

FRANCHISE AGREEMENT
Washington County, Virginia & Bristol Tennessee Essential Services

The Board of Supervisors of the **COUNTY OF WASHINGTON, VIRGINIA**, a political subdivision of the Commonwealth of Virginia (County), having held a public hearing and considered economic factors, the impact on private property rights, the impact on public convenience, the public need and potential benefit, and such other factors as are relevant, finds that granting a cable television franchise to **BRISTOL TENNESSEE ESSENTIAL SERVICES, A Tennessee Municipal Electric Plant ("BTES")** (Franchisee) will enhance the public welfare.

On the basis of that finding, the Board of Supervisors of the County of Washington, Virginia does hereby grant Franchisee's franchise to construct, operate and maintain a cable television system within the jurisdictional limits of the County and, in doing so, enters into an Agreement with Franchisee to include the following terms and conditions (Franchise Agreement):

SECTION 1

DEFINITIONS

For the purpose of this Franchise, the following terms, phrases, words, and their derivations shall have the meanings given herein, unless the context clearly indicates that another meaning is intended. The word "shall" is always mandatory, and not merely directory:

- A. Unincorporated County - "Unincorporated County" shall mean the unincorporated portions of Washington County, Virginia.
- B. County - "County" shall mean the County of Washington, Virginia.
- C. State - "State" shall mean the Commonwealth of Virginia.
- D. County Administrator - "County Administrator" shall mean the Chief Executive Officer of the County or his/her designee.

E. Board of Supervisors; Board - "Board of Supervisors" or "Board" shall mean the governing body of the County or any successor to the legislative powers of the present Board.

F. County Attorney - "County Attorney" shall mean the existing or succeeding retained legal counsel of the County or his/her assistants.

G. Franchise - "Franchise" shall mean the permission, license, or authorization given hereunder to construct, operate and maintain a Cable Television System in the Unincorporated County including this Franchise Agreement.

H. Franchisee - "Franchisee" shall mean the Person identified in the first introductory paragraph of this Franchise Agreement as "Franchisee" or any successors, transferees or assignees of such Franchisee.

I. Cable Act - "Cable Act" shall mean the Cable Communications Policy Act of 1984 as amended and the Cable Television Consumer Protection and Competition Act of 1992 as amended.

J. Federal Communications Commission, FCC - "Federal Communications Commission" or "FCC" shall mean that administrative agency of the Federal government responsible for cable television regulation on a national level, or its lawful successor.

K. Cable Television System, Cable System - "Cable Television System" or "Cable System" shall mean the facility operated by Franchisee within the County that consists 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 County.

L. Application - "Application" shall include all written communications, in whatever form, made by Franchisee to the County concerning construction, rendition of services, maintenance, or any other matter pertaining to the Cable Television System contemplated herein.

M. Person - "Person" shall mean any person, firm, partnership, association, corporation, company or organization of any kind.

N. Subscriber - "Subscriber" shall mean a purchaser of any video service delivered over the system to an individual dwelling unit or of service to be utilized in connection with a business, trade or profession.

O. Channel - "Channel" shall mean a band of frequencies in the electro-magnetic spectrum which is capable of carrying either one (1) audio-video television signal and/or a number of non-video signals.

P. Basic Cable Subscriber Services; Basic Cable Service - "Basic Cable Subscriber Services" or "Basic Cable Service" shall mean the lowest level of cable service a subscriber can buy. It includes, at a minimum, all over-the-air television broadcast signals carried pursuant to the must-carry requirements of the Cable Act and any public, educational or government access channels as required by this Franchise Agreement

Q. Additional Service - "Additional Service" shall mean any video communications service other than Basic Cable Service provided over the Cable Television System by Franchisee directly or as a carrier for its subsidiaries, affiliates, or any other person engaged in communications services including, but not limited to, premium pay programming,

R. Annual Gross Revenue - "Annual Gross Revenue" shall mean any and all compensation received from subscribers for cable television signals delivered to subscribers, as well as rentals of equipment.

S. Street - "Street" shall mean the surface of and the space above, between, or below any public street, road, highway, freeway, lane, path, public way or place, alley, court, sidewalk, boulevard, parkway, drive or other easement now or hereafter used for the purpose of public travel and shall include such other easements or rights-of-way as shall be now or hereafter held by the County which shall, within their proper use and meaning, entitle the County and its Franchisee to the use thereof for the purpose of installing or transmitting Cable Television System transmissions over poles, wires, cables, conductors, ducts, conduits, vaults, manholes, amplifiers, appliances, attachments, and other property as may be ordinarily necessary and pertinent to a Cable Television System.

T. Public School - "Public School" shall mean any state accredited elementary and or secondary school, that is a part of an educational program operated by the County.

U. Private School - "Private School" shall mean any state accredited elementary and or secondary school that is part of a parochial or religious school system and is operated not for profit.

V. Local Educational Authorities - "Local Educational Authorities" shall mean those individuals, groups, organizations, or governmental entities that provide for primary or secondary education, whether public or private, within the County.

W. Good Cause - "Good Cause" shall represent that set of facts and circumstances which, in an individual case, a reasonable person would adjudge to be beyond Franchisee's reasonable control and which would, therefore, represent a justifiable excuse of non-performance. Depending on the facts and circumstances, good cause may include, but shall not be limited to, delays or interruptions arising from necessary utility changes, rearrangements, power outages, damage to the equipment of Franchisee by the County or a third party, the fulfillment of any Federal, state and/or local governmental or regulatory restrictions or requirements, national emergency, uncontrollable material shortages, fire, earthquakes or the elements and acts of God.

SECTION 2

FRANCHISE AGREEMENT

There is hereby granted by the County of Washington to Franchisee, its successors and assigns, the right, privilege and Franchise to construct, operate, maintain and upgrade a Cable Television System within the franchise area as herein defined, for a period of seven (7) years from the effective date of this Franchise Agreement, subject to the conditions and restrictions as hereinafter provided. Said Franchise may be renewed by the County for an additional seven (7) year period, or other period as determined by official action of the Board, if such renewal is made in writing and in compliance with the Cable Act and other applicable federal, state, and local law. The County shall provide appropriate public notice and opportunity to comment on such renewal requests.

SECTION 3

AUTHORITY NOT EXCLUSIVE

The right to use and occupy said Franchise Territory as defined in Section 4 herein for the purposes herein set forth shall not be exclusive, and the County reserves the right to grant a similar use of said Franchise Territory to any person or entity at any time during the term of this Franchise Agreement, in accordance with state and federal regulations provided, however, no other franchises for a cable service will be granted on terms or conditions more favorable or less burdensome than in any existing franchise except as provided in section 15.2-2108(C) of the 1950 Code of Virginia, as amended.

SECTION 4

FRANCHISE TERRITORY

The Franchise Territory for the Franchise given in this Franchise Agreement is the Franchisee's electric power service area within the County . A copy of the areas within the County that is currently serviced with electric power by Franchisee is attached as Exhibit A. Franchisee shall provide to the County a copy of any revisions to the service area as set forth in Exhibit A within thirty (30) days of the effective date of such revision. In addition, Franchisee shall maintain maps and/or plats of the Cable Television System, copies of which shall be furnished to the County, upon request.

SECTION 5

OPERATIONAL STANDARDS

A. The Cable Television System shall be installed and maintained in accordance with the highest accepted industry standards to the end that the Subscriber may receive the most desirable form of service.

B. The Franchisee shall provide upon request of the Board, free of charge, one Basic Service connection to each public school, County owned or leased building, fire station and police station within the County that is within 150 feet of existing cable plant.

C. The Cable Television System shall be installed and remain capable of using all band equipment and of passing the entire VHF and FM spectrum and it shall have the further capability of converting UHF for the distribution to Subscribers on the VHF band.

D. The Cable Television System shall be installed and remain capable of transmitting and passing entire color television signals without the introduction of material degradation of color fidelity and intelligence.

E. The Cable Television System shall be installed and remain capable of twenty-four (24) hours per day continuous operation.

F. The Cable Television System shall be capable of and will produce a picture upon any Subscriber's television screen in black and white or color (provided the Subscriber's television set is capable of producing a color picture) that is materially undistorted and free from ghost images and accompanied by proper sound, assuming the technical, standard production television set is in good repair and that the television broadcast signal transmission is receivable satisfactorily at the

Franchisee's antenna site. In any event, the picture produced shall be as good as is generally accepted in the cable television industry.

G. The Cable Television System shall transmit or distribute signals of adequate strength to produce good pictures with good sound in all television receivers operating within the manufacturer's specifications of all Subscribers without causing cross modulation in the cables or interference with other electrical or electronic systems.

H. Franchisee shall not allow its cable or other operations to interfere with the television reception of persons not served by Franchisee, nor shall the system interfere with, obstruct or hinder in any manner the operation of the various utilities serving the residents of the County. Should Franchisee discover or otherwise become aware of such interference, Franchisee shall respond with reasonable diligence to eliminate the interference.

I. Franchisee shall continue, throughout the term of this Franchise, to maintain the technical standards and quality of service set forth in this Franchise.

J. The requirements of A through I above, or any of them, may be waived by the County upon showing by the Franchisee of Good Cause.

SECTION 6

CONSTRUCTION STANDARDS

A. Franchisee shall, at all times, employ reasonable care and shall install and maintain devices or systems for preventing failures and accidents which are likely to cause damage, injuries or nuisances to the public.

B. Franchisee shall install and maintain its wires, cables, fixtures and other equipment so as not to interfere with the equipment of any utility serving the residents of the County or any other entity lawfully and rightfully using the conduit, pole or other part of the right of way.

C. The Cable Television System shall at all times conform to the construction and maintenance standards set forth below.

(1) Methods of construction, installation and maintenance of the Cable Television System shall comply with the national Electrical Safety Code 1975 (ANSI CI-1975), and any future amendments, modifications or replacements thereof, to the extent that such Code is consistent with the local law affecting the construction, installation and maintenance of electrical

supply and communications lines. To the extent that such Code is inconsistent with the other provisions of this Franchise or with local law, the latter shall govern.

(2) Any tower constructed or maintained in the County for use in the Cable Television System shall comply with the standards contained in Structured Standards for Steel Antenna Towers and Antenna Supporting Structures, EIE Standards RS-222-A, as published by the Engineering Department of the Electronic Industries Association, 20001 I Street, N.W., Washington, D.C. 20006 and as the same may be, from time to time, modified, amended or replaced.

(3) Installations and physical dimensions of any tower constructed in the County for use in the Cable Television System shall comply with all appropriate Federal Aviation Agency Regulations including, but not limited to, Objectives Affecting Navigable Airspace, 14 C.F.R. Section 77.1 et seq., February, 1965 and as the same may be, from time to time, modified, amended or replaced.

(4) Any antenna Structure in the Cable Television System shall comply with Construction, Marking and Lighting of Antenna Structure, 47 C.F.R. Section 77.1 et seq., February, 1965 and as the same may be, from time to time, modified, amended or replaced.

(5) Any tower or antenna constructed in the County for use in the Cable Television System shall comply with all applicable local zoning and building ordinances.

(6) All working facilities and conditions used during construction, installation and maintenance of the Cable Television System shall comply with the standards of the Occupational Safety and Health Administration.

(7) Franchisee shall at all times use reasonable care and shall install and maintain in use commonly accepted methods and devices for preventing failures and accidents which are likely to cause damage, injuries or nuisances to the public.

(8) Franchisee shall construct and operate the system and related facilities in accordance with generally accepted related industry codes, standards and recommendations that are applicable now or that may hereafter become applicable.

D. As stated above, Franchisee shall be required to reasonably comply with standards as set forth in the publications recited above, this to include any modifications, replacements and/or amendments thereto. However, in the event any publications mentioned herein should become obsolete or should expire, then Franchisee shall be required to comply with the latest set of published standards available at such time of obsolescence or expiration. These Franchise Agreement provisions shall in no way be interpreted to waive or otherwise diminish the need of

Franchisee to comply with other applicable federal, state, and/or local standards that may not be referenced in the text of this Franchise Agreement.

E. All conductors, cables, towers, poles and other components of the system shall be located and constructed by the Franchisee in back of the street curbs, except insofar as such components cross streets and public rights of way, so as to provide minimum interference with access by adjoining property owners to the streets and public ways, and no pole or other fixture of the Franchisee shall be placed in the public way so as to interfere with the usual travel on such public way.

F. The requirements of A through E above, or any of them, may be waived by the County upon showing of Good Cause.

SECTION 7

CONDITIONS OF STREET OCCUPANCY

A. All transmission and distribution structures, lines and equipment erected by Franchisee within the Franchise area shall be located so as to not cause unreasonable interference with the proper use of streets, alleys and other public ways and places and to cause minimum interference with the rights and reasonable convenience of property owners who adjoin any of said streets, alleys or other public ways and places. The Cable Television System shall be constructed and operated in compliance in all material respects with all adopted local, state and national construction and electrical codes which are in effect as of the date of this construction.

B. Prior to commencing any additional construction, Franchisee shall submit to the County detailed maps showing proposed construction locations. These plans shall show the proposed placement of Franchisee's cables on the County right of way, and poles that are to be erected by Franchisee as required for construction, and locations where Franchisee proposes to attach to existing utility poles. Franchisee shall cooperate with the County and any of its agents during any initial construction period and throughout the full term of the Franchise in regards to construction procedures, practices and locations. All cable construction and installations located within County property or County rights-of-way shall be installed and maintained at such locations and depths so as to not interfere with any road or right-of-way maintenance.

C. Whenever the County or State shall require the relocation or re-installation of any property of Franchisee in any of the streets of the Franchise Territory, it shall be the obligation of the Franchisee, upon notice of such requirements, to cooperate in the timely removal and relocation or reinstallation of said property so as not to cause unreasonable delay. Such

relocations, removal or reinstallations by Franchisee shall be at the sole cost of Franchisee to the extent governmental funds are not available to reimburse Franchisee for such activity.

D. Whenever in any place within the Franchise Territory, all or any part of both the electric and telephone utilities shall be located underground, it shall be the obligation of the Franchisee to locate or to cause its property to be located underground within such places. If the electric and telephone utilities are to be relocated underground in any place within the Franchise Territory after Franchisee previously installed its property, Franchisee shall, nevertheless, at the same time or in a timely manner thereafter, remove and relocate its property also underground in such places. Any facilities of Franchisee placed underground at the property owner's request, in an area where electric or telephone facilities are aerial, shall be installed with the additional expense being paid by the property owner.

E. Franchisee shall have the authority to trim trees upon and overhanging streets of the Franchise Territory so as to prevent the branches of such trees from coming into contact with Franchisee's wires and cables. Franchisee shall obtain from the County, if required, a permit to conduct any such trimming and the same shall be conducted in strict obedience to all local laws and ordinances and at the sole expense of Franchisee.

F. In the case of any disturbance of any road, ditch or other area within the County right-of-way caused by Franchisee, Franchisee shall, at its own cost and expense and in a manner approved by the County, replace and restore such street or sidewalk in as good a condition as before the work involving such disturbance was done.

G. Franchisee shall maintain, repair and keep in good condition for a period of one year following such disturbance all portions of a sidewalk or street disturbed by it or its agents, provided such maintenance and repair shall be made necessary because of defective workmanship or materials supplied by Franchisee.

H. Franchisee shall, upon the request of any person holding a building permit issued by the County, temporarily remove, raise or lower its wires to permit the moving of such building(s). The expense of such temporary removal or raising or lowering of the wires shall be paid by the person requesting the same, and the Franchisee shall have the authority to require such payment in advance. Franchisee shall be given not less than seventy-two (72) hours advance notice to arrange for such temporary wire changes.

I. Franchisee's work, while in progress, shall be properly executed at all times with suitable barricades, flags, lights, flares or other devices as are reasonably required to protect all members of the public having occasion to use the portion of the street involved or adjacent property.

SECTION 8

SUPERVISION BY THE COUNTY

A. Franchisee shall construct, operate and maintain the Cable Television System in strict compliance with FCC regulations.

B. The Cable Television System and all parts thereof shall be subject, upon reasonable notice, to the right of periodic inspection by the County.

C. If at any time, the powers of the Board or any agency or official of the Board are transferred by law to any other board, authority, agency or official, then such other board, authority, agency or official shall have the powers and rights previously vested under this Franchise in the Board or any agency or official of the County.

D. The Franchisee shall provide one Public, Educational, or Governmental access channel to the County in accordance with this Agreement. It shall be left to the option of the County to determine the allocation of such access channels for use by the local government, schools and the public. The Franchisee shall provide, within one hundred and twenty (120) days after written request from the County, the interconnecting terminal or other access to the Cable Television System reasonably acceptable to the County. Costs for such interconnection will be allocated in accordance with the Cable Act. The County agrees that it will not use such access channel to provide services that compete with the Franchisee's lines of business. In case of emergency or disaster, the Franchisee shall, upon reasonable request of the County, make available its facilities to the County for emergency use during an emergency or disaster.

E. During the term of this Franchise Agreement the Franchisee agrees to meet the FCC Regulations pertaining to broad categories of video programming.

F. The County and Franchisee, by its acceptance hereof, agree that the purposes of the provisions hereof are to create the relationship of Franchising Authority and Franchisee, to provide for the terms and conditions of that relationship, including compensation for the use of County property and County supervision, and the conditions upon which such property may be utilized.

SECTION 9

FRANCHISE FEES

A. 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 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.

B. In the event that the Communications Sales and Use 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. § 641, as amended, Franchisee shall pay to County a franchise fee of five percent of annual gross revenue, beginning on the effective date of the repeal of such tax (the "repeal date"). Beginning on the repeal date, the terms of this subsection shall take effect.

1. In accordance with Title VI of the Communications Act, the 12-month period applicable under this Franchise for the computation of the franchise fee shall be a calendar year.

2. Franchisee shall pay to the County for the use of the streets and other facilities of the County in the operation of the Cable Television System and for the County supervision thereof a sum equal to five percent (5%) of the Annual Gross Revenues, as defined herein, from receipts from Subscribers within the County. Said fee shall be paid on a yearly basis within forty-five (45) days after the end of a calendar year. The Franchisee shall file with the County within forty-five (45) days after the expiration of each of the Franchisee's fiscal years a statement clearly showing in detail the Annual Gross Revenues received by the Franchisee during the preceding fiscal year.

3. In the event this Franchise should be terminated or forfeited prior to the end of the Franchise term, as defined herein, Franchisee shall immediately submit to the County a financial statement prepared by a certified public accountant or chief financial officer of Franchisee acceptable to the County showing the Annual Gross Revenues of Franchisee for the time elapsed since the last fiscal year report. Franchisee shall pay to the County not later than forty-five (45) days following the termination of this Franchise a like percentage of such Annual Gross Revenues and any other sums legally due and owing the County.

4. In the event that any payment is not made on or before the applicable date fixed herein, Franchisee shall be subject to the penalty provided for hereinafter.

5. The County shall have the right to inspect the Franchisee's records showing the Annual Gross Revenues from which its franchise payments are computed. The right of audit and computation of any and all amounts paid under this Franchise shall always be accorded to the County. Should the County notify Franchisee in writing of its desire to inspect and/or audit Franchisee's records, Franchisee shall be obligated to produce such records and make them available to the County of Washington within twenty (20) working days of such notification.

SECTION 10
SERVICE MAINTENANCE STANDARDS

A. Franchisee shall maintain sufficient repair and maintenance crews capable of responding to Subscriber complaints or requests for service within the Normal Service Interval as defined herein.

B. **Service to Subscribers**

(1) Any verbal, telephonic or written complaint relating to the quality or continuity of service shall be attended to within the Normal Service Interval as defined herein.

(2) The provisions contained in this Subsection shall not apply if the discontinuation of service is occasioned because of an act of God, strike, national emergency, or any other circumstance beyond the control of Franchisee. Similarly, this provision shall not apply to service requests or complaints pertaining to television set malfunctions or other breakdowns not related to the operation of the Cable Television System.

(3) Franchisee shall have the right to prescribe reasonable service rules, regulations and rates for the conduct of its business; provided however that such service rules and regulations, as well as subsequent amendments or modifications thereof, shall be made available upon request for inspection by the County.

SECTION 11
COMPLAINT PROCEDURES

A. Franchisee shall establish procedures for receiving, acting upon and resolving Subscriber complaints. Franchisee shall furnish a notice of such procedures to each Subscriber at the time of the initial subscription to the system, and Franchisee shall provide to the County a copy of such procedures in effect at the time of entry into this Franchise Agreement. Franchisee shall also provide in a timely manner a copy of revised versions of the complaint procedure as such revised versions go into effect. In addition, Franchisee shall maintain a written record, or "log," listing the date and time of each customer's written complaints, identifying the Subscriber, describing the nature of the complaints, and when and what action was taken by Franchisee in response thereto. Such records shall be kept for a period of one (1) year reflecting the operations to date and shall be available for inspection during normal business hours. A copy of such records shall be provided to the County upon request.

B. Franchisee shall notify each Subscriber at the time of initial installation and all Subscribers at least once a year of the name and address of its Customer Service Department, for purposes of filing a complaint, and of the procedures contained in this section in accordance with Section 76.607 of the FCC Rules and Regulations.

SECTION 12

PERFORMANCE BOND

A. Franchisee shall deposit with the County Attorney a Performance Bond from surety authorized to do business in the State, in the minimum amount of Ten Thousand Dollars (\$10,000.00). The form and content of such Performance Bond shall be acceptable to the County. The Performance Bond shall be used to ensure the faithful performance by Franchisee of all provisions of this Franchise; compliance with all orders, permits and direction of any agency, commission, board, department, division, or office of the County having jurisdiction over its acts or defaults under this Franchise; and the payment of Franchisee of any claims, liens and taxes due the County which arise by reason of the construction, operation or maintenance of the system.

B. The Performance Bond shall be maintained at the minimum amount of Ten Thousand Dollars (\$10,000.00) during the entire term of this Franchise, even if amounts have to be withdrawn pursuant to Subsections A, C or D of this Section.

C. If Franchisee fails to pay the County any compensation within the time fixed herein, and fails after thirty (30) days' written notice to pay to the County any fees due and unpaid, or fails to repay the County within such thirty (30) days any damages, costs or expenses which the County is compelled to pay by reason of the acts of default of Franchisee in connection with this Franchise Agreement, and fails after receipt of thirty (30) days' written notice of such failure by the County to comply with any provision of this Franchise Agreement which the County reasonably determines can be remedied by demand on the Performance Bond, the County may, subject to Subsection D herein, demand payment of the amount thereof, with interest and any penalties, from the Performance Bond. Upon such demand for payment, the County shall notify Franchisee of the amount and date thereof.

D. Notwithstanding Subsection C, in the case of a bona fide dispute regarding compliance, Franchisee may request a hearing before the County Administrator within thirty (30) days after written notification of non-compliance and penalty by the County. At such hearing, all parties may file evidence and the merits of the dispute will be decided. The County Administrator shall make public his decision, along with a statement reciting the basis therefor. Within thirty (30) days, Franchisee may appeal to the Board, in writing, the decision rendered by the County

Administrator. At the appeal hearing, Franchisee may contest the findings of fact or interpretation of controlling law, at which time the Board may affirm, reject or modify the decision of the County Administrator. The affirmation, rejection or modification of said decision by the Board shall be final, though subject to judicial review de novo upon request of Franchisee.

E. The rights reserved to the County with respect to the Performance Bond are in addition to all other rights by the County, whether reserved by negotiation with Franchisee or authorized by law, and no action, proceeding or exercise of a right with respect to such Performance Bond shall affect any other rights the County may have.

SECTION 13

INSURANCE.

A. The Franchisee 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, Combined Single Liability (C.S.L.) \$2,000,000 General Aggregate
Auto Liability including coverage on all owned, non-owned hired autos Umbrella Liability	\$1,000,000 per occurrence C.S.L.
Umbrella Liability	\$1,000,000 per occurrence C.S.L.

B. The Grantor shall be added as an additional insured, arising out of work performed by Franchisee, to the above Commercial General Liability, Auto Liability and Umbrella Liability insurance coverage.

C. The Franchisee shall furnish the Grantor with current certificates of insurance evidencing such coverage upon request.

SECTION 14

GENERAL INDEMNIFICATION

A. Franchisee agrees by its acceptance of this Franchise to indemnify, hold and save the County free and harmless from all liability on account of injuries, deaths or damages to persons or property arising out of the construction, maintenance, repair and operation of its Cable Television System. In the event that suit shall be brought against the County, either independently or jointly with Franchisee on account thereof, Franchisee shall upon written notice by the County, defend the County in any such suit at the cost of Franchisee, and, in the event of a settlement approved by Franchisee or final judgment being obtained against the County, which Franchisee had notice and opportunity to defend, Franchisee shall indemnify the County and pay such settlement or judgment, together with all reasonable costs and reasonable expenses, and hold the County harmless therefrom. Notwithstanding the foregoing, the Franchisee shall not be obligated to indemnify the County for any damages, liability or claims resulting from the willful misconduct or negligence of the County or for the County's use of the Cable System, including any PEG channels.

B. Franchisee shall pay, and by its acceptance of this Franchise specifically agrees that it will pay, all expenses incurred by the County in defending itself with regard to all damages and penalties mentioned in Subsection A hereinabove, provided Franchisee had written notice and declined to defend the County. These expenses shall include, but not be limited to, all out-of-pocket expenses, such as attorney's fees, and shall also include the reasonable value of any services rendered by the County Attorney, her assistants, or any other employees of the County or its agents.

SECTION 15

ASSIGNMENT OF FRANCHISE

A. No assignment of this Franchise shall take place, whether by forced or voluntary sale, lease, or assignment, without prior written notice to and approval by the Board, which approval shall not be unreasonably withheld. The notice shall include full identifying particulars of the proposed transaction; including, but not limited to, the name, address, telephone number, facsimile number, and, if available, the e-mail address of the contact person for notification purposes under this Franchise Agreement after completion of the transaction. The Board shall act by resolution to approve or deny continued operation of the Franchise pursuant to this Franchise Agreement after completion of the transaction. The Board shall have forty-five (45) days within which to approve or disapprove a proposed assignment of this Franchise Agreement. If no action is taken within such forty-five (45) day period, approval shall be deemed to have been given. This subsection does not apply to any restructuring, recapitalization or refinancing that does not change the effective control of Franchisee or the responsible party for purposes of meeting the responsibilities of this Franchise Agreement.

B. Franchisee shall have the right to mortgage, pledge or otherwise hypothecate the assets of its Cable Television System including the rights granted under this Franchise without the approval of the Board.

SECTION 16

REVIEW & RENEWAL

A. The Board shall not make a decision involving renewal, cancellation or expiration of Franchisee's Franchise unless the County Administrator has advised Franchisee in writing, at least thirty (30) days prior to such meeting, as to its time, place and purpose. Such renewal procedures will be conducted pursuant to requirements of local, state, and federal law.

B. It shall be the policy of the County to amend this Franchise upon application of the Franchisee when necessary to enable Franchisee to take advantage of advancements in the state of the art which will afford it an opportunity to more effectively, efficiently or economically serve its Subscribers. No such amendment shall create any rights in Franchisee other than those specifically set out in such amendments.

SECTION 17

REVOCAION OF FRANCHISE

A. In addition to all other rights and powers reserved or pertaining to the County, the County reserves, as an additional and as a separate and distinct remedy, the right to revoke this Franchise and all rights and privileges of Franchisee hereunder in any of the following enumerated events or for any of the following reasons:

(1) Franchisee shall, by act or omission, violate any material or substantial term or condition of this Franchise Agreement and shall within thirty (30) days following written notice by the County fail to effect such compliance or has failed to begin to take such reasonable steps as necessary to bring the Franchisee into such compliance; or

(2) Franchisee becomes insolvent, unable or unwilling to pay its debts, or is adjudged a bankrupt, or all or part of Franchisee's facilities should be sold under an instrument to secure a debt and are not redeemed by Franchisee within thirty (30) days from said sale in accordance with federal bankruptcy law; or

(3) Franchisee fails to restore service following ninety-six (96) consecutive hours of interrupted service, except when an act of God, disaster, or other action beyond the control of the Franchisee caused such service interruption; or

(4) Franchisee attempts to or does practice any fraud or deceit or pattern of material misrepresentation in its conduct or relations with the County under this Franchise.

B. No such revocation shall be effective unless or until the Board shall have adopted a Resolution setting forth the cause and reason for the revocation and the effective date thereof, which Resolution shall not be adopted without thirty (30) days' prior written notice thereof to Franchisee and an opportunity for the Franchisee to be heard upon the proposed adoption of said Resolution. Franchisee shall furnish to the County a written statement at least ten (10) days prior to the date on which the Board will convene to consider such proposed Resolution setting out its position relative to the cause(s) of such revocation. The Franchisee shall have the right to present evidence and to question witnesses. In the event the revocation as proposed in said Resolution depends upon findings of fact, such findings of fact as made by the Board shall be in writing, after the hearing provided for, if requested by Franchisee.

C. Notwithstanding the grounds for termination herein, no termination procedure shall be held except in compliance with FCC Rules and Regulations and the Cable Act.

D. Franchisee shall not be declared in default nor be subject to any sanction under any provision of this Section in any case in which the performance of such provision is prevented for reasons of good cause. Any final determination shall be subject to judicial review upon request of the Franchisee.

SECTION 18

FRANCHISEE'S OBLIGATION TO REMOVE OR TO SELL ITS FACILITIES IN THE EVENT OF REVOCATION OR NON-RENEWAL

A. In the event of revocation of this Franchise as provided for above, or in the event this Franchise is not renewed as provided for above, the County shall have the option to require

Franchisee to commence removal of its cable system from the public streets above which its cables are located within ninety (90) days of the effective date of receiving written notice of such revocation or non-renewal.

B. The County Administrator is hereby authorized to enforce the provisions of this Section as hereinafter provided. The County Administrator shall immediately notify Franchisee in writing of such revocation or non-renewal by written notice as provided for above. Within ninety (90) days following receipt of such notice, Franchisee shall, if required, commence to remove from the streets of the County over which its cables are located all of said cables. Such removal, if required, shall be performed by Franchisee in such a manner so as to not permanently destroy, mar or damage the right of ways and/or Franchise Territory areas in which such removal is conducted. The County shall make an inspection of the areas in which the removal is conducted, and should it be found that Franchisee has unreasonably destroyed, marred or damaged such areas, Franchisee shall be held responsible for the expenses of repairing such areas to the satisfaction of the County.

C. In the event Franchisee has not commenced removal of its facilities within ninety (90) days as described herein, or in the event the County elects not to require Franchisee to remove its facilities, Franchisee shall be obligated to sell its facilities in place within the Franchise area to either the County or to any new Franchised operator. Any sale of facilities as required by this subsection shall be pursuant to the valuation requirements of Section 626 of the Cable Act.

SECTION 19

DAMAGES

Damages. In the event Grantee fails to comply with the Customer Service Standards and has exhibited a pattern of non-compliance for three consecutive months, then Grantee shall pay liquidated damages in the amount of the actual costs incurred by the Franchising Authority in its administrative role in regard to the actual violations. No damages shall be assessed unless or until the Board shall have adopted a Resolution setting forth the cause and reason for the implementation of such damages and the effective date thereof, which Resolution shall not be adopted without thirty (30) days' prior written notice thereof to Franchisee and an opportunity for the Franchisee to be heard upon the proposed adoption of said Resolution. Franchisee shall furnish to the County a written statement at least ten (10) days prior to the date on which the Board will convene to consider such proposed Resolution setting out its position relative to the assessment of damages. The Grantee shall have the right to present evidence and to question witnesses. In the event the assessment of damages as proposed in said Resolution depends upon findings of fact, such findings of fact as made by the Board shall be in writing, after the hearing provided for, if requested by Franchisee. The Grantee may appeal such determination to any court of competent jurisdiction and such Court(s) shall apply a de novo standard of review. No

assessment of damages is final or enforceable until all legal appeals of the Grantee have been totally and completely exhausted.

SECTION 20

RIGHTS RESERVED TO THE COUNTY

Without limitation upon the rights that the County might otherwise have, the County does hereby expressly reserve the following rights, powers and authorities:

- A. To exercise its governmental police powers now or hereafter to the full extent that such powers may be vested in or granted to the County.
- B. To grant additional franchises within the County to other persons for the construction of a cable television system.
- C. To exercise any other rights, powers or duties required or authorized under the Constitution and laws of the Commonwealth of Virginia or the Constitution and laws of the United States of America.

SECTION 21

COMPLIANCE WITH MUNICIPAL, STATE AND FEDERAL LAWS, RULES AND REGULATIONS

- A. Notwithstanding any other provision of this Franchise to the contrary, Franchisee shall at all times reasonably comply with all laws, rules and regulations of the State and Federal governments or any administrative agencies thereof; provided, however, that if any such State or Federal law, rule or regulation shall require Franchisee to perform any service or shall prohibit Franchisee from performing any service or shall permit Franchisee to perform any service in conflict with the terms of this Franchise or of any law, rule or regulation of the County, then as soon as possible following knowledge thereof, Franchisee shall notify the County Administrator of the point of conflict believed to exist between such law, rule or regulation and the rules or regulations of the County or this Franchise; provided, however, that nothing herein shall compel Franchisee to act in any way which violates or contravenes any local, State or Federal law, rule or regulation or this Franchise Agreement.
- B. Franchisee shall be subject to all applicable rules and regulations that, from time to time, may be promulgated by the Federal Communications Board for Cable Television Systems.

C. Attached hereto as Exhibit C is a current rate schedule and channel line-up for Basic Service and Additional Services. Franchisee shall provide subscribers and the County with written notice of any change in channel assignment or in any addition or deletion of a video programming service.

SECTION 22

FRANCHISEE TO HAVE NO RECOURSE

A. Except as expressly provided for in this Franchise, Franchisee herein shall have no recourse whatsoever against the County for any loss, cost or expense of damage arising out of any of the provisions or requirements of this Franchise or because of the enforcement thereof by the County.

B. Franchisee expressly acknowledges that upon acceptance of this Franchise it did so relying upon its own investigation and understanding of the power and authority of the County to grant this Franchise.

C. Franchisee further acknowledges by the acceptance of this Franchise that it has carefully read the terms and conditions hereof and is willing to and does accept all of the risks of the meaning of such terms and conditions.

D. Franchisee further acknowledges by the acceptance of this Franchise that this Franchise is non-exclusive.

SECTION 23

NOTICES TO FRANCHISEE

At any time the County Administrator, members of the Board, or a resident of the County brings an issue regarding this Franchise, agreements or applications thereunder, or the activities of the Franchisee to a meeting or work session of the Board, the County Administrator will notify Franchisee. Such notification shall take place at least ten (10) days prior to the meeting.

Notifications pursuant to this Franchise Agreement shall be addressed as follows:

Notices to Franchisee:

Bristol Tennessee Essential Services (BTES)
Attn:Lola D. McVey, CFO
P. O. Box 549

Bristol, Tennessee 37621
Telephone Number (423) 968-1526
Email: lmcvey@btes.net

Notices to County:

County Administrator
With copy to: County Attorney
Washington County, Virginia
1 Government Center Place, Suite A
Abingdon, Virginia 24210
Tel. (276) 525-1300
Facs. (276) 525-1390

The County and the Franchisee may designate such other address or addresses from time to time by giving notice to the other. Best efforts shall be made to provide such notice no less than thirty (30) days in advance of the effective date of the new address(es).

SECTION 24

CONTINUITY OF SERVICE MANDATORY

It shall be the right of all subscribers to receive all available services insofar as their financial and other obligations to Franchisee are honored. In the event that Franchisee elects to upgrade, rebuild, modify or sell the Cable Television System, or the Board terminates or otherwise declines to renew the Franchise, Franchisee shall do everything in its power to ensure that all subscribers receive continuous, uninterrupted services regardless of the circumstances. In the event of a change of Franchisee, the same shall apply.

SECTION 25

SEVERABILITY

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

[Continues on following page.]

SECTION 26

ACCEPTANCE

Upon approval by the Board of Supervisors and acceptance by Franchisee, as signified by certification by its properly authorized representative, this Franchise shall be effective. This Agreement may be signed in duplicate original copies, one of which shall be filed with the County Attorney and the other maintained by Franchisee.

PASSED AND APPROVED THIS 8th DAY OF MAY, 2018.

COUNTY OF WASHINGTON, VIRGINIA

By: _____

Jason N. Berry
Its County Administrator

ATTEST:

Clerk

As approved by the Washington County, Virginia, Board of Supervisors at its regular meeting on the ____ day of _____, 2021, and duly recorded in the minutes thereof.

ACCEPTED BY:

**BRISTOL TENNESSEE ESSENTIAL SERVICES
(herein, "BTES")**

By: _____

R. Michael

BrowderChief Executive Office

ATTEST:

Printed Name: _____

EXHIBIT A

**MAP OF FRANCHISE TERRITORY SHOWING AREAS
TO WHICH FRANCHISEE PROVIDES CABLE TELEVISION SERVICE
AS OF [DATE]**

EXHIBIT B

**CUSTOMER COST SHARE FORMULA FOR
EXTENSION OF CABLE SERVICE**

This procedure pertains to determining a price for extending cable service pursuant to Section 5 of the Franchise Agreement to customers that live in areas not meeting the home density requirements of the Franchise.

TOTAL INDIVIDUAL COST FOR A COST SHARE LINE EXTENSION SHALL BE AS FOLLOWS:

$$\text{INDIVIDUAL CUSTOMER COST} = \frac{\text{TOTAL PROJECT COST}/2}{\text{NUMBER OF PERSONS REQUESTING SERVICE}}$$

NOTES TO PLAN

- *All customer contributions must be collected prior to project start
- *No refunds of customer contributions will be due after project starts
- *No pro-rata refunds will be due in the event additional subscribers are connected to this extension at a later date
- *All equipment remains the sole property of the Franchisee
- *Total project cost will be determined from an engineering study conducted by the Franchisee
- *All projects requiring more than 1,000 feet of cable to be constructed may need to be delayed until the following budget year

EXHIBIT C

**Monthly Rate Information
as of
DATE**