

OFFICE COPY

CABLE FRANCHISE AGREEMENT

SEPTEMBER 1, 2007 TO AUGUST 31, 2022

TOWN OF PURCELLVILLE

**COMCAST OF CALIFORNIA/MARYLAND/PENNSYLVANIA/VIRGINIA/WEST
VIRGINIA, LLC**

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FRANCHISE AGREEMENT

THIS AGREEMENT is entered into by and between the Town of Purcellville, Virginia (hereinafter referred to as the "Town") and Comcast of California/Maryland/Pennsylvania/Virginia/West Virginia, LLC (hereinafter referred to as "the Grantee"), a corporation duly organized under the applicable laws of the Commonwealth of Virginia.

In consideration of the faithful performance and strict observance by the Grantee of all the terms, provisions, conditions, obligations and reservations hereinafter set forth or provided for herein, and in consideration of the grant to the Grantee by the Town of a Cable System franchise, it is hereby agreed between the parties hereto as follows:

1. Grant And Acceptance Of Franchise

1.1 The Town hereby grants to the Grantee a non-exclusive franchise and right to erect, install, construct, reconstruct, replace, relocate, modify, repair, maintain, operate in or upon, under, above, across and from the streets, avenues, highways, sidewalks, bridges, and other public ways, easements, and rights-of-way as now existing and all extensions thereof, and additions thereto, in and belonging to the political subdivision comprising the Town, all poles, wires, cable, coaxial cables, transformers, amplifiers, underground conduits, manholes and other television and/or radio conductors and fixtures for the sole purpose of the ownership, maintenance and operation in the Town of Purcellville, Virginia, of a Cable System as approved from time to time by the Town of Purcellville, all in strict accordance with the laws, ordinances and regulations of the United States of America, the Commonwealth of Virginia, and the Town, as now existing of hereafter adopted or amended.

1.2 The Grantee hereby accepts the franchise and warrants and represents that it has examined all of the provisions of this Franchise Agreement, and it accepts and agrees to all the provisions contained therein.

1.3 Nothing in this Franchise Agreement shall be construed to prohibit the Town from exercising its police powers in accordance with applicable law. If any exercise of the Town's police power results in any material impairment of the Grantee's rights under this Franchise Agreement, then the parties shall modify this Franchise Agreement to the mutual satisfaction of both parties to ameliorate the negative effects on the Grantee of the material impairment. If the parties cannot reach agreement on the above-referenced modification to the Franchise Agreement, then Grantee may terminate this Agreement without further obligation to the Town. Notice to terminate under this section shall be given to the Issuing Authority in writing, with such termination to take effect no sooner than one hundred and twenty (120) days after giving such notice. Franchisee shall also be required to give its then current subscribers not less than ninety (90) days prior written notice.

2. Definitions

The following words and phrases shall have the meanings ascribed to them as follows:

"Access Channel" - means a video Channel, which Grantee shall make available to the Town without charge for noncommercial public, educational, or governmental use for the transmission of Video Programming.

"Basic Service" - means any service tier, which includes the retransmission of local television broadcast signals as well as the PEG Channels required by this Franchise.

"Cable Service" - shall be defined herein as it is defined under 47 U.S.C. § 522(6).

"Cable System" - shall be defined herein as it is defined under 47 U.S.C. § 522(7).

"Channel" - shall be defined herein as it is defined under 47 U.S.C. § 522(4).

"Educational Access Channel" - means an Access Channel available for educational use as provided herein.

"Federal Communications Commission" or "FCC" - means the present federal agency of that name as constituted by the Communication Act of 1934, or any successor agency created by the United States Congress.

"Franchise Area" - means all business and residential areas within the corporate limits of the Town of Purcellville, Virginia, including all territory which may be annexed thereto at any time to the date of this Agreement.

"Government Access Channel" - means an Access Channel available for governmental use as provided herein.

"Gross Operating Revenues" - means all revenue, as determined in accordance with generally accepted accounting principles, that is actually received by the Grantee and derived from the operation of the Cable System to provide Cable Services in the Franchise Area; however, "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 Grantee 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 Grantee 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 Grantee to non-cable services in

accordance with rules, regulations, standards, or orders of the Federal Communications Commission.

“Public Access Channel” – means an Access Channel available for the use by the residents of Loudoun County.

“Video Programming” - shall be defined herein as it is defined under 47 U.S.C. § 522(20).

3. Commitment By Grantee To Extrinsic Matters

The Grantee hereby agrees to use its best efforts, at its expense, to actively and diligently conduct the prosecution of all registrations and applications to the FCC and other governmental regulatory bodies necessary to permit construction and continued service of its operation of a Cable System in accordance with this Franchise Agreement.

4. Rights Reserved By The Town

4.1 This franchise is granted subject to the right of the Town:

- 4.1.1. To revoke the franchise for cause constituting misuse, non-use, or the failure to comply with the provisions of this Agreement or any other local, state, or federal laws or regulations, as reasonably determined by the Town.
- 4.1.2. To require proper and adequate extensions of plant and services and maintenance thereof at a standard of technical efficiency that shall be consistent with the technical efficiency of the cable system as built, and specifically to require extension of subscriber service throughout the entire Franchise Area within nine (9) months of the effective date of this Agreement and any annexations of properties thereto.
- 4.1.3. To prevent unjust discrimination or preferential practices in service or rates, provided, however, that modification or waiver of connection and service charges during promotional campaigns shall not constitute discrimination or preferential practices.
- 4.1.4. To require reasonable, continuous, and uninterrupted service to the public throughout the entire period of the franchise.
- 4.1.5. To control and regulate the use of its streets, alleys, bridges, rights-of-way, and public places and the space above and beneath them.
- 4.1.6. Through its appropriately designated representatives, to inspect all construction or installation work performed pursuant to the provisions of this Franchise Agreement and make such inspections as it shall find necessary to ensure compliance with the terms of this Agreement and pertinent provisions of law.

- 4.1.7. To levy upon the Grantee all taxes and fees otherwise applicable to business organizations within the geographical area encompassed by the Grantee's operations within the Franchise Area.

4.2 This Franchise Agreement and the right it grants to use and occupy the public rights-of-way to provide Cable Services shall not be exclusive, and the Town 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 Agreement.

- 4.2.1 If the Town grants a competitive franchise which, in the reasonable opinion of the Grantee, contains more favorable or less burdensome terms or conditions than this Franchise Agreement, the Grantee may notify the Town that it wishes to renegotiate certain specified provisions of the Franchise Agreement. Within 30 days after the Grantee provides such notice, both parties must begin to negotiate in good faith, and either party to this Franchise Agreement may request changes to amend this Agreement so that neither the Grantee's Franchise Agreement nor that of the competitor contains terms that are more favorable or less burdensome than the other. For purposes of this section, the franchises must be viewed as a whole, not on a provision-by-provision basis, and the franchises must be compared with due regard for the circumstances existing at the time each franchise was granted.
- 4.2.2 In the event an application for a new cable television franchise is filed with the Town proposing to serve the Franchise Area, in whole or in part, the Town shall serve or require to be served a copy of such application upon any existing Grantee or incumbent cable operator by registered or certified mail or via nationally recognized overnight courier service.
- 4.2.3 In the event that a cable operator provides cable service to residents of the Town under a franchise issued by the state or federal government that is unavailable to the Grantee, the Grantee shall have a right to request Franchise amendments that relieve the Grantee of regulatory burdens that create a competitive disadvantage to the Grantee. In requesting amendments, the Grantee shall file a petition seeking to amend the Franchise. Such petition shall: (1) indicate the presence of a non-franchised competitor or one that has a state or federal franchise; (2) identify the basis for Grantee's belief that certain provisions of the Franchise place Grantee at a competitive disadvantage; and (3) identify the regulatory burdens to be amended or repealed in order to eliminate the competitive disadvantage. The Town Council shall hold a public hearing to evaluate the petition and hear the views of interested parties. The Town shall not unreasonably withhold consent to the Grantee's petition.

5. Term

The term of this franchise shall be fifteen (15) years from the effective date of September 1, 2007 ("Effective Date"), on condition that all terms and conditions of this Agreement are complied with; it shall continue for such term until August 31, 2022, unless sooner terminated or renewed.

6. Territorial Extent Of Franchise

The Grantee is authorized to operate a Cable System throughout the entire Franchise Area, and shall construct, maintain and operate its system throughout such Franchise Area. Notwithstanding the foregoing authorization, the Town retains the right to award to other grantees a franchise and the right to operate a cable system in the same geographical area.

7. PEG Services

7.1 PEG Set Aside:

7.1.1. In order to ensure universal availability of public, educational and government programming ("PEG"), Grantee shall provide five (5) channels on the Basic Service Tier. Except for the Town Channel, these channels shall be the same as those provided pursuant to Grantee's franchise from Loudoun County. The PEG Channels shall be designated as follows: one (1) Government Access Channel dedicated to carrying programming related to the Town and other towns within Loudoun County (the "Town Channel"), one (1) dedicated Public Access Channel, one (1) Educational Access Channel dedicated to higher education, one (1) dedicated Government Access Channel carrying programming related to the government of Loudoun County, and one (1) Educational Access Channel dedicated to the Loudoun County Public Schools (collectively, "PEG Channels"). In addition to the aforementioned channels, the Town may request an additional PEG Access Channel when the cumulative time on all the existing Access Channels combined meets the following standards, but no more than one (1) Channel over the term of the Franchise: at least eighty percent (80%) of the cumulative time of sixty (60) hours per week over a consecutive (16) week period has been programmed with original, non-duplicative programming. Each PEG Channel carried as part of an analog service shall consist of a band of frequencies which is capable of carrying one standard National Television Standards Committee ("NTSC") analog television signal. Each PEG Channel carried as part of the digital service shall consist of the system capacity required to provide the transmission of a video signal, with accompanying audio, that is in digital format and capable of producing sound and picture of NTSC quality or better based on the standard compression technology then in use in the System.

7.1.2 If the Grantee so chooses to eliminate its analog programming service, the Grantee shall give each entity that manages a PEG Channel at least forty-five (45) days notice before ceasing to provide programming in analog format. In addition, if the Grantee chooses to eliminate its analog programming service, and it becomes necessary for any entity that manages a PEG Channel to replace existing equipment or purchase

new equipment in order to produce and transmit programming of the same quality or better than that which was being produced and transmitted prior to the elimination of analog programming, then the Grantee shall reimburse each such entity for the reasonable costs incurred for replacing all such equipment. Alternatively, the Grantee may choose to supply such equipment itself, provided that in the reasonable judgment of the entity, the equipment provided by the Grantee meets the entity's needs.

7.1.3 The Grantee shall provide, at its sole expense, a fiber optic link from Town Hall to the hub of Grantee's cable system serving the Town for the delivery of programming on the Town Channel, including all electronic and other equipment needed to transmit signals from the Town Hall to the headend. Upon receipt of such signals at the headend, Grantee shall transmit the signals to subscribers in the Town over the Town Channel. Such link shall be operational within 180 days of the Effective Date.

7.1.4 Grantee recognizes that the availability of all of the PEG Channels to residents of the Town is an important public policy goal of the Town. The Town recognizes that the burden of obtaining access to PEG programming should be equitably shared among competing providers. Grantee recognizes that in the event that a competing cable operator obtains a franchise from the Town, the Town anticipates that any such franchise will require the competing cable operator to make the programming transmitted on the PEG Channels available to its subscribers, and that such competing cable operator should obtain the programming from its source as does Grantee. Direct interconnection between the Grantee and any competitor shall not be required by this Franchise. Grantee agrees to cooperate in good faith with the Town in making the PEG Channels available to such a competitor in a manner that does not interfere with Grantee's cable system, which may include the evaluation and implementation of multiple connections at PEG programming origination points. Grantee also agrees that it will not interfere in any way with the Town's efforts to make the PEG programming available to any such competitor.

7.1.5 The PEG Channels shall be carried on the Basic Service tier in a format that is technically equivalent to and provides the same technical capabilities as the majority of the other channels carried on the Basic Service tier.

7.2 In support of the Town's production of local PEG programming, Grantee shall provide to the Town financial contributions in the amount of \$ 0.50 per month, per subscriber in the Franchise Area ("PEG Grant"). The PEG Grant shall be used by the Town for PEG access equipment, including, but not limited to, studio and portable production equipment, editing equipment and program playback equipment, or for renovation or construction of PEG access facilities. The PEG Grant, along with a brief summary of the subscriber information upon which it is based, shall be delivered to the Town on a quarterly basis of each calendar year during the Franchise Term. Calculation of the PEG Grant will commence thirty (30) days after the Effective Date.

8. Technical Performance, Test Standards and Signal Quality

8.1 Grantee's Cable System shall meet or exceed the following requirements:

8.1.1 The Cable System shall be designed with an initial analog and digital passband of 50-860 MHz.

8.1.2 The Cable System shall be designed to be an active two-way plant for subscriber interaction, if any, required for selection or use of Cable Service. The digital offerings will include premium services to include High Definition content.

8.1.3 The Cable System shall be operated in a manner such that it is in compliance with FCC standards and requirements with respect to interference. The Cable System shall be operated in such a manner as to minimize interference with the reception of off-the-air signals by a subscriber. The Grantee shall insure that signals carried by the Cable System, or originating outside the Cable System wires, cable, fibers, electronics and facilities, do not ingress or egress into or out of the Cable System in excess of FCC standards. In particular, the Grantee shall not operate the Cable System in such a manner as to pose unwarranted interference with emergency radio services, aeronautical navigational frequencies or any airborne navigational reception in normal flight patterns, or any other type of wireless communications, pursuant to FCC regulations.

8.2 The Grantee shall design its Cable System so that it may be interconnected with other cable systems and open video systems in the Franchise Area. Interconnection of systems may be made by direct cable connection, microwave link, satellite, or other appropriate methods.

8.3 The Grantee shall provide standby power generating capacity at the headend and at all hubs. The Grantee shall maintain motorized standby power generators capable of at least twenty-four (24) hours duration at the headend and all hubs, with automatic response systems to alert the Local Management Center when commercial power is interrupted. The headend generator shall be tested once per week. The power supplies serving the distribution plant shall be capable of providing power to the Cable System for not less than two (2) hours, at 70 degrees Fahrenheit, according to manufacturer specifications in the event of an electrical outage.

8.4 Grantee shall comply with the Emergency Alert System requirements of the FCC in order that emergency messages may be distributed over the System.

8.5 The Cable System shall meet or exceed the applicable technical standards set forth in Title 47, Part 76, Subpart K of the Code of Federal Regulations, 47 C.F.R. §§ 76.601 *et seq.*

9. Construction Schedule

9.1. The Grantee agrees to construct and activate the Cable System and offer Cable Service to all residents and persons requesting such service within the Franchise Area as the Franchise Area exists on the Effective Date. It shall be the right of all Subscribers to continue to receive Cable Service from Grantee insofar as their financial and other obligations to Grantee are honored. Grantee reserves the right to terminate service for theft of service, damage to equipment or abusive conduct directed towards Grantee's employees or agents. The Grantee shall act to the best of its ability so as to ensure that all Subscribers receive continuous, uninterrupted Cable

Service. For the purposes of this subsection, "uninterrupted" does not include short-term outages of the Cable System for repair, maintenance or testing.

9.2. The Grantee also agrees that it will extend and construct Cable Service to any areas annexed to the Franchise Area after the Effective Date at a density of twenty (20) homes per linear mile.

10. Standards And Restrictions As To Construction And Installation

10.1. Permit and inspection fees shall be collected in a manner consistent with established policy unless otherwise indicated below:

10.1.1. Permit fees shall be paid in accordance with established fee structures for any construction built by the Grantee, including but not limited to, new or remodeled structures, towers, and antennas.

10.1.2. The Grantee shall pay the cost of inspections due to any street opening which may be required or any out of pocket expenses to the Town which result from a street opening by the Grantee; provided, however, that street opening bonds, letters of credit, or other forms of insurance which may otherwise be required shall be waived.

10.1.3. Permit fees for construction of the Grantee's cable line shall be waived. The Town may charge the Grantee, and the Grantee agrees to pay, for out of pocket expenses for inspection services performed during construction of the cable system or for out of pocket expenses incurred during inspection in response to complaints received during the construction period by the Town about the system construction or work performance by the grantee for any individual subscriber drops or installations.

10.2. No construction, reconstruction or relocation of the Cable System, or any part thereof shall be commenced unless appropriate written permits as generally required have been obtained from the proper Town officials. In any permit issued, such officials may impose any condition, restriction or regulation as is necessary for the purpose of protecting streets and roadways, and any structures, whether public or private, and for the proper restoration of such streets, roadways and structures, and for the protection of the public and the continuity of pedestrian and vehicular traffic.

10.3. Prior to the erection or installation of any towers, poles, tower guys, tower anchors, underground conduits, manholes or fixtures for use in connection with the installation, construction, maintenance, or operation of the Cable System under this Franchise Agreement, the Grantee shall first submit to the Town Zoning Administrator, or other appropriate authority, for approval, a concise description of the facilities proposed to be erected or installed, including engineering drawings, if required, together with a map and plans indicating the proposed location of all such facilities. Notwithstanding such approval, however, the Town, or appropriate representatives thereof, shall have the right to inspect all construction of installation work performed under this Agreement and make such inspections as may be necessary to ensure compliance with the terms of the Agreement and other pertinent provisions of law.

10.4. As used in this Section and throughout this Agreement, Town approval of plans, documents, schedules, design elements or any other matter submitted to the Town for such approval shall in no way be deemed to excuse, relieve or otherwise modify any obligation of the Grantee under this Agreement, nor shall such approval be construed as a finding by the Town as to compliance with this Agreement or other laws, or as to the safety, efficiency or efficacy of the installation represented by such plans, documents, schedules or other matters.

10.5. Any contractor proposed for installation, maintenance, or repair of the system or system equipment must be thoroughly experienced in cable installation or in any other capacity for which retained, and must comply with applicable State laws and local ordinances.

10.6. The Grantee's system and associated equipment erected by the Grantee shall be located as to cause minimum 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 the said streets, alleys or other public ways and places. No pole or other fixtures placed in any public ways by the Grantee shall be placed in such a manner as to interfere with the usual travel on such public way. Grantee shall obtain any and all permits prior to performing work within the public ways.

10.7. All cable system installation shall be underground in those areas of the Town where public utilities providing both telephone and electric service are underground at the time of installation. In areas where either telephone or electric facilities are above ground at the time of installation, the Grantee may install its system above ground, provided that at such time as such utility facilities are required to be placed underground by the Town or are placed underground, the Grantee shall likewise and at the same time reinstall its system underground without additional cost to the Town or to the individual subscribers affected by such reinstallation. All wires, cables, and other fixtures, except drop cables, installed underground shall be buried to a depth of at least sixteen (16) inches. Wires and cables installed underneath public rights-of-way shall be buried in compliance with applicable requirements of the Virginia Department of Transportation. The drop cables will be buried to a depth of at least nine (9) inches.

10.8. The Town does not guarantee the accuracy of any maps showing the horizontal of location of existing substructures. In public rights-of-way, where necessary, the location shall be verified by excavation.

10.9. The Grantee shall, at its cost and expense, and in a manner approved by the appropriate officials, repair, replace or restore any street, sidewalk, curb, gutter, alley, public way or any other property disturbed or damaged or in any way injured by or on account of its activities in as good condition as before the work involving such disturbance was done and agrees to do so any time during a period of one year after completion of any work contemplated under this Agreement. In the event the Grantee fails to perform the replacement or restoration in a manner approved by the appropriate official of the Town, the Town or owner affected shall have the right to do so at the sole cost and expense of the Grantee. Upon written demand for reimbursement for the cost of replacement or restoration of damaged property, the Grantee shall promptly remit the required sum to the Town or property owners.

10.10. The Grantee shall perform all cutting or trimming of trees, shrubs, or vegetation in accordance with standard local horticultural practices and shall conduct all such activities in such a manner as to minimize damage to trees, shrubbery or vegetation. The Town

reserves the option to have its own employees perform the trimming of cutting, to require the Grantee to hire a competent professional to perform the work, or to allow the Grantee to perform the work under the supervision and direction of the Town. In all such events, any such work shall be performed at the Grantee's expense, and the Grantee agrees to reimburse the Town for any direct or indirect expense incurred by it hereunder.

10.11. The desire of the subscriber as to the point of entry into the residence or other structure shall be observed wherever possible. Runs in building interiors shall be as unobtrusive as possible, consistent with normal installation practices of the Grantee.

10.12. Nothing contained herein shall be deemed to waive, amend or otherwise modify the currently existing standards established and in effect throughout the Town of Purcellville as to zoning requirements, permits, fees, or inspections which normally apply to construction activities within the Town.

11. Maintenance And Customer Service

The Grantee shall:

11.1. Maintain all wires, conduits, cable and other real and personal property and facilities comprising the Cable System in good working order and condition.

11.2. At all times maintain reasonably accessible to the Franchise Area a force of agents or employees in sufficient numbers and of sufficient technical qualifications to safely, adequately and promptly repair any structural damages to system equipment which is located in, over, under, or upon public streets, ways, or places, and to immediately secure the public safety in the vicinity thereof, prior to, and during the making of said repairs.

11.3. Operate the Cable System continuously, with call center personnel available twenty-four (24) hours a day, seven days per week, through a publicly listed telephone number, to receive requests for service, maintenance, repairs or adjustments, and complaints.

11.4. Render efficient service, locate and repair malfunctions promptly, and respond immediately, twenty-four (24) hours per day, seven days per week, to subscriber service complaints involving more than one home in a localized service area. Technical complaints involving a single fallen drop will be acted upon within twenty-four (24) hours after notice, and those involving an individual subscriber only will be acted upon by the end of the business day next following receipt of the complaint.

11.5. Furnish information, as subscribers are connected or reconnected to the Cable System, concerning the procedures for making inquiries or complaints. Such information shall include, at a minimum, the address, telephone number and hours of operation of the cable television company, and the title of the person to whom such inquiries and complaints are to be addressed.

11.6. Bill all subscribers in a uniform, non-discriminatory manner, regardless of subscriber's level of service. In no case shall any subscriber be required to pay for services in excess of thirty (30) days prior to receipt of such service. No administrative fee (fee for processing of delinquent accounts) shall be imposed for the first twenty (20) days from the date of billing.

11.7. Continue to maintain the mail drop box for cable payments at the Purcellville Town Office through the term of the franchise.

12. Services To Schools And Municipal Buildings

Grantee shall provide without charge one service drop and one service outlet activated for Basic Service to each existing public building listed in Exhibit A, including, without limitation, the Town Hall, Wastewater Treatment Facility, Town Maintenance Facility, each public school, each public library, each police, fire and rescue station, and every other location occupied or used by the government of the Town Authority or the government of Loudoun County for governmental purposes. The Town may also, at its sole discretion, from time to time designate additional such locations to receive one service drop and one service outlet activated for Basic Service, in which case Exhibit A shall be amended to include such locations, provided that at the time of such designation the designated location is located no more than one hundred seventy five (175) feet from Grantee's system. Grantee shall extend service to such additional locations within thirty (30) days of receiving written notice from the Town. Grantee shall also provide service to private schools in accordance with its standard policies. Notwithstanding the foregoing, the Grantee shall extend its network to and provide free service to the Purcellville Police Department, located at 125 Hirst Road, within one hundred eighty (180) days after the Effective Date. In addition, the Grantee shall extend its network to and provide free service to the Western Loudoun Public Safety Center (the "Public Safety Center"), to be located at the southeast corner of the intersection of Hirst Road and North Maple Avenue, within ninety (90) days after completion of construction of the Public Safety Center, provided that the Grantee shall exercise its best efforts to coordinate with utility providers and perform installation work prior to completion of the Public Safety Center, in order to minimize disruption and the need for restoration work after installation of utility facilities.

13. Franchise Fee

13.1 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 (the "Communications Tax"), and Sections 13.2 through 13.6 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 Grantee to subscribers in the Town.

13.2 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, Grantee shall pay to the Town a Franchise fee of five percent (5%) of annual Gross Operating Revenues, beginning on the effective date of the repeal of such tax (the "Repeal Date"). Beginning on the Repeal Date, the terms of Section 13.2 through 13.6 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 forty-five (45) days following the end of each calendar quarter. Should Grantee submit an incorrect amount, Grantee shall be allowed to add or subtract that amount in a subsequent quarter, but no later than ninety (90) days

following the close of the calendar year for which such amounts were applicable; such correction shall be documented in the supporting information required under Section 13.3 below.

13.3 Each Franchise fee payment shall be accompanied by a brief report prepared by a representative of Grantee showing the basis for the computation, and a breakdown by major revenue categories (such as Basic Service, premium service, etc.). The Town shall have the right to reasonably request further supporting information for each Franchise fee payment.

13.4 The period of limitation for recovery of any Franchise fee payable hereunder shall be five (5) years from the date on which payment by Grantee is due.

13.5 If Cable Services subject to the franchise fee required under this Section 13 are provided to subscribers in conjunction with other services, the franchise fee shall be applied only to the value of the Cable Services, as reflected on the books and records of the Grantee in accordance with FCC or state public utility regulatory commission rules, regulations, standards or orders. Any discounts resulting from purchasing the services as a bundle shall be reasonably allocated among the respective services that constitute the bundled transaction.

13.6 Audit:

13.6.1. The Town, or such Person or Persons designated by the Town, shall have the right to inspect and copy records and the right to audit and to recompute any amounts determined to be payable under this Franchise, without regard to by whom they are held. If an audit discloses an overpayment or underpayment of franchise fees, the Town shall notify the Grantee of such overpayment or underpayment within ninety (90) days of the date the audit was completed. The Town, in its sole discretion, shall determine the completion date for any audit conducted hereunder. Audit completion is not to be unreasonably delayed by either party.

13.6.2. The Grantee shall be responsible for providing to the Town all records necessary to confirm the accurate payment of franchise fees. The Grantee shall maintain such records for five (5) years. The Town's audit expenses shall be borne by the Town unless the audit determines the payment to the Town should be increased by more than five percent (5%) in the audited period, in which case the costs of the audit shall be paid by the Grantee to the Town within thirty (30) days following written notice to the Grantee by the Town of the underpayment, which notice shall include a copy of the audit report. If recomputation results in additional revenue to be paid by Grantee to the Town, such amount shall be subject to an interest charge of the Prime rate plus one percent (1%). If the audit determines that there has been an overpayment by the Grantee, the Grantee may credit any overpayment against its next quarterly payment; and, the Town shall waive the interest charge on any past due amounts that were a result of such overpayment by the Grantee. The auditor shall not be compensated on a success based formula, e.g., payment based on a percentage of any underpayment, if any.

13.6.3. The audit provisions set forth in this subsection shall similarly apply to the PEG support payments specified in Section 7 of this Franchise.

14. Liability And Indemnification

14.1. The Grantee shall at all times during the term of this Franchise Agreement maintain at its own expense a letter of credit running to the Town in the amount of Ten Thousand Dollars (\$10,000). Such letter of credit shall be conditioned on the Grantee's observation, fulfillment and performance of each term and condition of this Agreement. In case of any breach of such condition, the amount of the letter of credit shall be available to the Town as compensation for all damages and costs, including reasonable attorneys' and experts' fees and other reasonable expenses of enforcement of litigation, whether direct or indirect, resulting from the failure of the Grantee to observe, fulfill and perform any provision of this Agreement. The scope of such letter of credit shall include, in addition to ascertainable damages and costs, payment of any fines or penalties for non-performance, liquidated damages as provided in Section 14.1.1, and compensation to the Town for damage to Town property or for loss of revenue due to any failure of the Grantee to observe, fulfill or perform any provision of this Agreement. The Grantee shall pay all premiums chargeable for such letter of credit and shall keep the same in force and effect at all times that the Grantee operates its system within the Franchise Area. The letter of credit shall contain a provision that it shall not be terminated or otherwise allowed to expire prior to thirty (30) days after written notice to that effect is given to the Town and to the Grantee.

14.1.1. Because the Grantee's failure to comply with provisions of this Franchise Agreement may result in injury to the Town, and because it may be difficult to quantify the extent of such injury, Town and the Grantee agree that, subject to the procedures in Section 14.1.3, liquidated damages may be assessable against the Grantee for certain violations of provisions of this Franchise Agreement, and that such liquidated damages may be chargeable against the Grantee's letter of credit in the event of non-payment by the Grantee. The Grantee hereby agrees that the liquidated damages specified herein are reasonable and do not constitute a penalty or fine. The liquidated damages shall only apply from the date of notice being provided to the Grantee. The following amounts shall constitute liquidated damages for the specified injuries:

14.1.1.1. For failure to supply information, reports, or filings lawfully required under this Franchise Agreement: \$50 per day for each day the violation continues after written notice has been provided to the Grantee by the Town pursuant to Section 14.1.3 of such continuing violation;

14.1.1.2. For failure to comply with any provision of this Franchise Agreement pertaining to customer service: \$100 per day for each day the violation continues after written notice of such continuing violation has been provided to Grantee by the Town pursuant to Section 14.1.3;

14.1.1.3. For failure to pay franchise fees when due: \$50 per day for each day the violation continues after written notice of such continuing violation has been provided to the Grantee by the Town pursuant to Section 14.1.3, in addition to the outstanding amount of the unpaid franchise fees;

14.1.1.4. failure to comply with any requirement pertaining to support for the provision of PEG access programming including, without limitation, the provisions of Section 7: \$100 per day for each day the violation continues after written notice of such continuing violation has been provided to the Grantee by the Town pursuant to Section 14.1.3.

14.1.2. The Town Council may reduce or waive any of the above-listed liquidated damages if the Town Council determines that such waiver is in the best interests of the Town.

14.1.3. If the Town Manager concludes that the Town has suffered any injury, following at least thirty (30) days' written notice and opportunity for the Grantee to cure any problem that might result in liquidated damages pursuant to Section 14.1.1, he or she shall issue to the Grantee, by certified mail, a notice of intention to assess liquidated damages. The notice shall set forth the basis of the assessment, and shall inform the Grantee that liquidated damages will be assessed from the date of the notice unless the assessment notice is appealed for hearing before the Town Council and the Town Council rules (1) that the violation has been corrected, or (2) that an extension of the time or other relief should be granted, or (3) the Town Council disagrees with the findings of the Town Manager. If the Grantee desires a hearing before the Town Council, it shall send a written notice of appeal, by certified mail, to the Town Manager within ten (10) days of the date on which the Town Manager sent the notice of intention to assess liquidated damages. After the hearing, if the Town Council sustains, in whole or in part, the Town Manager's assessment of liquidated damages, the Town Manager may at any time thereafter draw upon the letter of credit for the amount reviewed by the Town Council after providing the Grantee thirty (30) days to pay said amount. Unless the Town Council indicates to the contrary, said liquidated damages shall be assessed beginning with the date on which the Town Manager sent the notice of intention to assess liquidated damages and continuing thereafter until such time as the violation ceases, as determined by the Town Manager.

14.2. The Grantee shall save and hold the Town, its corporate authorities, officers, boards, commissions, employees and agents harmless from any injury, claim, demand, suit, judgment, execution, liability, debt, damages or penalty (hereinafter referred to as "claims") arising out of resulting from, or alleged to arise out of or result from, the construction, erection, installation, operation, maintenance of, or other activity connected with, the Grantee's Cable System, whether such acts or omissions are those of the Grantee, a user, the Town of Purcellville, or its officers, employees, agents or contractors and whether or not any such act or omission is authorized, allowed or prohibited by this Agreement, or was approved by the Town of Purcellville pursuant to its approval authority as set forth in this Agreement or as assumed by the Town. If any claim is asserted against the Town for which indemnification may be sought under this Section, the Town shall notify promptly the Grantee of such claim and thereafter shall permit the Grantee at the Grantee's expense to participate in the negotiation and settlement of any such claim and to join in the defense of any legal action arising therefrom, and shall cooperate fully with the Grantee in all such negotiations or defense efforts. Further, the Grantee shall pay all expenses incurred by the Town in defending itself with regard to any and all claims mentioned herein, including the reasonable value of any services rendered by any agent, attorney or employee of the Town.

14.3 The Grantee shall maintain, and by its acceptance of a franchise hereunder specifically agrees that it will maintain throughout the term of this Agreement, general comprehensive liability insurance insuring the Grantee. All liability insurance shall include an endorsement in a specific form which names as joint and several insured's the Town and the Town's officials, employees and agents, with respect to all claims arising out of the operation and maintenance of the Grantee's cable system in the Town.

14.3.1 Liability insurance mentioned herein below shall be in the minimum amounts of:

1. \$5,000,000.00 for bodily injury or death to anyone person, within the limit of ten million dollars (\$10,000,000) for bodily injury or death resulting from any one accident;
2. \$5,000,000.00 for property damage, including damage to the Town's property, from any one accident;
3. \$5,000,000.00 for all other types of liability resulting from any one occurrence;
4. Workers Compensation Insurance as required by the Commonwealth of Virginia;
5. Grantee shall carry and maintain in its own name automobile liability insurance with a limit of \$5,000,000 for each person and \$5,000,000 for each accident for property damage with respect to owned and non-owned automobiles for the operation of which the Grantee is responsible; and
6. Coverage for copyright infringement.

14.3.2 The inclusion of more than one (1) insured shall not operate to increase the limit of the Grantee's liability, and that insurer waives any right on contribution with insurance which may be available to the Town.

14.3.2 All policies of insurance required by this Section shall be placed with companies which are qualified to write insurance in the Commonwealth of Virginia and which maintain throughout the policy term a General Rating of "A-" and a Financial Size Category of "A:X" as determined by Best Insurance Rating Services.

14.3.4 Certificates of insurance obtained by the Grantee in compliance with this section must be approved by the Town Attorney, and such insurance policy certificate of insurance shall be filed and maintained with the Town Clerk during the term of the franchise. The Grantee shall immediately advise the Town Attorney of any litigation that may develop that would affect this insurance.

14.3.5 Should the Town find an insurance document to be in non-compliance, then it shall notify the Grantee, and the Grantee shall be obligated to cure the defect.

14.3.6 Neither the provisions of this section, nor any damages recovered by the Town thereunder, shall be construed to nor limit the liability of the Grantee under this Agreement or for damages.

14.3.7 The insurance policies provided for herein shall name the Town, its officers, employees and agents as additional insured's, and shall be primary to any insurance or self-insurance carried by the Town. The insurance policies required by this section shall be carried and maintained by the Grantee throughout the term of this Agreement and such other period of time during which the Grantee operates or is engaged in the removal of its Cable System. Each policy shall contain a provision providing that the insurance policy may not be canceled by the surety, nor the intention not to renew be stated by the surety, until thirty (30) days after receipt by the Town, by registered mail, of written notice of such intention to cancel or not to renew.

14.3.8 Nothing in this section shall require the Grantee to indemnify, hold harmless or defend the Town, its officials, employees or agents, from any claims or lawsuits arising out of the Town award of a franchise to another person.

15. Delegation Of Powers

The Town shall not be precluded from delegating any power or authority contained within this Franchise Agreement to any agency, employee or department within or outside the political subdivision which comprises the Town.

16. Franchise Revocation

16.1. Whenever the Grantee shall refuse, neglect or willfully fail to construct, operate or maintain its Cable System or to provide service to its subscribers in substantial accordance with the terms of this Franchise Agreement or any applicable rule or regulation, or practices any fraud or deceit upon the Town or its subscribers, or fails to pay franchise fees when due, or if the Grantee becomes insolvent, as adjudged by a court of competent jurisdiction, or is unwilling to pay its uncontested debts, or is adjudged bankrupt, or seeks relief under the bankruptcy laws, then the franchise may be revoked.

16.2. In the event the Town believes that grounds for revocation exist or have existed, the Town may notify the Grantee, in writing, setting forth the facts and nature of such noncompliance. If, within thirty (30) days following such written notification, the Grantee has not furnished reasonable satisfactory evidence that corrective action has been taken or is being actively and expeditiously pursued, or that the alleged violations did not occur, or that the alleged violations, except those involving financial matters or non-construction of the system, where beyond the Grantee's control, the Town may call and give notice of a hearing, pursuant to the Notice Requirements for Matters Affecting Existing Franchises as set forth in this Agreement, to consider revocation of the franchise. If the Town, following such hearing, shall find that grounds for revocation exist, it may thereupon by ordinance duly adopted revoke this Agreement and the franchise granted hereunder.

16.3. The termination of the Grantee's rights under this Agreement shall in no way affect any other rights the Town may have under this Agreement or under any provision of law or ordinance.

17. Notice Requirements For Matters Affecting Existing Franchises

Whenever a requirement is set forth in this Agreement for a public hearing or meeting to be called concerning any matter related to the evaluation, modification, renewal, revocation or termination of the franchise issued hereunder, such hearing or meeting shall not be held unless the Town shall have first: advised the Grantee in writing, at least thirty (30) days prior to such hearing or meeting, of the time, place and general purpose of such hearing or meeting, and published a notice setting forth the time, place and general purpose of such hearing at least ten (10) days before such hearing or meeting in a newspaper of general circulation within the Town of Purcellville. Any such hearing may be adjourned from time to time without further notice other than the announcement, at the time of adjournment, of the time and place of the continued hearing and such announcement, if any, as the Town may require the Grantee to make in its cable system.

18. Transfer Of Ownership

18.1 Subject to Section 617 of the Communications Act, 47 U.S.C. § 537, no Transfer of the Franchise shall occur without the prior consent of the Town, provided that such consent shall be provided in good faith and not withheld, delayed or conditioned in a manner inconsistent with applicable law.

18.1.1 In the case of any transaction excluded under Section 18.1.2 involving the Grantee, the transferee or assignee shall, prior to consummation of any transaction, agree to be bound by the terms of this Franchise and to assume all liabilities to the Town of its predecessor under this Franchise, including, without limitation, past noncompliance, known and unknown.

18.1.2. For purposes of this Section 18, the term "Transfer of the Franchise" shall be defined herein as it is defined under Title 15.2 of the Code of Virginia, Chapter 21, Article 1.2, §15.2-2108.19, effective July 1, 2006, meaning any transaction in which (i) an ownership or other interest in the Grantee 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 Grantee is transferred; or (ii) the rights and obligations held by the Grantee under the Franchise are transferred or assigned to another person or group of persons. However, notwithstanding clauses (i) and (ii) of the preceding sentence, a transfer of the cable franchise shall not include (a) transfer of an ownership or other interest in the Grantee to the parent of the Grantee or to another affiliate of the Grantee; (b) transfer of an interest in the cable franchise granted under this article or the rights held by the Grantee under the Franchise to the parent of the Grantee or to another affiliate of the Grantee; (c) any action that is the result of a merger of the parent of the Grantee; (d) any action that is the result of a merger of another affiliate of the Grantee; or (e) a transfer in trust, by mortgage, or by assignment of any rights, title, or interest of the Grantee in the

Franchise or the Cable System used to provide Cable Services in order to secure indebtedness.

19. Books And Records And Related Documents

19.1. All books and records of the Grantee concerning the operation of its system shall be made available for inspection and audit by the Town Manager or his designee at the Grantee's local office or at a location mutually agreed to by the Town and the Grantee, provided that (i) the Grantee must make necessary arrangements for copying documents selected by the Town after the review; and (ii) the Grantee must pay all travel and additional copying expenses incurred by the Town (above those that would have been incurred had the documents been produced in the Town) in inspecting those documents or having those documents inspected by its designee. Such books and records shall be made available by Grantee within thirty (30) days after any request for such inspection or audit shall be made.

19.2. Copies of all rules, regulations, terms and conditions established by the Grantee regarding its relationship with subscribers shall be made available to the Town Manager or his designee at the office of the Town Manager within thirty (30) days after the request for inspection thereof.

19.3. Upon request, the Grantee shall timely provide to the Town copies of any and all correspondence, petitions, reports, applications and other documents of a non-routine or non-repetitive nature pertaining to the system, filed by the Grantee with any federal or state agency or received by the Grantee from any such agency.

20. Interpretation and Administration

The administration and interpretation of this Agreement shall be vested in the Town Manager of Purcellville, or his or her designee, who may interpret this Agreement on behalf of the Town. Grantee may appeal the Town Manager's administration and interpretation of this Agreement to the Town Council by filing a written appeal within thirty (30) days of receipt of written notice of a decision of the Town Manager. The Council shall render a decision upholding, reversing or modifying the Town Manager's decision within thirty (30) days of the appeal, unless the parties agree otherwise. Grantee may appeal the decision of the Council to a court of competent jurisdiction within the time required by law.

21. Notices

All notices, payments, reports or other information required by this Franchise Agreement shall be sent prepaid registered or certified mail, unless alternative means are specifically agreed to by the parties, as follows:

To the Town:

Town Manager
Town of Purcellville
130 East Main Street
Purcellville, VA 20132

To the Grantee:

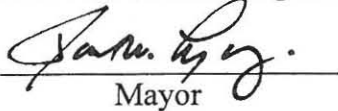
Comcast
11101 University Blvd.
Manassas, VA 20111
Attn.: General Manager

with a copy to:

Comcast Cable Communications, Inc.
11800 Tech Road
Silver Spring, Maryland 20904
Attn.: Government Affairs Department

In **WITNESS WHEREOF**, the Town, by the signatures of its duly authorized officers as set forth immediately below, causes this Agreement to be executed as of the date and year indicated below. Acceptance of this Agreement shall be indicated by signature of the Grantee's duly authorized officer or agent.

Town of Purcellville, Virginia

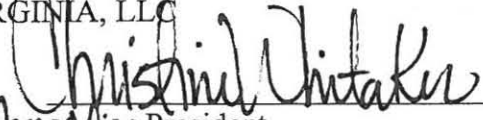
By: 
Mayor

Date: 9-7-07


ACCEPTANCE: COMCAST OF CALIFORNIA/MARYLAND/PENNSYLVANIA/VIRGINIA/WEST VIRGINIA, LLC, as evidence by the signature below of its duly authorized representative, hereby **ACCEPTS** the offered franchise to install and operate a Cable System, and certifies that it has carefully read the terms and conditions of this Franchise Agreement, and accepts unequivocally, and agrees to abide by all the terms and conditions imposed by this Franchise Agreement.

COMCAST OF CALIFORNIA/MARYLAND/PENNSYLVANIA/VIRGINIA/WEST VIRGINIA, LLC

By:


President

Attest:


Secretary

Date:

8/7/2007

EXHIBIT A

PURCELLVILLE TOWN HALL

BASHAM SIMMS WASTEWATER TREATMENT FACILITY

PURCELLVILLE POLICE DEPARTMENT (*currently not served*)

TOWN MAINTENANCE FACILITY

PURCELLVILLE LIBRARY (County of Loudoun)

LOUDOUN VALLEY HIGH SCHOOL (Loudoun County Public Schools)

EMERICK ELEMENTARY SCHOOL (Loudoun County Public Schools)

BLUE RIDGE MIDDLE SCHOOL (Loudoun County Public Schools)

PURCELLVILLE VOLUNTEER FIRE DEPARTMENT

PURCELLVILLE VOLUNTEER RESCUE SQUAD

CARVER CENTER

LOUDOUN VALLEY COMMUNITY CENTER

WESTERN LOUDOUN PUBLIC SAFETY CENTER (*currently not served*)

PURCELLVILLE TRAIN STATION, 200 N. 21ST STREET

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