

**CITY OF FORT MITCHELL
COMPETITIVE CABLE TELEVISION FRANCHISE AGREEMENT
BY AND BETWEEN**

THE CITY OF FORT MITCHELL, KENTUCKY

AND

**SPECTRUM MID-AMERICA, LLC
[a subsidiary of Charter Communications, Inc.]**

Approved by the City Council of the City of Fort Mitchell, Kentucky by Ordinance
No. 2023-10, dated AUGUST 14, 2023.

Effective Date of this Franchise Agreement is AUGUST 14, 2023.

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CABLE FRANCHISE AGREEMENT

This Cable Franchise Agreement, dated as of May 1, 2023, but made effective when legally adopted by an ordinance approving the Franchise and as provided in Article II, Section 6 in this Franchise Agreement, by and between the **CITY OF FORT MITCHELL, KENTUCKY**, a municipal corporation and a Home Rule city (hereinafter referred to as “**Grantor**”), and **SPECTRUM MID-AMERICA, LLC**, a Delaware limited liability company authorized to transact business within the Commonwealth of Kentucky (hereinafter referred to as “**Grantee**”) and locally known as “**Charter Communications**” or “**Spectrum**” and a subsidiary of Charter Communications, Inc. Grantor and Grantee are referred to individually as a “**Party**” and collectively as the “**Parties**”.

RECITALS:

WHEREAS, the Telecommunications Board is a public agency established by the TBNK Member Governments in accordance with the provisions of the Interlocal Cooperation Act of Kentucky (KRS 65.210 - 65.300) and is authorized to exercise jointly the powers of the respective TBNK Member Governments relating to cable television matters, Cable Services and other telecommunication services, including the administration and regulation of cable television franchises, as provided in the Interlocal Agreement; and

WHEREAS, Grantee, the present holder of a nonexclusive competitive Franchise Agreement, dated as of August 5, 1997 (the “**Prior Franchise**”), and providing for Cable Services throughout the Franchise Area, has asked Grantor and the Telecommunications Board to renew or otherwise replace the Prior Franchise to own, construct, reconstruct, install, maintain, operate, dismantle, test, Upgrade, repair, use, and remove a Cable System and related facilities along, under, over, above, through or across the Streets within the corporate boundaries of Grantor; and

WHEREAS, in connection with the powers and administrative responsibilities set forth in the Interlocal Agreement, the Telecommunications Board has reviewed for and on behalf of Grantor, as well as other TBNK Member Governments, which are signatories to the Interlocal Agreement, Grantee’s performance under the Prior Franchise and has (1) identified the present and future cable-related community needs and interests of Grantor and its citizens, as delineated in that certain (a) Needs Assessment Report, dated September and October, 2008, and (b) Needs Assessment Report Update, dated July, 2017, and produced by Columbia Telecommunications Corporation (collectively, the “**Needs Assessment Reports**”); (2) determined that the foregoing meet the requirements of Section 526 of the Cable Act (see 47 U.S.C. § 546); and (3) Grantee has substantially complied with the material terms of the Prior Franchise under Applicable Law; and

WHEREAS, relying upon the administrative services and certain related written and oral reports and communications provided by the Telecommunications Board to Grantor and the other TBNK Member Governments, including but not limited to the Needs Assessment Reports, identifying the present and future cable-related community needs and interests of Grantor and the other TBNK Member Governments, the Grantor has accepted, adopted, approved and confirmed the Needs Assessment Reports and the determinations and findings of the Telecommunications Board respecting the foregoing negotiation process by and through the action of its legislative body;

WHEREAS, having afforded the public adequate notice and an opportunity for comment, Grantor desires to grant a new and nonexclusive competitive Franchise to Grantee, to supersede the Prior Franchise, for the construction, upgrade, operation, and maintenance of a Cable System for the provision of Cable Service on the terms and conditions set forth in this Franchise Agreement and the provisions of the Cable Act; and

WHEREAS, Grantor has complied with all federal and State-mandated procedural and substantive requirements pertinent to this Franchise renewal;

NOW, THEREFORE, in consideration of Grantor's grant of a franchise to Grantee, Grantee's promise to provide Cable Service to residents of the Franchise Area of Grantor pursuant to the terms and conditions of this Franchise Agreement, the promises and undertaking herein, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Grantor and Grantee agree as follows:

ARTICLE I. GRANT OF FRANCHISE AND GENERAL PROVISIONS

SECTION 1. TITLE OF FRANCHISE AGREEMENT

This Franchise Agreement shall be known and may be cited as the "**2022 Spectrum Mid-America, LLC Franchise**" (hereinafter referred to as "**Franchise**" or "**Franchise Agreement**").

SECTION 2. DEFINITIONS

For the purpose of this Franchise Agreement, the following terms, phrases, words and their derivations shall have the meaning given herein. When not inconsistent with the context, words used in the present tense include the future, words in the plural number include the singular number, and words in the singular number include the plural number. The word "shall" is mandatory and "may" is permissive. Words not defined shall be given their common and ordinary meaning.

"**Access Channel**" or "**Access Channels**" shall mean all Public Access Channels, Educational Access Channels, and Government Access Channels that Grantee is required to provide under this Franchise Agreement, at no charge to the Authority, and carried on the Cable System for the benefit of the TBNK Member Governments, residents thereof and Access Users.

"**Access Origination Site**" or "**Access Origination Sites**" has the meaning ascribed thereto in Article II, Section 15.G.6 (Release of Certain Transport Facilities).

"**Affiliate**" or "**Affiliates**" means any Person who, directly or indirectly, owns or controls, is owned or controlled by, or is under common ownership or control with, Grantee.

"**Applicable Law**" shall mean any and all local, State, or federal law, statute, charter, ordinance, regulation, code, franchise, permit, judgment or decree, including, without limitation, the FCC Regulations.

“Authority” shall mean Grantor, or any authority, board, agency or other designee appointed or otherwise designated by Grantor, as provided in Article III, Section 6 (Delegation of Grantor Rights).

“Cable Act” means the Cable Communications Policy Act of 1984 (Public Law No. 98-549), and the Cable Television Consumer Protection and Competition Act of 1992 (Public Law No. 102-385), as amended by the Telecommunications Act of 1996 (Public Law No. 104-104), together with current federal legislation governing Cable Systems and Cable Services and their operation in the United States and any subsequent amendments thereto.

“Cable Channel” or **“Channel”** shall be defined as set forth in Section 602 of the Cable Act (47 U.S.C. § 522(4)).

“Cable Operator” shall be defined as set forth in Section 602 of the Cable Act (47 U.S.C. §522(5)).

“Cable Service” shall be defined as set forth in Section 602 of the Cable Act (47 U.S.C. § 522(6)).

“Cable System” shall be defined as set forth in Section 602 of the Cable Act (47 U.S.C. §522(7)).

“Commencement Agreement” has the meaning ascribed thereto in Article I, Section 6 (Duration and Acceptance of Franchise) of this Agreement.

“Community Programming Center” or **“CPC”** shall mean a division or department of the Telecommunications Board and/or any facility(ies) or Person(s) designated by the Telecommunications Board for purposes of providing any combination of public, educational, and/or governmental access programming on the Cable System as provided in Article II, Section 15 (Required Services and Facilities – PEG Access) of this Franchise.

“Competitive Franchise” is a cable franchise awarded to an applicant in an area currently served by another Cable Operator or Cable Operators in accordance with 47 U.S.C. § 541(a)(1).

“County” shall mean the County of Kenton, Kentucky and the Fiscal Court of Kenton County, Kentucky.

“Downstream Transmission(s)” shall mean signals traveling from the Headend to the Subscriber’s location on the subscriber network or Cable System, including the Access Channels.

“Effective Date” shall mean the date set forth in Article I, Section 6 (Duration and Acceptance of Franchise) of this Franchise Agreement.

“Emergency Alert System” or **“EAS”** has the meaning ascribed thereto in Article II, Section 15.Q (Emergency Alert System) hereof.

“Educational Access Channel” shall mean the Channel(s) or portion of a Channel or Channels on the Cable System required by this Franchise to be designated or dedicated by Grantee for educational access uses or purposes.

“FCC” shall mean the Federal Communications Commission, its designee, or any successor governmental entity thereto.

“FCC Regulations” shall mean the rules and regulations promulgated by the FCC from time to time and located in Title 47 of the Code of Federal Regulations (CFR), including any FCC reports and orders pertaining to the Cable Act and/or Cable System.

“FCC Third Report & Order” shall mean the Third Report and Order adopted by the FCC on August 1, 2019 and released on August 2, 2019 In the Matter of: Implementation of Section 621(a)(1) of the Cable Communication Policy Act of 1984, as Amended by the Cable Television Consumer Protection and Competition Act of 1992 (MB Docket No. 05-311) and as may be modified or altered by any federal court decision, including that of the U.S. 6th Circuit Court of Appeals in City of Eugene, Oregon v. Federal Communications Commission entered May 26, 2021.

“Franchise Area” shall mean, with respect to a city, the incorporated area of that city and such additional areas as may be included in the corporate or territorial limits of the city by way of annexation or other legal means, and, with respect to a county, the unincorporated area of the county and such additional areas as may be included in the unincorporated area by virtue of the dissolution of any city or any other legal means.

“Franchise Fee” shall mean the consideration paid by Grantee for the privilege to construct and/or operate a Cable System, as provided in Article I, Section 3 (Rights and Privileges of Grantee) hereof, in the Franchise Area, as set forth in Article II, Section 10 (Payment of Multichannel Video Programming Services – Franchise Fees) hereof, in accordance with Section 622 of the Cable Act (47 U.S.C. §542).

“GAAP” shall mean generally accepted accounting principles as determined by the Financial Accounting Standard Board.

“Government Access Channel” shall mean the Channel(s) or portion of a Channel or Channels on the Cable System required by this Franchise to be designated or dedicated by Grantee for use by the Authority for governmental Access uses or purposes.

“Grantee” is Spectrum Mid-America, LLC, the grantee of rights under this Franchise Agreement, or its successor, transferee or assignee.

“Grantor” shall have the meaning ascribed thereto in the preamble above.

“Headend” shall mean the electronic control center of Grantee’s Cable System, which is presently located in Edgewood, Kentucky containing equipment that receives, amplifies, filters, processes, and converts incoming signals for distribution or dissemination over the Cable System and other separate communications networks. The Headend usually includes cable, antennas,

wires, fiber optic lines, computer network equipment and switches, satellite dishes, monitors, switchers, modulators, demodulators, processors, servers and other related equipment or facilities.

“**Information Services**” shall be defined as it is defined in 47 U.S.C. § 153(24)), as amended.

“**Interlocal Agreement**” shall mean the Interlocal Cooperation Agreement among the TBNK Member Governments, approved on March 12, 1996, by the Attorney General of the Commonwealth of Kentucky, pursuant to the Interlocal Corporation Act of Kentucky (KRS §65.210 et seq.), filed with the Secretary of State of the Commonwealth of Kentucky on March 21, 1996, and recorded in the Kenton County Clerk’s Office (Miscellaneous Book 341, Page 315) on March 21, 1996, as such agreement may be amended, modified or restated, or replaced or substituted entirely by another agreement or agreements made and entered pursuant to the Interlocal Cooperation Act. The Interlocal Agreement provides for the establishment of the Telecommunications Board and its authority with respect to cable television and telecommunications matters.

“**Non-Cable Service**” or “**Non-Cable Services**” shall mean any service that does not constitute Cable Service pursuant to federal law, including but not limited to Information Services and Telecommunication Services.

“**PEG**” or “**PEG Access**” shall mean Public, Educational and Governmental Access used in conjunction with the Access Channels and PEG Access Facilities presently located at the Community Programming Center.

“**PEG Access Facilities**” shall be defined as set forth in Section 602 of the Cable Act (47 U.S.C. § 522(16)) and further construed and expounded upon in Alliance for Community Media, et al., v. Federal Communications Commission, 529 F.3d 763 (6th Cir. 2008).

“**Person**” shall mean an individual, partnership, association, corporation, trust, governmental entity or agency, or an organization of any kind but such term does not include Grantee or Grantor.

“**Prior Franchise**” has the meaning ascribed thereto in the recitals of this Franchise Agreement.

“**Public Access Channel**” or “**Community Program Channel**” shall mean the channel(s) or portion of a channel or channels on the Cable System required by this Franchise to be designated or dedicated by Grantee for use by Users and which is (are) available for such use on a non-discriminatory basis.

“**State**” shall mean the Commonwealth of Kentucky.

“**Service Tier**” shall mean a category of Cable Service provided by Grantee’s Cable System and for which a separate rate is charged by Grantee.

“**Street**” or “**Streets**” shall mean the surface of and the space above and below any public street, road, highway, freeway, lane, path, public way or place, sidewalk, alley, court, boulevard,

parkway, drive or easement dedicated for compatible uses now or hereafter held by the Grantor for the purpose of public travel and shall include other easements or rights-of-way as shall be now held or hereafter held by the Grantor, the County and/or Commonwealth of Kentucky. The term **"Street"** does not include any (1) park or recreational area of Grantor, (2) public buildings, structures or infrastructure, or (3) public land upon which any government or public building, fire station, police station or school may or may not be situated. No reference herein or in any franchise or license shall be deemed to be a representation, warranty or guarantee by Grantor that its title to any property is sufficient to permit its use for such purpose, and Grantee shall, by its use of the Streets, be deemed to gain only such rights to use the property in the Franchise Area as Grantor may have the undisputed right and power to give.

"Subscriber" means any Person who elects to subscribe to, for any purpose, Cable Services provided by Grantee by means of, or in connection with, Cable Service.

"TBNK Member Government" or **"TBNK Member Governments"** shall mean those cities and counties which are, or which become and remain as, signatories to the Interlocal Agreement, thus being or becoming and remaining a member of the Telecommunications Board. As of the Effective Date, the TBNK Member Governments consist of those cities and county listed on Appendix 1 attached hereto.

"Telecommunications Board" or **"TBNK"** or **"Board"** or **"Cable Board"** shall mean the Telecommunications Board of Northern Kentucky established pursuant to the Interlocal Agreement, or any other similar entity or non-profit organization established or designated by the Grantor, Authority or TBNK Member Governments pursuant to Article III, Section 6 (Delegation of Grantor Rights) of this Franchise Agreement.

"Telecommunication Services" shall be defined as set forth in 47 U.S.C. § 153(53)), as amended.

"Term" shall mean collectively, the **"Initial Term"** and the **"Renewal Term"**, as such terms are further defined in Article I, Section 6 (Duration and Acceptance of Franchise) of this Franchise Agreement.

"Upstream Transmission(s)" means signals traveling from originating points on the Cable System, including Access Origination Sites, and/or over PEG Transport Facilities, including, without limitation, the Interconnection Line, Access Origination Sites, and the CPC, to the Headend or other centralized network location.

"User(s)" means a party utilizing a cable television system channel for purposes of production or transmission of material to Subscribers, as contrasted with receipt thereof in a Subscriber capacity.

SECTION 3. RIGHTS AND PRIVILEGES OF GRANTEE

The nonexclusive franchise granted by the Grantor pursuant to this Franchise Agreement shall and hereby does grant to the Grantee the right and privilege to erect, construct, operate, upgrade, maintain and repair in, upon, along, across, above, over and under the Streets any poles, wires, cable, underground conduits, manholes, and other television conductors and fixtures (but subject

to generally applicable permitting and regulations concerning use of the Streets and such approvals as specifically required elsewhere in this Franchise Agreement) necessary for the maintenance and operation of a Cable System for the interception, sale, transmission and distribution of Cable Service; and the right to transmit the same to the inhabitants of the Grantor on the terms and conditions hereinafter set forth. Any attachment to, or the use of, any utility poles within the Streets shall be accomplished through a separate pole attachment, tariff or utility easement agreement with the affected utility company. No privilege or power of eminent domain is bestowed by this grant; nor is such a privilege or power bestowed by this Franchise Agreement.

SECTION 4. FRANCHISE AGREEMENT

Upon adoption of this Franchise by Grantor and acceptance hereof by the Grantee, as hereinafter provided, the Grantee agrees to be bound by all the terms and conditions contained herein. Subject to Applicable Law, this Franchise authorizes Grantee to provide Cable Services over its Cable System within the Grantor's Franchise area.

SECTION 5. FRANCHISE TERRITORY

The Franchise is granted for the Franchise Area of the Grantor.

SECTION 6. DURATION AND ACCEPTANCE OF FRANCHISE

This Franchise shall take effect upon (a) the Effective Date and (b) the filing with the Executive Director of the Cable Board a Commencement Agreement, in the form and substance of the agreement attached hereto as Appendix 2 (the "**Commencement Agreement**") and providing for the following:

Grantee's unconditional acceptance of the Franchise Agreement and its agreement to comply with and abide by all its provisions, terms and conditions; and
A provision confirming the adoption of this Franchise Agreement by Grantor and evidencing the Effective Date of this Franchise Agreement.

The Commencement Agreement shall be duly executed and sworn to, by or on behalf of the Grantee before a notary public or other officer authorized by law to administer oaths.

The term of this Franchise shall be from the date of the Effective Date for a period of five (5) years (the "**Initial Term**"). This Franchise shall be automatically renewed for an additional five (5) year period (the "**Renewal Term**"), unless six (6) months prior written notice is given by the Grantor or Grantee that either Party does not wish to exercise the automatic renewal. If either Party chooses not to automatically renew this Franchise, then at the end of the Initial Term, Grantee's ability to provide Cable Services under this Franchise shall continue on a month-to-month basis provided that, in such event, Grantee demonstrates earnest efforts towards good faith negotiations to arrive at a mutually agreeable franchise. In the event, however, the Parties are unable to arrive at a mutually agreeable franchise prior to the six (6) month period, which begins with the thirty-sixth (36) month before the expiration date of the Renewal Term, either Party may initiate franchise renewal proceedings under Section 626 of the Cable Act (47 U.S.C. §546) by complying with the statutory requirements thereof and providing written notice to the other Party of its intention to commence such renewal proceedings or process. The Effective Date of this Franchise Agreement

shall be the last date of adoption of a franchise substantially the same as this Franchise Agreement by the TBNK Member Governments (the “**Effective Date**”).

SECTION 7. POLICE POWERS

In accepting this Franchise, the Grantee acknowledges that its rights and privileges hereunder are subject to the police powers of Grantor and its rights under State laws and regulations, including KRS 82.082 (Power for Public Purpose Only), to exercise its governmental powers to their full extent and to regulate a grantee and other users having the right and privilege to use the Streets pursuant to a franchise, license or other grant of authority, including, but not limited to, the right of Grantor to adopt, amend, and enforce ordinances and regulations as Grantor shall find necessary in the exercise of its police powers that are in furtherance of a public purpose of Grantor and not in conflict with a State constitutional provision or statute. The Grantor’s or County’s police powers include, but are not limited to, the right to adopt and enforce applicable zoning, building, permitting and safety ordinances and regulations, and the right to adopt and enforce ordinances and regulations containing Street or public right-of-way provisions. Grantee agrees to comply with all applicable ordinances, laws and regulations enacted or adopted by Grantor, or the County pursuant to such governmental powers.

Any conflict between the provisions of this Franchise and any present or future lawful exercise of Grantor’s and County’s police powers, as provided above in this Section 7 (Police Powers), shall be resolved in favor of any presently existing or future ordinances and regulations adopted or enacted by Grantor or the County. Notwithstanding the foregoing, any conflict between the provisions of this Franchise and any future right-of-way ordinance enacted by Grantor shall be resolved in favor of the former. As a point of clarification with respect to the preceding sentence, the Parties agree that no conflict will be deemed to exist between any specific provision(s) of any future right-of-way ordinances and the provisions of this Franchise where the right-of-way provision(s) of this Franchise are silent or do not specifically address the substance or terms of any such provision contained in any future right-of-way ordinance.

SECTION 8. CABLE FRANCHISE REQUIRED

No Cable System shall be allowed to be constructed upon, occupy or use the Streets of Grantor or the State that are located within the Franchise Area, or be allowed to operate without a Cable System franchise.

SECTION 9. USE OF GRANTEE FACILITIES

The Grantor shall have the right, during the life of this Franchise, to install and maintain free of charge upon the poles solely owned by the Grantee any wire and pole fixtures provided there is sufficient space and that the said attachments do not interfere with any facilities or operations of the Grantee and will be in conformity with the terms and provisions of the National Electrical Safety Code (NESC) and Cable Operator (as such term is defined in 47 U.S.C. 522(5)) standards. The Grantor may not use the poles to compete with the Grantee’s or its Affiliates’ products and/or service offerings. Should the Grantor avail themselves of this right under Section 9, the value of the pole usage shall be treated as “in-kind” and be counted against the Franchise Fee cap, so long as federal law permits such treatment. Notwithstanding the foregoing, Grantor shall be permitted

to place, attach, or affix street, informational, directional or road symbol signs on or to such poles without charge or without being treated as an "in-kind" contribution provided there is sufficient space and that said signs will not create safety hazards or interfere with facilities or operations of Grantee. Grantor must get Grantee's permission prior to attaching or affixing anything to Grantee's poles, which permission shall not be unreasonably withheld.

SECTION 10. NOTICES

The Authority and the Grantee shall provide the other Party with the name and address of the contact Person designated to receive notices, filings, reports, records, documents, and other correspondence. All notices shall be delivered to each Party's contact Person by (a) certified mail, return receipt requested, (b) personal service with a signed receipt of delivery, or (c) overnight with receipt verification. All other filings, reports, records, documents, and other correspondence may be delivered by any permissible means including, but not limited to: facsimile transmission ("faxing"); electronic mail ("email") personal service; or overnight mail or package delivery. The delivery of all notices, reports, records, and other correspondence shall be deemed to have occurred at the time of receipt (unless otherwise designated by State law). The contact Persons and their respective addresses for receipt of notice under this Section 10 are as follows:

GRANTEE:

Charter Communications
Attn: Director, Government Affairs
10168 Linn Station Road
Louisville, KY 40223
Email: Benjamin.Usellis@charter.com

with a copy to:

Charter Communications
Attn: Vice President, Local Government Affairs & Franchising
601 Massachusetts Avenue NW
Suite 400 W
Washington, DC 20001-5369
Email: Paul.Abbott@charter.com

TELECOMMUNICATIONS BOARD & GRANTOR:

City Administrator
City of Fort Mitchell
2355 Dixie Highway
Fort Mitchell, Kentucky 41017

Executive Director
Telecommunications Board of Northern Kentucky
3414 Decoursey Pike
Covington, Kentucky 41015

All notices to the Authority shall be sent to their designated agent at the address provided from time to time by the Authority or their designated agent.

SECTION 11. GRANTEE'S FINANCIAL RESOURCES AND PERFORMANCE BOND

A. **Proof of Financial Resources.** The Grantee, throughout the Term of this Franchise, shall maintain adequate financial resources to perform, or provide a plan acceptable to the Authority demonstrating that it can perform, on a timely basis, all obligations pursuant to this Franchise Agreement.

B. **Performance Bond.** Within thirty (30) days after the award of this Franchise, the Grantee shall file with the Cable Board a Performance Bond, which the Grantee shall maintain throughout the Term of this Franchise and any extensions or renewals thereof, in the amount of Three Hundred Thousand Dollars (\$300,000.00) in favor of the Cable Board, Grantor and the TBNK Member Governments, to guarantee the faithful performance by the Grantee of all its obligations under this Franchise.

C. **Conditions.** In the event the Grantee fails to comply with any Applicable Law governing this Franchise, or fails to observe, fulfill and perform well and truly each term and condition of this Franchise, there shall be recoverable, jointly and severally, from the principal and surety of the bond, any damages or loss suffered by the Grantor, or the Cable Board as a result, and to pay fees, penalties or damages due the Grantor and/or the Cable Board, or to pay any claims, taxes or liens due Grantor and/or the Cable Board, including the full amount of any compensation, indemnification, or cost of removal or abandonment of any property of the Grantee, plus a reasonable allowance for attorneys' fees, including the Grantor's and/or the Cable Board's outside legal counsel, and costs.

D. **Endorsement.** The bond shall contain the following endorsement:

It is hereby understood and agreed that this bond may not be canceled by the surety and that the intention not to renew may not be stated by the surety until thirty (30) days after receipt by the Cable Board, by registered mail, a written notice of such intent to cancel or not to renew.

E. **Notice Before Draw.** Prior to drawing upon the performance bond for the purposes described in this Section 11, the Authority or its designated agent shall notify the Grantee in writing that payment is due, and that the Grantee shall have ten (10) days from the receipt of such written notice to make a full and complete payment. If the Grantee does not make the payment within ten (10) days, the Authority or its designated agent may withdraw the amount thereof, with interest and penalties, from the performance bond. The Grantee's recourse, in the event Grantee believes any taking or withdrawing from the performance bond is improper, shall be through legal action.

F. **Replenishment.** No later than thirty (30) days after mailing to the Grantee, by certified mail, notification of a withdrawal pursuant to Section 11.E (Notice Before Draw) above, the Grantee shall replenish the performance bond in an amount equal to the amount so withdrawn. Failure to make timely replenishment of such amount to the performance bond shall constitute a material violation of this Franchise.

SECTION 12. LIABILITY AND INSURANCE

A. **Scope and Limits.** The Grantee shall maintain, and by its acceptance of this Franchise specifically agrees that it will maintain, at its own cost and expense, throughout the Term of this Franchise, (a) commercial general and (b) auto liability insurance insuring the Grantor and the Cable Board as additional insureds, and the Grantee as the named insured in the minimum amount of \$5,000,000 for bodily injury (including death) and/or property damage in any one occurrence. This limit may include a self-insured retention and may be increased by mutual agreement of the Parties. Grantee shall also maintain workers compensation insurance or State approved self-insurance as provided by Applicable Law. The required limit of insurance may be met with any combination of self-insured retention, primary insurance and umbrella/excess insurance.

B. **CGL Coverage.** Such Commercial General Liability insurance must include coverage for all of the following: premises-operations, no explosion and collapse hazard exclusion, no underground hazard exclusion, products/completed operations hazard, contractual liability (meaning Bodily Injury or Property Damage arising out of the tort liability of another assumed in an Insured Contract), and personal injury.

C. **Acceptability of Insurers and Certification.** The insurance policies obtained by the Grantee in compliance with this section shall be issued by a company or companies duly licensed to do business in the Commonwealth of Kentucky, carrying a rating by Best's, or some other nationally recognized rating service, of not less than A-. Copies of certificates of insurance for all policies required hereunder shall be filed and maintained with the Grantor and the Cable Board, or its designated agent during the Term of this Franchise and may be changed from time to time to reflect approved changing liability limits.

D. **No Limitation or Liability.** Neither the provisions of this section nor any damages recovered by the Grantor, or the Cable Board hereunder, shall be construed to limit the liability of the Grantee arising under this Franchise or for damages.

E. **Certificate of Insurance.** Certificates of insurance must be provided to the Grantor and the Cable Board within thirty (30) days of the execution of this Franchise, and whenever any changes to the insurance coverage occurs.

F. **Additional Insureds.** Such Commercial General Liability and auto liability insurance shall include Grantor, its elected officials, boards (including the Cable Board) as additional insureds.

SECTION 13. INDEMNIFICATION

A. **Indemnification.** The Grantee shall, at its sole cost and expense, fully indemnify, defend and hold harmless the Grantor and the Cable Board, the Grantor's and the Cable Board's officers, boards, and all members, commissions or councils, and employees, agents and designees (collectively, the "Indemnitee") against any and all demands, claims, suits, actions, proceedings, liability and judgments for damages including, but not limited to, reasonable attorneys' fees, expenses for reasonable legal costs and disbursements, and liabilities assumed by the Grantor

and/or the Cable Board, or their designated agent in connection therewith to Persons (including death) or property in any way:

1. Caused by or arising out of or through the acts or omissions of the Grantee, its servants, agents or employees, in the ownership, operation or use of the Cable System, or its business in the Streets;
2. Caused by or arising out of any claim based on the acts or omissions of Grantee for invasion of the right of privacy, for defamation of any Person, or the violation, infringement or dilution of any copyright, trademark, trade name, service mark or patent, (excluding claims arising out of or relating to Grantor programming); and
3. Caused by or arising out of the Grantee's failure to comply with the provisions of this Franchise Agreement or any Applicable Law applicable to the Grantee in its business hereunder or the ownership, operation, or maintenance of the Cable System.

Grantor acknowledges that Grantee shall not be required to indemnify Grantor or the Cable Board for demands, claims, suits, actions, proceedings, liability and judgments for damages arising from the negligence of Grantor, the Cable Board or their employees, agents or designees

B. **Notice.** The foregoing indemnity is conditioned upon the Indemnitee, or their designated agent, giving the Grantee prompt written notice of the making of any claim or the commencement of any action, suit or other proceeding covered by the provisions of this section. Nothing herein shall be deemed to prevent the Grantor, the Cable Board or the Indemnitee from cooperating with the Grantee and participating in the defense of any litigation by their own counsel at their sole cost and expense.

C. **Duty to Defend and Employ Counsel.** With respect to Grantee's indemnity obligations set forth in Section 13.A (Indemnification) above, Grantee shall provide the defense of any claim, demand, suit, cause of action, or proceeding brought against the Indemnitee by selecting counsel of Grantee's choice to defend such claim, demand, suit, cause of action, or proceeding subject to the consent of the Authority, which consent shall not unreasonably be withheld. Grantee shall have the right to settle or compromise any demand, claim, suit, cause of action, or proceeding arising hereunder with the prior written approval of the Authority and Indemnitee and so long as the settlement or compromise includes a full release of the Authority and Indemnitee.

D. **No Grantor Liability.** Neither the Grantor nor the Cable Board shall at any time be liable for any injury or damage occurring to any Person (including death) or property from any acts or omissions of Grantee in the erection, construction, reconstruction, installation, upgrade, repair, extension, maintenance, operation, use, exploitation, or removal of its Cable System or the presence thereof in the Streets. It is a condition of this Franchise Agreement that neither the Grantor nor the Cable Board assume, nor do they assume by reason of this Franchise Agreement any liability whatsoever of Grantee for any injury to Persons (including death) or damage to property; provided, however, that Grantor and the Cable Board shall be responsible for their own acts of willful misconduct or negligence, subject to any and all defenses and limitations of liability provided by law.

E. **Survivability.** The Indemnification provisions of this Section 13 shall survive the Term of this Franchise Agreement for the acts of Grantee committed while the Franchise Agreement was in effect or performed under the color of the Grantee after the expiration, revocation, cancellation, or termination of this Franchise Agreement.

SECTION 14. FAILURE OF GRANTOR, OR THEIR DESIGNATED AGENT TO ENFORCE THIS FRANCHISE AGREEMENT CONSTITUTES NO WAIVER OF TERMS THEREOF

The Grantee shall not be excused from complying with any of the terms and conditions of this Franchise Agreement by any failure of the Grantor, the Cable Board, or their designated agent, upon any one or more occurrences to insist upon or to seek compliance with any such terms or conditions.

SECTION 15. RIGHTS OF INDIVIDUALS

A. **No Discrimination.** The Grantee shall not deny service, deny access, or otherwise discriminate against Subscribers, channel users, or general citizens on the basis of race, color, religion, sex or national origin. The Grantee shall comply at all times with all Applicable Law, and all executive and administrative orders relating to nondiscrimination which are hereby incorporated and made part of this Franchise Agreement by reference.

B. **Equal Employment.** The Grantee shall strictly adhere to the equal employment opportunity requirements of the FCC, State statutes and local regulations, currently in force and as amended from time to time.

C. **Subscriber Privacy.** The Grantee shall operate the Cable System in a manner that protects against invasions of any Subscriber's privacy, in accordance with 47 U.S.C. 551.

SECTION 16. PUBLIC NOTICE

Minimum public notice of any public meeting of the Authority relating to the consideration of an application by any other Person(s) for a franchise or other authorization to provide Cable Services over a Cable System, by Grantor or TBNK shall be given by Grantor or TBNK, in compliance with KRS 61.804 to 850 (Open Meetings of Public Agencies) and for KRS 424.110 to 424.150 (Legal Notices) and in accordance with the notice provisions of Article I, Section 10 (Notices), as applicable.

SECTION 17. SEVERABILITY

If any section, subsection, sentence, clause, phrase or portion of this Franchise Agreement is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity of the remaining portions thereof.

SECTION 18. TIME IS OF THE ESSENCE TO THIS FRANCHISE AGREEMENT

Whenever this Franchise Agreement shall set forth any time for an act to be performed by or on behalf of the Grantee, such time shall be deemed of the essence and any failure of the Grantee to perform within the time allotted shall always be sufficient grounds for the Grantor and/or the Cable Board to invoke an appropriate penalty, including possible revocation of this Franchise Agreement.

SECTION 19. COMPLIANCE WITH STATE AND FEDERAL LAWS

Notwithstanding any other provision of this Franchise to the contrary, the Grantee shall at all times comply with all Applicable Laws and regulations of the State and federal government or any administrative agencies thereof. Grantor shall at all times comply with the Cable Act and other Applicable Law governing the administration of and performance of its obligations under this Franchise.

SECTION 20. PREEMPTION

In the event any Applicable Law preempts a provision or limits the enforceability of a provision of this Franchise Agreement, the provision shall be read to be preempted to the extent, and for the time, but only to the extent and for the time, required by law. In the event any provision of this Franchise Agreement is preempted, or enforcement limited by any such provision of any Applicable Law, then the Parties shall negotiate in good faith to reconstitute this Franchise Agreement in a form that, to the maximum extent possible, is consistent with the original intent of the Grantor and Grantee and preserves the benefits bargained for by each Party.

SECTION 21. SOVEREIGN IMMUNITY

Nothing in this Franchise Agreement shall be construed to waive the tort or any other immunity or applicable defense of Grantor, and its elected and appointed officials, officers, boards (including the Telecommunications Board), commissions, commissioners, agents, and employees.

SECTION 22. SERVICES/PRODUCTS AVAILABLE ACROSS NORTHERN KENTUCKY

The Grantee agrees that the channel capacity of the Cable System, technical upgrades and the Cable Service offerings, and customer service Grantee makes available to the customer (except for PEG Access that may differ among the separate franchises) shall be comparable to the Cable Systems Grantee operates in Boone, Kenton and Campbell Counties, Kentucky ("**Northern Kentucky**"), provided Grantee shall have a reasonable period of time to implement any changes necessitated by this provision. Furthermore, if the Grantee provides HD for PEG Access for another franchise in Northern Kentucky, then provision of HD for PEG Access shall also be offered by Grantee on comparable terms and conditions for PEG Access programming provided by the Grantor and/or the Cable Board. Implementation of such HD format for PEG Access shall be at the sole discretion of Grantor and/or TBNK.

SECTION 23. RELIEF FROM THIS FRANCHISE

A. **Written Petition.** Grantee may file a written petition, at any time, with the Authority, or their designated agent, seeking relief from one (1) or more provisions of this Franchise. The relief requested may specifically include the delay in implementation of one (1) or more provisions of this Franchise. Grantee's filing of a petition pursuant to this Section shall in no way limit its rights under Applicable Law, including, without limitations, Section 625 of the Cable Act.

B. **Competitor Subject to Regulation by the Grantor.** If at any time during the existence of this Franchise, a competing multi-channel video programming distributor, which operates a Cable System in the Streets and which has been provided a franchise or other type of authorization pursuant to the Cable Act by Grantor, to operate such Cable System in the Streets subject to the Cable Act, is granted more favorable term(s) under such franchise or other type of authorization than those established for the Grantee under this Franchise (including but not limited to lesser channel capacity, lesser requirements to provide Public, Educational, or Government access, less onerous reporting requirements, less onerous customer notification requirements, less restrictive billing practices, less onerous customer service requirements, or less responsibility to pay a Franchise Fee), then such term(s) shall also be simultaneously extended to the Grantee, upon the written request of the Grantee, so that no provider of multi-channel service shall receive an unfair competitive advantage; provided, however, in considering such request of Grantee, the Authority or its designated agent, shall take into consideration the Cable Act and Applicable Law, as well as the proportional relationship of the operations (such as size, subscriber base, and revenue).

C. **Competitor Not Subject to Regulation by Grantor.** Potential competitors of the Grantee, including but not limited to wireless broadcasters, virtual multichannel video distributors, video dial tone providers, and direct broadcast satellite services, may not be franchised, or subject to regulation by the Grantor. If, at any time during the existence of this Franchise, Grantor issues or grants a cable franchise or other authorization to use the Streets for the construction, installation, and operation of a facilities based multichannel video programming distributor (MVPD) system to provide MVPD services to subscribers in the Franchise Area, under terms more favorable than those established for the Grantee under this Franchise (including but not limited to lesser channel capacity, lesser requirements to provide Public, Educational, or Government access, less onerous reporting requirements, less onerous customer notification requirements, less restrictive billing practices, less onerous customer service requirements, or less responsibility to pay a fee reasonably comparable to a franchise fee), then the Grantee shall be permitted to petition the Grantor, or its designated agent, for relief from such term(s), so that no provider of MVPD service shall receive an unfair competitive advantage. The Grantor, or its designated agent, shall not unreasonably refuse to grant the relief requested by the Grantee; provided, however, in considering such request of Grantee, the Grantor or its designated agent shall take into consideration all of the circumstances in existence at the time, including, but not limited to, the proportional relationship of the operations in the Franchise Area (such as size, subscriber base, and revenue), and Applicable Law that might stipulate different levels of requirements applicable to different multi-channel service providers. Additionally, with reference to the conditional relief set forth above in this Section 23.C (Competitor Not Subject to Regulation by Grantor), it is specifically understood and agreed by the Parties that Grantor shall not be

required to grant such relief to Grantee with respect to video services which Grantor is not authorized to regulate, or service providers from which Grantor is not authorized to require a franchise or other authorization for the provision of such video services, including but not limited to: (1) Over The Top (OTT) and other streaming video programming services offered to customers over the internet, or (2) video programming services offered primarily over cellphone or personal wireless service facilities.

ARTICLE II. CABLE SYSTEM EXTENSION, OPERATION, STANDARDS AND PROCEDURES

SECTION 1. DESCRIPTION OF CABLE TELEVISION DISTRIBUTION SYSTEM

A. **Characteristics.** The Grantee will operate a Cable System capable of providing over two hundred (200) channels of digital content, as well as high-definition (HD) programming, digital video recorder (DVR) and video-on-demand (VOD) services. The Cable System is capable of continuous twenty-four (24) hour operation without significant degradation of signal, except during extreme inclement weather or immediately following severe storms that adversely affect utility services or damage major system components.

B. **Upgrade of Cable System and Confidential Treatment.** The Grantee will keep the Authority advised of its major upgrades or projects for the Cable System, with the understanding that the Authority will keep proprietary information confidential pursuant to the open records exception set forth in KRS 61.878(1)(c)(I). Proprietary information that is subject to this exception shall be marked as confidential. If Grantor and/or the Board believe it must release any such proprietary or confidential information in the course of enforcing this Franchise or overseeing compliance with FCC Regulations, or for any other reason, it shall comply with KRS 61.878 [Certain Public Records Exempted From Inspection On Court Order] and advise Grantee in advance so that Grantee may take appropriate steps to protect its interests. Until otherwise ordered by a court or agency of competent jurisdiction, Grantor and the Telecommunications Board agree that, to the extent permitted by Applicable Law, including the Open Meetings/Records Laws, as such term is defined in Article II, Section 12.C (Confidentiality) hereof, it shall deny access to any of Grantee's books and records marked confidential, as set forth above, to any Person.

SECTION 2. SERVICE AVAILABILITY AND RECORD REQUEST

The Grantee shall provide Cable Service throughout the entire Franchise Area pursuant to the provisions of this Franchise and shall keep a record for at least three (3) years of all requests for service received by the Grantee.

SECTION 3. CABLE SYSTEM EXTENSION

The Cable Board and Grantor recognize that, as the competitive entrant provider of Cable Service, the Grantee's ability to construct and extend its Cable System will be largely dependent upon the market penetration and success it achieves over time.

SECTION 4. CONSTRUCTION AND TECHNICAL STANDARDS

A. **Compliance with Construction and Technical Standards.** The Grantee shall construct, install, upgrade, remove, replace, repair, operate and maintain its Cable System in a manner consistent with (a) all Applicable Laws, (b) good engineering practices and construction standards, and (c) FCC technical standards, which standards are set forth in Title 47, Part 76, Subpart K of the Code of Federal Regulations and which are incorporated by reference herein. In addition, the Grantee shall provide the Cable Board, upon request, with a written report of the results of the Grantee's annual proof of performance tests conducted pursuant to FCC standards and requirements.

B. **Compliance with Codes.** Grantee shall at all times comply with:

1. National Electrical Safety Code (National Bureau of Standards);
2. National Electrical Code (National Bureau of Fire Underwriters), as adopted and made applicable by the Grantor, the County and/or the Commonwealth of Kentucky;
3. Applicable FCC or other federal, State and local regulations including Technical Standards; and
4. Applicable local permits and ordinances.

C. **Additional Specifications.** The Cable System shall operate by means of transmission lines of optical fiber (Fiber to The Premise - FTTP), combination optical fiber and copper or combination optical fiber and any other last mile technology capable of providing Cable Service (Fiber To The Node - FTTN), coaxial cable, and/or other comparable means to distribute the signals.

D. **Construction Standards and Requirement.** The construction, installation, upgrade, and maintenance of the Cable System shall be performed in an orderly and workmanlike manner. In any event, the Cable System shall not endanger or interfere with the safety of Persons or property or with the functioning of property, in the Franchise Area or other areas where the Grantee may have equipment located.

E. **Installation of New Cables.** All new cables and wires shall be installed, where possible, parallel with electric and telephone lines. Multiple cable configurations shall be arranged in parallel and bundled with due respect for engineering considerations and may not cross the Streets where lines do not already cross the Streets, without the prior written approval of the Grantor, except for drop lines into a Subscriber's home or building.

F. **Location of Pedestals.** Grantee will use all reasonable efforts to locate pedestals on the far side of the Subscriber's lot or yard, immediately next to or along the side property lines, or adjacent to other existing utility pedestal locations within the constraints of the proper technical design and operation of the Cable System.

G. **Antenna Regulation.** Any small cell tower(s) or antenna structure(s) used in the Cable System shall comply with the standards and requirements of the U.S. Department of Transportation, FCC Regulations, and the Kenton County regulations for cellular antenna and small cell towers, as applicable, for the location, placement, height, design construction, marking, and lighting of small cell towers and antenna structures.

H. **Compliance with OSHA Standards.** All working facilities, conditions and procedures used during construction, installation, upgrade, and maintenance of the Cable System shall comply with the standards of the Occupational Safety and Health Administration and such other Applicable Law.

I. **RF Leakage & Standby Power.** RF leakage shall be checked and maintained in conformance with FCC Regulations. The Grantee shall maintain equipment capable of providing standby power for Headend for a minimum of two hours.

J. **Underground Construction.** In all areas of the Franchise Area where the fiber optic lines, cables, wires, and other like facilities (including but not limited to telephone and power), of all public utilities are placed underground, the Grantee shall place its fiber optic lines, cables, wires, or other like facilities underground to the maximum extent that existing technology reasonably permits. With respect to those areas of the Franchise Area where existing telephone and/or electric utility wires, fiber optic lines and/or other facilities are installed aerially or above ground at the time of Grantee's Cable System construction, reconstruction, upgrade, rebuild, extension or expansion, Grantee may install its cables, wires, or facilities aerially or above ground with the understanding, however, that at such time as the existing aerial or above ground wires, fiber optic lines and/or facilities are required to be placed underground by Grantor, the Grantee shall likewise place its cables, wires, fiber optic lines and/or facilities underground at its sole cost. In the event that any cable/video or telephone/communications or electric utilities/providers are reimbursed by Grantor or any agency thereof for the placement of cables, wires, fiber optic lines or facilities underground or the movement of cables, wires, fiber optic lines or facilities, Grantee shall be reimbursed upon the same terms and conditions as any cable/video, telephone/communications, electric, gas or other utilities, including water and sanitation districts.

K. **Method of Construction.** The methods of construction, upgrade, installation, maintenance, and repair of the Cable System shall comply and be consistent with good engineering practices for Cable Systems of similar size and design, and consistent with and satisfy FCC performance and technical standards. All work shall be performed by the Grantee in a good and workmanlike manner.

L. **Compensation.** The Grantee shall compensate property owners for any damages caused by its installation, construction, operation, or removal of its cable facilities, as required by the Cable Act (47 U.S.C. 541(a)(2)(C)).

SECTION 5. USE OF STREETS

A. **Interference with Persons and Improvements.** The Cable System shall be located, erected and maintained so that none of its facilities shall unreasonably endanger or interfere with the lives of any Persons, or with the safety and use of the property, safety of other

Persons, or interfere with any improvements or property the Grantor, the County and State may deem proper to make, or unnecessarily hinder or obstruct the free use of the Streets or public property.

B. Minimum Interference with Public Ways. All transmission and distribution structures, lines and equipment erected by the Grantee within the Franchise Area shall be so located as to cause minimum interference with the proper use of Streets, and to cause minimum interference with the rights or reasonable convenience of property owners who adjoin any of the said Streets.

C. Restoration to Prior Condition. In case of any disturbance of pavement (whether cement, asphalt or other surface material), curb, sidewalk, driveway, apron or other surfacing, the Grantee shall, at its own cost and expense, and in a timely manner, replace and restore all paving, sidewalk, curb, driveway, apron, landscaping, or surface of any Street disturbed, in as good condition as before said work was commenced and in accordance with generally applicable standards for such work, as set by the Grantor or its designated agent, including the requirements of Applicable Law.

D. Repair of Streets by Grantor. In the event Grantee fails, refuses or neglects to repair, restore or replace the damage, alteration or disturbance caused to the Streets, sidewalks, curbs or other infrastructure as provided in Section 5.C (Restoration To Prior Condition) above, the Grantor shall have the right, after a ten (10) day prior written notice to Grantee to comply with the above provisions, to make such repair, restoration or replacement and the cost and expense thereof shall be paid by Grantee to the Grantor within thirty (30) days from the date on which an itemized bill is presented to Grantee.

E. Erection, Removal, and Common Uses of Poles.

1. **Installation of New Poles.** No poles or other wire-holding structures shall be erected by the Grantee without the generally required prior written approval of the Grantor, or its designated agent, with regard to location, design, height, type, and any other pertinent aspect. However, no location of any pole or wire-holding structure of the Grantee shall be a vested interest, and the Grantee shall remove or modify such poles or structures, at its own cost and expense, whenever the Grantor, or its designated agent, determines that such removal or modification (a) would enhance the public convenience and/or necessity or (b) is required by Applicable Law.

2. **Use of Existing Poles.** Where poles or other wire-holding structures already existing for use in serving the Franchise Area are available for use by the Grantee, but the Grantee does not make arrangements for such use, the Grantor, or its designated agent, may require the Grantee to use such poles and structures if the Grantor, or its designated agent, determines that such use would enhance the public convenience and/or necessity and that the terms of the use available to the Grantee are commercially just and reasonable. Notwithstanding the foregoing, the Grantee will use its reasonable efforts to make or secure the use of existing poles or structures by way of the State's Public Service Commission's rules and orders pertaining to pole attachments.

3. **Good Faith Negotiations.** Where the Grantor, or a public utility serving the Franchise Area desires to make use of the poles of the Grantee, the Grantee shall immediately initiate good faith negotiations to permit such use for such consideration and upon such terms as are just and reasonable.

F. **Relocation of the Facilities.** In the event that, at any time during the Term of this Franchise, the State, the County and/or the Grantor shall lawfully elect to alter or change the grade, location, width, or orientation of any Street(s) or other public ways, or perform other rights-of-way or road construction or other public improvement or work of any description, for purposes or by reason of a public purpose, convenience, interest or safety, the Grantee, upon reasonable written notice by the proper government unit, to be not less than sixty (60) days, shall relocate, change, remove and relocate, temporarily disconnect, as necessary, their poles, wires, cables, underground conduits, manholes, equipment and other fixtures at its own cost and expense; provided, however, if Grantor compensates any other entity for removing or relocating its poles, wires, cables, underground conduits, manholes, equipment or other fixtures, then the Grantee shall be similarly compensated.

G. **Cooperation with Building Movers.** The Grantee shall, on the request of any Person holding a building-moving permit issued by the Grantor, temporarily raise or lower its wires to permit the moving of buildings. The Person requesting such raising or lowering shall bear the expense of such temporary removal, raising or lowering of wires, and the Grantee shall have the authority to require such payment in advance. The Grantee shall be given not less than fourteen (14) calendar days advance notice to arrange for such temporary wire changes.

H. **Removal in Emergency.** Whenever, in case of fire, disaster, or other emergency it becomes necessary in the judgment of Grantor to cut or remove any of Grantee's facilities, Grantor or the Authority shall have the right to do so without liability and no charge shall be made by the Grantee against Grantor for restoration and repair. The Grantor or the Authority, as the case may be, shall provide written notice to Grantee of any such emergency removal within five (5) days of the occurrence.

I. **Tree Trimming.** Grantee shall have the authority (but only to the extent the Grantor can lawfully give it), at its own expense, to trim trees located in or overhanging the Streets and that are interfering with the operation of its Cable System, lines, poles and/or related equipment in the Streets only to the extent necessary to keep the branches of the trees from coming into contact with such Cable System, lines, poles and/or related equipment. All trimming and pruning shall comply with all Applicable Laws and ordinances of the Grantor. Notwithstanding the foregoing and prior to engaging in such activity, except for activity that is incidental and specific to day-to-day individual Subscriber installation and repair services, Grantee shall submit to the Grantor a tree trimming or pruning plan for approval at least seven (7) days before any trimming begins. Except for branches or limbs of trees and bushes overhanging the Streets, Grantee shall secure the consent of the private property owner, upon whose property the tree or bush is located, prior to cutting or trimming such tree or bush.

SECTION 6. OPERATIONAL STANDARDS

A. **Good Condition of Cable System.** The Grantee shall put, keep, and maintain all parts of the Cable System in good condition and in accordance with FCC Regulations throughout the entire Term of this Franchise.

B. **Request for Service.** Upon the reasonable request for service by any Person located within the Franchise Area and subject to the customer service provisions of the FCC Regulations, the Grantee shall, within seven (7) business days, furnish the requested service to such Person within the terms of the line extension policy. A request for service shall be unreasonable for the purpose of this subsection if no activated distribution facility capable of servicing that Person's block has yet been installed.

C. **Repairs and Interruptions.** The Grantee shall render efficient service, make repairs promptly, and interrupt service only for good cause, for the shortest time reasonable, and in accordance with the customer service provisions of the FCC Regulations. Such interruptions, insofar as possible, shall be preceded, where reasonable, by notice to Persons affected thereby and shall occur during periods of minimum system use.

D. **No Interference.** The Grantee shall not allow its cable or other operations to interfere with television reception of Persons not served by the Grantee, nor shall the Cable System interfere with, obstruct, or hinder in any manner, the operation of the various utilities serving the residents within the confines of the Franchise Area.

E. **Technical Standards and Quality of Service.** The Grantee shall continue, through the Term of this Franchise, to maintain the technical standards and quality of service set forth in this Franchise Agreement and the FCC Regulations. Should Grantor or the Cable Board find, by resolution, that the Grantee has failed to maintain these technical standards and quality of service, and such failure continues for three (3) months following such resolution, the failure will constitute a material breach of this Franchise Agreement, a condition for which the remedy of Article III, Section 2.A (Default of Franchise) is applicable.

SECTION 7. CONTINUITY OF SERVICE MANDATORY

A. **Uninterrupted Service.** It shall be the right of all Subscribers to continue to receive Cable Service insofar as their financial and other obligations to the Grantee are honored. The Grantee, therefore, shall at all times maintain all parts of the Cable System in good condition and repair so as to provide that service on an uninterrupted basis. In the event that the Grantee elects to overbuild, rebuild, modify or sell the Cable System, or the Grantor or its designated agent give(s) notice of its (a) intent to terminate or (b) decision not to renew this Franchise as permitted in Article I, Section 6 (Duration and Acceptance of Franchise) or in the Cable Act, the Grantee shall act so as to ensure that all Subscribers receive continuous, uninterrupted service, except when the interruption occurs as a result of (a) an event of force majeure, as provided in Article III, Section 4 (Force Majeure) or (b) the termination, revocation or non-renewal of this Franchise, all as provided in this Franchise Agreement, and Grantee will take steps to sell the Cable System to another operator, subject to Article II, Section 11 (Transfer of Ownership or Control).

B. Change of Ownership – Sale of Cable System. In the event of a change of the Grantee, or in the event a new operator acquires the Cable System, which events are subject to the Transfer provisions set forth in Article II, Section 11 (Transfer of Ownership of Control) of this Franchise, the Grantee shall cooperate with the Cable Board, the Grantor, and the new owner, franchisee, or operator in maintaining continuity of service to all Subscribers. During such period, the Grantee shall be entitled to the revenues for any period during which it operates the Cable System, and the Grantee shall be entitled to reasonable costs for its services when it no longer operates the Cable System, subject at all times, however, to the terms and conditions of any underlying or associated stock or asset purchase agreement, any merger agreement, or any other agreement providing for or relating to a Transfer.

SECTION 8. CUSTOMER SERVICE AND COMPLAINT PROCEDURE

A. Administration of Complaints. The Grantor or the Cable Board, or their designated agent, shall have primary responsibility for the continuing administration of the Franchise terms and implementation of complaint procedures.

B. Customer Service Center and Customer Service Obligations. During the Term of this Franchise, and any extension thereof, the Grantee shall exercise commercially reasonable efforts to maintain a local business office convenient to the geographic confines of the Franchise Area (the “**Customer Service Center**”) for the purpose of receiving and resolving all complaints regarding the quality of service, equipment malfunctions, providing for the pick up or drop off of equipment, paying of subscriber bills, opening and closing of customer accounts, and similar matters, and Grantee shall comply with all the customer service standards or obligations specified by the FCC Regulations, including, without limitation, 47 C.F.R. §§ 76.309(c), 76.1602, 76.1603, and 76.1619, as such standards may be amended from time to time by the FCC. As provided in the above recited FCC Regulations, notice is hereby given that the Authority intends to enforce the customer service obligations and standards herein set forth.

C. Electronic Notice/Communications. Any bill, notice or other communication provided or issued by Grantee to any Subscriber may be provided or issued, if such Subscriber so consents, solely by electronic means.

D. Rate Regulation. In the event Grantor contends that Effective Competition, as defined in 47 U.S.C. § 543(l)(1) and 47 C.F.R. § 76.905(b) no longer exists in the Franchise Area, Grantor shall have the right to file a certification with the FCC seeking authority to exercise rate regulation to the extent authorized by Applicable Law, or to refrain from exercising such regulation for any period of time. Grantee shall have the right to file a Petition for Reconsideration with respect to any certification filed by Grantor. If, and when exercising rate regulation, the Grantor shall abide by the applicable FCC Regulations, set forth in 47 C.F.R. § 76.901, et seq.

E. Performance and Technical Standards. When there exists evidence that the Grantee does not satisfy FCC performance and technical standards in accordance with FCC Regulations, as set forth in 47 CFR, Part 76, Subpart K, the Authority, shall have the right and authority to require the Grantee to test, analyze, and report on the performance of the Cable System. The Grantee shall fully cooperate with the Authority, or their designated agent, in

performing such testing, and shall prepare a report reflecting the results of such tests, if requested, within thirty (30) days after notice. Such report shall include the following information:

1. The nature of the complaints or the problem that precipitated the special tests;
2. What Cable System component was tested;
3. The equipment used and procedures employed in testing;
4. The method, if any, in which such complaint or problem was resolved; and
5. Any other information pertinent to said tests and analysis that may be required.

The Authority may require that such tests be supervised by a professional engineer not on the permanent staff of the Grantee. The engineer should sign all records of special tests and forward to the Authority, such records with a report interpreting the results of the tests and recommending actions to be taken. The expense of the professional engineer shall be borne by the Authority, unless a significant violation of performance and technical standards contained in FCC Regulations are found, in which case the expense shall be borne by the Grantee. The Authority's right under this section shall be limited to requiring tests, analyses, and reports covering specific subjects with characteristics based on said complaints or other evidence when and under such circumstances as the Authority has reasonable grounds to believe that the complaints or other evidence require that the tests be performed to protect the public against substandard Cable Service. The Authority may require remedies, including, requiring Grantee to fix the problem(s), or initiating non-compliance or default procedures.

SECTION 9. GRANTEE RULES AND REGULATIONS

The Grantee shall have the authority to promulgate such rules, regulations, terms, and conditions governing the conduct of its business as shall be reasonably necessary to enable it to exercise its rights and perform its obligations under this Franchise, and to assure an uninterrupted service to each and all of its Subscribers. Those rules, regulations, terms, and conditions shall not be in conflict with the provisions herein or in conflict with Applicable Law.

SECTION 10. PAYMENT OF MULTICHANNEL VIDEO PROGRAMMING SERVICES TAX – FRANCHISE FEES

A. **Franchise Fee.** Grantee shall make payments at the times and in conformance with the requirements of KRS 136.600 - 136.660 ("**Telecommunications Tax**") and said payments shall be in lieu of any Franchise Fees paid to the Grantor. Notwithstanding the foregoing, if the Grantor elects or has elected to collect Franchise Fees in lieu of the Grantor's share of the Distribution Fund¹ authorized by the Telecommunications Tax, the Franchise Fee shall be in an

¹ This Distribution Fund is also known as the "monthly hold harmless amount" and is addressed in KRS 136.650 [Required participation funds – Computation of amounts – Designated monthly hold harmless amount] and KRS 136.652 [Distribution – Administrative costs – Monthly hold harmless amounts].

amount equal to five percent (5%) of Grantee's Gross Revenues (as such term is defined below) derived from the operation of Grantee's Cable System to provide Cable Service within the territorial limits of the Grantor.

B. Transition to and from Distribution Fund. Grantor's position is that, under State law political subdivisions are allowed or otherwise have the right and option to (1) withdraw from and elect not to participate in (Opt-Out) the Distribution Fund and/or (2) return to or be reinstated in (Opt-In) the Distribution Fund and receive its local historical amount, as opposed to receiving direct franchise fee payments from Cable Operators, accordingly, Grantee agrees to cooperate in good faith with Grantor and/or the Authority in making any such withdrawals from (Opt-Out) and returns or reinstatements to (Opt-In) the Distribution Fund. In this regard, Grantee shall also take all such action as is necessary or appropriate with the Kentucky Department of Revenue (DOR) or the State in order to meet or otherwise comply with the obligations or requirements of KRS 136.600 through 136.660, as applicable. The Parties acknowledge the TBNK Member Governments have made, prior to the Effective Date of this Franchise Agreement, the Opt-Out and Opt-In choices respecting the Distribution Fund, as noted or set forth on Appendix 3 attached hereto and made a part hereof.

C. Opt-Out Application-Franchise Fee. For any given period of time after the Effective Date of this Franchise Agreement, that Grantor elects to Opt-Out of the Distribution Fund, or has already elected prior to the Effective Date to Opt-Out of the Distribution Fund, then Grantor shall be entitled to receive, and Grantee shall pay to Grantor, Franchise Fee payments pursuant to Article II, Section 10.A (Franchise Fee) and Article II, Section D.1 (Payment of Franchise Fee) of this Franchise Agreement, and all provisions of said Section 10.D.1 shall be operative, provided Grantee shall have ninety (90) days after the Grantor gives notice of its Opt-Out or Opt-In election to begin or to cease collecting and remitting such Franchise Fee payments. However, for any period of time that Grantor has elected to Opt-In the Distribution Fund, then the provisions of Section 10.D.1 (Payment of Franchise Fee) do not apply.

D. Payment of Franchise Fee. For any period of time that a Franchise Fee is due to the Grantor, as outlined in Article II, Sections 10.A (Franchise Fee) and 10.C (Opt-Out Application-Franchise Fee) of this Franchise Agreement, the Franchise Fee shall be payable as follows:

1. **Quarterly Payments; Certified Revenue Statement; Late Fee.** Franchise Fees shall be payable quarterly for each calendar quarter [March 31, June 30, September 30, and December 31], and said payment shall be made no later than forty-five (45) days after the expiration of the quarter. Payment of the quarterly Franchise Fee shall be rendered proportionally to Grantor and to the Telecommunications Board for their respective portions in the percentage amounts set forth in the Interlocal Agreement at the time the revenue statement is filed. In addition, the Grantee shall file a Gross Revenue report from operations of the Grantee within the Franchise Area, which shall include: a revenue statement clearly showing the Gross Revenues received by Grantee during the preceding quarter and signed by an officer of Grantee and confirming the payment has been calculated in accordance with the terms of this Franchise Agreement and Applicable Law. Such statement shall also include the Franchise Fee amount paid proportionally to Grantor and the Telecommunications Board for their respective portions in the percentage amounts

set forth in the Interlocal Agreement. The Authority shall have the right to reasonably require further supporting information for each Franchise Fee payment. In the event any Franchise Fee payment is not made on or before the required date, Grantee shall pay, for the period such unpaid amount is owed, the amount owed plus interest charges computed from such due date, at an annual rate of eight percent (8%).

2. **No Deductions.** Gross Revenue shall be determined without deduction for (1) any operating expense; (2) any accrual; or (3) any other expenditure, regardless of whether such expense, accrual or expenditure reflects a cash payment, and revenue shall be counted only once in determining Gross Revenue, to the extent consistent with GAAP.

3. **Bundled Services.** If Grantee bundles Cable Service with Non-Cable Services, Grantee agrees that it will not intentionally, unfairly, or unlawfully allocate such revenue for the purpose of evading the Franchise Fee payments under this Franchise. In the event that Grantee or any Affiliate shall bundle, tie, or combine Cable Services (which are subject to the Franchise Fee) with Non-Cable Services (which are not subject to the Franchise Fee), so that Subscribers pay a single fee for more than one class or category of service or receive a discount on Cable Services, a pro rata share of the revenue received for the bundled, tied, or combined services shall be allocated to gross revenues for purposes of computing the Franchise Fee. Revenue recognition of bundled services will be in accordance with GAAP and Financial Accounting Standards Board's (FASB) accounting standards codification.

4. **Definition of Gross Revenues.** "Gross Revenue" or "Gross Revenues" shall mean any and all revenues or receipts derived from the Cable System or the operation thereof to provide Cable Services within the Franchise Area, including cash, credits, property or other consideration of any kind or nature, and collected by Grantee. Gross Revenues shall be recognized according to GAAP, to include, without limitation, recurring monthly charges for Cable Services; event-based charges for video services including, but not limited to, Pay-Per-View Event(s), Pay-Per-View Movie(s), Premium Channels and video-on-demand charges; charges for the rental or sale of set top boxes and other Cable Services or video service related equipment; service charges related to the provision of Cable Services, including, but not limited to, service order, installation, connection and service termination charges; and advertising revenue. Gross Revenue shall include any such revenue or receipts received by any Affiliate of the Grantee where such revenue or receipts in the ordinary course of business should have, according to existing practices, been paid to Grantee in connection with the operation of its Cable System within Grantor's Franchise Area. Gross Revenues shall not include the following: (1) any taxes, fees, or assessments that are collected by the video service provider from video service Subscribers for pass-through to any federal, state, or local government agency, including the Franchise Fee authorized under Article II, Sections 10.A (Franchise Fee), 10.C (Opt-Out Applications – Franchise Fee) and 10.D (Payment of Franchise Fee); (2) uncollectible charges, except that uncollectible charges, all or part of which are written off as bad debt but subsequently collected, less the expenses of their collection shall be included in gross revenue in the quarter collected; (3) late payment charges; (4) maintenance charges; (5) charges for services other than Cable Service, reasonably identifiable on books or records the Grantee kept in the regular course of business or by other reasonable means, that are aggregated or

bundled with amounts billed to Cable Service Subscribers, including, but not limited to, any revenue received by Grantee or its Affiliates for Non-Cable Services or the provision of directory or internet advertising, including yellow pages, white pages, banner advertising, and electronic publishing; and (6) reimbursement by programmers of marketing costs actually incurred by the video service provider.

5. **All Inclusive; Change in Law.** The definition shall be construed so as to include all Gross Revenues to the maximum extent permitted by federal and State law for Cable Services, except to the extent specifically excluded in this Section 10.D (Payment of Franchise Fee) and encompasses Cable Services revenue that may develop in the future, whether or not anticipated. If a statutory change in State or federal law or a decision of the FCC or a court of competent jurisdiction expands the Cable Service categories of revenue available to Grantor for the Franchise Fee assessment beyond those permitted under this definition as of the Effective Date, that change shall automatically be included in the definition of the Gross Revenues under this Franchise, provided that Grantor imposes the same requirement upon any other similarly situated multi-channel video provider over which Grantor has jurisdiction and authority to impose such fees.

E. **Audit.** In the event that Grantee pays a Franchise Fee under Article II, Sections 10.A (Franchise Fee), 10.C (Opt-Out Application – Franchise Fee) of this Franchise Agreement, upon reasonable notice, the Grantor and/or the Cable Board shall have the right during normal business hours to inspect the Grantee's records relevant to the payment of Franchise Fees at the Grantee's local office and the right to audit and to re-compute any amounts determined to be payable under this Franchise Agreement, including the right to audit records regarding the allocation of revenues derived from bundled services involving Cable Services and Non-Cable Services, if the Authority deems it necessary; provided, however, that such audit shall be limited to a maximum period of two (2) calendar years (the most recent calendar year and the immediately preceding calendar year) (the "**Audit Period**"). After Grantee has a reasonable opportunity to review and comment on an audit, which review period shall not exceed sixty (60) days, Grantee and the Authority shall agree to and be bound by the results of any properly conducted audit it performs or causes to be performed, except for instances involving fraud or Grantee's good faith dispute of any such results or findings lodged during its sixty (60) day review period ("**Audit Dispute**"), and Grantee shall remit to the Grantor and the Cable Board any undisputed amounts due as a result of the audit. In addition, if, as a result of such audit or review, the Grantor or Cable Board and Grantee agree that the Grantee has underpaid its fees to the Grantor and/or the Cable Board during the Audit Period being audited or reviewed by ten percent (10%) or more, then, the Grantee shall also reimburse the Grantor and Cable Board for all of the reasonable costs associated with the audit or review, including costs for attorneys, accountants and other consultants. Any additional amount due to the Grantor and the Cable Board as a result of an audit or review shall be paid within the thirty (30) days following written notice to Grantee by the Grantor and/or the Cable Board, which notice shall include a copy of the audit report and copies of all invoices for which the Grantor and Cable Board seeks reimbursement. If the Parties are unable to resolve the Audit Dispute after a reasonable period of good faith discussions, either Party may submit the dispute to mediation. In the event an agreement is not reached at mediation, either Party may bring an action to have the Audit Dispute and any disputed amount determined by a court of law.