

**Cable Franchise Agreement by and  
between Stafford County, Virginia and  
Comcast of  
California/Maryland/Pennsylvania/  
Virginia/West Virginia, LLC**

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## **Cable Franchise Agreement**

**THIS CABLE FRANCHISE AGREEMENT** (the “Franchise” or “Agreement”) is entered into by and between the County of Stafford, Virginia, a political subdivision of the Commonwealth of Virginia (the “County”) and Comcast of California/Maryland/Pennsylvania/Virginia/West Virginia, LLC, a corporation duly organized under the applicable laws of the State of Delaware (the “Franchisee”).

WHEREAS, the County wishes to grant Franchisee a nonexclusive franchise to construct, install, maintain, extend and operate a cable communications system in the Franchise Area as designated in this Franchise;

WHEREAS, the County is a “franchising authority” in accordance with Title VI of the Communications Act (*see* 47 U.S.C. §522(10)) and is authorized to grant one or more nonexclusive cable franchises pursuant to the Code of Virginia, Va. Code Ann. § 15.2-2108 and the Stafford County Cable Television Systems Ordinance, Chapter 7 of the Stafford County Code (the “Cable Ordinance”);

WHEREAS, Franchisee has constructed and operates a Cable System in the Franchise Area for the transmission of Cable Service;

WHEREAS, the Cable System occupies the Public Rights-of-Way within the County;

WHEREAS, the County and Franchisee have reached agreement on the terms and conditions set forth herein and the parties have agreed to be bound by those terms and conditions.

NOW, THEREFORE, in consideration of the County’s grant of a franchise to Franchisee, Franchisee’s promise to provide Cable Service to residents of the Franchise Area pursuant to and consistent with the Communications Act (as hereinafter defined), pursuant to the terms and conditions set forth herein, the promises and undertakings herein, and other good and valuable consideration, the receipt and the adequacy of which are hereby acknowledged,

THE SIGNATORIES DO HEREBY AGREE AS FOLLOWS:

### **1. DEFINITIONS**

Except as otherwise provided herein, the definitions and word usages set forth in the Communications Act (as hereinafter defined) are incorporated herein and shall apply in this Agreement.

References in this section to any federal or state law shall include amendments thereto as may be enacted from time-to-time. In addition, the following definitions shall apply:

1.1. *Access Channel or PEG Access Channel*: A video Channel, which Franchisee shall make available to the County without charge for non-commercial PEG use for the transmission of video programming as directed by the County.

1.2. *Affiliate*: In relation to any Person, another Person who owns or controls, is owned or controlled by, or is under common ownership or control with, such Person.

1.3. *Basic Service*: A Cable Service tier that includes (i) the retransmission of local television broadcast Channels and (ii) PEG Channels required to be carried in the basic tier.

1.4 *Cable Operator*: Any person or group of persons who provides Cable Service over a cable system and directly through one or more affiliates owns a significant interest in such cable system or who otherwise controls or is responsible for, through any arrangement, the management and operation of such a cable system.

1.5. *Cable Service or Cable Services*: The one-way transmission to subscribers of (i) Video Programming or (ii) other programming service, and subscriber interaction, if any, which is required for the selection or use of such Video Programming or other programming service. Cable service does not include any Video Programming provided by a commercial mobile service provider defined in 47 U.S.C. § 332(d).

1.6. *Cable System or System*: Franchisee's 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, except that such term shall not include (i) (ii) a facility that serves only to retransmit the television signals of one or more television broadcast stations; (iii) a facility that serves only Subscribers without using any Public Rights-of-Way; (iv) a facility of a common carrier that is subject, in whole or in part, to the provisions of Title II of the Communications Act of 1934, 47 U.S.C. § 201 *et seq.*, except that such facility shall be considered a Cable System (other than for purposes of Section 621 (c) )to the extent such facility is used in the transmission of Video Programming directly to Subscribers, unless the extent of such use is solely to provide interactive on-demand services; (v) any facilities of any electric utility used solely for operating its electric system; (vi) an open video system that complies with § 653 of Title VI of the Communications Act of 1934, as amended, 47 U.S.C. § 573; or (vii) any facilities of any electric utility used solely for operating its electric utility systems.

1.7. *Channel*: Shall be defined herein as it is defined under Section 602 of the Communications Act, 47 U.S.C. § 522(4), meaning a portion of the electromagnetic spectrum which is

used in a cable system and which is capable of delivering a television channel, as defined by the Federal Communications Commission by regulation.

1.8. *Communications Act*: The Communications Act of 1934, as amended.

1.9. *County*: Stafford County, Virginia.

1.10. *Educational Access Channel*: A non-commercial Access Channel available for the use solely of the local public schools in the Franchise Area.

1.11. *FCC*: The United States Federal Communications Commission or successor governmental entity thereto.

1.12. *Force Majeure*: An event or events reasonably beyond the ability of Franchisee to anticipate and control. "Force majeure" includes, but is not limited to, acts of God, incidents of terrorism, war or riots, labor strikes or civil disturbances, floods, earthquakes, fire, explosions, epidemics, hurricanes, or tornadoes.

1.13. *Franchise Area*: The entire existing territorial limits of the County and such additional areas as may be included in the territorial limits of the County during the term of this Franchise.

1.14. *Franchisee*: Comcast of California/Maryland/Pennsylvania/Virginia/West Virginia, LLC, and any lawful and permitted successors, assigns and transferees.

1.15. *Government Access Channel*: A non-commercial Access Channel available for the use solely of the County.

1.16. *Gross Revenue*: All revenue, as determined in accordance with generally accepted accounting principles, that is actually received by the Franchisee and derived from the operation of the Cable System to provide Cable Services in the Franchise Area; "Gross Revenue" shall not include: (i) refunds or rebates made to subscribers or other third parties; (ii) any revenue which is received from the sale of merchandise over home shopping channels carried on the Cable System, but not including revenue received from home shopping channels for the use of the Cable Service to sell merchandise; (iii) any tax, fee, or charge collected by the Franchisee and remitted to a governmental entity or its agent or designee, including without limitation a local public access or education group; (iv) program launch fees; (v) directory or Internet advertising revenue including, but not limited to, yellow page, white page, banner advertisement, and electronic publishing; (vi) a sale of Cable Service for resale or for use as a component part of or for the integration into Cable Services to be resold in the ordinary course of business, when the reseller is required to pay or collect franchise fees or similar fees on the resale of the Cable Service; (vii) revenues received by any affiliate or any other person in exchange for supplying goods or services used by the Franchisee to provide Cable Service; and (viii) revenue derived from services classified as Non-Cable Services under federal law, including, without limitation, revenue derived from telecommunications services and information services, and any other revenues

attributed by the Franchisee to Non-Cable Services in accordance with rules, regulations, standards, or orders of the Federal Communications Commission.

1.17. *Non-Cable Services*: Any service that does not constitute the provision of Cable Service.

1.18. *Normal Business Hours*: 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 night per week and/or some weekend hours.

1.19. *Normal Operating Conditions*: 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. 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 rebuild of the Cable System.

1.20. *PEG*: Public, educational, and governmental.

1.21. *PEG Provider*: Any entity designated by the County to operate one or more PEG Channels.

1.22. *Person*: An individual, partnership, association, joint stock company, trust, corporation, or governmental entity.

1.23. *Public Access Channel*: A non-commercial Access Channel available for use solely by the residents in the Franchise Area.

1.24. *Public Rights-of-Way*: The surface and the area across, in, over, along, upon and below the surface of the public streets, roads, bridges, sidewalks, lanes, courts, ways, alleys, and boulevards, including, public utility easements and public lands and waterways used as Public Rights-of-Way, as the same now or may thereafter exist, which are within the jurisdiction or control of the County. Public Rights-of-Way do not include the airwaves above a right-of-way with regard to cellular or other nonwire communications or broadcast services.

1.25. *Service Interruption*: The loss of picture or sound on one or more cable channels.

1.26. *Subscriber*: A Person who lawfully receives Cable Service over the Cable System with Franchisee's express permission.

1.27. *Tap*: A passive device located on a pole or in a pedestal in the Public Right of Way that is installed on the main cable and that is the connection point for the cable drop to the customer premises.

1.28. *Transfer of the Franchise*: Any transaction in which (i) an ownership or other interest in the Franchisee is transferred, directly or indirectly, from one person or group of persons to another person or group of persons, so that majority control of the Franchisee is transferred; or (ii) the rights and

obligations held by the Franchisee under the Franchise are transferred or assigned to another person or group of persons.

1.29. *Video Programming*: Programming provided by, or generally considered comparable to, programming provided by a television broadcast station.

## **2. GRANT OF AUTHORITY; LIMITS AND RESERVATIONS**

2.1. *Grant of Authority*: Subject to the terms and conditions of this Agreement and the Communications Act, the County hereby grants the Franchisee the right to own, construct, operate and maintain a Cable System along the Public Rights-of-Way within the Franchise Area, in order to provide Cable Service. No privilege or power of eminent domain is bestowed by this grant; nor is such a privilege or power bestowed by this Agreement. This Agreement does not confer any rights other than as expressly provided herein or as mandated by federal, state or local law.

2.2. *Term*: This Franchise shall become effective on December 13, 2016 (the "Effective Date"). The term of this Franchise shall consist of an initial term of five (5) years (the "Initial Term") and, subject to the provisions of Section 2.2.1, an additional five (5) year term (the "Extended Term"). The maximum term of this Franchise shall be ten (10) years from the Effective Date.

2.2.1. Upon the mutual consent of the County and Franchisee, the Franchise shall be extended for the Extended Term. The Board of Supervisors shall base its determination upon the results of a compliance review conducted by the County. The compliance review shall consider the degree to which the Franchisee has complied with the requirements of the Franchise. The County shall commence the compliance review no later than eighteen (18) months prior to the end of the Initial Term, and the Franchisee will cooperate by providing the County with all information requested by the County in connection with such review. The compliance review shall be completed within six (6) months. If the Board of Supervisors determines that an extension of the Initial Term is warranted, it shall adopt a resolution to that effect and the extension shall become effective upon acceptance in writing by the Franchisee. If the Board of Supervisors determines that an extension is not warranted, it shall adopt a resolution to that effect, and the parties shall continue with renewal proceedings in accordance with 47 U.S.C. §546. Notwithstanding this provision, both the County and the Franchisee retains all rights under 47 U.S.C §546.

2.3. *Grant Not Exclusive*: The Franchise and the rights granted herein to use and occupy the Public Rights-of-Way to provide Cable Services shall not be exclusive, and the County reserves the right to grant other franchises for similar uses or for other uses of the Public Rights-of-Way, or any portions thereof, to any Person, or to make any such use themselves, at any time during the term of this Franchise. Any such rights which are granted shall not expressly alter or purport to alter the authority as granted under

this Franchise or expressly grant authority or purport to grant authority to interfere with existing physical facilities, including equipment, of the Cable System.

#### *2.4 Competitive Equity:*

2.4.1 The County reserves the right to grant additional franchises or similar authorizations to provide video programming services by means of Cable Systems or similar wireline systems located in the Right of Way. If, following the Effective Date of this Franchise, the County grants such an additional franchise or authorization to use the Right of Way to provide such services and Franchisee believes the County has done so on terms materially more favorable than the obligations of Franchisee under this Agreement, then the provisions of this Section 2.4 will apply. The County and Franchisee agree that this provision shall not require a word for word identical franchise or authorization for competitive equity so long as the regulatory and financial burdens on each entity are generally equivalent.

2.4.2 The following provisions of this Agreement are deemed to be "Material Obligations:" § 1.16 (definition of "Gross Revenues"); §§ 5.1.1 and 5.1.3, (PEG Access Channels); § 5.2 (PEG funding); §§ 6.1 – 6.3 (pertaining to the Franchise fee); Article 7 (customer service obligations); Article 8 (reporting obligations); and Article § 12 (enforcement provisions).

2.4.3 Within one (1) year of the approval by the County of a wireline competitor's franchise or similar authorization, Franchisee must notify the County in writing of the Material Obligations in this Agreement that the Franchisee asserts exceed the Material Obligations of the wireline competitor's franchise or similar authorization. The County shall have one hundred twenty (120) days to agree to allow Franchisee to adopt the same Material Obligations provided to the wireline competitor, or to assert that that the Material Obligations are different. In the event the County asserts that the Material Obligations are different, Franchisee may bring an action in the Circuit Court for Stafford County, or the United States District Court for the Eastern District of Virginia, and no other courts, for a determination as to whether the Material Obligations are different and as to what franchise amendments would be necessary to remedy the disparity. Alternatively, Franchisee may notify the County that it elects to immediately commence the renewal process under 47 U.S.C. § 546 and to have the remaining term of this Agreement shortened to not more than thirty (30) months.

2.4.4 Nothing in this subsection is intended to alter the rights or obligations of either party under applicable federal or state law, and it shall only apply to the extent permitted under applicable law and FCC orders. In no event will the County be required to refund or to offset against future amounts due the value of benefits already received.

2.4.5 This provision does not apply if the County is ordered or required by law to issue a franchise on different terms and conditions, and the relief is contingent on the new Cable Operator actually commencing provision of service in the market to its first customer. Should the new Cable Operator fail to continuously provide service for a period of six (6) months, the County has the right to implement this Agreement with its original terms upon one hundred eighty (180) days' notice to Franchisee.

2.4.6 This Section does not apply to any of the following: open video systems; common carrier systems exempted from franchise requirements pursuant to 47 U.S.C. § 571; systems that



serve less than 5% (five per cent) of the geographic area of the County; and “over-the-top” services that only provide video programming to County residents by means of the public Internet (e.g., Netflix).

*2.5. Franchise Subject to Federal Law:* Notwithstanding any provision to the contrary herein, this Franchise is subject to and shall be governed by all applicable provisions of federal law as it may be amended, including but not limited to the Communications Act.

*2.6. No Waiver:*

2.6.1. The failure of the County on one or more occasions to exercise a right or to require compliance or performance under this Franchise, the Communications Act or any other applicable State or Federal law shall not be deemed to constitute a waiver of such right or a waiver of compliance or performance by the County, nor to excuse Franchisee from complying or performing, unless such right or such compliance or performance has been specifically waived in writing.

2.6.2. The failure of the Franchisee on one or more occasions to exercise a right under this Franchise or applicable law, or to require performance under this Franchise, shall not be deemed to constitute a waiver of such right or of performance of this Agreement, nor shall it excuse the County from performance, unless such right or performance has been specifically waived in writing.

*2.7. Construction of Agreement:*

2.7.1. Nothing herein shall be construed to limit the scope or applicability of Section 625 Communications Act, 47 U.S.C. § 545.

2.7.2. *Precedence of Documents:* In the event of an inconsistency between the Cable Ordinance and this Agreement, this Agreement shall prevail.

2.8. *Police Powers:* Franchisee’s rights are subject to the police powers of the County to adopt and enforce ordinances of general applicability necessary to protect and preserve the health, safety and welfare of the public. Franchisee shall comply with all applicable general laws and ordinances enacted by the County pursuant to those powers. In the event of conflict between the Cable Ordinance (and any amendments thereto) and this Agreement, the Agreement shall control.

### **3. PROVISION OF CABLE SERVICE**

*3.1. Service Area:*

3.1.1. *Density Requirement:* The Franchisee shall extend the Cable System whenever the Franchisee receives a request for Cable Service from a potential Subscriber and there is an average of at least twenty (20) dwelling units per mile along a line extension route to the subscriber’s residence, measured in linear trench or aerial strand footage along the Public Right-of-Way. The distance shall be measured beginning at the Tap of the then-existing Cable System that is closest to the address requesting service (the “Starting Point”), and ending at the point on the Public Right-of-Way nearest to the point where the requesting potential Subscriber’s route of vehicular ingress or egress contacts the public right-of-way (the “End Point”). For purposes of this section, a house, apartment unit, or other residence

shall only be counted as a "dwelling unit" if it is occupied and the point of cable access is located within 300 feet of the Public Right-of-Way.

3.1.2 *Service Drops:* 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 200 feet from the Tap installed to serve that Subscriber, the Franchisee may charge an installation fee equal to the Standard Installation Fee, plus the actual cost of construction of Cable System facilities in excess of the 200 foot distance.

3.1.3. *Waiver of Density Requirement:* Notwithstanding Section 3.1.1, if the Franchisee determines that the transmission capacity of the Franchisee's plant at the Starting Point is insufficient to allow the Franchisee to deliver adequate Cable Service to a location along the route that is requesting Cable Service, and the cost of increasing such capacity would be commercially impractical, the Franchisee may request that the County Administrator waive the Franchisee's obligation to perform all or part of the line extension under this Section, and the County Administrator shall not unreasonably deny any such request. Any such request for waiver shall be submitted in writing no later than forty-five (45) days after receipt of the prospective extension request, and shall include a complete description of the reasons the Franchisee believes the line extension to be impractical, including without limitation cost estimates and route maps. Franchisee shall promptly provide the County Administrator with any additional information that may be reasonably requested by the County Administrator as part of its consideration of the waiver request. If the County Administrator determines that the Franchisee's request is reasonable, the County Administrator shall grant a waiver of the obligations of this Section. If the County Administrator denies the waiver request, the line extension shall be completed within 180 days of the County Administrator's decision, subject to Force Majeure, including the performance of make-ready work.

3.1.4. *Service to Specific Addresses:* As settlement of the line extension claims under the prior franchise, Franchisee shall extend its Cable System in order to serve the addresses identified in Exhibit E upon 180 days of receiving all necessary permits and approvals or as otherwise indicated in Exhibit E. Comcast may request additional time to complete the extension to any address where the extension is delayed for reasons beyond Franchisee's reasonable ability to control or anticipate. The County will not unreasonably refuse to grant an extension. Comcast shall make Cable Service to these addresses subject to the requirements of Section 3.1.2 herein.

3.1.5. *Cost Sharing:* The Cable System shall be further extended to all areas in the County that do not meet the requirements of Section 3.1.1 or 3.1.4 above, upon the request of one or more dwelling unit owners in such areas, based upon the following cost calculation:

3.1.5.1 The cost of extending the Cable System to serve any such area shall be calculated by (i) dividing the capital cost of extending the System to pass each of the requesting dwelling unit owners by the number of dwelling units requesting Cable Service in such area, and (ii) subtracting the average cost of extending Cable Service to dwelling units in areas of the County that meet the density requirement specified in Section 3.1.1 above. The resulting cost shall equal the per dwelling unit

contribution to be paid by each dwelling unit owner requesting extension of Cable Service in that particular area of the County.

3.1.5.2. The applicable formula shall be:

$$\frac{C}{LE} - \frac{CA}{P} = SC$$

Where:

3.1.4.2.1. C equals the cost of construction of new plant from the Starting Point, as defined in Section 3.1.1;

3.1.5.2.2. LE equals the number of dwelling units requesting Cable Service in the proposed line extension area, who subsequently pay a contribution in aid;

3.1.5.2.3. CA equals the average cost of construction per mile in Stafford County;

3.1.5.2.4. P equals 20; and

3.1.5.2.5. SC equals the per dwelling unit contribution in aid of construction in the proposed line extension area, to be paid by the dwelling unit owner.

### 3.2 *Line Extension Procedures:*

3.2.1. *Time for Completing Extension:* Any potential Subscriber located in an area of the County without Cable Service may request such Cable Service from the Franchisee. In areas meeting the requirements of Section 3.1.1 above, the Franchisee shall extend Cable Service to each requesting potential Subscriber within 180 days of receiving all necessary permits, easements, and pole attachment licenses, subject to Force Majeure (including the performance of make-ready work). The Franchisee shall expeditiously seek all necessary permits and pole attachment licenses, and, subject to Section 8.1, shall promptly comply with all reasonable requests from the County for information regarding the status of any applications for such permits and licenses, and for copies of any documentation related to such applications.

3.2.2. *Survey in Low Density Areas:* In those areas with less than twenty (20) occupied dwelling units per linear trench or aerial strand mile, as measured from the existing Tap that is closest to an address requesting service, the Franchisee, shall, within forty-five (45) days following a request for Cable Service, conduct a survey to determine the number of dwelling units in the immediate area and shall provide the person who has been designated as the representative of the person or persons seeking the extension of service with information on the possible contribution in aid of construction (see

Section 3.1.2 above) that would be charged. The Franchisee shall apply for all necessary permits and pole attachment licenses within ninety (90) days of receiving the contribution in aid of construction from all participating dwelling units. Cable Service(s) shall be made available and fully activated to all requesting dwelling units who made a contribution in aid of construction within one hundred eighty (180) days of receipt of all necessary permits and pole attachment licenses by the Licensee, subject to Force Majeure (including the performance of make-ready work). The Franchisee shall expeditiously seek all necessary permits and pole attachment licenses, and subject to Section 8.1, shall promptly comply with all reasonable written requests from the County for information regarding the status of any applications for such permits and licenses, and for copies of any documentation related to such applications.

3.2.3. *Long Drop Cost Estimate; Trenching:* If the Entry Point serving a dwelling unit is located more than two hundred (200) feet from the End Point, Franchisee will provide a separate cost estimate to the dwelling unit owner to extend Cable Service to the dwelling unit. Upon written request, the Franchisee shall provide the technical specifications required to be met for the dwelling unit owner to dig his own trench and install appropriate conduit, consistent with the technical specifications of the Franchisee. If the owner elects to conduct trenching and install appropriate conduit at the owner's own expense, the Franchisee's cost estimate shall be modified accordingly. The owner shall not install other facilities in the conduit, or permit any third party to do so, without first notifying Comcast in writing, and ensuring at all times that the presence of such facilities in the conduit complies with all applicable safety and technical code requirements. The Franchisee shall not be responsible for the maintenance, repair, or replacement of such conduit.

3.3. *Availability of Cable Service:* Franchisee shall make Cable Service available to all residential dwelling units within the Franchise Area in conformance with Sections 3.1 and 3.2, and Franchisee shall not discriminate between or among any individuals in the availability of Cable Service. In the areas in which Franchisee shall provide Cable Service, Franchisee shall be required to connect, at Franchisee's expense, other than a standard installation charge, all residential dwelling units that are within two hundred (200) feet of trunk or feeder lines not otherwise already served by Franchisee's Cable System. Franchisee shall be allowed to recover, from a Subscriber that requests such connection, actual costs incurred for residential dwelling unit connections that exceed two hundred (200) feet and actual costs incurred to connect any non-residential dwelling unit Subscriber. The Franchisee shall make Cable Service available to any commercial establishment in the County that requests such service, provided that each such establishment enters into a separately negotiated contract with the Franchisee.

#### 3.4. *Cable Service to County Buildings:*

3.4.1. Subject to the terms of this Section 3.4.1, the Franchisee shall install upon request a service outlet at each facility occupied by a public office or agency in the County, to include without limitation County government agencies, fire stations, police stations, sheriff's offices, public schools, public libraries, and any other local government building as shall be designated by the County from time to time (each, a "Public Facility"). The Franchisee shall maintain, at no charge, a service outlet at each of the existing Public Facilities listed on Exhibit A. In addition, subject to subsection 3.4.2 below, within one hundred eighty (180) days after receiving a written request from the County, the Franchisee shall install and maintain a service outlet at each new Public Facility, as designated by the County from

time to time. Exhibit A shall be amended to include each new Public Facility at the time of the County's request.

3.4.2. If a new Public Facility is located within two hundred (200) feet of the Public Right-of-Way, the Franchisee shall bear the cost of installation so long as such additional Public Facilities do not exceed five (5) per calendar year. If a new Public Facility is located more than two hundred (200) feet from the Public Right-of-Way, the County shall reimburse the Franchisee for the difference between the actual cost of installation and the actual cost of constructing facilities to serve up to two hundred (200) feet from the Public Right-of-Way. Under no circumstance shall the County be required to reimburse the Franchisee for construction, installation or purchase (including labor costs) of facilities or equipment not used directly and solely in connection with the transmission of signals to the Public Facilities for the purposes of this section. Should the Franchisee elect to install facilities for its own use or for the purpose of serving customers other than the government users located at the Public Facilities, the County will be responsible for reimbursing only a *pro rata* share of the cost of construction to the new Public Facility, and shall not be responsible for construction costs to serve other customers.

3.4.3. If County-owned conduit suitable for the placement of the Franchisee's facilities exists along any portion of a route capable of extending service to a Public Facility, and the County determines that it has conduit capacity available in excess of its likely needs for the foreseeable future, the parties shall meet in good faith to discuss the use of such conduit. Unless otherwise prohibited by law, the Franchisee may agree to use such conduit and the County may make such conduit available if such use would lower the cost of installation of Franchisee's facilities needed to serve a Public Facility that is more than two hundred (200) feet from the Public Rights-of-Way. If suitable County-owned conduit is available and the use of such conduit would reduce the cost of construction to serve a Public Facility, but Franchisee elects not to use such conduit, any amount that the County would be required to pay pursuant to Section 3.4.2 above shall be reduced by the amount by which the use of County conduit would reduce the total cost of the project.

3.4.4. The Franchisee shall provide Basic Service to each Public Facility.

3.4.5. There shall be no charge to the County or other entity or agency receiving service at a Public Facility for the cost of Basic Service, except for equipment costs as provided for in this section. There shall be no charge to the County or other entity or agency receiving service at a Public Facility for the cost of installation or the cost of maintenance except as provided in this Section 3.4. There also shall be no charge to the County or other entity or agency receiving service at a Public Facility for the cost of one converter or digital transport adapter at each such Public Facility.

3.4.6. The County or any public body responsible for managing a Public Facility may, at its expense, extend or install suitable wiring to permit Cable Service to be provided at multiple locations within the Public Facility. In addition, the County may request that the Franchisee install sufficient capacity and suitable equipment to ensure that all signals are provided at such additional outlets with sufficient strength to supply the entire Public Facility, taking into account the number of outlets to be served, the distance signals will be transported, and all technical factors necessary to ensure that all outlets receive a suitable signal. Upon Franchisee's request, the County shall provide specifications for serving a Public Facility in writing to the Franchisee. In constructing all facilities required under this Section 3.4.6, the Franchisee shall ensure that it meets the County's actual needs at each location. If meeting the County's needs for delivery of a suitable signal imposes costs on the Franchisee beyond the costs the Franchisee

would bear in the absence of such requirements, the Franchisee may require that the County reimburse the difference, subject to Sections 3.4.2 and 3.4.3 hereof.

#### **4. SYSTEM FACILITIES**

4.1. *System Characteristics*: Franchisee's Cable System shall meet or exceed the following requirements:

4.1.1. The System shall be designed with an initial analog and digital carrier passband between 50 and 750 MHz.

4.1.2. The System shall be designed to be an active two-way plant for subscriber interaction, if any, required for selection or use of Cable Service.

4.1.3. Modern design utilizing an architecture that will permit additional improvements necessary for high quality and reliable service throughout the term of the Agreement.

4.1.4. Protection against outages due to power failures, so that back-up power is available at a minimum for at least 24 hours at the headend, and conforming to industry standards, but in no event rated for less than four hours, at each node. Such standby power supplies shall cut in automatically on failure of commercial utility AC power, and revert automatically to commercial power when it is restored.

4.1.5. Facilities and equipment sufficient to cure violations of any applicable FCC technical standards and to ensure that the Cable System remains in compliance with the standards specified in Section 4.1.18.

4.1.6. Facilities and equipment as necessary to maintain, operate, and evaluate the Cable System to comply with any applicable FCC technical standards, as such standards may be amended from time to time.

4.1.7. All facilities and equipment designed to be capable of continuous twenty-four (24) hour daily operation in accordance with applicable FCC standards except as caused by a Force Majeure event.

4.1.8. All facilities and equipment designed, built and operated in such a manner as to comply with all applicable FCC requirements regarding (i) consumer electronic equipment and (ii) interference with the reception of off-the-air signals by a subscriber.

4.1.9. All facilities and equipment designed, built and operated in compliance with all applicable safety codes.

4.1.10. Sufficient trucks, tools, testing equipment, monitoring devices and other equipment and facilities and trained and skilled personnel required to enable Franchisee to substantially

comply with applicable law and its obligations under this Agreement, including applicable customer service standards.

4.1.11. All facilities and equipment required to properly test the Cable System in accordance with applicable law, conduct an ongoing and active program of preventive maintenance and quality control, and to be able to quickly respond to customer complaints and resolve system problems.

4.1.12. Design capable of interconnecting with other cable systems in the Franchise Area as set forth in Section 4.3 of this Agreement.

4.1.13. Facilities and equipment at the headend shall allow Franchisee to transmit or cablecast signals in substantially the form received, without substantial alteration or deterioration in the content and functionalities associated with the signal. For example, the headend should include equipment that will transmit color video signals received at the headend in color, stereo audio signals received at the headend in stereo, and a signal received with a secondary audio track with both audio tracks. Similarly, all closed-captioned programming retransmitted over the Cable System shall include the closed-captioned signal in a manner that renders that signal available to Subscriber equipment used to decode the captioning.

4.1.14. Shall be capable of transmitting in high definition any Channels that are received in high definition format. Actual carriage of any such high definition Channels will be at the Franchisee's sole discretion.

4.1.15. Shall offer parental control options, which will at a minimum offer as an option that a Person ordering programming must provide a personal identification number or other means provided by Franchisee only to a Subscriber. Provided, however, that Franchisee shall bear no responsibility for the exercise of parental controls and shall incur no liability for any Subscriber's or viewer's exercise or failure to exercise such controls.

4.1.16. The provision of additional channels, channel capacity, and/or upgrades of any kind to the Cable System is solely within the control and discretion of the Franchisee.

4.1.17. With the exception of any PEG Channels, all content and programming of Cable Services, including the mix, level, and/or quality of such content and programming, remains in the sole discretion of the Franchisee.

4.1.18. The Cable System must conform to or exceed all applicable FCC technical performance standards, as amended from time to time, and shall substantially conform in all material

respects to applicable sections of the following standards and regulations to the extent such standards and regulations remain in effect and are consistent with accepted and applicable industry procedures:

4.1.18.1. Occupational Safety and Health Administration (OSHA) Safety and Health Standards;

4.1.18.2. National Electrical Code;

4.1.18.3. National Electrical Safety Code (NESC);

4.1.18.4. Obstruction Marking and Lighting, AC 70/7460 i.e., Federal Aviation Administration;

4.1.18.5. Constructing, Marking and Lighting of Antenna Structures, Federal Communications Commission Rules, Part 17; and

4.1.18.6. The Virginia Uniform Statewide Building Code.

4.2. *General Description:* The Cable System shall meet or exceed applicable FCC's technical standards (Subpart K of Part 76 of the FCC's Rules).

4.3. *Interconnection:* The Franchisee shall design its Cable System so that it may be interconnected with other cable systems in the Franchise Area. Interconnection of systems may be made by direct cable connection, microwave link, satellite, or other appropriate methods.

4.4. *Emergency Alert System:* Franchisee shall comply with the Emergency Alert System ("EAS") requirements of the FCC in order that emergency messages may be distributed over the System.

4.5. *Restoration of Property:* The Franchisee shall promptly repair and restore, to as good a condition as reasonably practicable before the work causing such disturbance was done, any and all Public Rights-of-Way and public or private property that is disturbed or damaged during the construction, operation or maintenance of the Cable System. If Franchisee fails to restore or repair public rights-of-way or public property that has been damaged or is disturbed within thirty (30) days, the County may perform the necessary repairs and restoration, and submit an invoice for said expense. If payment is not made within thirty (30) days, the County may obtain reimbursement from the letter of credit provided pursuant to Article 12.

4.6. *Relocation of Facilities:* In the event that a location or a grade, line, or other characteristic of a public right of way that the Franchisee is authorized to use or occupy is altered by the County, the Franchisee shall, at its sole expense, relocate or otherwise modify its Cable System to as to conform to the new location of the new grade, line or other right-of-way characteristic. 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 Franchising Authority shall notify the Franchisee of the availability of such funding and make such funds available to the Franchisee. It is understood that there is no guarantee by the Franchising Authority that public funds will, in every instance, be available to defray costs of altering or relocating the cable



system to conform to new grades or lines. In addition, the Franchisee shall obtain a relocation deed, if required by law.

## **5. PEG SERVICES**

### ***5.1 Access Channels:***

5.1.1 The Franchisee shall continue to make available to all Subscribers on the Cable System three (3) Channels for PEG access use. The Franchisee shall continue to own the channels and will provide downstream transmission of such Access Channels on its Cable System at no charge to the County or other PEG access programmers.

5.1.2 As of the Effective Date, one of the three Access Channels set aside pursuant to Section 5.1.1 shall be used by the County government, a second Access Channel shall be used by the Stafford County Schools, and a third shall be designated for use by a public access organization approved by the Board of Supervisors.

5.1.3 In addition to the three (3) channels for PEG access programming specified in Section 5.1.1, the County may require the Franchisee to make available one (1) additional Access Channel, for PEG access programming, when there is reasonable written evidence from the County that an existing Access Channel shows at least 28 hours per week during prime time of locally or regionally produced, non-commercial, non-alphanumeric, non-automated first-run programming. Such conditions shall be met on average over a thirteen-week period.

5.1.3.1 For purposes of this subsection 5.1.3, "prime time" shall mean 6 p.m. to 11 p.m. for all Access Channels provided pursuant to subsection 5.1.1 or subsection 5.1.6, except for the Government Access Channel, for which "prime time" shall mean 7 p.m. to 12 a.m.

5.1.3.2 For purposes of this subsection 5.1.3, "first run programming" means programming that has been shown no more than twice previously in the County.

5.1.3.3 The Franchisee shall make any additional Access Channel required by the County under subsection 5.1.6 available within eighteen (18) months of the County's written request and confirmation that the requirements of Section 5.1.3 have been met.

5.1.4 All PEG Access Channels required by subsections 5.1.1 or 5.1.3 shall be provided on the Basic Service tier, unless the County and the Franchisee otherwise mutually agree in writing.

5.1.5 The existing PEG Access Channels shall be carried on the channel numbers assigned to them in Exhibit B. Thereafter, PEG Access Channel assignments may be changed at the discretion of the Franchisee. PEG Access Channel assignments shall be the same throughout the County. If the Franchisee decides to change the channel designation for any of the PEG Access Channels, it must provide at least thirty (30) days prior written notice to the County, and shall reimburse the County, and/or designated PEG Providers for the reasonable costs incurred by the County or other designated PEG

Providers, including, but not limited to, logo modifications, stationery, promotion, and advertising, not to exceed \$2,500 per channel change.

5.1.6 *PEG Interconnection:*

5.1.6.1. The Franchisee shall not interfere with the ability of any other cable operator holding a franchise issued by the County to obtain the content of any of the programming on the PEG Channels, nor shall the Franchisee object to the transmission of the PEG Access Channel signals by any Competing Operator. When not otherwise available to a franchised cable operator through direct connection to a PEG origination site, the Franchisee shall make the signals of each of the PEG Access Channels available for interconnection by a franchised cable operator, subject to the execution of a mutually agreeable interconnection agreement between the Franchisee and the franchised cable operator, or the renewal of any such existing agreement. The Franchisee shall act in good faith during negotiations with a franchised cable operator concerning the negotiation or renegotiation of any agreement between a franchised cable operator and the Franchisee. In addition, should the franchised cable operator and the Franchisee be unable to reach agreement on the terms of a new interconnection agreement, the Franchisee shall allow the franchised cable operator continued access to the programming carried on each of the Access Channels for a reasonable time sufficient to allow the franchised cable operator to obtain independent access to the programming, which time shall not exceed six months.

5.1.6.2. The Franchisee shall cooperate with the County and any franchised cable operator with respect to the installation of any compatible equipment needed to effect any interconnection between facilities owned by the County and the facilities of such franchised cable operator (the "Interconnection Equipment"), for the purpose of obtaining access to the PEG Access Channel signals and transporting such signals to the franchised cable operator's subscribers by means of its own facilities. Franchisee shall cooperate with the County and the franchised cable operator to determine the cause of any interruption or degradation of the signal output by the Interconnection Equipment, and the County may request Franchisee's assistance, at the County's expense, in troubleshooting any Interconnection Equipment owned by the County.

5.1.7 *Management of Channels:* The County may designate one (1) or more entities, including a non-profit access management corporation, to manage the use of one or more of the PEG Access Channels.

5.1.8 *Technical Standards:* The PEG Access Channels shall be carried in compliance with all applicable FCC rules. All PEG Access Channels shall meet the same technical standards applicable to the commercial channels carried on the Basic Tier, provided that the Franchisee shall not be responsible for the production quality of PEG access programming. All PEG Access Channels shall be carried in a manner providing the same signal quality as other channels Franchisee provides for on the Basic Service Tier. In addition, in the event the County desires to implement additional functionality on one or more of the PEG Access Channels comparable to additional functionality available on any other channel on the Basic Service tier, the Franchisee shall cooperate with the County to make such functionality available, provided that implementation of such functionality does not require the use of additional capacity on the System, or impose any cost on the Franchisee. If the Franchisee makes changes to the Cable System that require improvements to PEG access facilities and equipment, Franchisee shall make any necessary changes to the Franchisee's headend and distribution facilities or equipment within

thirty (30) days so that PEG access facilities and equipment may be used as intended in this Agreement. Nothing in this Section shall require the Franchisee to provide PEG Access Channels in high definition.

5.1.9 *Costs and Payments Not Franchise Fees:* The parties agree that any costs to the Franchisee associated with the provision of support for PEG access pursuant to this Franchise Agreement, and any PEG payments made to the County under, pursuant to or outside of this Agreement, do not constitute and are not part of a franchise fee, and fall within one or more of the exceptions to 47 U.S.C. § 542.

5.1.10 *Editorial Control:* Except as expressly permitted by federal law, the Franchisee shall not exercise any editorial control over the content of programming on the PEG Access Channels (except for such programming as the Franchisee may cablecast on such PEG Access Channels).

5.1.11 *Return Feed from PEG Origination Facilities:*

5.1.11.1. Beginning on the Effective Date, the Franchisee shall provide and maintain the existing fiber optic links, the necessary encoding and decoding equipment, and the support necessary to provide for the transmission of PEG access video signals that meet FCC standards for picture quality as currently exist or may be amended, from each of the following locations, for the purposes of transmitting each of the three PEG Access Channels to the Cable System headend: (i) the Stafford County Administration Center, 1300 Courthouse Road Stafford, VA 22554; and (ii) the Holbert Building, 9104 Courthouse Road, Spotsylvania, VA 22553.

5.1.11.2. If any existing or future origination site designated pursuant to this Section is moved or replaced, the Franchisee shall construct and maintain a new fiber-optic link to the new location, including, without limitation, installing new facilities, moving terminal equipment, and splicing fiber, as necessary. Subject to and except as otherwise provided in Section 5.1.11.4, the cost of installing any new link, including fiber construction and the necessary encoder and decoder required for the transmission of the PEG access video signal, shall be borne by the County. After construction of a new link, the Franchisee shall bear the cost of maintenance.

5.1.11.3. The Franchisee shall monitor the PEG Access Channels and the fiber optic return links provided pursuant to this Section 5.1.11 for technical quality, and shall ensure that the return links are maintained in accordance with the same technical standards that the Franchisee applies to the Cable System as a whole.

5.1.11.4. Within sixty (60) days after receiving a request from the County for the construction of any of the fiber links required by Section 5.1.11.2 (each, a "PEG Origination Link"), the Franchisee shall provide the County with a detailed written construction estimate of such costs, with sufficient explanation and supporting material to allow the County to verify the accuracy of the Franchisee's calculations. The construction estimate shall consist of the Actual Cost of the requested PEG Origination Link. For purposes of this section, "Actual Cost" means the direct cost to the Franchisee of materials and labor necessary to perform design, installation and construction of the requested PEG Origination Link and related facilities. If requested, the Franchisee shall in good faith discuss the specifics of such estimate and less costly alternatives, if any, with the County.

5.1.11.4.1. If the County chooses to proceed with the project, The County may direct the Franchisee to construct the PEG Origination Link within twelve (12) months of a written

request to proceed with the project, provided that the County or the entity to be served by the proposed PEG Origination Link shall pay the Franchisee the Actual Cost of the PEG Origination Link.

5.1.11.4.2. After construction of a PEG Origination Link, the Franchisee shall bear the cost of maintenance. Franchisee reserves the right to pass through costs related to PEG Access return line maintenance to Subscribers in accordance with applicable law.

5.1.11.5. If County-owned conduit suitable for the placement of the Franchisee's facilities exists along any portion of a route between a PEG origination facility and the Franchisee's headend, and the County determines that it has conduit capacity available in excess of its likely needs for the foreseeable future, the parties shall meet in good faith to discuss the use of such conduit. Unless otherwise prohibited by law, the Franchisee may agree to use such conduit and the County may make such conduit available if such use would lower the cost of installation of Franchisee's facilities. If suitable County-owned conduit is available and the use of such conduit would reduce the cost of construction to serve a PEG origination facility, but Franchisee elects not to use such conduit, any amount that the County or a PEG entity would be required to pay pursuant to Section 5.1.11.5 above shall be reduced by the amount by which the use of suitable County conduit would reduce the total cost of the project.

## *5.2. PEG Grant:*

5.2.1. *Annual Capital Grant:* Franchisee shall provide an annual grant to the County to be used in support of the production of local PEG programming (the "Annual PEG Access Capital Grant"). Such grant may be used by the County, in its sole discretion for (i) PEG access equipment, including, but not limited to, studio and portable production equipment, editing equipment and program playback equipment; and (ii) renovation or construction of PEG access facilities.

5.2.2. *Amount of Grant:* The Annual PEG Access Capital Grant provided by Franchisee hereunder shall be the sum of twenty cents (\$0.20) per month, per Subscriber in the Franchise Area. The Annual PEG Access Capital Grant payment, along with a brief summary of the Subscriber information and any supporting back-up information upon which it is based, shall be delivered to the County within sixty (60) days after the beginning of each calendar year during the Franchise Term. Calculation of the Annual PEG Access Capital Grant will commence with the first calendar month after the Effective Date.

5.3. *PEG Indemnification:* The County shall require all local producers and users of any of the PEG facilities or Channels to agree in writing to authorize Franchisee to transmit programming consistent with this Agreement and to defend and hold harmless Franchisee and the County 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 laws, rules, regulations or other requirements of local, state or federal authorities; 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 result from the use of

a PEG facility or Channel. The County shall establish rules and regulations for use of PEG facilities, consistent with, and as required by, 47 U.S.C. §531.

5.4. *Itemization:* To the extent permitted by federal law, the Franchisee shall be allowed to externalize, itemize or pass through the costs of the Annual PEG Access Capital Grant or any other costs arising from the provision of PEG services from Subscribers and to include such costs as a separately billed line item on each Subscriber's bill. Without limiting the foregoing, if allowed under state and federal laws, Franchisee may externalize, line-item, or otherwise pass-through interconnection costs to Subscribers.

## **6. FRANCHISE FEES**

6.1. *Communications Tax:* The 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 (the "Communications Tax"), and Sections 6.2 through 6.5 of this Agreement shall not have any effect, for so long as the Communications Tax or a successor state or local tax that would constitute a franchise fee for purposes of 47 U.S.C. § 542, as amended, is imposed on the sale of cable services by the Franchisee to subscribers in the County.

6.2. *Payment of Franchise Fee to County:* 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, as amended, and a franchise fee continues to be allowed pursuant to 47 U.S.C. § 542, Franchisee shall pay to the County a Franchise fee of five percent (5%) of annual Gross Revenue, or such other amount as may then be allowed under federal law, beginning on the effective date of the repeal of such tax (the "Repeal Date"). Beginning on the Repeal Date, the terms of Sections 6.2 through 6.6 of this Agreement shall take effect. In accordance with Title VI of the Communications 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 thirty (30) 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 one hundred twenty (120) days following the close of the calendar year for which such amounts were applicable; such correction shall be documented in the supporting information required under Section 6.3.

6.3. *Supporting Information:* Within fifteen (15) days after submitting each Franchise fee payment, the Franchisee shall deliver to the County a brief report in the form of and containing the information required by Exhibit C, prepared by a representative of Franchisee, showing the basis for the computation. The County shall have the right to reasonably request further supporting information for each Franchise fee payment.

6.4. *Limitation on Franchise Fee Actions:* The period of limitation for recovery of any Franchise fee payable hereunder shall be five (5) years from the date on which payment by Franchisee is due.

6.5. *Bundled Services:* If the Franchisee bundles Cable Service with non-Cable Service, the Franchisee agrees that it will not intentionally or unlawfully allocate such revenue for the purpose of evading the Franchise fee payments under this Agreement. In the event that the Franchisee or any Affiliate shall bundle, 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 of service or receive a discount on Cable Services, a *pro rata* share of the revenue received for the bundled, or combined services shall, to the extent reasonable, and in a manner consistent with GAAP be allocated to gross revenues for purposes of computing the franchise fee. To the extent there are published charges and it is reasonable, the *pro rata* share shall be computed on the basis of the published charge for each of the bundled, tied, or combined services, when purchased separately. However, the parties agree that there may be exceptions such as equipment or tariffed telecommunications services that cannot be discounted under state or federal law or regulations are excluded from the bundled allocation obligations in this section.

6.5.1. The Franchisee shall provide with each payment of the PEG Access Capital Grant information supporting its calculation of the PEG Access Capital Grant payment, including both a statement of the number of subscribers for any applicable period, and documentation demonstrating the accuracy of the number of subscribers used in the computation. The County shall preserve the confidentiality of such information to the extent permitted by applicable law.

## **7. CUSTOMER SERVICE**

7.1. *Definitions:* Except as otherwise provided in this Article 7 or elsewhere in this Agreement, the definitions and word usage set forth in 47 U.S.C. §76.309 are incorporated in this Agreement.

7.1.1. *Respond:* Franchisee's investigation of a Service Interruption by receiving a Subscriber call and opening a trouble ticket, if required.

7.1.2. *Service Call:* The action taken by the Franchisee to correct a Service Interruption, or to perform other maintenance, repair, or adjustment requested by a Subscriber (but not including installation), the effect of which is limited to an individual Subscriber.

7.1.3. *Significant Outage:* A Significant Outage shall mean any loss of picture or sound on one or more Channels lasting at least four (4) continuous hours that affects at least two thousand five hundred (2,500) Subscribers in the County.

7.1.4. *Standard Installation:* Installations where the subscriber is within two hundred (200) feet of trunk or feeder lines.

7.1.5. *Normal Business Hours:* 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 last one night per week and/or some weekend hours..

7.1.6. *Service Interruption:* The loss of picture or sound on one or more cable channels.

7.1.7. *Normal Operating Conditions:* 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. 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.

7.1.8. *Complaint:* Any written or verbal contact with the Franchisee in connection with a subscription or the Franchisee's Cable System in which a person expresses dissatisfaction with an act, omission, product or service that is (1) within the Franchisee's control; and (2) requires a corrective measure on the part of the Franchisee. Notwithstanding the foregoing, any contact from a Subscriber that is resolved in the course of a telephone call so that Franchisee does not subsequently have to perform any corrective action shall not be deemed a "Complaint."

## *7.2. Telephone and Office Availability:*

7.2.1. *Local Office:* The Franchisee shall maintain an office at a convenient location in the County or in a city located in or adjacent to the County, which shall be open during Normal Business Hours to allow Subscribers to request service, pay bills, exchange equipment, and conduct other business for a minimum of three (3) years after the Effective Date of this agreement. After that three (3) year period, in the event that the Franchisee plans to relocate said office, Franchisee agrees to meet with the County to discuss said planned relocation, and shall provide appropriate notice to its Subscribers of the relocation.

7.2.2. *Telephone Inquiries:* The Franchisee shall maintain a toll-free number to receive all calls and inquiries from Subscribers in the Franchise Area and/or residents regarding Cable Service. Franchisee representatives trained and qualified to answer questions related to Cable Service in the Franchise Area must be available to receive reports of Service Interruptions twenty-four (24) hours a day, seven (7) days a week, and other inquiries during Normal Business Hours. Franchisee representatives shall identify themselves by name when answering this number.

7.2.3. *Franchisee's Telephone Number:* The Franchisee's toll-free telephone numbers will appear on subscriber bills, the Franchisee's website and in the annual notice.

7.2.4. *Telephone Answering Method:* Franchisee may at its sole discretion use an Automated Response Unit ("ARU") or a Voice Response Unit ("VRU") to distribute calls. If a foreign language routing option is provided, and the Subscriber does not enter an option, the menu will default to the first tier menu of English options.

7.2.4.1. After the first tier menu (not including a foreign language rollout) has run through three times, if customers do not select any option, the ARU or VRU will forward the call to a queue for a live representative. The Franchisee may reasonably substitute this requirement with another method of handling calls from customers who do not have touch-tone telephones.

7.2.5. *Telephone Answering Standards:* Under Normal Operating Conditions, calls received by the Franchisee shall be answered within thirty (30) seconds. The Franchisee shall meet this standard for ninety percent (90%) of the calls it receives at all call centers receiving calls from Subscribers, as measured on a quarterly basis. Measurement of this standard shall include all calls received by the Franchisee at all call centers receiving calls from Subscribers, whether they are answered by a live

representative, by an automated attendant, or abandoned after 30 seconds of call waiting. If a call needs to be transferred, transfer time shall not exceed thirty (30) seconds. This standard shall be met no less than ninety percent (90%) of the time under Normal Operating Conditions, measured on a quarterly basis.

7.2.6. *Busy Signals:* Under Normal Operating Conditions, callers to the Franchisee shall receive a busy signal no more than three (3%) percent of the time during any calendar quarter, as measured on a quarterly basis.

### 7.3. *Installations and Service Appointments:*

7.3.1. *Compliance with Law:* All installations will be in accordance with applicable law, including but not limited to, appropriate grounding, connection of equipment to ensure reception of Cable Service, and the provision of required consumer information and literature to adequately inform the Subscriber in the utilization of the Franchisee-supplied equipment and Cable Service.

7.3.2. *Standard Installations:* Standard Installations shall be performed within seven (7) business days after an order is placed. Under Normal Operating Conditions, the Franchisee shall meet this standard for no less than ninety-five percent (95%) of the Standard Installations it performs, as measured on a calendar quarter basis.

7.3.3. *Time for Performing Service Calls:* The Franchisee shall perform Service Calls, installations, and disconnects at least during Normal Business Hours. The Franchisee shall not cancel a service or installation appointment after the close of business on the business day preceding the appointment. The Franchisee will offer Subscribers "appointment window" alternatives for arrival to perform installations, Service Calls and other activities of a maximum four (4) hours scheduled time block during appropriate daylight available hours, usually beginning at 8:00 AM unless the Franchisee deems it appropriate to begin earlier by location exception. At the Franchisee's discretion, the Franchisee may offer Subscribers appointment arrival times other than these four (4) hour time blocks, if agreeable to the Subscriber. These hour restrictions do not apply to weekends. If at any time an installer or technician believes it impossible to make a scheduled appointment time, an attempt to contact the customer will be made prior to the end time of the appointment window and the appointment scheduled at a time convenient to the customer, if rescheduling is necessary. It is the Franchisee's burden to prove it met an appointment.

### 7.4. *Service Interruptions and Outages:*

7.4.1. *Notice of Unplanned Outage:* If the Franchisee becomes aware of an unplanned Significant Outage, the Franchisee shall notify the County of the Significant Outage. The County shall provide the Franchisee with a single point of contact telephone number and email address to be used by the Franchisee in notifying the County.

7.4.2. *Planned Outages:* The Franchisee shall exercise commercially reasonable efforts to limit any planned Significant Outage necessary for the purpose of maintaining, repairing, or constructing the Cable System. Except in an emergency or other situation necessitating a more expedited or alternative notification procedure, the Franchisee may schedule a planned Significant Outage for a period of more than four (4) hours during any twenty-four (24) hour period only after the County and each



affected Subscriber have been given fifteen (15) days prior notice of the planned Significant Outage. Notwithstanding the foregoing, Franchisee may perform modifications, repairs and upgrades to the System without prior notification between 12.01 a.m. and 6 a.m., which may interrupt service.

*7.4.3. Ability to Respond:* Franchisee representatives who are capable of responding to Service Interruptions must be available to Respond twenty-four (24) hours a day, seven (7) days a week.

*7.4.4. Time for Response:* Under Normal Operating Conditions, the Franchisee must Respond to a call from a Subscriber regarding a Service Interruption or other service problem within twenty-four (24) hours, including weekends, of receiving the Subscriber's call.

*7.4.5. Completion of Work:* Under Normal Operating Conditions, the Franchisee shall use best efforts to complete Service Calls within seventy-two (72) hours of the time Franchisee commences to Respond to the Service Interruption or other request for a Service Call, not including situations where the Subscriber is not reasonably available for a Service Call.

*7.4.6. Performance Standard:* The Franchisee shall meet the standard in Subsection 7.4.5 of this Section for ninety percent (90%) of the Service Calls it completes, as measured on a quarterly basis.

*7.4.7. Credit for Loss of Service:* The Franchisee shall provide a credit upon Subscriber request when all Channels received by that Subscriber are out of service for a period of four (4) consecutive hours or more. The credit shall equal, at a minimum, a proportionate amount of the affected Subscriber(s) current monthly bill. In order to qualify for the credit, the Subscriber must promptly report the problem and allow the Franchisee to verify the problem if requested by the Franchisee. If Subscriber availability is required for repair, a credit will not be provided for such time, if any, that the Subscriber is not reasonably available.

*7.4.8. Credit for Outage:* Under Normal Operating Conditions, if a Significant Outage affects all Cable Services for more than twenty-four (24) consecutive hours, the Franchisee shall issue an automatic credit to the affected Subscribers in the amount equal to their monthly recurring charges for the proportionate time the Cable Service was out. If a Significant Outage occurs during a period when Normal Operating Conditions do not apply, the Franchisee may exercise its own discretion in deciding whether to issue credits for the Significant Outage. Such credit shall be reflected on Subscriber billing statements within the next available billing cycle following the Significant Outage. Notwithstanding the foregoing, if the Franchisee has issued an automatic credit to affected Subscribers but inadvertently fails to issue a credit to one or more Subscribers entitled to the credit, the County shall not find the Franchisee to be in violation of this requirement if the number of Subscribers who did not receive the credit is *de minimis* and the Franchisee offers the credit promptly upon being notified of the error.

*7.5. Customer Complaints:* Under Normal Operating Conditions, the Franchisee shall (i) investigate Subscriber complaints referred by the County within five (5) days; (ii) resolve Subscriber complaints referred by the County within thirty (30) days; (iii) provide a response as to the complaint resolution to the Subscriber; and (iv) provide notice to the County upon resolution of a referred complaint. Franchisee shall ensure that all such referred complaints are treated by the responsible Franchisee

personnel as priority, until they are resolved. The Franchisee shall notify the County of those matters that necessitate an excess of thirty (30) days to resolve. The County may require reasonable documentation to be provided by the Franchisee to substantiate the request for additional time to resolve the problem. For purposes of this Section, "resolve" means that the Franchisee shall perform those actions, which, in the normal course of business, are necessary to investigate the Customer's complaint and advise the Customer of the results of that investigation.

*7.6. Billing:*

7.6.1. *Content of Bills:* Subscriber bills must be itemized to describe Cable Services purchased by Subscribers and related equipment charges. Bills shall clearly delineate activity during the billing period, including optional charges, rebates, credits, and aggregate late charges. Franchisee shall, without limitation as to additional line items, be allowed to itemize as separate line items, Franchise fees, Franchise related costs, taxes and/or other governmentally imposed fees. The Franchisee shall maintain records of the date and place of mailing of bills.

7.6.2. *Payment Due Date:* Every Subscriber with a current account balance sending payment directly to Franchisee shall be given at least twenty (20) days from the date statements are mailed to the Subscriber until the payment due date.

7.6.3. *Notice of Due Date:* A specific due date shall be listed on the bill of every Subscriber whose account is current. Delinquent accounts may receive a bill which lists the due date as

upon receipt; however, the current portion of that bill shall not be considered past due except in accordance with Section 7.6.2 above.

**7.6.4. Billing Disputes:** Any Subscriber who, in good faith, disputes all or part of any bill shall have the option of withholding the disputed amount without disconnect or late fee being assessed until the dispute is resolved provided that:

- (1) The Subscriber pays all undisputed charges;
- (2) The Subscriber provides notification of the dispute to Franchisee in writing within five (5) days prior to the due date; and
- (3) The Subscriber cooperates in determining the accuracy and/or appropriateness of the charges in dispute.

It shall be within the Franchisee's sole discretion to determine when the dispute has been resolved.

**7.6.5. Billing Complaints:** Under Normal Operating Conditions, the Franchisee shall initiate investigation and resolution of all billing complaints received from Subscribers within five (5) business days of receipt of the complaint. Final resolution shall not be unreasonably delayed.

**7.6.6. Contact Information:** The Franchisee shall provide a telephone number and address on the bill for Subscribers to contact the Franchisee.

**7.6.7. Bill Inserts:** The Franchisee shall forward a copy of any Cable Service related billing inserts or other mailing sent to Subscribers to the County upon written request.

**7.6.8. Method of Payment:** The Franchisee shall provide all Subscribers with option of paying for Cable Service by such means as credit card, by check or an automatic payment option where the amount of the bill is automatically deducted from a checking account designated by the Subscriber. Based on credit history, at the option of the Franchisee, the payment alternative may be limited.

**7.7 Deposits, Refunds and Credits:**

**7.7.1. Deposits:** The Franchisee may require refundable deposits from Subscribers 1) with a poor credit or poor payment history, 2) who refuse to provide credit history information to the Franchisee, or 3) who rent Subscriber equipment from the Franchisee, so long as such deposits are applied on a non-discriminatory basis and the amounts of such deposits are established in accordance with applicable law.

**7.7.2. Refunds and Credits:** The Franchisee shall refund or credit the Subscriber for the amount of the deposit collected for equipment, which is unrelated to poor credit or poor payment

history, after one year and provided the Subscriber has demonstrated good payment history during this period. The Franchisee shall pay interest on other deposits if required by law.

*7.7.3. Timing of Refunds:* Under Normal Operating Conditions, refund checks will be issued within the next available billing cycle following the resolution of the event giving rise to the refund, (e.g. equipment return and final bill payment).

*7.7.4. Timing of Credits:* Credits for Cable Service will be issued no later than the Subscriber's next available billing cycle, following the determination that a credit is warranted, and the credit is approved and processed. Such approval and processing shall not be unreasonably delayed.

*7.7.5. Receipt of Payment:* Bills shall be considered paid when appropriate payment is received by the Franchisee or its authorized agent. Appropriate time considerations shall be included in the Franchisee's collection procedures in accordance with applicable law to assure that payments due have been received before late notices or termination notices are sent.

*7.8. Rates, Fees and Charges:*

*7.8.1. Late Fees:* The Franchisee shall not, except to the extent permitted by law, impose any fee or charge for Service Calls to a Subscriber's premises to perform any repair or maintenance work related to Franchisee's plant or equipment necessary to receive Cable Service, except where such problem is caused by a negligent or wrongful act of the Subscriber (including, but not limited to a situation in which the Subscriber reconnects Franchisee equipment incorrectly), failure of Subscriber-owned equipment, or by the failure of the Subscriber to take reasonable precautions to protect the Franchisee's equipment (for example, a dog chew).

*7.8.2. Notice of Late Fee:* The Franchisee shall provide reasonable notice to Subscribers of the possible assessment of a late fee on bills or by separate notice.

*7.9. Disconnection / Denial of Service:*

*7.9.1. Disconnection:* The Franchisee shall not terminate Cable Service for nonpayment of a delinquent account unless the Franchisee mails a notice of the delinquency and impending termination prior to the proposed final termination. The notice shall be mailed to the Subscriber to whom the Cable Service is billed. The notice of delinquency and impending termination may be part of a billing statement.

*7.9.2. Restoration of Service:* Cable Service terminated in error must be restored without charge within twenty-four (24) hours of notice. If a Subscriber was billed for the period during which Cable Service was terminated in error, a credit shall be issued to the Subscriber if the Service Interruption was reported by the Subscriber.

*7.9.3. Denial of Service:* Nothing in these standards shall limit the right of the Franchisee to deny Cable Service for non-payment of previously provided Cable Services, refusal to pay any required deposit, theft of Cable Service, damage to the Franchisee's equipment, abusive and/or threatening behavior toward the Franchisee's employees or representatives, or refusal to provide credit

history information or refusal to allow the Franchisee to validate the identity, credit history and credit worthiness via an external credit agency.

*7.10. Communications with Subscribers:*

*7.10.1. Identification of Franchisee Personnel:* All Franchisee personnel, contractors and subcontractors contacting Subscribers or potential Subscribers outside the office of the Franchisee shall wear a clearly visible identification card bearing their name and photograph. The Franchisee shall make reasonable effort to account for all identification cards at all times. In addition, all Franchisee representatives shall wear appropriate clothing while working at a Subscriber's premises. Every service vehicle of the Franchisee and its contractors or subcontractors shall be clearly identified as such to the public. Specifically, Franchisee vehicles shall have the Franchisee's logo plainly visible. The vehicles of those contractors and subcontractors working for the Franchisee shall have the contractor's / subcontractor's name plus markings (such as a magnetic door sign) indicating they are under contract to the Franchisee.

*7.10.2. Contacts with Subscribers:* All contact with a Subscriber or potential Subscriber by a Person representing the Franchisee shall be conducted in a courteous manner.

*7.10.3. Notice of County's Role in Complaint Process:* The Franchisee shall send annual notices to all Subscribers informing them that any complaints or inquiries not satisfactorily handled by the Franchisee may be referred to the County.

*7.10.4. Form of Notice:* All notices identified in this Section shall be by either:

- (1) A separate document that is either mailed directly to the customer, included with a billing statement, or included on the portion of the monthly bill that is to be retained by the Subscriber; or
- (2) A separate electronic notification.

*7.10.5. Notice of Changes in Rates and Services:* The Franchisee shall provide reasonable notice to Subscribers and the County of any pricing changes or additional charges (excluding sales discounts, new products or offers) and, subject to the foregoing, any significant changes in Cable Services, including channel line-ups. Such notice must be given to Subscribers a minimum of thirty (30) days in advance of such changes if within the control of the Franchisee, and the Franchisee shall provide a copy of the notice to the County including how and where the notice was given to Subscribers.

*7.10.6. Annual Notice to Subscribers:* In accordance with applicable law, the Franchisee shall provide information to all Subscribers about each of the following items at the time of installation of Cable Services, annually to all Subscribers, at any time upon request, and, subject to Section

7.10.5, at least thirty (30) days prior to making significant changes in the information required by this Section if within the control of the Franchisee:

- (1) Products and Cable Service offered;
- (2) Prices and options for Cable Services and condition of subscription to Cable Services. Prices shall include those for Cable Service options, equipment rentals, program guides, installation, downgrades, late fees and other fees charged by the Franchisee related to Cable Service;
- (3) Installation and maintenance policies including, when applicable, information regarding the Subscriber's in-home wiring rights during the period Cable Service is being provided;
- (4) Channel positions of Cable Services offered on the Cable System;
- (5) Complaint procedures, including the name, address and telephone number of the County, but with a notice advising the Subscriber to initially contact the Franchisee about all complaints and questions;
- (6) Procedures for requesting Cable Service credit;
- (7) The availability of a parental control device;
- (8) Franchisee practices and procedures for protecting against invasion of privacy; and
- (9) The address and telephone number of the Franchisee's office to which complaints may be reported.

Where reasonably possible, the Franchisee shall give the County advance copies of the notices required in this subsection prior to distribution to subscribers if the reason for notice is due to a change that is within the control of Franchisee and as soon as possible if not within the control of Franchisee.

7.10.7. *Content of Notice of Rate Changes:* Notices of changes in rates shall indicate the Cable Service new rates and old rates, if applicable.

7.10.8. *Channel Changes:* Notices of changes of Cable Services and/or Channel locations shall include a description of the new Cable Service, the specific channel location, and the hours of operation of the Cable Service if the Cable Service is only offered on a part-time basis. In addition,

should the channel location, hours of operation, or existence of other Cable Services be affected by the introduction of a new Cable Service, such information must be included in the notice.

7.10.9. *Termination Notices:* Every notice of termination of Cable Service shall include the following information:

- (1) The name and address of the Subscriber whose account is delinquent;
- (2) The amount of the delinquency for all services billed;
- (3) The date by which payment is required in order to avoid termination of Cable Service; and
- (4) The telephone number for the Franchisee where the Subscriber can receive additional information about their account and discuss the pending termination.

## **8. REPORTS AND RECORDS**

8.1. *Open Books and Records:* Upon reasonable written notice to the Franchisee, the County shall have the right to inspect and copy Franchisee's books and records pertaining to Franchisee's provision of Cable Service in the Franchise Area, as reasonably necessary to ensure compliance with the terms of this Franchise. Such notice shall specifically reference the section or subsection of the Franchise which is under review, so that Franchisee may organize the necessary books and records for appropriate access by the County. Franchisee shall not be required to maintain any books and records for Franchise compliance purposes longer than five (5) years. Notwithstanding anything to the contrary set forth herein, Franchisee shall not be required to disclose any of its or an Affiliate's books and records not relating to the provision of Cable Service in the Franchise Area. Franchisee shall not be required to provide Subscriber information in violation of Section 631 of the Communications Act, 47 U.S.C. §551. Books and records shall be accorded confidential treatment to the extent provided by and in accordance with Section 8.4 hereof.

8.1.1. *Voluminous Materials.* Books and records shall be made available at Franchisee's office in the County during Normal Business Hours, or at such other reasonable time and place as the parties may agree, including electronic submission. If any books, records, maps or plans, or other requested documents are too voluminous, or for security reasons cannot be copied and moved, then the Franchisee may request that any inspection take place at some other location, provided that (1) the Franchisee shall make necessary arrangements for copying documents selected by the County after review; and (2) electronically transmitting said documents to the County. The parties agree that any payments made by the Franchisee hereunder are not a franchise fee.

8.1.2. *Audit Provision:* The County shall have the right to conduct an audit or review of the books and records of the Franchisee under the procedures specified in Section 8.1 of this Agreement for purposes of verifying and recomputing any amounts determined to be payable by the Franchisee to the County under this Agreement, including, without limitation, the PEG Capital Grant. The Franchisee shall bear the County's reasonable expenses of any such audit or review performed by a qualified, independent third-party expert, up to a maximum of seven thousand five hundred dollars (\$7,500), if such audit or review discloses an underpayment by the Franchisee of more than three percent

(3%) of any quarterly payment and five thousand dollars (\$5,000) or more. The County shall not conduct such an audit or review of the Franchisee more frequently than once every twenty-four (24) months. The County shall have no more than five (5) years from the time the Franchisee delivers a payment to initiate an audit or review of that payment pursuant to this Section 8.1.2. In the event that the Franchisee disputes any underpayment discovered as the result of an audit or review conducted by the County, the County shall work together with the Franchisee in good faith to promptly resolve such dispute. The County and the Franchisee maintain all rights and remedies available at law regarding any disputed amounts.

**8.2. *Records Required:*** Franchisee shall at all times maintain:

8.2.1. Records of unplanned Significant Outages for a period of four (4) years after occurrence, indicating date, duration, area, cause and the number of Subscribers affected;

8.2.2. Records of service calls for repair and maintenance for a period of four (4) years after resolution by Franchisee, indicating the date and time service was required, the date of acknowledgment and date and time service was scheduled (if it was scheduled), and the date and time service was provided, and (if different) the date and time the problem was resolved; and

8.2.3. Records of installation/reconnection and requests for service extension for a period of four (4) years after the request was fulfilled by Franchisee, indicating the date of request, date of acknowledgment, and the date and time service was extended.

8.3. *Maps:* Upon fifteen (15) days' written notice, the Franchisee shall make updated, as-built design maps of the Cable System available for examination by the County at the Franchisee's office in the County, or at another mutually acceptable location. The Franchisee shall also provide the County with updated strand maps of the Cable System at the following times: (i) within thirty (30) days of the effective date of this Agreement; and (ii) annually, within thirty (30) days after written request from the County. Such strand maps shall be provided in a CAD (computer-aided design) or other electronic format approved by the County, such as ESRI or AutoCAD. Maps shall be accorded confidential treatment to the extent provided by and in accordance with Section 8.4 hereof.

8.4. *Proprietary and Confidential Information:* Notwithstanding anything to the contrary set forth herein, Franchisee shall not be required to disclose information that it reasonably deems to be proprietary or confidential in nature except in accordance with the Virginia Freedom of Information Act, Code of Virginia §§ 2.2-3700 – 3714, and the following procedures, or to disclose any of its or an Affiliate's books and records not relating to the provision of Cable Service in the Service Area. If Franchisee believes that any requested information is confidential and proprietary, Franchisee must provide the following documentation to the County: (i) specific identification of the information; (ii) a statement attesting to the reason(s) Franchisee believes the information is confidential and/or proprietary; and (iii) a statement that the document(s) are available for inspection by the County. Such inspection shall take place at a location within the County or at a mutually agreed upon location no greater than thirty (30) miles from the County. Franchisee shall be responsible for clearly and conspicuously stamping the word "Confidential" on each page that contains any "confidential" or "proprietary" information. Unless otherwise ordered by a court or agency of competent jurisdiction, the County agrees that, to the extent permitted by applicable law, it shall deny access to any of Franchisee's information marked "Confidential" as set forth in this Section 8.3 to any Person or governmental



entity. If, in the course of enforcing this Franchise or for any other reason, the County believes it must disclose any information marked "Confidential" as set forth in this Section 8.4, the County shall provide reasonable advance notice of such disclosure so that Franchisee can take appropriate steps to protect its interests. If the County receives a demand from any Person or governmental entity for disclosure of any information identified as "Confidential" pursuant to this Section 8.4, the County shall, so far as consistent with applicable law, advise Franchisee and provide Franchisee with a copy of any written request prior to granting the Person or governmental entity access to such information.

## **9. INSURANCE AND INDEMNIFICATION**

### ***9.1. Insurance:***

9.1.1. Franchisee shall maintain in full force and effect, at its own cost and expense, during the Franchise Term, the following insurance coverage:

9.1.1.1. Commercial General Liability Insurance in the amount of one million dollars (\$1,000,000) combined single limit for property damage and bodily injury. Such insurance shall cover the construction, operation and maintenance of the Cable System, and the conduct of Franchisee's Cable Service business in the County.

9.1.1.2. Automobile Liability Insurance in the amount of one million dollars (\$1,000,000) combined single limit for bodily injury and property damage coverage.

9.1.1.3. Workers' Compensation Insurance meeting all legal requirements of the Commonwealth of Virginia.

9.1.1.4. Employers' Liability Insurance in the following amounts: (A) Bodily Injury by Accident: one hundred thousand dollars (\$100,000); and (B) Bodily Injury by Disease: one hundred thousand dollars (\$100,000) employee limit; five hundred thousand dollars (\$500,000) policy limit.

9.1.2. The County shall be designated as additional insured under each of the insurance policies required in this Article 9 except Workers' Compensation and Employers' Liability Insurance.

9.1.3. Franchisee shall not cancel any required insurance policy without obtaining alternative insurance in conformance with this Agreement.

9.1.4. All policies shall be issued by companies qualified to write insurance in the Commonwealth of Virginia and which maintain throughout the policy term a general rating of A-VII and a financial size category of "A:X" as determined by AM Best Rating Company.

9.1.5. Franchisee shall deliver to the County Certificates of Insurance showing evidence of the required coverage within thirty (30) days after the Effective Date, and upon written request thereafter.

## 9.2. *Indemnification:*

9.2.1. Franchisee agrees to indemnify, save and hold harmless, and defend the County, its officers, agents, boards and employees, from and against any liability for damages or claims resulting from tangible property damage or bodily injury (including accidental death), to the extent caused by Franchisee's negligent construction, operation, or maintenance of its Cable System, provided that the County shall give Franchisee written notice of its obligation to indemnify the County within ten (10) days of receipt of a claim or action pursuant to this subsection. Notwithstanding the foregoing, Franchisee shall not indemnify the County, for any damages, liability or claims resulting from the willful misconduct or negligence of the County, its officers, agents, employees, attorneys, consultants, independent contractors or third parties or for any activity or function conducted by any Person other than Franchisee in connection with PEG Access Channels or EAS, or the distribution of any Cable Service over the Cable System.

9.2.2. With respect to Franchisee's indemnity obligations set forth in Section 9.2.1, Franchisee shall provide the defense of any claims brought against the County by selecting counsel of Franchisee's choice to defend the claim, subject to the consent of the County, which shall not unreasonably be withheld. Nothing herein shall be deemed to prevent the County from cooperating with the Franchisee and participating in the defense of any litigation by its own counsel at its own cost and expense, provided however, that after consultation with the County, Franchisee shall have the right to defend, settle or compromise any claim or action arising hereunder, and Franchisee shall have the authority to decide the appropriateness and the amount of any such settlement. In the event that the terms of any such proposed settlement includes the release of the County and the County does not consent to the terms of any such settlement or compromise, Franchisee shall not settle the claim or action but its obligation to indemnify the County shall in no event exceed the amount of such settlement.

9.2.3. The County shall be responsible for its own acts of willful misconduct or negligence, or breach of obligation committed by the County for which the County is legally responsible, subject to any and all defenses and limitations of liability provided by law. The Franchisee shall not be required to indemnify the County for acts of the County which constitute willful misconduct or negligence on the part of the County, its officers, employees, agents, attorneys, consultants, independent contractors or third parties.

## 10. **TRANSFER OF FRANCHISE**

10.1. *Approval Required.* No Transfer of the Franchise shall occur without the prior consent of the Board of Supervisors, provided that such consent shall not be unreasonably withheld, delayed or conditioned. No application for the approval of a Transfer shall be approved by the Board unless the transferee agrees in writing that it will abide by and accept all terms of this agreement, and that it will assume the obligations, liabilities and responsibility for all acts and omissions, known and unknown,

of the incumbent franchisee under this agreement, for all purposes, including renewal, unless the Board, in its discretion, expressly waives all or part of this requirement.

10.2. *No Consent Required.* No such consent shall be required, however, for the following:

10.2.1. A transfer in trust, by mortgage, by other hypothecation, by assignment of any rights, title, or interest of the Franchisee in the Franchise or Cable System in order to secure indebtedness; or

10.2.2. Transfer of an ownership or other interest in Franchisee to the parent of Franchisee or to another Affiliate of Franchisee; transfer of an interest in the Franchise or the rights held by the Franchisee under the Franchise to the parent of Franchisee or to another Affiliate of Franchisee; any action which is the result of a merger of the parent of the Franchisee; or any action which is the result of a merger of another Affiliate of the Franchisee.

10.3. *Preservation of County's Rights.* In the case of any Transfer, regardless of whether consent of the Board of Supervisors is required, the transferee shall assume the obligations, liabilities and responsibility for all acts and omissions, known and unknown, of the incumbent franchisee under this agreement, for all purposes, including renewal, and agree to be bound by the terms of this Franchise.

10.4. *Approval does not constitute waiver of rights.* Approval by the Board of a Transfer, or consummation of a Transfer permitted by Section 10.2, does not constitute a waiver or release of any of the rights of the Board under this agreement against the transferor franchisee, whether arising before or after the date of the Transfer.

## **11. RENEWAL OF FRANCHISE**

11.1. *Federal Law:* The County and Franchisee agree that any proceedings undertaken by the County that relate to the renewal of this Franchise shall be governed by and comply with the provisions of Section 626 of the Communications Act, 47 U.S.C. § 546.

11.2. *Needs Assessment:* The County agrees that if the County issues a request for a proposal under 47 U.S.C. § 546(b), the County shall provide the Franchisee with copies of any assessments of future cable-related needs and interests or the past performance of the Franchisee that were relied upon by the County in preparing the request for proposal..

11.3. *Informal Renewal:* Notwithstanding anything to the contrary set forth herein, Franchisee and the County agree that at any time during the term of the then current Franchise, while affording the public appropriate notice and opportunity to comment, the County and Franchisee may agree

to undertake and finalize informal negotiations regarding renewal of the then current Franchise and the County may grant a renewal thereof.

11.4. *Consistent with Law:* Franchisee and the County consider the terms set forth in this Article 12 to be consistent with the express provisions of 47 U.S.C. § 546 and Virginia Code Section 15.2-2108.30.

## **12. ENFORCEMENT AND TERMINATION OF FRANCHISE**

12.1. *Notice of Violation:* If at any time the County believes that Franchisee has not complied with the terms of the Franchise, the County shall make a good faith effort to informally discuss the matter with Franchisee.

12.2. *Franchisee's Right to Cure or Respond:* Before seeking enforcement of the Franchise, the County shall notify the Franchisee in writing of the exact nature of the alleged noncompliance (the "Noncompliance Notice"). Franchisee shall have twenty (20) business days from receipt of the Noncompliance Notice to: (i) respond to the County, if Franchisee contests (in whole or in part) the assertion of noncompliance; (ii) cure such noncompliance; or (iii) in the event that, by its nature, such noncompliance cannot be cured within such twenty (20) day period, initiate reasonable steps to remedy such noncompliance and notify the County of the steps being taken and the date by which cure is projected to be completed. Upon cure of any noncompliance, County shall provide written confirmation that such cure has been effected. The foregoing 20-day cure period shall not apply to customer service obligations measured on a quarterly basis ("Quarterly Standards"), which shall be governed by Section 12.2.1. Upon written request from the County, no later than thirty (30) days after the end of each calendar quarter, the Franchisee shall provide the County a written report demonstrating the Franchisee's level of compliance with each of the Quarterly Standards.

12.2.1. *Quarterly Standards:* If the Franchisee fails to meet any Quarterly Standard in calendar quarter, the County shall have the right to begin the process of assessing liquidated damages pursuant to Section 12.3.4 by sending a Noncompliance Notice notifying the Franchisee that the Franchisee failed to comply with the Quarterly Standard in question, in order to inform the Franchisee that the Franchisee is not in compliance with such Quarterly Standard. Receipt of the Noncompliance Notice shall be deemed opportunity to cure. Upon submitting any report to the County that demonstrates that the Franchisee has not complied with a Quarterly Standard, or within twenty (20) business days after receipt of a Noncompliance Notice, the Franchisee may submit information to the County describing any extenuating circumstances related to any such noncompliance, and may request that the County waive liquidated damages, as provided in Section 12.5. If the Franchisee fails to meet the same Quarterly Standard in the immediately succeeding calendar quarter, the County shall have the right to assess liquidated damages pursuant to Section 12.3.4 by sending a Notice of Assessment in accordance with Section 12.7.

12.3. In the event the County finds Franchisee in non-compliance after the notice and cure provisions as set forth in this Section 12.1 and 12.2, prior to the County assessing Liquidated Damages against the Franchisee pursuant to Section 12.4, Franchisee may request a meeting before the

Communications Commission to demonstrate compliance. At the designated meeting, Franchisee shall be provided a fair opportunity for full participation including an opportunity to state its position.

12.4. *Enforcement:* Subject to applicable federal and state law and the terms and conditions of this Agreement, including Section 12.2, the County may apply one or more of the following remedies if the County determines that Franchisee is in default of any provision of this Franchise:

12.4.1. Seek specific performance of any provision, which reasonably lends itself to such remedy, as an alternative to damages; or

12.4.2. Commence an action at law for monetary damages or seek other equitable relief; or

12.4.3. In the case of a default of a material provision of the Franchise, seek to revoke the Franchise in accordance with Section 12.9; or

12.4.4. Assess and collect liquidated damages as set forth in Section 12.4 of this Agreement; or

12.4.5. Apply any other remedy provided for in this Agreement or applicable federal, state or local laws.

12.5. *Liquidated Damages:* Because the Franchisee's failure to comply with provisions of this Franchise may result in injury to the County, because it may be difficult to quantify the extent of such injury, and in full satisfaction for the term of this Agreement of the obligations set forth in this Agreement, the County and the Franchisee agree that, subject to the procedures in Section 12.7, liquidated damages as set forth herein may be assessable against the Franchisee for certain violations of provisions of this Franchise. On an annual basis from the Effective Date of this Franchise, liquidated damages in total will not exceed twenty thousand dollars (\$20,000). The Franchisee hereby waives any defense as to the validity of any liquidated damages stated in this Franchise Agreement on the grounds that such liquidated damages are void as penalties or are not reasonably related to actual damages. The liquidated damages shall not apply when caused by Force Majeure events and shall only apply from the date of the Notice of Assessment as provided for in Section 12.7.

12.5.1. Failure to materially comply with reporting requirements set forth in Section 8 of this Agreement: Two hundred dollars (\$200) per day for each day the violation continues.

12.5.2. Failure to materially comply with requirements related to (i) the technical quality and reliability of the PEG channels, including without limitation downstream signal quality and reliability of return feeds from PEG origination sites to the headend, and (ii) provision of channel capacity for use as PEG channels: Two hundred fifty dollars (\$250) for each violation for each day the violation continues.

12.5.3. Failure to materially comply with Customer Service Standards set forth in Section 7 of this Agreement, other than Quarterly Standards: One hundred dollars (\$100) for the first

violation; two hundred fifty dollars (\$250) for any violation within 12 months after the first violation; and five hundred dollars (\$500) for any violation within 12 months after the second or any subsequent violation.

12.5.4. For violation of a Quarterly Standard: One thousand five hundred dollars (\$1500);

12.5.5. For violation of applicable FCC technical standards: Two hundred fifty dollars (\$250) per day for each for each day the violation continues;

12.5.6. For failure to file, obtain, maintain or replenish the security fund in a timely fashion: two hundred fifty dollars (\$250) per day for each day the violation continues; and

12.5.7. For any other material violation of this Agreement for which actual damages may not be ascertainable: Two hundred dollars (\$200) per day for each violation for each day the violation continues.

12.6. *Waiver:* The County may reduce or waive any of the above-listed liquidated damages if the County determines that such waiver is in the best interests of the County.

12.7. *Single Violation:* For purposes of any liquidated damages assessments, 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 single one of the above-referenced categories.

12.8. *Assessment of Liquidated Damages:* In order to assess the liquidated damages set forth herein, the County, following provision to the Franchisee of a written Noncompliance Notice as set forth in Section 12.2, a meeting of the Communication Commission as set forth in Section 12.3, and the expiration of applicable cure periods, shall issue to the Franchisee, by certified mail or other comparable means, a notice of intention to assess liquidated damages ("Notice of Assessment"). The Notice of Assessment shall set forth the basis of the assessment, and shall inform the Franchisee that liquidated damages will be assessed from the date of the notice. Unless the County indicates to the contrary, or the violation is for a Quarterly Standard, liquidated damages shall be assessed beginning with the date on which the County sent the Notice of Assessment and continuing thereafter until such time as the violation ceases as determined by the County. Payment by the Franchisee of any assessment of liquidated damages shall be due thirty (30) days after the date of the Notice of Assessment. If Franchisee objects to the Notice of Assessment, Franchisee shall have the right to challenge the assessment in the Circuit Court for Stafford County, or the United States District Court for the Eastern District of Virginia, and in no other courts, in which case the assessment will be stayed until the issue is decided by such court, or the parties resolve the matter in some other fashion. If Franchisee does not, within the thirty-day period, make full payment or challenge the assessment in court, the County may withdraw from Franchisee's Letter of Credit the amount due. The County may make one or more withdrawals from the Letter of Credit during and after any period in which a violation remains uncured, provided that the total withdrawn does not exceed the amount due for the

period between the date of the Notice of Assessment and the date on which the violation is deemed cured by the County.

12.9. *Letter of Credit:*

12.9.1. Franchisee shall obtain within thirty (30) days of executing this Agreement, and maintain thereafter throughout the Agreement term, an irrevocable letter of credit in the amount of fifty thousand dollars (\$50,000) (the "Letter of Credit") from a federally insured lending institution licensed to do business in Virginia ("Lending Institution"). The Letter of Credit shall be in a form substantially the same as the form attached hereto as Exhibit D and that is acceptable to the County. The Letter of Credit shall be used to ensure Franchisee's compliance with the material terms and conditions of this Agreement.

12.9.2. Franchisee shall file with the County a complete copy of the Letter of Credit (including all terms and conditions applying to the letter of credit), and keep such copy current with respect to any changes over the term of the Agreement.

12.9.3. If the County notifies the Franchisee of any amounts due to the County pursuant to this Agreement or applicable law, including, without limitation, liquidated damages assessed pursuant to Section 12.4, and the PEG Capital Grant provided for in Section 5.2, and the Franchisee does not make such payment within thirty (30) days, the County may draw upon the Letter of Credit by presentation of a draft at sight drawn on the Lending Institution, accompanied by a written certificate signed by the County Administrator certifying that Franchisee has failed to comply with this Agreement and stating the specific reason therefor and the basis for the amount being withdrawn.

12.9.4. In the event the Lending Institution serves notice to the County that it elects not to renew the Letter of Credit, the Franchisee shall provide a substitute Letter of Credit, in substantially the same form as that attached hereto as Exhibit D, from a Lending Institution approved by the County, before the effective Letter of Credit expires.

12.9.5. No later than thirty (30) days after mailing of notification to the Franchisee by certified mail, return receipt requested, of a withdrawal under the Letter of Credit, the Franchisee shall restore the amount of the Letter of Credit to the total amount specified herein, unless the Franchisee has disputed the basis for the original withdrawal, in which case the obligation to restore shall be suspended until a final non-appealable decision on the dispute has been issued by a court of competent jurisdiction authority as provided in Section 12.7.

12.9.6. The rights reserved to the County with respect to the Letter of Credit are in addition to all other rights of the County, whether reserved by this Agreement or otherwise authorized by law, and no action, proceeding or right with respect to the Letter of Credit shall affect any other right the County has or may have.

12.9.7. No recovery by the County of any sum by reason of the Letter of Credit required in Section 12.8.1 of this Agreement shall be any limitation upon the liability of Franchisee to the County under the terms of this Agreement, except that any sums so received by the County shall be

deducted from any recovery which the County shall establish against Franchisee under the terms of this Agreement.

12.10. *Revocation:* Should the County seek to revoke this Franchise after following the procedures set forth above in Section 12.2 of this Article, the County shall give written notice to Franchisee of such intent. The notice shall set forth the specific nature of the noncompliance. The Franchisee shall have ninety (90) days from receipt of such notice to object in writing and to state its reasons for such objection. In the event the County has not received a satisfactory response from Franchisee, it may then seek termination of the Franchise at a public hearing before the Board of Supervisors. The County shall provide the Franchisee, at least ninety (90) days written notice of such public hearing, specifying the time and place of such hearing and stating its intent to revoke the Franchise.

12.10.1. At the designated hearing, Franchisee shall be provided a fair opportunity for full participation in accordance with applicable law, including the right to be represented by legal counsel.

12.10.2. In making any decision to revoke the Franchise, the County shall apply the standards provided by applicable law. Franchisee shall have the right to appeal any revocation in the Circuit Court for Stafford County, or the United States District Court for the Eastern District of Virginia, and no other courts.

12.10.3. The County may, at its sole discretion, take any lawful action which it deems appropriate to enforce the County's rights under the Franchise in lieu of revocation of the Franchise. The County may also, in lieu of revocation, grant additional time to the Franchisee to effect a cure of any default.

### **13. MISCELLANEOUS PROVISIONS**

13.1. *Actions of Parties:* In any action by the County or Franchisee that is mandated or permitted under the terms hereof, such party shall act in a reasonable and timely manner. Furthermore, in any instance where approval or consent is required under the terms hereof, such approval or consent shall be provided in good faith and not withheld, delayed or conditioned in a manner inconsistent with applicable law.

13.2. *Binding Acceptance:* This Agreement shall bind and benefit the parties hereto and their respective heirs, beneficiaries, administrators, executors, receivers, trustees, successors and assigns, and the promises and obligations herein shall survive the expiration date hereof.

13.3. *Preemption:* In the event that federal or state law, rules, or regulations preempt a provision or limit the enforceability of a provision of this 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 such federal or state law, rule or regulation is subsequently repealed, rescinded, amended or otherwise changed so that the provision hereof that had been preempted is no longer preempted, such



provision shall thereupon return to full force and effect, and shall thereafter be binding on the parties hereto, without the requirement of further action on the part of the County.

13.4. *Force Majeure*: Franchisee shall not be held in default under, or in noncompliance with, the provisions of the Franchise, nor suffer any enforcement or penalty relating to noncompliance or default, where such noncompliance or alleged defaults occurred or were caused by a Force Majeure.

13.5. *Notices*: Unless otherwise expressly stated herein, notices required under the Franchise shall be mailed first class, postage prepaid, to the addressees below. Each party may change its designee by providing written notice to the other party.

13.5.1. Notices to Franchisee shall be mailed to:

Director of Government and Regulatory Affairs  
Comcast  
2707 Wilson Boulevard  
Arlington, Virginia 22201

13.5.2. with a copy to:

Vice President of Government and Regulatory Affairs  
Comcast  
7850 Walker Drive Suite 200  
Greenbelt, MD 20770

13.5.3. Notices to the County shall be mailed to:

County Administrator  
P.O. Box 99 Stafford, Virginia 22553

13.5.4. with copies to:

County Attorney  
[Insert Address]

and

[Insert title and address]

13.6. *Entire Agreement*: This Franchise and the Exhibits hereto constitute the entire agreement between Franchisee and the County, and it supersedes all prior or contemporaneous agreements, representations or understanding (whether written or oral) of the parties regarding the subject matter hereof.

Any ordinances or parts of ordinances that conflict with the provisions of this Agreement are superseded by this Agreement.

13.7. *Amendments*: Amendments to this Franchise shall be mutually agreed to in writing by the parties.

13.8. *Captions*: The captions and headings of articles and sections throughout this Agreement are intended solely to facilitate reading and reference to the sections and provisions of this Agreement. Such captions shall not affect the meaning or interpretation of this Agreement.

13.9. *Severability*: If any section, subsection, sentence, paragraph, term, or provision hereof is determined to be illegal, invalid, or unconstitutional, by any court of competent jurisdiction or by any state or federal regulatory authority having jurisdiction thereof, such determination shall have no effect on the validity of any other section, subsection, sentence, paragraph, term or provision hereof, all of which will remain in full force and effect for the term of the Franchise.

13.10. *Recitals*: The recitals set forth in this Agreement are incorporated into the body of this Agreement as if they had been originally set forth herein.

13.11. *Independent Review*: The County and Franchisee each acknowledge that they have received independent legal advice in entering into this Agreement.

13.12. *No Third Party Beneficiary*: Nothing in this Agreement is intended to confer third-party beneficiary status on any member of the public, Person or private entity not a party to this Franchise Agreement and any such member of the public, Person or private entity shall not have third party status hereunder to enforce the terms of this Franchise.

**[SIGNATURE PAGE FOLLOWS]**

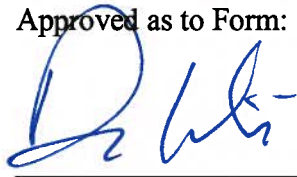
AGREED TO THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2016.

**County of Stafford, Virginia**

By: 

*T. Dugan*  
County Administrator

Approved as to Form:

 Daniel J. Wisniewski  
Assistant County Attorney 1/20/17  
County Attorney, County of Stafford

**Comcast of California/Maryland/Pennsylvania/Virginia/West Virginia, LLC**

By: 

Mary McLaughlin  
Regional Vice President

12/23/16

**EXHIBITS**

- Exhibit A: County Buildings to be Provided Free Cable Service
- Exhibit B: PEG Channel Assignments
- Exhibit C: Franchise Fee Payment Report
- Exhibit D: Letter of Credit Form

## **EXHIBIT A**

### **COUNTY BUILDINGS TO BE PROVIDED FREE CABLE SERVICE**

<b>COUNTY FACILITIES</b>	<b>ADDRESS</b>	<b>CITY</b>	<b>ZIP</b>
AQUIA HARBOUR RESCUE SQUAD	1001 WASHINGTON DR	STAFFORD	22554
COUNTY UTILITIES	20 PGA DR	STAFFORD	22554
COUNTY UTILITIES	71 COAL LANDING RD	STAFFORD	22554
COURTHOUSE COMMUNITY CENTER	37 STAFFORD AVE	STAFFORD	22554
FIRE AND RESCUE	1225 COURTHOUSE RD	STAFFORD	22554
HARTWOOD FIRE AND RESCUE	67 HARTWOOD CHURCH RD	FREDERICKSBURG	22406
MOUNTAIN VIEW RESCUE SQUAD	924 KELLOGG MILL RD	FREDERICKSBURG	22406
PORTER BRANCH LIBRARY	2001 PARKWAY BLVD	STAFFORD	22554
POTOMAC HILLS FIRE AND RESCUE	3528 JEFFERSON DAVIS HWY	STAFFORD	22554
PRCF	58 JESSE CURTIS LN	FREDERICKSBURG	22406
PRCF	370 DOC STONE RD	STAFFORD	22556
PRCF- ROWSER EDUCATIONAL CENTER	1739 JEFFERSON DAVIS HWY	STAFFORD	22554
PRCF- WOODLANDS POOL	2 NORTHAMPTON BLVD	STAFFORD	22554
ROCK HILL FIRE STATION	2133 GARRISONVILLE RD	STAFFORD	22545
ROCK HILL RESCUE SQUAD	1565 GARRISONVILLE RD	STAFFORD	22554
STAFFORD GOVERNMENT COMPLEX	1300 COURTHOUSE RD	STAFFORD	22555
STAFFORD RESCUE SQUAD	1326 COURTHOUSE RD	STAFFORD	22554
STAFFORD RESCUE SQUAD	2147 JEFFERSON DAVIS HWY	STAFFORD	22554

WASTEWATER TREATMENT PLANT	75 COAL LANDING RD	STAFFORD	22554
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SCHOOL NAME	ADDRESS	CITY	ZIP
ALVIN BANDY	31 STAFFORD AVE	STAFFORD	22554
SCHOOL ADMINISTRATION	37 STAFFORD AVE	STAFFORD	22554
ANTHONY BURNS E.S.	60 GALLERY RD	STAFFORD	22554
KATE WALLER BARRETT E.S.	150 DUFFEY DR	STAFFORD	22554
MARGARET BRENT E.S.	2125 MOUNTAIN VIEW RD	STAFFORD	22556
GARRISONVILLE E.S.	100 WOOD DR	STAFFORD	22556
HAMPTON OAKS E.S.	107 NORTHAMPTON BLVD	STAFFORD	22554
HARTWOOD E.S.	14 SHACKELFORD WELL RD	FREDERICKSBURG	22406
MONCURE E.S.	75 MONCURE LN	STAFFORD	22556
PARK RIDGE E.S.	2000 PARKWAY BLVD	STAFFORD	22554
ROCK HILL E.S.	50 WOOD DR	STAFFORD	22556
STAFFORD E.S.	1349 COURTHOUSE RD	STAFFORD	22554
WIDEWATER E.S.	101 DEN RICH RD	STAFFORD	22554
WINDING CREEK E.S.	475 WINDING CREEK RD	STAFFORD	22554
A.G. WRIGHT M.S.	100 WOOD DR	STAFFORD	22556
H.H. POOLE M.S.	800 EUSTACE RD	STAFFORD	22554
SHIRLEY C. HEIM M.S.	320 TELEGRAPH RD	STAFFORD	22554
STAFFORD M.S.	101 SPARTAN DR	STAFFORD	22554
RODNEY E. THOMPSON M.S.	75 WALPOLE ST	STAFFORD	22554
BROOKE POINT H.S.	1700 COURTHOUSE RD	STAFFORD	22554
COLONIAL FORGE H.S.	550 COURTHOUSE RD	STAFFORD	22554
MOUNTAIN VIEW H.S.	2135 MOUNTAIN VIEW RD	STAFFORD	22556
NORTH STAFFORD H.S.	839 GARRISONVILLE RD	STAFFORD	22554

## **EXHIBIT B**

### **PEG CHANNEL ASSIGNMENTS**

Stafford County Government Channel – channel 23

Stafford County Public School channel – channel 18

Stafford County Public Access channel – channel 68

## EXHIBIT C

### FRANCHISE FEE PAYMENT REPORT FORMAT

Stafford County  
FRANCHISE FEE CALCULATION  
Quarter Ended: XX/XX/XXXX

Director  
Information Services  
PO Box 865  
Stafford, VA 225553

Basic	_____
Pay	_____
Digital	_____
PPV & VOD	_____
Equipment	_____
Installation	_____
Net Ad Sales	_____
Shopping	_____
Other	_____
 Total Revenue	 _____
 Bad Debt/Write Offs	 _____
 Total Franchise Fee Base	 _____
Franchise Fee Percentage	_____
 Total Payment Due	 _____
 Basic Subscribers	 _____

To the best of my knowledge and belief, the above information of the ledgers and records of Comcast of California/Maryland/Pennsylvania/Virginia/West Virginia LLC, is true and factual.

Regulatory Compliance Manager  
Northeast Division

## **EXHIBIT D**

JP Morgan Chase Bank, N.A.  
Global Trade Services

### **IRREVOCABLE STANDBY LETTER OF CREDIT**

**Issue Date:**

**L/C No.:**

**Amount: USD50,000 (Fifty Thousand and 00/100 United States Dollars)**

Beneficiary: County of Stafford	Applicant: Comcast of California/Maryland/
Dir of Information Services	Pennsylvania/Virginia/W. Virginia LLC
8800 Courthouse Road	Attn: Treasury
Stafford, VA 22553	1701 John F. Kennedy Boulevard
	Philadelphia, PA 19103

**TO:** County of Stafford

We hereby establish this irrevocable standby Letter of Credit No. \_\_\_\_\_ in your favor, for an aggregate amount not to exceed the amount indicated above, expiring at JPMorgan Chase Bank, N.A. Tampa, Florida, at our close of business on \_\_\_\_\_.

This Letter of Credit is available with JPMorgan Chase Bank, N.A., by payment, against presentation of your draft, payable at sight drawn on JPMorgan Chase Bank, N.A. when accompanied by Beneficiary's dated statement purportedly signed by one of its officials reading as follows:

"The amount of this drawing USD50,000.00, under JPMorgan Chase Bank, N.A. Letter of Credit No. \_\_\_\_\_ represents funds due us as Comcast of California/Maryland/Pennsylvania/Virginia/West Virginia LLC has failed to perform its duties pursuant to the Cable Franchise Agreement between the County of Stafford, and Comcast of California/Maryland/Pennsylvania/Virginia/West Virginia, LLC, dated \_\_\_\_\_, 2013."

This Irrevocable Letter of Credit shall be automatically extended without amendment for additional one year periods from the present or each future expiration date, unless at least 30 days prior to such date, we send you notice in writing by overnight carrier or hand delivery at the above address that we elect not to extend this Letter of Credit for such additional period.

Upon such notice of non-extension to you, you may draw drafts on us at sight for an amount not to exceed the balance remaining in this Letter of Credit within the then applicable expiry date,



accompanied by your dated statement purportedly signed by one of your officials reading as follows:

“The amount of this drawing USD50,000.00 under JPMorgan Chase Bank, N.A. Letter of Credit number \_\_\_\_\_ represents funds due us as we have received notice from JPMorgan Chase Bank, N.A. of their decision not to extend Letter of Credit Number \_\_\_\_\_ for an additional year.”

All correspondence hereunder is to be directed to JPMorgan Chase Bank, N.A., c/o JPMorgan Treasury Services, Standby Letter of Credit Dept., 4<sup>th</sup> FL, 10420 Highland Manor Drive, Tampa, Florida 33610. DEMAND(S) FOR PAYMENT MAY ALSO BE MADE BY FACSIMILE TRANSMISSION TO \_\_\_\_\_ OR SUCH OTHER FAX NUMBER AS JPMORGAN CHASE BANK N.A. MAY IDENTIFY IN A WRITTEN NOTICE TO YOU. TO THE EXTENT PRESENTATION IS MADE BY FACSIMILE TRANSMISSION YOU MUST PROVIDE TELEPHONE NOTIFICATION THEREOF TO JPMORGAN CHASE BANK N.A. AT TELEPHONE NUMBER: (800) 634-1969 OPTION 1 OR (813) 432-6339 PRIOR TO OR SIMULTANEOUSLY WITH THE SENDING OF SUCH FACSIMILE TRANSMISSION. HOWEVER, THE ABSENCE OF SUCH TELEPHONE CONFIRMATION AS DESCRIBED ABOVE DOES NOT AFFECT OUR OBLIGATION TO HONOR SUCH DRAWING, IF SUCH DRAWING IS OTHERWISE IN COMPLIANCE WITH THE TERMS AND CONDITIONS OF THIS STANDBY LETTER OF CREDIT. IF DEMAND FOR PAYMENT IS MADE BY FAX, PRESENTATION OF ORIGINAL DOCUMENTS IS NOT REQUIRED.

We hereby agree with you that drafts drawn under and in compliance with the terms and conditions of this Letter of Credit will be duly honored.

This Letter of Credit shall be subject to the International Standby Practices (ISP98), International Chamber of Commerce Publication No. 590 and shall be governed and construed in accordance with the laws of the Commonwealth of Virginia, without regard to principles of conflict of laws. In the event of any dispute between ISP98 and the laws of the Commonwealth of Virginia, the laws of the Commonwealth of Virginia will control.

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Authorized Signature (Bank)

## **EXHIBIT E**

### **ADDRESSES TO RECEIVE SERVICE**

The following addresses shall be served by the Cable System under and subject to the requirements of Section 3.1.2 and 3.1.4 of the Franchise Agreement.

- 28 Sentry Court, Stafford, VA 22554 – coming from Crestwood Lane and Brook Road to Camp Geary Lane to Brook Crest Lane to Sentry Court.
- 190 Spotted Tavern Road, Fredericksburg, VA 22406 – coming down Spotted Tavern Road.
- 16 Stony Hill Road, Fredericksburg, VA 22406 – coming from Hartwood Road.
- 435 Mt Olive Road, Fredericksburg, VA 22406 - heading east on Mt Olive Road.
- 227 Juggins Road, Stafford, VA 22556 (build will be completed in conjunction with the school system's build of the Anne E. Moncure Elementary School) -- heading north from the school.