

CABLE FRANCHISE AGREEMENT

BETWEEN

TOWN OF WARRENTON

AND

SHENANDOAH CABLE TELEVISION, LLC, D/B/A GLO FIBER

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Exhibit A: Customer Service Standards

Franchise Agreement

This Franchise Agreement (hereinafter, the “Agreement” or “Franchise Agreement”) is made between the Town of Warrenton, a political subdivision of the Commonwealth of Virginia (hereinafter, “Town” or “Franchise Authority”) and Shenandoah Cable Television, LLC (hereinafter, “Franchisee”).

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

Section 1 - Definition of Terms

For the purpose of this Franchise Agreement, capitalized terms, phrases, words, and abbreviations shall have the meanings ascribed to them in the Code of Virginia, Title 15.2, Chapter 21, Article 1.2, §15.2-2108.19, and the Cable Communications Policy Act of 1984, as amended from time to time, 47 U.S.C. §§521 - 631 (the “Cable Act”), unless otherwise defined herein. When not inconsistent with the context, words used in the present tense include the future, words used to refer to the masculine include the feminine, words in the plural number include the singular number, and likewise, words in the singular number include the plural number. The word “shall” is mandatory and “may” is permissive. Words not defined in the Code of Virginia, Title 15.2, Chapter 21, Article 1.2, §15.2-2108.19, the Cable Act, or herein shall be given their common and ordinary meaning.

1.1. “Cable Service” or “Service” shall mean the one-way transmission to Subscribers of Video Programming or other Programming service and Subscriber interaction, if any, which is required for the selection or use of such Video Programming or other Programming service.

1.2. “Cable System” shall mean a facility, consisting of a set of closed transmission paths and associated signal generation, reception, and control equipment that is designed to provide Cable Service which includes Video Programming and which is provided to multiple Subscribers within the Franchise Area, and as further defined under Section 602 (7) of the Cable Act. The system will be designed in accordance with the International Telecommunication Union -Telecommunication Standardization Sector G.984 Standard for gigabit passive optical networks.

1.3. “Customer” or “Subscriber” shall mean a Person or user of the Cable System who lawfully receives Cable Service therefrom with the Franchisee’s express permission.

1.4. “Effective Date” shall mean ____2023.

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

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

1.7. “Franchise Agreement” or “Agreement” shall mean this Agreement and any amendments or modifications hereto.

1.8. “Franchise Area” shall mean the present legal boundaries of the Town of Warrenton as of the Effective Date, and shall also include any additions thereto, by annexation or other legal means during the term of the Franchise, as per the requirements set forth herein.

1.9. “Franchise Authority” shall mean the Town of Warrenton or the lawful successor, transferee, designee, or assignee thereof.

1.10. “Franchisee” shall mean Shenandoah Cable Television, LLC.

1.11. “Gross Revenue” shall mean revenue derived by the Franchisee from the operation of the Cable System in the Franchise Area to provide Cable Service, calculated in accordance with generally accepted accounting principles (“GAAP”). Gross Revenue includes monthly basic cable, premium and pay-per-view video fees, installation fees and subscriber equipment rental fees, and commercial leased access fees. Gross Revenue shall not include program launch support payments, revenue from advertising and home shopping, refundable deposits, late fees, investment income, nor any taxes, franchise fees, or other fees or assessments imposed or assessed by any governmental authority. Gross Annual Revenues shall not include actual bad debt that is written off, consistent with generally accepted accounting principles, provided however, that all or any part of any such actual bad debt that is written off, but subsequently collected, shall be included in the Gross Annual Revenues in the period so collected.

1.12. “Multiport Service Terminal (MST)” shall mean a fiber optic terminal that provides a point for connecting subscriber drop cables to the network which are terminated with hardened connectors.

1.13. “Normal Business Hours” shall mean those hours during which most similar businesses in the community are open to serve customers. In all cases, "normal business hours" must include some evening hours at least one (1) night per week and/or some weekend hours.

1.14. “Normal Operating Conditions” shall mean those service conditions which are within the control of the Franchisee. Those conditions which are not within the control of the Franchisee include, but are not limited to, natural disasters, civil disturbances, power outages, telephone network outages, and severe or unusual weather conditions or other Force Majeure events. Those conditions which are ordinarily within the control of the Franchisee include, but are not limited to, special promotions, pay-per-view events, rate increases, regular peak or seasonal demand periods, and maintenance or upgrade of the cable system.

1.15. “Outage” shall mean the loss of picture or sound on one or more cable channels.

1.16. “Person” shall mean any natural person or any association, firm, partnership, joint venture, corporation, or other legally recognized entity, whether for-profit or not-for profit, but shall not mean the Franchise Authority.

1.17. “Public Buildings” shall mean those buildings owned or leased by the Franchise Authority for government administrative purposes, and shall not include buildings owned by Franchise Authority but leased to third parties or buildings such as storage facilities at which government employees are not regularly stationed.

1.18. “Public Way” shall mean the surface of, and the space above and below, any public street, highway, freeway, bridge, land path, alley, court, boulevard, sidewalk, way, lane, public way, drive, circle, bridge, waterway, dock, bulkhead, wharf, pier, or other public right-of-way, including, but not limited to, public utility easements, dedicated utility strips, or easements dedicated for cable TV access . Public Way shall also mean any easement now or hereafter held by the Franchise Authority within the Franchise Area for the purpose of public travel, or for utility or public service use dedicated for cable TV access, and shall include other easements or rights-of-way as shall within their proper use and meaning entitle the Franchisee to the use thereof for the purposes of installing, operating, and maintaining the Franchisee’s Cable System over poles, wires, cables, conductors, ducts, conduits, vaults, manholes, amplifiers, appliances, attachments, and other property as may be ordinarily necessary and appurtenant to the Cable System.

1.19. “Service Interruption” shall mean the loss of picture or sound on one or more cable channels.

1.20. “Standard Installation” shall mean the standard one hundred twenty- five foot (125’) aerial Drop connection to the existing distribution system.

1.21. “Town” shall mean the Town of Warrenton, Virginia.

1.22. “Video Programming” or “Programming” shall mean the programming provided by, or generally considered comparable to programming provided by, a television broadcast station.

1.23. “Video Service Provider” or “VSP” shall mean any entity using the public rights-of-way to provide multiple Video Programming services to subscribers, for purchase or at no cost, regardless of the transmission method, facilities, or technology used. A VSP shall include but is not limited to any entity that provides cable services, multi-channel multipoint distribution services, broadcast satellite services, satellite-delivered services, wireless services, and Internet-Protocol based services.

Section 2 - Grant of Authority

2.1. Franchise Grant. The Franchise Authority hereby grants to the Franchisee under the Code of Virginia and the Cable Act a non-exclusive Franchise authorizing the Franchisee to construct and operate a Cable System in the Public Ways within the Franchise Area, and for that purpose to use, erect, install, construct, repair, alter, add to, inspect, replace, reconstruct, maintain, or retain in any Public Way such poles, wires, cables, conductors, ducts, underground conduits, vaults, manholes, pedestals, amplifiers, appliances, attachments, and, including but not limited to, above ground enclosures, markers, and concrete pads, or other related property, equipment, or fixtures as may be necessary, useful, or appurtenant to the Cable System, and to provide such services over the Cable System as may be lawfully allowed.

2.2. Term of Franchise. The term of the Franchise granted hereunder shall be twelve (12) years, commencing upon the Effective Date of the Franchise, unless the Franchise is renewed or is lawfully terminated in accordance with the terms of this Franchise Agreement, the Code of Virginia, and the Cable Act.

2.3. Renewal. Any renewal of this Franchise shall be governed by and comply with the provisions of Title 15.2, Chapter 21, Article 1.2 of the Code of Virginia and Section 626 of the Cable Act [47 U.S.C. §546], as amended. The Town's costs related to renewal shall be borne by the Town or recovered out of payments made by Franchisee via the Communications Tax or Franchise Fees under Section 7.1 herein.

2.4 Subject to federal and state preemption, the provisions of this Franchise constitute a valid and enforceable contract between the parties. The material terms and conditions contained in this Franchise may not be unilaterally altered by the Franchising Authority through subsequent amendment to any ordinance, rule, regulation, or other enactment of the Franchising Authority, except in the lawful exercise of the Franchising Authority's police power.

Section 3 - Construction and Maintenance of the Cable System

3.1. Permits and General Obligations. The Franchisee shall be responsible for obtaining all generally applicable permits, licenses, or other forms of approval or authorization prior to the commencement of any activity that materially disturbs the surface of any street, curb, sidewalk or other public improvement in the Public Way, or impedes vehicular traffic. The current application form for such disturbance is attached as Exhibit B but the Town reserves the right to amend or replace such form from time to time, and Franchisee will satisfy the requirements for such amended or replacement application form when and as needed. The permit requirements herein shall satisfy all notice and approval requirements to the Town in connection with work completed in relation to the Cable System in the Franchise Area. The issuance of such permits shall not be unreasonably withheld, conditioned, or delayed. Construction, installation, and maintenance of the Cable System shall be performed in a safe, thorough and reliable manner using materials of good and durable quality. All work shall be done by the Franchisee in accordance with FCC regulations. Notwithstanding the requirements herein, Franchisee shall not be required to obtain a permit for individual drop connections to Subscribers, servicing or installing pedestals or other similar facilities, or other instances of routine maintenance or repair to

its Cable System. All transmission and distribution structures, poles, other lines, and equipment installed by the Franchisee for use in the Cable System in accordance with the terms and conditions of this Franchise Agreement shall be located so as to minimize the interference with the proper use of the Public Ways and the rights and reasonable convenience of property owners who own property that adjoins any such Public Way.

3.2. Conditions of Street Occupancy.

3.2.1. New Grades or Lines. If the grades or lines of any Public Way within the Franchise Area are lawfully changed at any time during the term of this Franchise Agreement, then the Franchisee shall, upon reasonable advance written notice from the Franchise Authority (which shall not be less than thirty (30) business days) and at its own cost and expense, protect or promptly alter or relocate the Cable System, or any part thereof, so as to conform with any such new grades or lines. If public funds are available to any other user of the Public Way for the purpose of defraying the cost of any of the foregoing, the Franchise Authority shall notify Franchisee of such funding and make available such funds to the Franchisee within a reasonable timeframe. In the event that funds are not available, Franchisee reserves the right to pass its costs through to its Subscribers in accordance with applicable law.

Relocation at Request of Third Party. The Franchisee shall, upon reasonable prior written request of any Person holding a permit issued by the Franchise Authority to move any structure, temporarily move its wires to permit the moving of such structure; provided (i) the Franchisee may impose a reasonable charge on any Person for the movement of its wires, and such charge may be required to be paid in advance of the movement of its wires; and (ii) the Franchisee is given not less than thirty (30) business days advance written notice to arrange for such temporary relocation.

3.2.2. Restoration of Public Ways. If in connection with the construction, operation, maintenance, or repair of the Cable System, the Franchisee disturbs, alters, or damages any Public Way, the Franchisee agrees that it shall at its own cost and expense replace and restore any such Public Way to a condition reasonably comparable to the condition of the Public Way existing immediately prior to the disturbance as is practical within twenty (20) business days of completion of the work causing the disturbance. Upon failure of Franchisee to comply within the time specified and the Town having notified Franchisee in writing of the restoration and repairs required, the Town may cause proper restoration and repairs to be made and the expense of such work shall be paid by Franchisee upon demand by the Town.

3.2.3. Safety Requirements. The Franchisee shall undertake all necessary and appropriate commercial efforts to maintain its work sites in a safe manner in order to prevent failures and accidents that may cause damage, injuries or nuisances. All work undertaken on the Cable System shall be performed in substantial accordance with applicable FCC or other federal and state regulations. The Cable System shall not unreasonably endanger or interfere with the safety of Persons or property in the Franchise Area.

3.2.4. Trimming of Trees and Shrubbery. The Franchisee shall have the authority to trim trees or other natural vegetative growth encroaching or overhanging any of its Cable System in the Franchise Area so as to prevent contact with the Franchisee's wires, cables, or other equipment. All such trimming shall be done at the Franchisee's sole cost and expense. The Franchisee shall be responsible for any collateral, direct real property damage caused by such trimming.

Aerial and Underground Construction. At the time of Cable System construction, if all of the transmission and distribution facilities of all of the respective public or municipal utilities in any area of the Franchise Area are underground, the Franchisee shall place its Cable System transmission and distribution facilities underground, provided that such underground locations are actually capable of accommodating the Franchisee's cable and other equipment without technical degradation of the Cable System's signal quality. In any region(s) of the Franchise Area where the transmission or distribution facilities of the respective public or municipal utilities are both aerial and underground, the Franchisee shall have the discretion to construct, operate, and maintain all of its transmission and distribution facilities, or any part thereof, aerially or underground. Nothing in this Agreement shall be construed to require the Franchisee to construct, operate, or maintain underground any ground-mounted appurtenances such as customer taps, line extenders, system passive devices, amplifiers, power supplies, pedestals, or other related equipment.

3.2.5. Undergrounding and Beautification Projects. In the event all users of the Public Way relocate aerial facilities underground as part of an undergrounding or neighborhood beautification project, Franchisee shall participate in the planning for relocation of its aerial facilities contemporaneously with other utilities. Franchisee's relocation costs shall be included in any computation of necessary project funding by the Franchise Authority or private parties. Franchisee shall be given reasonable notice and access to the public utilities' facilities at the time that such are placed underground and shall be entitled to reimbursement of its relocation costs from public or private funds raised for the project and made available to other users of the Public Way. In the event that public and/or private funds are not available or do not cover the entire direct and actual cost of the relocation, Franchisee reserves the right to pass its costs, or in the case of partial reimbursement from public and/or private funds its incremental cost, through to its Subscribers in accordance with applicable law.

3.2.6. Emergency Removal. The Town reserves the right to remove any portion of a Franchisee's equipment and facilities as may be required in any emergency as determined by the Town. The Town shall use reasonable efforts to minimize the impact on Franchisee's facilities related to any emergency removal. Franchisee shall not be liable for interruption of Cable Service related to any such removal. Franchisee shall be entitled to compensation for expenses incurred for replacement or repair related to any emergency removal by the Town to the extent that other users of the Public Way are so compensated.

3.2.7. Joint Trenching. Franchisee shall cooperate in the planning, locating and construction of its Cable System in utility joint trenches or common duct banks with other telecommunications providers. The Franchise Authority will provide advance notice

to Franchisee when it plans to open a trench and Franchisee shall provide notice to the Town, in the form of any required permit under Section 3.1 herein, when it plans to open a trench.

Section 4 – Service Obligations

4.1 General Service Obligation. The Franchisee shall build out its Cable System to make Cable Service generally available to those businesses and residential units located within the Franchise Area. While Franchisee shall use commercially reasonable efforts to build out its network to serve as much of the Franchise Area as is feasible taking into account build-out costs, geographical and geological conditions, and business conditions, Franchisee reserves the right in its sole discretion as to where Franchisee builds out its network in the Franchise Area.

The Franchisee shall extend its Cable System to potential Subscribers at no cost to said potential Subscribers other than the Franchisee's standard charge for a standard service drop (the "Standard Installation Fee"), provided that, if the point at which electric utility facilities enter the building (the "Entry Point") is located more than 250 feet from the MST installed to serve that Subscriber, the Franchisee may charge an installation fee equal to the Standard Installation Fee, plus the actual cost of construction (defined as time and materials with a reasonable allocation for administrative costs) of Cable System facilities in excess of 250 foot distance.

4.2 Cost Sharing. If the conditions of Section 4.1 are not met, the Franchisee shall only be required to extend the Cable System if the Subscribers in an area requesting Cable Service are willing to share the capital costs of extending the Cable System by making a capital contribution in aid of construction including the actual cost of material, design, labor, and easements. Subscribers who request service hereunder shall bear the construction costs on a pro rata basis. The Franchisee may require that the payment of the capital contribution in aid of construction borne by potential subscribers be paid in advance. Subscribers shall also be responsible for any applicable installation charges to extend the Cable System from the MST to the residence.

4.1. Programming. The Franchisee shall offer to all Customers a diversity of Video Programming services in accordance with federal law.

4.2. No Unfair Discrimination. Neither the Franchisee nor any of its employees, agents, representatives, contractors, subcontractors, or consultants, nor any other Person, shall discriminate or permit discrimination between or among any Persons in the availability of Cable Services provided in connection with the Cable System in the Franchise Area; provided, however, Franchisee reserves the right to deny service for good cause, including but not limited to non-payment or theft of service, vandalism of equipment, or documented or founded harassment or abuse of Franchisee's employees or agents. It shall be the right of all Persons to receive all available services provided on the Cable System so long as such Person's financial or other obligations to the Franchisee are satisfied. Nothing contained herein shall prohibit the Franchisee from offering bulk discounts, promotional

discounts, package discounts, or other such pricing strategies as part of its customary business practice.

4.3. New Developments. The Franchise Authority shall provide the Franchisee with written notice of the issuance of building or development permits for planned developments within the Franchise Area requiring undergrounding of cable facilities. The Franchise Authority agrees to require the developer, as a condition of issuing the permit, to give the Franchisee access to open trenches for deployment of cable facilities and at least fifteen (15) business days written notice of the date of availability of open trenches.

4.4. Prohibition Against Reselling Service. No Person shall sell, offer for sale, or resell, without the express prior written consent of the Franchisee, any Cable Service, program or signal transmitted over the Cable System by the Franchisee.

4.5. Local Office. Franchisee's business office or payment center shall be conveniently located and open during Normal Business Hours to accept payments. Franchisee shall also make available a regionally located customer support center capable of (i) providing and exchanging or accepting returned equipment; (ii) scheduling service or technician calls; (iii) answering Subscriber inquiries; (iv) and resolving complaints and billing disputes. Franchisee may also provide additional bill payment locations through cooperative arrangements with banks, shopping centers and/or similar facilities. Subscribers shall be notified of any change of address of such business office in accordance with FCC regulations.

Section 5 – Fees and Charges to Customers

5.1. All rates, fees, charges, deposits and associated terms and conditions to be imposed by the Franchisee or any affiliated Person for any Cable Service as of the Effective Date shall be in accordance with applicable FCC rate regulations. Franchisee shall provide thirty (30) days' notice before any new or modified rate, fee, or charge is imposed. The Franchisee shall follow the applicable FCC notice requirements and rules and notify affected Customers, which notice may be by any means permitted under applicable federal or state law.

Section 6 – Customer Service Standards; Customer Bills; and Privacy Protection

6.1. Customer Service Standards. The Franchise Authority hereby adopts the customer service standards set forth in Part 76, §76.309 of the FCC's rules and regulations, as amended. The Franchisee shall comply in all respects with the customer service requirements established by the FCC and those included in Exhibit A herein.

Customer Bills. Customer bills shall be designed in such a way as to present the

information contained therein clearly and comprehensibly to Customers, and in a way that (i) is not misleading and (ii) does not omit material information. Notwithstanding anything to the contrary in Section 6.1, above, the Franchisee may, in its sole discretion, consolidate costs on Customer bills as may otherwise be permitted by Section 622 I of the Cable Act [47 U.S.C. §542 (c)].

Privacy Protection. The Franchisee shall comply with all applicable federal and state privacy laws, including Section 631 of the Cable Act and regulations adopted pursuant thereto, including the sale or use of Subscriber lists and the monitoring of Subscriber use of the Cable Service.

Section–7 - Oversight and Regulation by Franchise Authority

7.1. Communications Tax. In satisfaction of any franchise fee or other Public Way use fee, Franchisee shall comply with the provisions of Section 58.1- 645 *et seq.* of the Code of Virginia, pertaining to the Virginia Communications Sales and Use Tax, as amended.

7.1.1 Franchise Fee. In the event that the Communications Tax is repealed and no successor state or local tax is enacted that would constitute a franchise fee for purposes of 47 U.S.C. § 542, Franchisee shall pay to the Town a Franchise Fee of five percent (5%) of annual Gross Revenue received from the operation of the Cable System to provide Cable Service in the Franchise Area, beginning sixty (60) days from the effective date of the repeal of such tax (the "Repeal Date"); provided, however, that Franchisee shall not be compelled to pay any higher percentage of franchise fees than any other cable operator providing service in the Franchise Area. Beginning on the Repeal Date, the terms of Section 7.1.1 and 7.1.2 of this Agreement shall take effect. In accordance with Title VI of the Act, the twelve (12) month period applicable under the Franchise for the computation of the Franchise fee shall be a calendar year. Such payments shall be made no later than forty five (45) days following the end of each calendar quarter. Should Franchisee submit an incorrect amount, Franchisee shall be allowed to add or subtract that amount in a subsequent quarter, but no later than ninety (90) days following the close of the calendar year for which such amounts were applicable. Each franchise fee payment shall be accompanied by a report prepared by a representative of the Franchisee showing the basis for the computation of the Franchise Fees paid during that period. In the event that any Franchise Fee payment is not made on or before the date by which it is due, and following notice by the Town to Franchisee, interest shall be calculated at the then- current prime rate, as published by the Wall Street Journal, and shall be added to the amount of Franchise Fee revenue due to the Town.

7.1.2. Franchise Fees Subject to Audit.

7.1.2.1. Upon notice pursuant to Section 15.2 herein, during Normal Business Hours at Franchisee's principal business office, the Franchising Authority shall have the right to inspect the Franchisee's financial records used to calculate the Franchising Authority's franchise fees; provided, however, that any such inspection shall take place within two (2) years from the date the Franchising Authority receives such payment, after which period any such payment shall be considered final.

Upon the completion of any such audit by the Franchising Authority, the Franchising Authority shall provide to the Franchisee a final report setting forth the Franchising Authority's findings in detail, including any and all substantiating documentation. In the event of an alleged underpayment, the Franchisee shall have thirty (30) days from the receipt of the report to provide the Franchising Authority with a written response agreeing to or refuting the results of the audit, including any substantiating documentation. Based on these reports and responses, the parties shall agree upon a "Final Settlement Amount." For purposes of this Section, the term "Final Settlement Amount(s)" shall mean the agreed upon underpayment, if any, to the Franchising Authority by the Franchisee as a result of any such audit. If the parties cannot agree on a "Final Settlement Amount," the parties shall submit the dispute to a mutually agreed upon mediator within sixty (60) days of reaching an impasse. In the event an agreement is not reached at mediation, either party may bring an action to have the disputed amount determined by a court of law.

7.1.2.2. Any "Final Settlement Amount(s)" due to the Franchising Authority as a result of such audit shall be paid to the Franchising Authority by the Franchisee within thirty (30) days from the date the parties agree upon the "Final Settlement Amount." Once the parties agree upon a Final Settlement Amount and such amount is paid by the Franchisee, the Franchising Authority shall have no further rights to audit or challenge the payment for that period. The Franchising Authority shall bear the expense of its audit of the Franchisee's books and records.

7.2. Oversight of Franchise. In accordance with applicable law, the Franchise Authority shall have the right to, at its sole cost and expense and upon reasonable prior written notice and in the presence of Franchisee's employee, periodically inspect the construction and maintenance of the Cable System in the Franchise Area as necessary to monitor Franchisee's compliance with the provisions of this Franchise Agreement.

Technical Standards. The Franchisee shall comply with all applicable technical standards of the FCC as published in subpart K of 47 C.F.R. § 76.601 et seq. To the extent those standards are altered, modified, or amended during the term of this Franchise, the Franchisee shall comply with such altered, modified or amended standards within a commercially reasonable period after such standards become effective. The Franchise Authority shall have, upon written request, the right to obtain a copy of tests and records required to be performed pursuant to the FCC rules. The Town may request that tests and analyses be supervised by a qualified engineer selected by the Town. The cost of any such engineer shall be the responsibility of the Town.

7.3. Maintenance of Books, Records, and Files.

7.4.1. Books and Records. Throughout the term of this Franchise Agreement, the Franchisee agrees that the Franchise Authority may review the Franchisee's books and records in the Franchise Area as are reasonably necessary to monitor Franchisee's compliance with the provisions of this Franchise Agreement, upon reasonable prior written notice to the Franchisee pursuant to this

Agreement, at the Franchisee's business office, during Normal Business Hours, and without unreasonably interfering with Franchisee's business operations. All such documents that may be the subject of an inspection by the Franchise Authority shall be retained by the Franchisee for a minimum period of twenty-four (24) months.

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

Proprietary Information. Notwithstanding anything to the contrary set forth in this Section, the Franchisee shall not be required to disclose information which it reasonably deems to be proprietary or confidential in nature. The Franchise Authority agrees to treat any information disclosed by the Franchisee as confidential and only to disclose it to those employees, representatives, and agents of the Franchise Authority that have a need to know in order to enforce this Franchise Agreement and who agree, through the execution of a non-disclosure agreement, to maintain the confidentiality of all such information. The Franchisee shall not be required to provide Customer information in violation of Section 631 of the Cable Act or any other applicable federal or state privacy law. For purposes of this Section, the terms "proprietary or confidential" include, but are not limited to, information relating to the Cable System design, maps, customer lists, marketing plans, financial information unrelated to the calculation of franchise fees or rates pursuant to FCC rules, or other information that is reasonably determined by the Franchisee to be competitively sensitive. Franchisee may make proprietary or confidential information available for inspection, but not copying or removal of information by the Franchise Authority's representative. In the event that the Franchise Authority has in its possession and receives a request under a state "sunshine," public records, or similar law for the disclosure of information the Franchisee has designated as confidential, trade secret or proprietary, the Franchise Authority shall notify Franchisee of such request and cooperate with Franchisee in opposing such request.

Reports. Upon written request no later than thirty (30) days following the end of a calendar year, Franchisee shall provide the Franchise Authority, on or before June 30th, an annual report related to the customer service metrics and standards contained in this Agreement, and the outages that occurred, for the previous year. The Franchise authority recognizes that Franchisee complies with the provisions of Section 58.1-645 *et seq.* of the Code of Virginia, pertaining to the Virginia Communications Sales and Use Tax, as amended, and therefore shall not report an annual statement of gross revenues. Upon written request, such reports shall be signed by a representative of the Franchisee certifying compliance with the customer service metrics and standards contained in this Agreement. Any reports provided under this Franchise shall be considered confidential and proprietary information and shall not be made publicly available by the Town except in accordance with this Agreement. Franchisee shall have no obligation to submit quarterly reports.

- (a) If the annual report certification indicates areas of non-

compliance, upon written request, Franchisee shall file with the Franchise Authority a statement indicating areas of non-compliance along with a remedial plan to correct areas those areas of non-compliance.

7.4.3. Maps. Upon written request no later than thirty (30) days following the end of a calendar year, Franchisee shall provide the Franchise Authority, on or before March 31, updated strand maps showing the Cable System equipment installed and in place. The maps shall be provide to the Franchise Authority in electronic format if available. The requirements herein shall satisfy all requirements related to the provision of maps to the Town in connection with work completed in relation to the Cable System in the Franchise Area.

7.4. Performance Evaluation Sessions. A performance evaluation session may be held a maximum of once every three (3) years by the Town during the term of this Franchise.

7.5.1. All evaluation sessions shall be open to the public. Franchisee shall receive ninety (90) days prior written notice of an evaluation session. The purpose of said evaluation session shall be to review the Franchisee's compliance with the terms and conditions of the Franchise.

During review and evaluation by the Town, the Franchisee shall fully cooperate with the Town and/or its designee(s), and subject to the confidentiality provisions of this Franchise, produce such documents or other materials relevant to such evaluation as are reasonably requested by the Town. Topics which may be discussed at any evaluation session may include, but are not limited to, compliance with technical standards, construction standards, consumer protection standards, customer service standards and financial reporting.

Within sixty (60) days after the conclusion of such session(s), the Town shall issue a written report with respect to the Franchisee's compliance. If noncompliance is found which could result in a violation of any of the material provisions of the Franchise, in accordance with §11.1, the Franchisee shall respond and propose a plan for implementing any changes or improvements necessary. All evaluation sessions shall be announced in accordance with the legal notice requirements of similar public meetings in the Town. The Franchisee shall not be required to notice Subscribers on evaluation sessions.

7.5.5 Rate Regulation. The Town reserves its right to regulate rates to the extent permitted by applicable law.

Section-8 - Transfer or Change of Control of Cable System or Franchise

8.1. Neither the Franchisee nor any other Person may transfer the Cable System or the Franchise without prior written notice to the Franchise Authority. No prior notice shall be required, however, for: (i) a transfer in trust, by mortgage, hypothecation, or by assignment of any rights, title, or interest of the Franchisee in the Franchise or in the Cable System in order to secure indebtedness, (ii) a transfer to an entity directly or indirectly

owned or controlled by Franchisee, or (iii) the sale, conveyance, transfer, exchange or release of fifty percent (50%) or less of its equitable ownership. Within thirty (30) days of receiving a notice of transfer, the Franchise Authority may, in accordance with FCC rules and regulations, notify the Franchisee in writing of the additional information, if any, it requires regarding the legal, financial, and technical qualifications of the transferee or new controlling party. The Town shall have no right of first refusal related to any sale of the Cable System.

Section 9 - Insurance and Indemnity

9.1. **Insurance.** Throughout the term of this Franchise Agreement, the Franchisee shall, at its own cost and expense, maintain Commercial General Liability Insurance and provide the Franchise Authority certificates of insurance designating the Franchise Authority and its officers, boards, commissions, councils, elected officials, and employees as additional insureds and demonstrating that the Franchisee has obtained the insurance required in this Section. Such policy or policies shall be in the minimum amount of Three Million Dollars (\$3,000,000.00) per occurrence for bodily injury or property damage. The Franchisee shall provide workers' compensation coverage in accordance with applicable law. All policies of insurance required by this Section shall be placed with companies which are qualified to write insurance in the Commonwealth of Virginia and which maintain throughout the policy term a Rating of "A-:VII" as determined by Best Insurance Rating Services. Franchisee shall provide thirty (30) days' notice to the Town in the event of a material change to any policy required under this Section or in the event of cancellation or non-renewal of any such policy, unless a replacement policy is obtained in conformance with this Section. The notice requirement herein shall replace any similar endorsement requirement in such policies.

Indemnification. The Franchisee shall indemnify, defend and hold harmless the Franchise Authority, its officers and employees acting in their official capacities from and against any liability or claims resulting from property damage or bodily injury (including accidental death) that directly arise out of the Franchisee's construction, operation, maintenance, or removal of the Cable System, including, but not limited to, reasonable attorneys' fees and costs, provided that the Franchise Authority shall give the Franchisee timely written notice of its obligation to indemnify and defend the Franchise Authority within ten (10) business days of receipt of a claim or action pursuant to this Section. The Franchise Authority agrees that it will take all necessary action to avoid a default judgment and not prejudice the Franchisee's ability to defend the claim or action. If the Franchise Authority determines that it is necessary for it to employ separate counsel, the costs for such separate counsel shall be the responsibility of the Franchise Authority.

9.1.1 Franchisee shall not be required to indemnify the Franchise Authority for negligence or misconduct on the part of the Franchise Authority or its officials, boards, commissions, agents, or employees, including and loss or claims related to PEG access Channels in which the Franchise Authority or its designee participates, subject to applicable law.

Section 10 - System Description and Service

10.1. System Capacity. During the term of this Agreement, the Franchisee's Cable System shall be capable of providing Video Programming with reception available to its customers in the Franchise Area in accordance with the Cable Act.

10.2. Cable Service to School Buildings. Upon request, the Franchisee shall provide, at no cost to the Franchise Authority, Basic Cable Service and Standard Installation at one (1) outlet to each public grade school (K-12) building, not including "home schools," located in the Franchise Area within one hundred fifty (150) feet of the Franchisee's distribution cable. No charge shall be made for installation or service, except that Franchisee may charge for installation beyond one hundred fifty (150) feet distance of the cable plant and service for more than one (1) drop in each building. For the purposes of this section, the term "school" means an educational institution that receives funding pursuant to Title I of the Elementary and Secondary Education Act of 1965, 20 U.S.C. § 6301 et seq., as amended, and does not include "home schools."

10.3. Cable Service to Governmental and Institutional Facilities. Upon request, the Franchisee shall provide, at no cost to the Franchise Authority, Basic Cable Service and Standard Installation at one outlet to each Public Building located in the Franchise Area within one hundred fifty (150) feet of the Franchisee's distribution cable. No charge shall be made for installation or service, except that Franchisee may charge for installation beyond one hundred fifty (150) feet distance of the cable plant and service for more than one (1) drop in each building. Public Buildings are those buildings owned or leased by the Franchise Authority for government administrative purposes, and shall not include buildings owned by Franchise Authority but leased to third parties or buildings such as storage facilities at which government employees are not regularly stationed.

10.4. Use of Facilities. Neither the Town or and third parties shall have the right to install and maintain upon any poles or in any conduit owned by the Franchisee any wires, pole fixtures, or other equipment.

Section 11 - Enforcement and Revocation Proceedings

11.1. Notice of Violation or Default and Opportunity to Cure. In the event the Franchise Authority believes that the Franchisee has not complied with the material terms of the Franchise, including the certification requirements under Section 7.4.4(a) herein, it shall notify the Franchisee in writing with specific details regarding the exact nature of the alleged non-compliance or default.

11.1.1. Franchisee's Right to Cure or Respond. The Franchisee shall have forty-five (45) days from the receipt of the Franchise Authority's written notice: (i) to respond to the Franchise Authority, contesting the assertion of non-compliance or default; or (ii) to cure such default; or (iii) in the event that, by nature of the default, such default

cannot be cured within the forty-five (45) day period, initiate commercially reasonable steps to diligently remedy such default and notify the Franchise Authority of the steps being taken and the projected date that the cure will be completed.

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

11.1.3. Enforcement. Subject to applicable federal and state law, in the event the Franchise Authority, after such public hearing, determines that the Franchisee is in default of any material provision of the Franchise, the Franchise Authority may: (i) seek specific performance of any provision that reasonably lends itself to such remedy as an alternative to damages, or seek other equitable relief; or (ii) in the case of a substantial default of a material provision of the Franchise, initiate revocation proceedings in accordance with the following:

The Franchise Authority shall give written notice to the Franchisee of its intent to revoke the Franchise on the basis of a pattern of non-compliance by the Franchisee, including two or more instances of substantial non-compliance with a material provision of the Franchise. The notice shall set forth with specificity the exact nature of the non-compliance. The Franchisee shall have ninety (90) business days from the receipt of such notice to object in writing and to state its reasons for such objection. In the event the Franchise Authority has not received a response from the Franchisee or upon receipt of the response does not agree that the allegations of non-compliance have been or will be resolved, it may then seek revocation of the Franchise at a public hearing. The Franchise Authority shall cause to be served upon the Franchisee, at least thirty (30) days prior to such public hearing, a written notice specifying the time and place of such hearing and stating its intent to request revocation of the Franchise.

(a) At the designated public hearing, the Franchise Authority shall give the Franchisee an opportunity to state its position on the matter, present evidence and question witnesses, in accordance with the standards of a fair hearing applicable to administrative hearings in the Commonwealth of Virginia, after which it shall determine whether or not the Franchise shall be terminated. The public hearing shall be on the record and a written transcript shall be made available to the Franchisee within ten (10) business days. The decision of the Franchise Authority shall be in writing and shall be delivered to the Franchisee by certified mail. The Franchisee may appeal such determination to an appropriate court, which shall have the power to review the decision of the Franchise Authority "de novo" and to modify or reverse such decision as justice may require.

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

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

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

No Removal of System. Franchisee shall not be required to remove its Cable System or to sell the Cable System, or any portion thereof as a result of revocation, denial of renewal, or any other lawful action to forbid or disallow Franchisee from providing Cable Service, if the Cable System is actively being used to facilitate any other services not governed by the Cable Act, or any portion thereof [47 U.S.C. §541(b)]. No portion of the Cable System, or any Franchisee’s facilities, shall be considered abandoned if the Cable System is being used to facilitate Cable Service or any other services not governed by the Cable Act, or any portion thereof.

11.3. Liquidated Damages and Penalties. Prior to assessing any penalties under its cable ordinance, or any liquidated damages under this Agreement, the Franchise Authority shall mail to the Franchisee a written notice by certified or registered mail of the alleged violation and the proposed penalty, specifying the violation at issue. The Franchisee shall have forty-five (45) days from the date of receipt of the written notice to cure or take reasonable steps to commence to cure, as is appropriate depending on the nature of the alleged violation, or to file a written response refuting the alleged violation or explaining why additional time for cure is necessary. In the case of breaches of requirements measured on a monthly, quarterly or longer period (such as customer service standards), Franchisee’s cure period shall be no less than one (1) such period.

11.3.1. The Franchise Authority may not assess any penalties or liquidated damages if the Franchisee has reasonably responded to the complaint or cured or taken reasonable steps to commence to cure, as may be appropriate, the violation following receipt of written notice from the Franchise Authority, unless some other cure period is approved by the Franchise Authority. In the event Franchisee fails to cure or to take reasonable steps to commence to cure, or fails to refute the alleged breach, the Franchise Authority may assess penalties or liquidated damages and shall inform Franchisee in writing of the assessment. Franchisee shall have thirty (30) days to pay the penalties.

11.3.2. The first day for which penalties or liquidated damages may be assessed, if there has been no cure after the end of the applicable cure period, shall be the day on which the applicable cure period ends. Franchisee’s obligation to pay the penalties or liquidated damages assessed shall be stayed pending resolution of any appeal. To the

extent that the Franchise Authority elects to assess penalties or liquidated damages and such penalties or liquidated damages have been paid, such damages shall be the Franchise Authority's sole and exclusive remedy. Nothing in this Section is intended to preclude the Franchise Authority from exercising any other right or remedy with respect to a breach that continues past the time the Franchise Authority stops assessing penalties or liquidated damages for such breach.

11.4.2. With respect to penalties or liquidated damages assessed, all similar violations or failures from the same factual events affecting multiple Subscribers shall be assessed as a single violation, and a violation or a failure may only be assessed under any one (1) of the above-referenced penalty or liquidated damages category. The amount of all penalties and liquidated damages per annum shall not exceed fifty thousand dollars (\$50,000) in the aggregate.

Because it may be difficult to calculate the harm to the Franchise Authority in the event of a breach of this Agreement by Franchisee, the Parties agree to liquidated damages as a reasonable estimation of the actual damages in the amounts set forth below, subject to annual increase in the amount of the increase in the consumer price index CPI-U from year to year.

(a) For failure to complete Cable System construction or reconstruction in accordance with this Agreement, unless the Franchise Authority approves the delay, the Franchisee shall pay two hundred dollars (\$200.00) per day for each day, or part thereof, the delinquency continues;

(b) For failure to provide, upon written request, data, documents, reports, or information as required under this Agreement, the Franchisee shall pay two hundred dollars (\$200.00) per day for each day, or part thereof, that each violation occurs or continues;

(c) For failure to test, analyze and report on the performance of the Cable System as required under this Agreement, the Franchisee shall pay two hundred dollars (\$200.00) per day for each day, or part thereof, that such noncompliance continues;

(d) For failure to provide in a continuing manner the types of Cable Services set forth in this Agreement, unless the Franchise Authority specifically approves a delay or change, or has agreed to a modification of Franchisee's obligations, the Franchisee shall pay two hundred dollars (\$200.00) per day for each day, or part thereof, that each noncompliance continues;

(e) For failure to comply with operation, maintenance or technical standards set forth in this Agreement, the Franchisee shall pay two hundred (\$200.00) dollars per violation per day for each day, or part thereof, that such noncompliance continues;

(f) For breach of any consumer service standard, as set forth in

Section 6.1 or Exhibit A, the Franchisee shall pay two hundred dollars (\$200.00) per day for each day or part thereof, that such noncompliance continues;

(g) For failure to pay any Franchise Fees, taxes, liens, or other amounts due and owing to the Franchise Authority under this Agreement, the Franchisee shall pay two hundred dollars (\$200.00) per day each day or part thereof, that each violation occurs or continues;

(h) For failure to comply with one (1) or more provisions relevant to PEG channels described in Section 13 of this Agreement, the Franchisee shall pay two hundred dollars (\$200) per day each day or part thereof, that each violation occurs or continues;

Section 12 - Competitive Equity

12.1. Purposes. The Franchisee and the Franchise Authority acknowledge that there is increasing competition in the video marketplace among cable operators, direct broadcast satellite providers, telephone companies, broadband content providers and others; new technologies are emerging that enable the provision of new and advanced services to residents of the Franchise Area; and changes in the scope and application of the traditional regulatory framework governing the provision of video services are being considered in a variety of federal, state and local venues. To foster an environment where video service providers using the public rights-of-way can compete on a competitively neutral and nondiscriminatory basis; encourage the provision of new and advanced services to residents of the Franchise Area; promote local communications infrastructure investments and economic opportunities in the Franchise Area; and provide flexibility in the event of subsequent changes in the law, the Franchisee and the Franchise Authority have agreed to the provisions in this Section, and they should be interpreted and applied with such purposes in mind.

12.2. Video Service Provider.

12.2.1. Notwithstanding any other provision of this Agreement or any other provision of law, if any Video Service Provider (“VSP”) (i) enters into any agreement with the Franchise Authority to provide video services to subscribers in the Franchise Area, or (ii) otherwise begins to provide video services to subscribers in the Franchise Area (with or without entering into an agreement with the Franchise Authority), the Franchise Authority, upon written request of the Franchisee, shall permit the Franchisee to construct and operate its Cable System and to provide video services to subscribers in the Franchise Area under the same agreement and/or under the same terms and conditions as apply to the VSP. The Franchisee and the Franchise Authority shall enter into an agreement or other appropriate authorization (if necessary) containing the same terms and conditions as are applicable to the VSP within sixty (60) days after the Franchisee submits a written request to the Franchise Authority.

12.2.2. If there is no written agreement or other authorization between the

VSP and the Franchise Authority, the Franchisee and the Franchise Authority shall use the sixty (60) day period to develop and enter into an agreement or other appropriate authorization (if necessary) that to the maximum extent possible contains provisions that will ensure competitive equity between the Franchisee and other VSPs, taking into account the terms and conditions under which other VSPs are allowed to provide video services to subscribers in the Franchise Area.

Subsequent Change in Law. If there is a change in federal, state or local law that provides for a new or alternative form of authorization for a VSP to provide video services to Subscribers in the Franchise Area, or that otherwise changes the nature or extent of the obligations that the Franchise Authority may request from or impose on a VSP providing video services to subscribers in the Franchise Area, the Franchise Authority agrees that, notwithstanding any other provision of law, upon Franchisee's written request the Franchise Authority shall: (i) permit the Franchisee to provide video services to subscribers in the Franchise Area on the same terms and conditions as are applicable to a VSP under the changed law; (ii) modify this Agreement to comply with the changed law; or (iii) modify this Agreement to ensure competitive equity and parity between the Franchisee and other VSPs, taking into account the conditions under which other VSPs are permitted to provide video services to Subscribers in the Franchise Area. The Franchise Authority and the Franchisee shall implement the provisions of this Section within sixty (60) business days after the Franchisee submits a written request to the Franchise Authority. Notwithstanding any provision of law that imposes a time or other limitation on the Franchisee's ability to take advantage of the changed law's provisions, the Franchisee may exercise its rights under this Section at any time, but not sooner than thirty (30) days after the changed law goes into effect.

12.3. Effect on This Agreement. Any agreement, authorization, right or determination to provide video services to subscribers in the Franchise Area under Sections 12.2 or 12.3 shall supersede this Agreement, and the Franchisee, at its option, may terminate this Agreement or portions thereof, upon written notice to the Franchise Authority, without penalty or damages.

Section 13 – Public, Educational and Governmental Access

13.1 PEG Access. Use of channel capacity for Public, Educational and Governmental (“PEG”) Access shall be provided in accordance with federal law, 47 U.S.C. 531, and as further set forth below. Franchisee does not relinquish its ownership of or ultimate right of control over a channel by designating it for PEG use. A PEG Access User – whether an individual, educational or governmental user – acquires no property or other interest by virtue of the use of a channel so designated, and may not rely on the continued use of a particular channel number, no matter how long the same channel may have been designated for such use. Franchisee shall not exercise editorial control over any public, educational, or governmental use of channel capacity, except Franchisee may refuse to transmit any public access program or portion of a public access program that contains obscenity, indecency, or nudity pursuant to Section 611 of the Cable Act. The Franchise Authority shall be responsible for developing, implementing, interpreting and enforcing rules for PEG Access Channel use which shall ensure that PEG Access Channel(s) and

PEG Access equipment will be available on a first-come, non-discriminatory basis.

13.1.1. PEG Access Channels. Franchisee shall make available to the Franchise Authority, within one hundred eighty (180) days of a written request, the use of one (1) dedicated Public, Educational and Governmental (“PEG”) Access Channel in accordance with Section 611 of the Cable Act. Such PEG Channel shall be used for non-commercial PEG access programming related to educational and/or governmental activities. The County must provide Grantee with written, detailed documentation evidencing the availability of and/or plan to produce such programming along with its request. The Franchise Authority shall have complete control over the content, scheduling, administration and all other programming aspects of the PEG Channel, and may delegate such functions, or a portion of such functions, to an appropriate designee. Franchisee shall not exercise any editorial control over PEG Channel programming except Franchisee may refuse to transmit any program or portion of a public access program that contains obscenity, indecency, or nudity to the extent allowed by applicable law.

13.1.2 PEG Access Support. Upon written request of the Town to activate a PEG channel under Section 13.1.1 of the Franchise Agreement, Franchisee agrees to meet with the Town to discuss the implementation of a fee to be paid to the Town as capital support for PEG access (the “PEG Fee”), provided, however, Franchisee shall not be required to pay a higher PEG Fee than any other wireline video provider in the Town. Payments of any PEG Fee agreed upon shall be made quarterly and shall be due forty-five (45) days after the close of each first, second and third calendar quarter (i.e., May 15, August 15, November 15) and sixty (60) days after the close of the calendar year (last day of February).

Any PEG Fee shall be used by the Town exclusively for capital support of the Town’s PEG Channel. The Town acknowledges that Franchisee has the right under federal law to treat the PEG Fee as an external cost, and to pass that costs through to Subscribers.

Within forty-five (45) days of the end of the fiscal year, the Town shall provide Franchisee with an annual report documenting any use of PEG Access Support during the previous year. In the event that such funds were used in contravention of the limitations herein, Franchisee’s PEG Access Support obligation going forward shall be reduced by an equivalent amount.

13.2. Non-Commercial Use. The Franchise Authority, or its designee, agrees that it will not use its designated PEG Access channel(s), equipment, or other facilities to provide for-profit commercial services which have the effect of competing with Franchisee’s business. Such PEG Channel shall be used for non-

commercial PEG access programming related to educational and/or governmental activities. The PEG Channel may not be used to cablecast programs for profit, political, or commercial fundraising. In addition, any PEG Access Programming produced under the provisions of this Article 6 shall not be commercially distributed to a competing Multichannel Video Programming Distributor without the written consent of Franchisee.

13.3. PEG Access Cablecasting.

13.3.1. Return Lines. In order that PEG Access Programming can be cablecast over Franchisee's downstream PEG Access Channel, all PEG Access Programming shall be modulated, then transmitted from an origination location at the Town of Warrenton Council Chambers, at 18 Court Street, Warrenton, VA 20186, to Franchisee-owned headend or hub-site on a Franchisee-owned upstream channel made available to the Franchise Authority for its use. Upon a written request to activate a PEG channel under Section 13.1.1, Franchisee shall construct a direct fiber link, including equipment capable of transmitting video and audio between one (1) PEG access video origination location and the Franchisee headend such that live programming can originate from this selected location and be distributed via the Cable System to Subscribers in the Town. This fiber link and equipment shall be collectively known as the "Return Line."

13.3.2 Any expenditure made in connection with the construction, relocation, and/or maintenance of the Return Line shall be borne by the Town. The Town and Franchisee further agree that all costs incurred by Franchisee for supporting such PEG Channel may be designated as "costs of franchise requirements" or "external costs" as defined by the FCC and Franchisee reserves its right to pass these costs through to the Subscribers pursuant to federal law.

13.3.3 Franchisee shall be responsible for maintaining the Return Line to the video origination point of the PEG Channel so long as the Town provides Franchisee with access to such location and access to the PEG Channel equipment within such location. Franchisee shall provide, install and maintain in good working order the equipment and the cable necessary for the transmission of PEG signals from a PEG access video origination location to the Franchisee headend for further processing and distribution to Subscribers. Franchisee shall maintain the PEG Channel in accordance with the same FCC technical specifications that are comparable to the specifications used to maintain commercial channels transmitted to Subscribers on the Cable system, except that it shall not be responsible for the technical signal quality of programming produced by any PEG channel programmer.

13.4 The Town or its designee shall be responsible for providing any necessary production or playback equipment, any studio or production facilities, and shall be responsible for securing and supervising any trained/qualified personnel who conduct the operation of any PEG Access production facilities and the PEG channel.

13.5 Fallow Time. In the event the Franchise Authority or other PEG Access User elects not to fully program its Channel(s) with original PEG Access Programming, Franchisee may reclaim any unused time on those channels. Because blank PEG Channels are not in the public interest, in the event the Town elects not to program its PEG Channel for a period of at least seven (7) days, Franchisee may program that Channel thirty (30) days after providing the Town with written notice of its intent to program the Channel, subject to reclamation by the Town upon no less than sixty (60) days' written notice. Franchisee shall relinquish such use no later than sixty (60) days after receipt of written notification from the Town that it requires such channel for educational and/or governmental use.

13.8 Indemnification. In accordance with applicable law and to the extent permitted by Virginia law, the Franchise Authority and/or the designated Access Provider shall indemnify the Franchisee for any liability, loss or damage it may suffer due to violation of the intellectual property rights of third parties or arising out of the content or programming aired on any PEG channel and from claims arising out of the Franchise Authority's rules for or administration of PEG Access Programming. The Town shall require all local producers of public access programming to agree in writing to defend and hold harmless Franchisee from and against any and all liability or other injury, including the reasonable cost of defending claims or litigation, arising from or in connection with claims for failure to comply with applicable federal, state or local laws, rules, and/or regulations; for claims of libel, slander, invasion of privacy, or the infringement of common law or statutory copyright; for unauthorized use of any trademark, trade name, or service mark; for breach of contractual or other obligations owing to third parties by the producer or user; and for any other injury or damage in law or equity, which results from the use of an PEG access facility or Channel.

Section 14 – Performance

Performance Bond. In compliance with the surety requirements of the Town Code, within sixty (60) days of the Effective Date of this Agreement, Franchisee shall post a performance bond in the amount of fifty thousand dollars (\$50,000) for the faithful performance and discharge by Franchisee of all obligations imposed by this Franchise Agreement. The performance bond shall remain in force and effect throughout the Term of this Franchise Agreement. If Franchisee fails to timely pay an assessment of liquidated damages, the Franchising Authority shall give Franchisee twenty (20) business days' notice of its intent to draw the amount owed from the performance bond. The Franchising Authority may not draw from the performance bond while any action, appeal or other process has been instituted by Franchisee to challenge the amount owed.

Section 15 – Miscellaneous Provisions

15.1. Force Majeure. The Franchisee shall not be held in default under, or in non-compliance with, the provisions of the Franchise, nor suffer any enforcement or penalty relating to noncompliance or default (including termination, cancellation or revocation of

the Franchise), where such non-compliance or alleged defaults occurred or were caused by lightning strike, earthquake, flood, tidal wave, unusually severe rain, ice or snow storm, hurricane, tornado, or other catastrophic act of nature; riot, war, labor disputes, environmental restrictions, failure of utility service or the failure of equipment or facilities not belonging to Franchisee, denial of access to facilities or rights-of-way essential to serving the Franchise Area necessary to operate the Cable System, governmental, administrative or judicial order or regulation or other event that is reasonably beyond the Franchisee's ability to anticipate or control. This provision also covers work delays caused by waiting for utility providers to service or monitor their own utility poles on which the Franchisee's cable or equipment is attached, as well as unavailability of materials or qualified labor to perform the work necessary.

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

To the Franchise Authority:

Town of Warrenton, Virginia
P.O Box 341
Warrenton, VA 20188-341
Attention: Town Manager

To the Franchisee:

Shenandoah Cable Television, LLC
500 Shentel Way
Edinburg, VA 22824
Attention: Industry Affairs & Regulatory

With copies to:

Shenandoah Cable Television, LLC
500 Shentel Way
Edinburg, VA 22824
Attention: General Counsel

15.3. Entire Agreement. This Franchise Agreement and any exhibits or addendums hereto constitute the entire agreement between the Franchise Authority and the Franchisee and supersedes all prior or contemporaneous agreements, ordinances, representations, or understandings, whether written or oral, of the parties regarding the subject matter hereof. Any agreements, ordinances, representations, promises or understandings or parts of such measures that are in conflict with or otherwise impose obligations different from the provisions of this Franchise Agreement are superseded by

this Franchise Agreement.

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

15.5. Governing Law and Venue. This Franchise Agreement shall be deemed to be executed in the State where the Franchise Area is located, and shall be governed in all respects, including validity, interpretation and effect, and construed in accordance with, the laws of such State, as applicable to contracts entered into and performed entirely within the State. Venue for any litigation arising from this Franchise Agreement shall be in the state courts in and for the County of Fauquier, Virginia, and shall not be removed to the Federal court system.

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

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

15.8. Captions. Captions to sections throughout this Franchise Agreement are solely to facilitate the reading and reference to the sections and provisions of this Franchise Agreement. Such captions shall not affect the meaning or interpretation of this Franchise Agreement.

15.9. No Waiver of Rights. Nothing in this Franchise Agreement shall be construed as a waiver of any rights, substantive or procedural, which Franchisee may have under federal or state law unless such waiver is expressly stated herein.

15.10. Incorporation by Reference

15.10.1. All presently and hereafter applicable conditions and requirements of federal, State and generally applicable local laws, including but not limited to the rules and regulations of the FCC and the State where the Franchise Area is located, as they may be amended from time to time, are incorporated herein by reference to the extent not enumerated herein. However, no such general laws, rules, regulations and codes, as amended, may alter the obligations, interpretation and performance of this Renewal Franchise to the extent that any provision of this Renewal Franchise conflicts with or is inconsistent with such laws, rules or regulations.

15.10.2. Should the State, the federal government or the FCC require Franchisee to perform or refrain from performing any act the performance or non-performance of which is inconsistent with any provisions herein, the Franchise Authority and Franchisee will thereupon, if they determine that a material provision herein is affected, modify any of the provisions herein to reflect such government action.

15.11. Calculation of Time. Where the performance or doing of any act, duty, matter, payment, or operation is required hereunder and the period of time or duration for the performance or doing thereof is prescribed and fixed herein, the time shall be computed so as to exclude the first day and include the last day of the prescribed or fixed period or duration of time. When the last day of the period falls on Saturday, Sunday, or a legal holiday, that day shall be omitted from the computation.

15.12. Annexation. Upon ninety (90) days written notice, any additions of territory to the Franchise Authority, by annexation or other legal means, contiguous to the Franchise Area, shall thereafter be subject to all the terms of this Agreement as though it were an extension made hereunder related to the Cable System located or operated within said territory.

15.13. Authority to Execute. Each party represents to the other that the person signing on its behalf has the legal right and authority to execute, enter into and bind such party to the commitments and obligations set forth herein.

REMAINDER OF PAGE LEFT BLANK UNTIL SIGNATURE PAGE.

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

Town of Warrenton, VA:

By: _____

Print Name: _____

Title: _____

Date: _____

Shenandoah Cable Television, LLC

By: _____

Print Name: _____

Title: _____

Date: _____

Exhibit A
Customer Service Standards

These standards shall apply to the Franchisee to the extent it is providing Cable Service over the Cable System in the Franchise Area. The Franchisee shall comply in all respects with the customer service requirements established by the FCC.

(1) Cable System Telephone Availability.

(i) The Franchisee will maintain a local, toll-free or collect call telephone access line which will be available to its Subscribers twenty four (24) hours a day, seven (7) days a week.

(A) Trained Franchisee representatives will be available to respond to Subscriber telephone inquiries during Normal Business Hours.

(B) After Normal Business Hours, the access line may be answered by a service or an automated response system, including an answering machine. Inquiries received after Normal Business Hours must be responded to by a trained Franchisee representative on the next business day.

(ii) Under Normal Operating Conditions, telephone answer time by a customer representative, including wait time, shall not exceed thirty (30) seconds when the connection is made. If the call needs to be transferred, transfer time shall not exceed thirty (30) seconds. These standards shall be met no less than ninety percent (90%) of the time under Normal Operating Conditions, measured on a quarterly basis.

(iii) Under Normal Operating Conditions, the Subscriber will receive a busy signal less than three percent (3%) of the time.

(2) Installations, Outages and Service Calls. Under Normal Operating Conditions, each of the following four (4) standards will be met no less than ninety five percent (95%) of the time measured on a quarterly basis:

(i) Standard installations will be performed within seven (7) business days after an order has been placed, or at a time later at the request of a customer. "Standard" installations are those that are located up to one hundred twenty five (125) feet from the existing distribution system.

(ii) Excluding conditions beyond the control of the Franchisee, the Franchisee will begin working on "service interruptions" or outages promptly and in no event later than twenty four (24) hours after the interruption

becomes known. The Franchisee must begin actions to correct other service problems the next business day after notification of the service problem.

(iii) The "appointment window" alternatives for installations, service calls, and other installation activities will be either a specific time or, at maximum, a four (4) hour time block during Normal Business Hours. The Franchisee may schedule service calls and other installation activities outside of Normal Business Hours for the express convenience of the Subscriber.

(iv) Franchisee may not cancel an appointment with a Subscriber after the close of business on the business day prior to the scheduled appointment.

(v) If a Franchisee representative is running late for an appointment with a Subscriber and will not be able to keep the appointment as scheduled, the Subscriber will be contacted. The appointment will be rescheduled, as necessary, at a time which is convenient for the Subscriber.

(3) Refunds, Credits, and Rebates:

(i) Refunds: Refund checks will be issued promptly, but no later than either:

(A) The Subscriber's next available billing cycle following resolution of the request or thirty (30) days, whichever is earlier, or

(B) The return of the equipment supplied by the Franchisee if service is terminated.

(ii) Credits and Rebates:

(A) Credit and rebates for service will be issued no later than the Subscriber's next available billing cycle following the determination that a credit or rebate is warranted.

(B) Under Normal Operating Conditions, upon request, a Subscriber shall receive a pro rata credit or rebate, on a daily basis, of their Cable Service bill, if they experience a Service Interruption lasting twenty four (24) consecutive hours or longer. In order to qualify for a credit or rebate, the Subscriber must report the problem in a timely fashion and allow the Franchisee to verify the problem. If Subscriber availability is required for repair, a credit or rebate will not be provided for such time, if any, that the Subscriber is not reasonably available.

(C) Franchisee shall provide rebates or credits to Subscribers for missed appointments according to Franchisee policy.

(4) Temporary Drops: Under Normal Operating Conditions, drop wires in underground service areas that are temporarily placed above ground shall be buried within sixty (60) days of the date of any temporary installation.

(5) Planned Interruptions: Franchisee may intentionally interrupt service on the Cable System only for good cause and for the shortest time possible and, except in emergency situations or to the extent necessary to correct Subscribers' Service problems, only after a minimum of forty-eight (48) hours prior notice to Subscribers and the Town of the anticipated service interruption; provided, however, that planned maintenance that does not require more than two (2) hours' interruption of Service shall not require notice and planned maintenance that occurs between the hours of 12:00 midnight and 6:00 a.m. shall not require notice.

(6) Communication with Subscribers: Consistent with § 76.309 of the Rules and Regulations of the FCC, Franchisee shall provide an informational package to all of its Subscribers at the time of installation, at least annually to all Subscribers, and at any time upon request. This information shall include:

- (i) Products and services offered;
- (ii) Prices and options for programming services and conditions of subscription to programming and other services;
- (iii) Installation and service maintenance policies;
- (iv) Instructions on how to use the cable service;
- (v) Channel positions of programming carried on the system; and
- (vi) Billing and complaint procedures, including the address and telephone number of the local franchise authority's cable office.