribers shall be determined as of the end of the previous franchise year, which year ends each June 30. In fiscal year 2008, the City received \$492,278.32 in Capital Contributions from Comcast to support PEG.

Under the terms of our franchise agreement with Comcast, they are required to provide three (3) channels for public, educational and governmental cablecasting. All three are currently activated.

I have enclosed for your information a copy of our franchise agreement with Comcast. It provides greater detail on the information you requested including the construction of an institutional network and providing internet service to schools. If you have further questions or need additional information, please do not hesitate to contact me.

Sincerely,



Patrick J. Lawton
City Administrator

C: Board of Mayor and Aldermen
Telecommunication Commission
Scott Crosby, Burch Porter & Johnson

CABLE TELEVISION FRANCHISE AGREEMENT

This Cable Television Franchise Agreement is entered into this 10th day of February, 1997, so as to be effective June 1, 1996, by and between the City of Germantown, Tennessee ("City") and Time Warner Communications - Mid-South Division, a division of Time Warner Cable, a division of Time Warner Entertainment Company, L.P., ("Company").

WHEREAS, the City adopted a Cable Television Ordinance on February 10th, 1997 ("Ordinance"), which authorizes the City to issue or renew franchises to operate a Cable System in the City and which Ordinance is applicable to all such franchises issued or renewed on or after June 1, 1996; and

WHEREAS the Company holds an existing franchise, and the Company has requested renewal of said franchise under the procedures established by federal statute; and

WHEREAS, the City has held a public hearing, ascertained its future cable-related needs and interests, and discussed methods for meeting these needs with the Company.

NOW, THEREFORE, in consideration of the faithful performance and strict observance by the Company of all the terms hereinafter set forth or provided for, and also provided for in the Ordinance pursuant to which this Franchise Agreement is executed, and in consideration of the grant to the Company by the City of the rights hereinafter delineated, the parties agree as follows:

SECTION 1. GRANT OF FRANCHISE

A. The City hereby grants to the Company a non-exclusive Franchise (as defined in the Ordinance) to construct, operate, and maintain a Cable System within the public ways of the City in accordance with the terms and conditions of this Agreement and the Ordinance. The Franchise shall become effective on the date of acceptance by the Company in compliance with this Agreement and with the Ordinance, for the period of twenty (20) years, expiring on June 30, 2016.

B. The Company hereby accepts the Franchise and agrees to abide by all the provisions of this Franchise Agreement, the Ordinance, and other relevant regulations ordinances of the City which are hereby incorporated by reference as though set forth herein.

C. The Company hereby agrees that it has negotiated this Franchise in good faith and with due knowledge of its rights and responsibilities under relevant local, state, and federal laws.

OK

SECTION 2. SYSTEM-UPGRADE

The Company hereby agrees to complete an upgrade of its Cable System within twenty-four (24) months from its acceptance of the Franchise as more fully outlined herein:

A. The Company agrees that within 24 months of the approval and grant of its Franchise, it will complete the upgrade of the current System in the City to a bi-directional interactive, hybrid fiber coax (HFC) telecommunications network. The resulting network will be constructed using fiber to-the-node architecture and provide a minimum bandwidth capacity of 750 MHz (115 channels). This network will be constructed to support a "full service network" (FSN) with 550 MHz initially activated with the remaining 200 MHz reserved for additional services as they are introduced.

B. The entire System upgrade project will be coordinated with the City and quarterly progress reports will be provided to the City.

C. The timetable for the project is outlined from the point after the Franchise has been granted to the Company:

- | | | |
|-----|-------------|--|
| (1) | 1-6 Months | <u>Field Preparation</u>
Work teams will walk every foot of the current system and provide detailed as-built maps of the current plant and projected growth. |
| (2) | 6-12 Months | <u>Design and Construction Preparation</u>
Using a sophisticated CAD system, the full network design will be provided by the Company's design specialists in Shelby County. RFPs will be issued for materials and services. |
| (3) | 12 Months | <u>Fiber Network Construction Begins</u>
The distribution fiber rings will be completed first. The residential construction will immediately follow. |
| (4) | 16 Months | <u>Communications Center Completed</u>
The new communications center and control facility that will provide the additional services will be upgraded and completed. |

- (5) 18 Months Residential Certification and Activation
The activation of the new network will begin on a neighborhood-by-neighborhood basis after quality assurance certification and compliance is completed.
- (6) 24 Months Project Completed
All construction and upgrade phases will be completed. All the Subscribers in the City will have access to the new network.

D. The City reserves the right to have an independent engineer or equivalent audit the system to verify completion.

SECTION 3. SYSTEM CONSTRUCTION

A. Within two (2) years from the date of the approval and execution of this Franchise Agreement, the Company must make available Cable Service, as defined in Section 8-2 of the Ordinance, to every dwelling unit within an Initial Service Area of the City, such area defined as one having at least fifty (50) dwelling units per street mile. Further, the Company must make available Cable Service to at least twenty (20) percent of the Initial Service Area within six (6) months from the date of the approval and execution of this Franchise Agreement and at least fifty (50) percent of the Initial Service Area within one (1) year from the approval and execution of this Franchise Agreement. Any delay beyond the terms of the foregoing construction timetable, unless specifically approved by the City, will be considered a breach of this Franchise Agreement and a violation of Section 8-20 of the Ordinance. However, in special circumstances, the City can waive the requirement be made available to all dwelling units within the Initial Service Area within the two (2) year time frame outlined herein if Cable Service is made available to not less than ninety-five (95) percent of dwelling units in such Area and if, in the sole judgment of the City, there are extenuating circumstances which justify such a waiver.

B. In areas of the City not included in the Initial Service Area or not served by the Company at the time of the execution and approval of this Franchise Agreement, the Company must extend its Cable System pursuant to the following requirements:

1. No subscriber shall be refused Cable Service arbitrarily.

2. Cable Service must be extended to new subdivisions no later than the time that sixty (60) percent of the dwelling units of a new subdivision are completed. To expedite the process

of extending Cable Service into a new subdivision, the City will forward to the Company an approved engineering plan of each new subdivision. Notwithstanding the foregoing, the Company and City may agree on a construction timetable into new subdivisions which are built in phases on a timetable different than that outlined herein.

3. The Company must extend and make available Cable Service to every dwelling unit in all unserved areas having at least twenty (20) dwelling units per street mile no later than four (4) years from the execution and approval of this Franchise Agreement.

4. The Company must extend and make available Cable Service to any isolated resident outside the Initial Service Area requesting connection at the standard connection charge, if the connection to the isolated resident would require no more than a standard one hundred and fifty (150) foot aerial drop line.

C. In areas not meeting the requirements for mandatory extension of Cable Service, the Company shall provide, upon the request of a potential subscriber desiring Cable Service, an estimate of the costs required to extend Cable Service to such potential subscriber. The Company shall then extend Cable Service upon request of the potential subscriber and agreement to pay such costs. The Company may require advance payment or assurance of payment satisfactory to the Company. The amount paid by such persons for early extensions shall be nonrefundable.

D. In cases of new construction or property development where utilities are to be placed underground, the developer or property owner shall give the Company reasonable notice of such construction or development, and of the particular date on which open trenching will be available for the Company's installation of conduit, pedestals and/or vaults, and laterals to be provided at the Company's expense. The Company shall also provide specifications as needed for trenching. Costs of trenching and easements required to bring Cable Service to the development shall be borne by the developer or property owner; except that if the Company fails to install its conduit, pedestals and/or vaults, and laterals within five (5) working days of the date the trenches are available, as designated in the notice given by the developer or property owner, then should the trenches be closed after the five (5) day period, the cost of new trenches is to be borne by the Company. Except for the notice of the particular date on which trenching will be available to the Company, any notice provided to the Company by the Town of a preliminary plat request shall satisfy the requirement of reasonable notice if sent to the local general manager or system engineer of the Company prior to approval of the preliminary plat request.

E. Nothing in this Section shall be construed to prevent the Company from serving areas not covered under this Section upon agreement with developers, property owners, or residents. Further, nothing in this Section prohibits the Company from making Cable Service available to areas sooner than required as set out above.

SECTION 4. SERVICE TO SCHOOLS AND MUNICIPAL BUILDINGS

The Company shall offer free of charge one (1) outlet of Basic Service and Standard Tier Service to all public and private (Grade K-12) schools located within two hundred (200) feet of the System and one (1) such outlet to each municipal building located within two hundred (200) feet of the System. Should the City request cable service to schools or municipal buildings located beyond two hundred (200) feet of the System, the City shall pay the reasonable costs necessary to extend the service from the point two hundred (200) feet from the System to the building or school. For initial connections to schools, the free outlet must be scheduled and installed simultaneously. Service will be made free of charge and as promptly as possible to all such schools and municipal buildings requesting connections. If any internal wiring installation is requested to serve additional outlets in such schools and municipal buildings, it shall be paid for by the City and provided by the Company at its cost of materials and labor at the applicable hourly service charge at City's request; provided, however, that such internal wiring will be provided without charge if the Company is able to coordinate with other comparable electrical wiring installation in cases of new construction or substantial rehabilitation of existing schools or municipal buildings. Basic and standard services will be provided to each outlet in such schools and municipal buildings free of any charge.

SECTION 5. INTERNET SERVICE TO SCHOOLS

Upon successful development by the Company of an on-line service for personal computers, the Company will provide all schools served by the Company with a local connection to this on-line service to the extent that it is available on the Company's Cable System, including one free modem and free access to the Time Warner Communications/Time, Inc. on-line service. Access to such on-line service does not include access to any non-Time Warner commercial services available through Time Warner's on-line service.

SECTION 6. PUBLIC EDUCATIONAL AND GOVERNMENTAL ACCESS

A. The Company hereby agrees to designate three (3) channels, one channel each for public, educational and governmental cablecasting pursuant to Ordinance Section 8-34(c). These uses may be combined on one or more channels until such time as the additional designated channels become necessary in the opinion of the Board of Mayor and Aldermen of the City. Each channel shall be

at least 6 MHz NTSC analog or digital equivalent, be carried on the basic service, and be available to all subscribers in the City.

SECTION 7. FRANCHISE FEE

The Company shall pay to the City an amount equal to five (5%) percent of the Company's Gross Revenue as a Franchise Fee, as such Terms are defined in the Ordinance.

SECTION 8. CAPITAL CONTRIBUTION

A. The Company shall pay to the City funds (hereinafter the "Capital Contribution") to support the capital needs of public, educational and governmental access and the facilities and equipment for such access in the amounts and manner as follows:

1. Commencing effective July 1, 1996, the Company shall be obligated to pay to the City as the Capital Contribution for each franchise year an amount equal to \$1.21 for each of the Company's basic service subscribers on the last day of the month preceding the year for which the calculation is being made.

2. Commencing upon July 1, 2001, the Capital Contribution factor of \$1.21 shall increase to \$1.25 for each basic service subscriber each month.

3. Commencing upon July 1, 2006, the Capital Contribution factor of \$1.25 shall increase to \$1.30 for each basic service subscriber each month.

4. Commencing upon July 1, 2011, the Capital Contribution factor of \$1.30 shall increase to \$1.34 for each basic service subscriber each month.

B. For purposes of calculating the Capital Contribution, the number of basic service subscribers shall be determined as of the end of the previous franchise year, which year ends each June 30. The Capital Contribution shall be recalculated on an annual basis in accordance with the schedule set forth in paragraph A above, subject to the provisions of paragraph E below.

C. The Capital Contribution is in addition to the franchise fee required under the Ordinance and this Agreement. The Capital Contribution shall be paid to the City at the same time as the franchise fee payments required under the terms and conditions of the Ordinance and this Agreement.

D. The Capital Contribution paid by the Company to the City in each franchise year shall not be less than one hundred forty-five thousand dollars (\$145,000), (the "Base Amount"), unless the conditions set forth in paragraph E occur. With the exception of conditions in paragraph E, at the time of the last quarterly

payment for the franchise year, the Company shall pay to the City any difference between the Base Amount and the total payments for that franchise year. This Base Amount shall be shared equitably by all franchisees should the City award another entity a franchise to provide cable service.

E. In the event the number of the Company's basic service subscribers is equal to or less than 9,000 for six (6) consecutive months, then in such event the Capital Contribution will revert to the appropriate per customer amount set forth in paragraph A only and the Company shall be relieved of the Base Amount requirements in paragraph D. At such time as the number of basic service customers exceed 9,000 for six consecutive months, the provisions set forth in paragraph D will again be in full effect.

F. It is understood that, in accordance with applicable law, the Capital Contribution may, at the Company's sole discretion, be added to the maximum permitted rate of the Company for basic service and collected by the Company from its subscribers. Should the Company add the Capital Contribution to its basic service rate and collect such payment from its subscribers, the Capital Contribution collected by the Company shall not be considered Gross Revenue subject to a franchise fee. In addition, the Company may, at its sole discretion, separately state on the subscriber bills the amount of the Capital Contribution.

G. Upon notice by the Company in writing within sixty (60) days from the end of the previous franchise year, which year ends each June 30, the City shall provide the Company access to those books and records of the City necessary for the Company to audit and determine whether all of the Capital Contribution provided by the Company for the previous franchise year has been used or has been reserved to be used exclusively for the capital support of public, educational and governmental access or the equipment and facilities for such access. Such audit shall be completed within one hundred twenty (120) days from the end of the previous franchise year. That portion of the support not so used or reserved shall be refunded to the Company. If no written notice is provided within the sixty (60) day period or the audit is not completed within the one hundred twenty (120) day period following each previous franchise year, the Capital Contribution for the previous franchise year will be deemed by the City and the Company to have been used or reserved for capital support of public, educational and governmental access or the equipment and facilities for such access.

H. Notwithstanding anything to the contrary in the Ordinance or this Franchise Agreement and as allowed by the FCC, in the event the City grants another franchise, permit, license or other authorization to any other entity to provide Cable Service as defined in the Ordinance then such other entity shall be subject to not less than the per subscriber payments outlined in paragraph A herein.

SECTION 9. COSTS

Notwithstanding anything to the contrary in Section 8-11 of the Ordinance, the Company shall bear such costs, including but not necessarily limited to, payment for bonds, security funds, letters of credit, indemnification, penalties and liquidated damages, as may be necessary for it to comply with its obligations under the Ordinance and this Franchise Agreement. All such costs and expenses so incurred by the Company in fulfilling its obligations under the Franchise may be passed through to the Company's subscribers if permitted by applicable law, including the rules and regulations of the Federal Communications Commission. The Company shall have no responsibility for reimbursing the City for any costs or expenses incurred by the City except as expressly provided in the Ordinance or this Franchise Agreement.

SECTION 10. INSTITUTIONAL NETWORK

A. The Company will provide fiber optic connectivity to an internal point of demarcation for up to ten (10) municipal facilities. The sites must be designated by the City Administrator prior to the "design" phase of the construction of the fiber network. Any additional municipal locations requested by the City after the initial construction is completed can be constructed for the cost of labor charges only.

B. This institutional network ("I-NET") will include bi-directional bandwidth for the private, non-commercial, closed circuit use by the City. City allocated bandwidth shall be sufficient to transport up to 4 each DS-1's with each DS-1 operating at 1.544 megabits per second. There will be no monthly charge to the City for the use of the bandwidth. The City will be responsible for all premise equipment required to utilize the I-NET. The Company will provide any maintenance services beyond the point of demarcation at cost. The City shall not extend the network to any site without the prior approval of the Company nor shall the City interconnect the network with any other switched or non-switched network.

C. The Company will maintain and operate the I-NET connectivity in compliance with FCC and other operating standards and/or technical specifications.

SECTION 11. PERFORMANCE BOND

Upon execution of this Franchise Agreement, the Company will be deemed to have applied properly for the waiver of the performance bond pursuant to Section 8-14(d) the Ordinance, and the City Administrator will be deemed to have granted such waiver. The result of the foregoing will be that the Company is not required to provide the performance bond provided in Section 8-14 of the Ordinance during the two-year period of System-Upgrade as outlined in Section 2 herein.

SECTION 12. SEVERABILITY

If any portion of this Franchise Agreement shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of this Franchise Agreement is invalid or unenforceable, but that by limiting such provision it would become valid and enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.

SECTION 13. ENTIRE AGREEMENT

This Franchise Agreement constitutes the entire understanding and agreement between the parties and supersedes any and all previous Agreements between the parties with respect to the subject matter. This Franchise Agreement shall not be changed, amended or supplemented except by an agreement in writing signed by both parties. In the event of a conflict between this Franchise Agreement and the Ordinance or any other ordinance, law or regulation in effect at the time of this Agreement or thereafter, the terms and conditions of this Franchise Agreement shall be controlling. If the Franchise Agreement is silent, the Ordinance and any applicable federal and state statutes shall govern. The City may, from time to time, amend the Ordinance; provided, however, such amendments shall not serve to impair the rights nor increase the obligations of the Company pursuant to this Franchise.

SECTION 14. NO RECOURSE

A. Except for action seeking equitable relief, the Company shall have no recourse whatsoever against the City for any loss, cost, expense, or damage arising out of any provisions or requirements of this Franchise Agreement or because of the enforcement thereof by the City, or the failure of the City to have authority to grant all or part of the Franchise.

B. The Company expressly acknowledges that in accepting a Franchise it does so relying on its own investigation and understanding of the power and authority of the City to grant the Franchise.

C. By accepting a Franchise, the Company acknowledges that it has not been induced to enter into the Franchise by any understanding or promise or other statement, whether verbal or written, by or on behalf of the City or by any other third person concerning any term or condition of the Franchise not expressed herein.

SECTION 15. NOTICE

Unless expressly or otherwise agreed between the parties, every notice or response to be served by the City or Company shall be made pursuant to Section 8-12 of the Ordinance and further made in writing and shall be deemed to have been duly given, if mailed to the required party, three (3) business days after having been posted in a properly sealed and correctly addressed envelope by certified or registered mail, postage prepaid, at a Post Office or branch thereof regularly maintained by the U.S. Postal Service or, if otherwise delivered to the required party, on the date of delivery.

The notices or responses to the City shall be addressed as follows:

Office of City Administrator
City of Germantown
1930 South Germantown Road
Germantown, Tennessee 38183

The notices or responses to the Company shall be addressed as follows:

Time Warner Communications
Attn: Manager
6555 Quince Suite 400
Memphis, Tennessee 38119

Either party may from time to time change its address for notice in accordance with the foregoing.

SECTION 16. EQUAL TREATMENT

The City agrees that in the event the City enters into a franchise, permit, license, authorization, or other Agreement of any kind with any other person or entity other than the Company to enter into the City's streets and public ways for the purpose of constructing or operating a Cable System or providing Cable Service to any part of the service area, the provisions of such new Franchise when considered as an entire agreement shall not be on more favorable or less burdensome terms or conditions in comparison to the Company's franchise as a whole, in order that one Company not be granted an unfair competitive advantage over another, and to provide all parties equal protection under the law.

SECTION 17. MISCELLANEOUS

A. The programming equipment (playback machines, character generated message boards, etc.) will remain on-site at the public, educational and governmental facility studio ("PEG Facility") allowing the PEG Facility to program its own channel(s) on days and

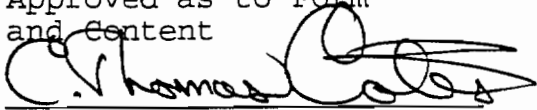
at times appropriate to its needs. The Company will continue to make the cable line available to transmit from the PEG Facility to the Company Headend in the City.

B. Ownership of all production equipment currently on site at the PEG Facility shall be deemed to be transferred to the City upon execution of this Franchise Agreement.

C. The Company agrees to assist, as needed, in providing proper signal transmission and other related technical needs for off-site special event coverage of public, educational and governmental access programs.

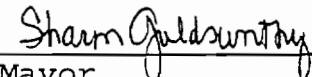
IN WITNESS THEREOF, this Agreement has been duly executed and delivered by authorized officers of the parties.

Approved as to Form
and Content

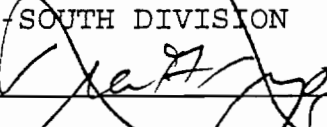
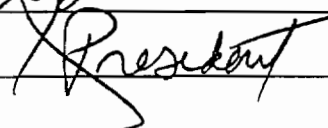


C. Thomas Cates
City Attorney

CITY OF GERMANTOWN, TENNESSEE

BY: 
Mayor

TIME WARNER COMMUNICATIONS-
MID-SOUTH DIVISION

BY: 
TITLE: 

Linda Kerley
Mayor

Maureen Fraser, *Alderman*
Stanley R. Joyner, *Alderman*
Buddy Rowe, *Alderman*
Tom Allen, *Alderman*
Jimmy Lott, *Alderman*



RECEIVED James H. Lewellen
Town Administrator

2008 JUL -9 PM 12:49

Lynn Carmack
T.R.A. DOCKET ROOM
Town Clerk

Town of Collierville

July 8, 2008

Tennessee Regulatory Authority
Attn: Docket Room (08-00115)
460 James Robertson Parkway
Nashville, TN 37243

RE: Cable Franchise Agreement

SENT VIA: FedEx Overnight Delivery

To Whom It May Concern:

The Town of Collierville ("Town") received notice from the Tennessee Regulatory Authority ("TRA") that AT&T has recently filed an application for a state-issued certificate of franchise authority. Pursuant to the Competitive Cable and Video Services Act ("CCVSA"), the Town of Collierville is providing the current sections of its franchise agreement with our current cable service provider, Comcast Corporation ("Comcast"), regarding our public, educational, and governmental ("PEG") access channels.

Currently, the Town is designated up to three channels for PEG access and uses two. Also, there were significant capital contributions made by Comcast to provide for PEG programming (Section 8(A)) as well as ongoing support for PEG access equipment and facilities based on subscriptions (Section 8(B)). There were a total of 9,394 subscribers as of March 31, 2008.

If the TRA should need any other information please contact me at 901-457-2200 or via email at dsmoak@ci.collierville.tn.us.

Sincerely,

David Smoak
Assistant Town Administrator

RESOLUTION 96-63

CABLE TELEVISION FRANCHISE AGREEMENT

This Cable Television Franchise Agreement is entered into this 18th day of DECEMBER, 1996 by and between the Town of Collierville, Tennessee ("Town") and Time Warner Communications - Mid-South Division, a division of Time Warner Cable, a division of Time Warner Entertainment Company, L.P., ("Company").

WHEREAS, the Town adopted a Cable Television Ordinance on NOVEMBER 25, 1996 ("Ordinance"), which authorizes the Town to issue or renew franchises to operate a Cable System in the Town; and

WHEREAS the Company holds an existing franchise, and the Company has requested renewal of said franchise under the procedures established by federal statute; and

WHEREAS, the Town has held a public hearing, ascertained its future cable-related needs and interests, and discussed methods for meeting these needs with the Company.

NOW, THEREFORE, in consideration of the faithful performance and strict observance by the Company of all the terms hereinafter set forth or provided for, and also provided for in the Ordinance pursuant to which this Franchise Agreement is executed, and in consideration of the grant to the Company by the Town of the rights hereinafter delineated, the parties agree as follows:

SECTION 1. GRANT OF FRANCHISE

A. The Town hereby grants to the Company a non-exclusive Franchise (as defined in the Ordinance) to construct, operate, and maintain a Cable System within the public ways of the Town in accordance with the terms and conditions of this Agreement and the Ordinance. The Franchise shall become effective on the date of acceptance by the Company in compliance with this Agreement and with the Ordinance, for the period of twenty (20) years, expiring on May 12, 2016.

B. The Company hereby accepts the Franchise and agrees to abide by all the provisions of this Franchise Agreement, the Ordinance, and other relevant regulations ordinances of the Town which are hereby incorporated by reference as though set forth herein.

C. The Company hereby agrees that it has negotiated this Franchise in good faith and with due knowledge of its rights and responsibilities under relevant local, state, and federal laws.

SECTION 2. SYSTEM-UPGRADE

The Company hereby agrees to complete an upgrade of its Cable System within twenty-four (24) months from its acceptance of the Franchise as more fully outlined herein:

SECTION 4. SERVICE TO SCHOOLS AND MUNICIPAL BUILDINGS

The Company shall offer free of charge one (1) outlet of Basic Service and Standard Tier Service to all public and private (Grade K-12) schools located within two hundred (200) feet of the System and one (1) such outlet to each municipal building located within two hundred (200) feet of the System. Should the Town request cable service to schools or municipal buildings located beyond two hundred (200) feet of the System, the Town shall pay the reasonable costs necessary to extend the service from the point two hundred (200) feet from the System to the building or school. For initial connections to schools, the free outlet must be scheduled and installed simultaneously. Service will be made free of charge and as promptly as possible to all such schools and municipal buildings requesting connections. If any internal wiring installation is requested to serve additional outlets in such schools and municipal buildings, it shall be paid for by the Town and provided by the Company at its cost of materials and labor at the applicable hourly service charge at Town's request; provided, however, that such internal wiring will be provided without charge if the Company is able to coordinate with other comparable electrical wiring installation in cases of new construction or substantial rehabilitation of existing schools or municipal buildings. Basic and standard services will be provided to each outlet in such schools and municipal buildings free of any charge.

SECTION 5. INTERNET SERVICE TO SCHOOLS

Upon successful development by the Company of an on-line service for personal computers, the Company will provide all schools served by the Company with a local connection to this on-line service to the extent that it is available on the Company's Cable System, including one free modem and free access to the Time Warner Communications/Time, Inc. on-line service. Access to such on-line service does not include access to any non-Time Warner commercial services available through Time Warner's on-line service.

SECTION 6. PUBLIC EDUCATIONAL AND GOVERNMENTAL ACCESS

A. The Company hereby agrees to designate three (3) channels, one channel each for public, educational and governmental cablecasting pursuant to Ordinance Section 8-34(c). These uses may be combined on one or more channels until such time as the additional designated channels become necessary in the opinion of the Board of Mayor and Aldermen of the Town. Each channel shall be at least 6 MHz NTSC analog or digital equivalent, be carried on the basic service, and be available to all subscribers in the Town.

SECTION 7. FRANCHISE FEE

The Company shall pay to the Town an amount equal to five (5%) percent of the Company's Gross Revenue as a Franchise Fee, as such Terms are defined in the Ordinance. Such Franchise Fee shall be paid in equal quarterly amounts by the end of the months of January, April, July and October based upon the Gross Revenues for the three months preceding such payment month. As example, a January payment shall be based upon the Gross Revenues from the immediately preceding months of October, November and December.

SECTION 8. CAPITAL CONTRIBUTION

A. The Company agrees to provide the Town with capital support for public, educational and governmental access equipment and facilities pursuant to the following schedule:

1. The Company shall pay Seventy Five Thousand Dollars (\$75,000) to the Town on or before December 31, 1996;
2. The Company shall pay Seventy Five Thousand Dollars (\$75,000) to the Town on or before January 31, 1997;
3. The Company shall pay Twenty Thousand Dollars (\$20,000) to the Town on or before January 31, 1998;
4. The Company shall pay Ten Thousand Dollars (\$10,000) to the Town on or before January 31, 1999;
5. The Company shall pay Ten Thousand Dollars (\$10,000) to the Town on or before January 31, 2000;
6. The Company shall pay Ten Thousand Dollars (\$10,000) to the Town on or before January 31, 2001.

B. In addition to the foregoing schedule of payments of Capital Contributions, the Company shall provide further capital support for public, educational and governmental access equipment and facilities by paying to the Town each and every year of the Franchise an amount per subscriber per month, such amount to be determined in the Town's sole discretion, but in no event shall the payment be more than thirty-five cents (\$.35) per subscriber per month. Such payments shall be made quarterly by the end of the months of January, April, July and October based upon the number of the Company's subscribers at the end of the preceding month. As example, a January payment shall be made for the preceding months of October, November and December and be based upon the number of subscribers at the end of the month of the preceding December. In the Town's sole discretion, the amount paid by the Company per subscriber may be reduced if it is determined, in the Town's sole discretion, that the capital costs for support of public, educational and governmental access equipment and facilities in the

Town requires less than a payment of thirty five cents (\$.35) per subscriber per month. Such determination is to be made by the Town on an annual basis.

C. The Town agrees that all Capital Contributions may be added to the price of basic cable service and collected from the Company's subscribers. In addition, all amounts paid as Capital Contributions may, at the Company's discretion, be separately stated on subscriber's bills.

D. The Capital Contribution is in addition to the Franchise Fee required to be paid by the Company to the Town as provided for in the Ordinance at Section 8-27 and as provided for in Section 7 hereof.

E. On a not more than annual basis, the Town Administrator shall provide, when requested by the Company, verification that all Capital Contributions provided by the Company for a particular year has been used or has been reserved to be used exclusively for the capital support of public, educational and governmental access and facilities. Should the Town Administrator not be able to so verify the foregoing, that portion of the Capital Contribution provided by the Company for the year in question not used or reserved as capital support of public, educational and governmental access and facilities shall be refunded to the Company.

SECTION 9. COSTS

Notwithstanding anything to the contrary in Section 8-11 of the Ordinance, the Company shall bear such costs, including but not necessarily limited to, payment for bonds, security funds, letters of credit, indemnification, penalties and liquidated damages, as may be necessary for it to comply with its obligations under the Ordinance and this Franchise Agreement. All such costs and expenses so incurred by the Company in fulfilling its obligations under the Franchise may be passed through to the Company's subscribers if permitted by applicable law, including the rules and regulations of the Federal Communications Commission. The Company shall have no responsibility for reimbursing the Town for any costs or expenses incurred by the Town except as expressly provided in the Ordinance or this Franchise Agreement.

SECTION 10. INSTITUTIONAL NETWORK

A. The Company will provide fiber optic connectivity to an internal point of demarcation for up to ten (10) municipal facilities. The sites must be designated by the Town Administrator prior to the "design" phase of the construction of the fiber network. Any additional municipal locations requested by the Town after the initial construction is completed can be constructed for the cost of labor charges only.



Comcast Cable
6555 Quince Rd. Ste 500
Memphis, TN 38119

April 30, 2008

City Of Collierville
Attn: Mr. James Lewellen
500 Poplar View Pkwy
Collierville, TN 38017

Dear Mr. Lewellen:

The following is the calculation of the Capital Contribution fee for the first quarter of 2008:

Ending Subscribers @ 3/31/08 (including courtesy accounts)	9,394
Rate	<u>0.35</u>
	\$3,287.78
Applicable months in quarter	<u>3</u>
	<u>\$9,863.35</u>

The above schedule summarizes the Capital Contribution as defined in the Franchising Agreement during the period indicated for the cable operations in the City of Collierville, Tennessee.

Sincerely,

Mark Grimm
Director of Business Operations