

FRANCHISE AGREEMENT

This Franchise Agreement (“Franchise”) is between Carroll County, Virginia, hereinafter referred to as the “Grantor” and Spectrum Southeast, LLC, locally known as CHARTER COMMUNICATIONS, hereinafter referred to as the “Grantee.”

The Grantor hereby acknowledges that the Grantee has substantially complied with the material terms of the current Franchise under applicable law, and that the financial, legal, and technical ability of the Grantee is reasonably sufficient to provide services, facilities, and equipment necessary to meet the future cable-related needs of the community, and having afforded the public adequate notice and opportunity for comment, desires to enter into this Franchise with the Grantee for the construction and operation of a cable system on the terms set forth herein.

1. Definitions:

- a. “Cable Act” means the Cable Communications Policy Act of 1984, P.L. 98-549, 47 U.S.C. §521 Supp., as it may be amended or superseded.
- b. “Cable System,” “Cable Service,” and “Basic Cable Service” shall be defined as set forth in the Cable Act.
- c. “Franchise” means the authorization granted hereunder of a franchise, privilege, permit, license or otherwise to construct, operate and maintain a Cable System within the Service Area.
- d. “Service Area” shall mean the geographic boundaries of the Grantor.
- e. “Streets” means the public streets, avenues, highways, boulevards, concourses, driveways, bridges, tunnels, parks, parkways, waterways, alleys, all other rights-of-way and easements, including but not limited to public utility easements, dedicated utility strips, or rights-of-way dedicated for compatible uses now or hereafter, and the public grounds, places or water within the geographic boundaries of Grantor.
- f. “Subscriber” means any person lawfully receiving any Cable Service from the Grantee.

- 2. Granting of Franchise.** The Grantor hereby grants to Grantee a non-exclusive Franchise which authorizes the Grantee to erect, construct, operate and maintain in, upon, along, across, above, over and under the Streets now in existence and as may be created or established during its terms; any poles, wires, cable, antennae, underground conduits, manholes, and other conductors, fixtures, equipment and other facilities used for the construction, operation and maintenance of the Cable System, upon the terms and conditions set forth herein. No reference herein to a Street or public right of way shall be deemed to be a representation or guarantee by the Grantor that its interest or other right to control the use of such property is sufficient to permit Grantee's use for specific purposes, and the Grantee shall be deemed to gain only those rights of use that are within the

Grantor's power to convey. No privilege or power of eminent domain is bestowed by this grant or otherwise by virtue of this Agreement. This Agreement confers no rights other than as expressly provided or necessarily implied under federal, state or local law. Nothing in this Franchise shall be construed to prohibit the Grantee from offering any service over its Cable System that is not prohibited by federal or state law.

3. **Term.** The Franchise shall be for a term *of ten (10) years*, commencing on the Effective Date of this Franchise as set forth in Section 16. This Franchise will be automatically extended for an additional term of *five (5) years*, unless either party notifies the other in writing of its desire to not exercise this automatic extension (and enter renewal negotiations under the Cable Act) at least three (3) years before the expiration of this Franchise. If such a notice is given, the parties will then proceed under the federal Cable Act renewal procedures.

4. **Use of the Streets and Dedicated Easements.**

- a. Grantee shall have the right to use the Streets of the Grantor for the construction, operation and maintenance of the Cable System, including the right to repair, replace and enlarge and extend the Cable System, provided that Grantee shall utilize the facilities of utilities when available on reasonable terms and conditions. Nothing herein shall be deemed to be a grant of consent for Grantee to use any facility under the ownership or control of the Carroll County Public Service Authority, the Wired Road Authority or any other entity legally distinct from the County, including the Virginia Department of Transportation, or private individuals.
- b. The facilities of the Grantee shall be installed underground in those Service Areas where existing telephone and electric services are both underground at the time of system construction. In areas where either telephone or electric utility facilities are installed aerially at the time of system construction, the Grantee may install its facilities aerially with the understanding that at such time as the existing aerial facilities are required to be placed underground by the Grantor, the Grantee shall likewise place its facilities underground. In the event Grantor or any agency thereof directly or indirectly reimburses any utility for the placement of cable underground or the movement of cable, Grantee shall be similarly reimbursed.
- c. Grantee shall have the right to remove, trim, cut and keep clear of the Cable System, the trees in and along the Streets of the Grantor.

5. **Maintenance of the System.**

- a. Grantee shall at all times employ ordinary care, consistent with industry standards in the maintenance and operation of the Cable System so as not to endanger the life, health or property of any citizen of the Grantor or the property of the Grantor
- b. All construction practices and installation of equipment shall be done in accordance with all applicable sections of the National Electric Safety Code.

- c. The Cable System shall be designed, constructed and operated so as to meet those technical standards adopted by the FCC relating to Cable Systems contained in part 76 of the FCC's rules and regulations as they may, from time to time, be amended.

6. Service.

- a. The Grantee shall continue to provide Cable Service to all residences within the Service Area where Grantee currently provides Cable Service. Grantee shall have the right, but not the obligation, to extend the Cable System into any other portion of the Service Area, including annexed areas. Cable Service offered to Subscribers pursuant to this Franchise shall be conditioned upon Grantee having legal access on reasonable terms and conditions to any such Subscriber's dwelling unit or other units wherein such Cable Service is provided.
- b. The Grantee may at any time request information, in accordance with the Virginia Freedom of Information Act regarding any annexations of territory by Grantor or new street address assignments within Grantor's territory. Grantee shall within ninety (90) days after receipt of the annexation notice, pay the Grantor franchise fees on revenue received from the operation of the Cable System to provide Cable Services in any area annexed by the Grantor.
- c. The Grantee shall be subject to all applicable federal customer service standards, including without limitation those contained in 47 C.F.R. §§ 76.309, 76.1602, 76.1603, 76.1618, and 76.1619, as they may be amended from time to time, provided that the same requirements are imposed upon any other cable operators that hold a franchise to provide Cable Service in the Service Area.
- d. Upon request from the Grantor, Grantee will provide, at no charge, Basic Service, and any equipment necessary to receive such service, to each fire station, public school, police station, public library, and such buildings used for public purposes as may be designated by the Grantor and as may be in the Franchise area; provided, however, that if it is necessary to extend a Grantee's trunk or feeder lines more than one hundred twenty-five feet solely to provide service to any such school or public building, the Grantor shall have the option of paying the Grantee's direct costs for such extension in excess of one hundred twenty-five feet itself or of releasing the Grantee from or postponing the Grantee's obligation to provide service to such buildings.
- e. Upon request and subject to applicable law, Grantee shall provide the Grantor with the capacity and channel position on its Basic service tier for one (1) education and governmental (EG) access channel for non-commercial, government programming. The Grantor will be responsible for all equipment costs to originate and transmit programming on the EG access Channel. The EG channel will be provided within ninety (90) days after request by the Grantor. Until the Grantor requests utilization of such EG channel capacity for its designated purposes, Grantee shall have the right to use such channel capacity,

and will relinquish such use after receiving the request from Grantor as described herein. After request for the EG channel, if Grantor does not make use of the Channel for its designated purpose(s), Grantee may request the use of this channel subject to written approval of the Grantor.

7. Insurance/Indemnity.

- a. The Grantee shall maintain throughout the term of the Franchise insurance in amounts at least as follows:

Workers' Compensation	Statutory Limits
Commercial General Liability	\$1,000,000 per occurrence, \$2,000,000 General Aggregate
Auto Liability including coverage on all owned, non-owned hired autos	\$1,000,000 per occurrence Combined Single Limit
Umbrella Liability	\$1,000,000 per occurrence

- b. The Grantor shall be added as an additional insured, arising out of work performed by Grantee, to the above Commercial General Liability, Auto Liability and Umbrella Liability insurance coverage.
- c. The Grantee shall furnish the Grantor with current certificates of insurance evidencing such coverage upon request.
- d. Grantee hereby agrees to indemnify and hold the Grantor, including its agents and employees, harmless from any claims or damages resulting from the negligent actions of Grantee in constructing, operating or maintaining the Cable System. Grantor agrees to give the Grantee written notice of its obligation to indemnify Grantor within fifteen (15) days of receipt of a claim or action pursuant to this section. Notwithstanding the foregoing, the Grantee shall not be obligated to indemnify Grantor to the extent of damages, liability or claims resulting from the willful misconduct or negligence of Grantor or for the Grantor's use of the Cable System.

8. Revocation.

- a. Prior to revocation or termination of the Franchise, the Grantor shall give written notice to the Grantee of its intent to revoke the Franchise on the basis of a pattern of substantial noncompliance with a material provision of the Franchise. The notice shall set forth the exact nature of the noncompliance. The Grantee shall have thirty (30) days from such notice to either object in writing and to state its reasons for such objection and provide any explanation or to cure the alleged noncompliance. If Grantee has not cured the breach within such thirty (30) day time period or if the Grantor has not otherwise received a satisfactory response

from Grantee, the Grantor may then seek to revoke the Franchise at a public hearing. The Grantee shall be given at least thirty (30) days prior written notice of such public hearing, specifying the time and place of such hearing and stating its intent to revoke the Franchise.

- b. At the hearing, the Grantor shall give the Grantee an opportunity to state its position on the matter, present evidence and question witnesses, after which it shall determine whether or not the Franchise shall be revoked. The public hearing shall be on the record and a written transcript and a certified copy of the findings shall be made available to the Grantee within ten (10) business days. The Grantee may appeal such determination to the Circuit Court for Carroll County, Virginia, or the United States District Court for the Western District of Virginia, which shall have the power to review the decision of the Grantor de novo.
- c. Upon revocation of the Franchise, Grantee may remove the Cable System from the Streets of the Grantor, or abandon the Cable System in place. In the event Grantor chooses to remove the Cable System, Grantor shall restore the public right of way and any and all facilities from which the Cable System was removed.
- d. Grounds for revocation shall include, without limitation, any one or more of the following grounds:
 - i. Grantee's material misrepresentation of a fact in Grantee's request for approval of this Franchise;
 - ii. Grantee's willful or negligent failure or refusal to construct, install, maintain, or operate its cable television system in compliance with any term or condition of this Franchise;
 - iii. To the extent permitted by law, the insolvency of Grantee or Grantee's adjudication of bankruptcy or Grantee's seeking of relief under the bankruptcy laws;
 - iv. Foreclosure or other judicial sale of all or a substantial part of Grantee's cable television system;
 - v. Grantee's repeated or substantial violations of the standards referenced in Paragraph 6 (C).

9. Preferential or Discriminatory Practices Prohibited.

- a. As to Grantee. Subject to applicable law, Grantee shall not, as to rates, charges, service facilities, rules, regulations or in any other respect, make or grant any preference or advantage.

- b. As to Grantor. If any other provider of cable services or video services (without regard to the technology used to deliver such services) is lawfully authorized by the Grantor or by any other state or federal governmental entity to provide such services using facilities located wholly or partly in the public rights-of-way of the Grantor, the Grantor shall, within ninety (90) days of a written request from Grantee, modify this Franchise to insure that the obligations applicable to Grantee are no more burdensome than those imposed on the new competing provider. If the Grantor fails to make modifications consistent with this requirement, Grantee's Franchise shall be deemed so modified ninety (90) days after the Grantee's initial written notice. As an alternative to the Franchise modification request, the Grantee shall have the right and may choose to have this Franchise with the Grantor be deemed expired Ninety (90) days after written notice to the Grantor. Nothing in this Franchise shall impair the right of the Grantee to terminate this Franchise and, at Grantee's option, negotiate a renewal or replacement franchise, license, consent, certificate or other authorization with any appropriate government entity. Nothing in this Section 9 shall be deemed a waiver of any remedies available to Franchisee under federal, state or municipal law, including but not limited to Section 625 of the Cable Act, 47 U.S.C. § 545
10. **Compliance with Laws.** Grantor and Grantee shall conform to all applicable state and federal laws and rules regarding cable television or other activities or services undertaken or provided hereunder, as such laws and rules become effective. Grantee shall also conform with all generally applicable Grantor ordinances, resolutions, rules and regulations heretofore or hereafter adopted or established during the entire term of the Franchise. In the event of a conflict between Grantor ordinances, resolutions, rules or regulations and the provisions of this Franchise, the provisions of this Franchise shall govern, to the extent that such conflict materially impairs the rights and duties conferred in this Agreement.
11. **Change in Law.** Notwithstanding any other provision in this Franchise, in the event any change to state or federal law occurring during the term of this Franchise eliminates the requirement for any person desiring to provide video service or Cable Service to obtain a franchise from the Grantor, then Grantee shall have the right to terminate this Franchise and operate the system under the terms and conditions established in applicable law. If Grantee chooses to terminate this Franchise pursuant to this provision, this Franchise shall be deemed to have expired by its terms on the effective date of any such change in law, whether or not such law allows existing franchise agreements to continue until the date of expiration provided in any existing franchise.
12. **Confidentiality.** If Grantee provides any books, records or maps to the Grantor, the Grantor will afford Grantee all protections for confidential or proprietary information available to Grantee under the Virginia Freedom of Information Act Va. Code § 2.2-3700 *et seq.* ("FOIA") provided that Grantee has properly invoked the protections of the confidential or proprietary information in accordance with the requirements of FOIA. .
13. **Notices, Miscellaneous.**

- a. Unless otherwise provided by federal, state or local law, all notices, reports or demands pursuant to this Franchise shall be in writing and shall be deemed to be sufficiently given upon delivery to a Person at the address set forth below, or by U.S. certified mail, return receipt requested, nationally or internationally recognized courier service such as Federal Express or electronic mail communication to the designated electronic mail address provided below. In accordance with applicable law, Grantee shall provide notice of any changes in rates, programming services or channel positions using any reasonable written means. As set forth above, notice served upon the Grantor shall be delivered or sent to:

Grantor: Carroll County, Virginia
County Administrator
605-1 Pine Street
Hillsville, VA 24343

Email: steve.truitt@carrollcountyva.gov

Copy to: Stephen V. Durbin, County Attorney
150 Peppers Ferry Rd. NE
P.O. Box 2009
Christiansburg, VA 24068-2009

Grantee: Charter Communications
Attn: Director of Government Affairs
3140 West Arrowood Road
Charlotte, NC 28273

Email: michael.tanck@charter.com

Copy to: Charter Communications
Attn: Vice President, Government Affairs
601 Massachusetts Ave NW, Suite 400W
Washington, DC 20001

- b. All provisions of this Franchise shall apply to the respective parties, their lawful successors, transferees and assigns.
- c. If any particular section of this Franchise shall be held invalid, the remaining provisions and their application shall not be affected thereby.
- d. In the event of any conflict between this Franchise and any Grantor ordinance or regulation, this Franchise will prevail, however, nothing in this Franchise shall be deemed a waiver of the Grantor's police power or its authority to regulate for the protection of public health and safety.

14. **Force Majeure.** The Grantee shall not be held in default under, or in noncompliance with the provisions of the Franchise, nor suffer any enforcement or penalty relating to noncompliance or default, where such noncompliance or alleged defaults occurred or

were caused by circumstances reasonably beyond the ability of the Grantee to anticipate and control. This provision includes, but is not limited to, severe or unusual weather conditions, fire, flood, or other acts of God, strikes, work delays caused by failure of utility providers to service, maintain or monitor their utility poles to which Grantee's Cable System is attached, as well as unavailability of materials and/or qualified labor to perform the work necessary.

15. Franchise Fee.

Grantee 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 from time to time, and, with the exception of required compliance with the Virginia Communications Sales and Use Tax, the provisions of this section shall not have any effect, for so long as the Communications Sales and Use Tax or a successor state or local tax that constitute a franchise fee for purposes of 47 U.S.C. § 641, as amended, is imposed on the sale of cable services by the Franchisee to subscribers in the county.

16. Effective Date. The Franchise granted herein will take effect and be in full force from such date of acceptance by Grantee recorded on the signature page of this Franchise.

17. Assignment. There shall be no assignment of Grantee's Franchise, in whole or in part, by Grantee without the prior consent of the Grantor.

a. The Grantee shall make written application to the Grantor for any transfer, majority change in control or assignment as described above and shall provide all information required by FCC Form 394 and any other applicable federal, state, and local statutes and regulations regarding transfer or assignment. The Grantor shall have thirty (30) days from the receipt of FCC Form 394 to notify Grantee of any additional information it needs to make an informed decision on the transfer or assignment. The Grantor shall have one hundred twenty (120) days from the receipt of all required information to take action on the transfer or assignment. No such consent shall be required for (i) a transfer in trust, by mortgage, hypothecation, or by assignment to a financial institution of any rights, title or interest of the Grantee in the Grantee or in the Cable System in order to secure indebtedness; or (ii) a transfer to an entity owned or controlled by Grantee. Any consent by the Grantor for any transfer or assignment described above shall not be effective until the proposed transferee or assignee shall have executed a legally binding document stating that it shall be bound by all the terms and conditions contained in this Agreement unless such one hundred twenty (120) day period has elapsed without action by Grantor.

b. Exception: this section shall not apply to any sale, assignment or transfer to one or more purchasers, assignees or transferees controlled by, controlling, or under common control with, Grantee, and Grantee shall be permitted to affect any such sale, assignment or transfer without prior notification to Grantor.

18. Acceptance and Entire Agreement. The Grantor and the Grantee, by virtue of the signatures set forth below, agree to be legally bound by all provisions and conditions set forth in this Franchise. The Franchise constitutes the entire agreement between the Grantor and the Grantee. No modifications to this Franchise may be made without an appropriate written amendment signed by both parties. Any determination by the Grantor regarding the interpretation or enforcement of this Franchise shall be subject to de novo judicial review. If any fee or grant that is passed through to Subscribers is required by this Franchise, other than the franchise fee, such fee or grant shall go into effect sixty (60) days after the Effective Date of this Franchise.

Considered and approved this ____ day of _____, 20__

Carroll County, Virginia

Signature: _____

Name/Title: _____

Accepted this ____ day of ____, 20__, subject to applicable federal and state law.

Spectrum Southeast, LLC

By: Charter Communications, its Manager

By: _____

Name/Title: _____