
COPY

**CABLE TELEVISION FRANCHISE AGREEMENT
BETWEEN HANOVER COUNTY, VA.
AND
MEDIAONE OF VIRGINIA , INC.**

October 22, 1997

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ORDINANCE NO. 97-25

AN ORDINANCE GRANTING A FRANCHISE TO MEDIAONE OF VIRGINIA, INC., FOR THE OPERATION OF A CABLE TELEVISION SYSTEM FOR A PERIOD OF 15 YEARS, PURSUANT TO A FRANCHISE AGREEMENT, INCLUDING PROVISIONS APPLICABLE TO USE OF RIGHTS-OF-WAY, FRANCHISE FEES, CUSTOMER SERVICE STANDARDS, SYSTEM CONSTRUCTION AND EQUIPMENT AND SERVICES FOR COUNTY GOVERNMENT USE.

WHEREAS, the County is authorized by Va. Code §15.1-23.1 to grant, renew and deny Franchises for the installation, operation and maintenance of Cable Systems and otherwise regulate the provision of Cable Service in the County and the County holds certain property interests including easements and ownership of certain roads; and

WHEREAS, MediaOne of Virginia, Inc. (“MediaOne”), has been operating a Cable System pursuant to ordinance number 83-16; and

WHEREAS, MediaOne has agreed to comply with the provisions of a new regulatory Ordinance of the County entitled "Franchising and Regulation of Cable Television Systems" (the “Cable Ordinance”); and

WHEREAS, MediaOne has proposed to upgrade the existing system facilities and to provide other benefits to the County, its residents and Subscribers; and

WHEREAS, the County has undertaken an extensive review of cable television service in the County, the record of service, facilities, and the cable-related community needs of the County for both the present and future, MediaOne’s ability to carry out its commitments, and its overall financial, legal and technical qualifications to hold a Franchise; and

WHEREAS, the County has reviewed the performance of MediaOne under the previous franchise, the quality of MediaOne’s cable service, without regard to the mix or quality of that service, MediaOne’s financial, legal and technical ability to provide cable service in the County, and whether MediaOne’s upgrade proposal will fulfill the County’s future cable related needs and interests and, based on this review and the information available to it at the time, considering other relevant factors, the County has determined that renewing MediaOne’s Franchise will further the public interest.

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF SUPERVISORS OF HANOVER COUNTY, VA.:

That Ordinance No. 83-16 is repealed and that a Franchise for the operation of a Cable System in the County is granted to MediaOne of Virginia, Inc., the Grantee, subject to the Cable Ordinance and the terms and conditions set forth below ("the Franchise Agreement"):

1. Definitions.

1.1 Capitalized terms in this Franchise Agreement shall have the meanings ascribed to them herein or in Ordinance No. 97-24 entitled "Franchising and Regulation of Cable Television Systems" (the "Cable Ordinance" or "Ordinance"):

2. Grant of Authority to Operate.

2.1 The County grants to MediaOne a non-exclusive revocable Franchise for the operation of a Cable System, as defined in the Cable Ordinance. MediaOne is authorized to install, construct, maintain, repair, replace and relocate facilities and appurtenances of the Cable System within any Public Rights-of-Way and easements dedicated for compatible purposes, subject to any construction permitting requirements the County may adopt. The County reserves the right, at its discretion, to grant other franchises in accordance with the Cable Ordinance.

2.2 MediaOne accepts the Franchise, warrants that it has examined all of the provisions of the Cable Ordinance and this Franchise Agreement, and accepts and agrees to be bound by all of the provisions contained in the Cable Ordinance and this Franchise Agreement.

2.3 This Franchise shall have a term of fifteen years, beginning upon the date of execution of this Franchise Agreement by MediaOne.

2.4 The authority granted herein, subject to the terms and conditions of this Franchise Agreement and the Cable Ordinance, shall be known as the "Franchise".

3. Controlling Authorities.

3.1 This Franchise Agreement is subject to and shall be governed by the Cable Ordinance and any amendments thereto, and all other Applicable Law. In the event of conflict or ambiguity between the Cable Ordinance and any amendments thereto, and this Franchise Agreement, the Cable Ordinance and any amendments thereto shall control unless preempted by federal law or regulation.

4. Reservation of County's Rights.

4.1 The County reserves the right to adopt and incorporate by reference herein, any additional terms, conditions, or regulations as it shall find reasonably necessary in the lawful exercise of its police powers. Nothing herein shall be construed as waiving MediaOne's rights to challenge any subsequent amendment to the Cable Ordinance as contrary to any contractual or other right of MediaOne contained in this Franchise Agreement (other than this Section). In addition, no such term, provision or amendment of the Cable Ordinance shall require MediaOne to make additional

capital outlays, other than those which are provided for in this Agreement, or make a significant increase in annual expenditures. A significant increase in annual expenditures is defined as one that increases MediaOne's annual operating expenses, as last reported to the County pursuant to Section 9, by five percent (5%) or more. A capital outlay is defined as an expenditure for a tangible asset, depreciable under the provisions of the Federal Internal Revenue Code, acquired for use rather than resale, which adds value to MediaOne's Cable System extending over the then remaining life of the Franchise, except that (1) expenditures for operations, maintenance, or replacement whether minor, major or extraordinary, which are necessary or reasonably required to keep MediaOne's Cable System in normal efficient operating condition, even if such expenditures add value to the system or increase its service life, shall not be considered a capital outlay and (2) expenditures for undergrounding or relocation of any part of MediaOne's Cable System in conjunction with the undergrounding or relocation of public utility lines shall not be considered a capital outlay and MediaOne agrees that such undergrounding or relocation shall be free of expense to the County.

4.2 If the County proposes to require a significant increase in annual expenditures or an additional capital outlay, the County and MediaOne will meet and negotiate in good faith concerning any proposed modifications to the Ordinance.

4.3 MediaOne agrees that should there be any substantial change in federal law or regulations, it will meet at the request of the County and negotiate in good faith concerning any modifications to this Franchise Agreement which the County may then be authorized to request or otherwise secure. Substantial changes include, by way of example and not by way of limitation, changes which allow or address the following subjects:

- a. subscriber rate regulation
- b. municipal regulation of programming
- c. increased technical proficiency
- d. local requirement of Community Access Channels and financial support of local access and/or origination
- e. municipal acquisition of franchise systems
- f. permitted franchise fees and the revenue base
- g. franchise renewal procedures.

5. Commitments by MediaOne.

5.1 MediaOne agrees to use its good faith efforts, at its own expense, actively and diligently to conduct the prosecution of all applications to the FCC, other governmental regulatory bodies or private parties necessary to permit continuation and extension of its operations in accordance with this Franchise Agreement and the Cable Ordinance. MediaOne is not required to extend its system or construct plant within private rights-of-way for which MediaOne is unable to secure easements or other rights of access on reasonable terms and conditions after good faith, active and diligent efforts. At the County's request, MediaOne shall provide the County Administrator

with documentation to demonstrate the efforts it has made to gain such rights of access to private rights of way.

5.2 Prior to application for any waivers, exceptions, or declaratory rulings from the Federal Communications Commission or any other Federal or State regulatory agency which would materially affect the Franchise, MediaOne shall provide the County with a copy of any application and accompanying materials.

5.3 Confidential data exempt from public disclosure shall be retained in confidence by the County and its authorized agents and shall not be made available for public inspection, subject to the requirements of State law.

6. Technical Requirements.

6.1 Existing System Capacity to Continue.

Until the initial upgrade is complete and activated, MediaOne shall provide the capacity and channels that are available as of the effective date of this Franchise Agreement. Said channels shall meet the technical standards of the FCC.

6.2 System Modernization and Timetable.

On or before twenty-four months from the effective date of this Franchise, MediaOne shall have completed activation to all subscribers of the upgraded system more fully described in subsections 6.4 and 6.5 below. Completion shall be in substantial conformance with the attached timetable designated Exhibit A and MediaOne shall provide quarterly progress reports during this twenty-four month period.

6.3 System Upgrade Cost Accounting.

MediaOne agrees that it will not itemize the costs involved in upgrading the Cable System on the Subscribers' bill but may include any and all such costs as part of the rates charged to Subscribers according to applicable FCC rules.

6.4 System Upgrade to 750 MHz.

The system shall be a fully activated 750 MHz system utilizing the fiber optics to neighborhood nodes to reduce cascades to no more than six amplifiers. At initial activation, the upgraded system shall have 500 MHz of its downstream channel capacity allocated to the carriage of analog signals and 200 MHz for future digital video signal carriage that can be utilized with additions to the headend and any required changes to the Subscriber terminal equipment. The Cable System shall be designed to feed no greater than 2,000 homes per node. Construction of the upgraded Cable System shall be performed in such a manner that Subscribers shall be converted to the new Cable System as each node is activated. MediaOne may, at its discretion, reconfigure bandwidth allocation to reflect changes in technology or consumer demand.

6.5 Initial Upgrade and Activated System Capability.

6.5.1 Subscriber Network.

Upon completion of the upgrade, the Cable System shall have a capacity of at least 78 6MHz channels and be initially activated and programmed to at least 75% of capacity with 62 channels of programming. The Cable System shall be fully internally connected by fiber optic and coaxial cables so as to be contiguous on a hardwire basis within the County. The Subscriber system shall be designed for two way capability so as to permit the implementation of upstream signal carriage without requiring modifications to its design.

6.5.2 Two Way Cable Services.

The Cable System resulting from the system upgrade shall have the capability throughout the entire system to transmit video, voice and/or data services in two directions simultaneously with the addition of return modules. Two-way cable services for Subscribers shall be instituted when (i) it is consistent with Federal and State laws, and (ii) it is economically and technically feasible, provided, however, that it shall be MediaOne's burden to demonstrate to the County's satisfaction that it is not economically or technically feasible to institute such service. It is understood that existing and proposed specific upstream uses for the local Government, Educational and Community Access Channels will be continued or activated in accordance with this Agreement.

6.6 Plans and Specifications Required.

As construction or reconstruction is undertaken, including system upgrades or rebuilds, but not line extensions and related activity, MediaOne shall submit a plan at least ninety (90) days before the start of construction or reconstruction, unless such ninety (90) day time period shall be reasonably shortened by County. The plan shall include construction timetables, equipment specifications, and design performance criteria. MediaOne shall make reasonable efforts to avoid negative aesthetic impacts in its plan. Prior to acceptance of this franchise, MediaOne shall also submit to the County a map of the entire Franchise area which shall clearly delineate the following:

6.6.1 Areas within the Franchise area where the Cable System will be available to Subscribers, including a time schedule of construction or reconstruction for each year that construction or reconstruction is proposed; and

6.6.2 Areas covered by the Franchise where the Cable System cannot be extended due to lack of present or planned development, with such areas clearly marked, and the reasons for not serving them clearly stated on the map.

6.6.3 In addition, MediaOne shall supply to the County an annual plan including a map delineating the areas currently served and indicating those areas planned for Service and the time frame for providing such service through the term of the Franchise Agreement.

Such maps, using standard industry designations, shall at a minimum disclose (i) cable routes and (ii) locations and identifications of aerial and above and below ground appurtenances (such as risers, vaults, pedestals and power supplies). MediaOne need not disclose the physical locations and identifications of system components, including but not limited to cables and active and passive electronics nor the electrical values of its taps, splitters or directional couplers; however the County shall have the right to review such materials at MediaOne's office.

The County shall have the right to review and approve or disapprove such plans, to assure that they are consistent with applicable statutes, ordinances, codes, regulations, determinations and rulings governing construction within the Public Rights-of-Way of the County, including without limitation the Public Works ordinances, zoning ordinances and traffic safety standards. Where such plans and specifications are not in compliance with such statutes, ordinances, codes, regulations, determinations and rulings, MediaOne shall modify or revise such plans and specifications as to achieve such compliance. The County shall also have the right to review such plans to avoid negative aesthetic impacts. Where timely requested by the County, MediaOne shall reasonably relocate facilities within technical design constraints where such relocation will not result in major material costs. MediaOne shall comply with the requirements of applicable state and local statutes, ordinances, codes and regulations governing the location of subsurface installations, including without limitation the provisions of "Miss Utility" with respect to notification to or from a regional notification center concerning proposed excavation work. If after construction begins, the County determines that the planned placement of specific equipment by MediaOne may cause a negative aesthetic impact, then MediaOne shall make reasonable efforts to minimize such an impact within technical design constraints where such efforts will not result in major material costs.

6.7 Power Supplies.

Upon completion of the initial upgrade, MediaOne shall maintain alternative power sources (battery back-up) so that in the event of a loss of commercial power, all distribution amplifiers and fiber optic nodes may be maintained at full power for at least 2 hours beyond the time when normal power sources serving the Cable System have ceased. Standby power shall also be available for all headend, tower and headend HVAC systems and equipment for a minimum of twenty-four (24) hours. MediaOne shall maintain at least one portable generator that can be dispatched to the scene wherever a commercial power outage lasts longer than the batteries can carry the load.

6.8 Home Subscriber Terminal Equipment-Addressable, User Friendly, Pay-Per-View Capability.

Upon completion of the initial upgrade, MediaOne shall offer some form of addressable or alternative technology which is commercially available, in use by other systems and easy to use. Addressable subscriber terminal equipment shall (i) permit MediaOne to change the level of those services secured by such addressable technology promptly at the Subscriber's request and (ii) permit a Subscriber to order single events (such as first run movies, sporting events, etc.).

MediaOne may use alternative technology to secure premium services and/or the delivery of individual events from time to time over the term of MediaOne's Franchise.

6.9 Parental Control.

Upon completion of the initial upgrade, MediaOne shall provide a parental control option, trap or other device to Subscribers requesting the capability of blocking any channel or channels of video programming and its audio track from entering the Subscribers home. The device must be provided at the Subscriber's request and without charge, except as federal law may allow, provided, however, that MediaOne may require a reasonable deposit for use of any such device.

6.10 Advanced Telecommunication Services.

Upon completion of the system modernization and upgrade, the Cable System shall be designed, operated and maintained in such a manner that the Cable System could provide state-of-the-art telecommunication services and protocols which, by example, may in the future include digital video compression technology, High Definition Television (HDTV), interactive video, data and audio information services.

6.11 Signal Ingress Protection.

MediaOne shall take steps necessary to eliminate interference visible to Subscribers, which interference is caused by, among other things, signal ingress at MediaOne's headend, trunk and distribution system or other facilities from either natural sources or from equipment of licensees of the Federal Communications Commission operating in compliance with their authorizations.

6.12 MediaOne to Remove Aerial Cable Plant with Above-Grade Pedestals of Underground Plant Which Have Been Replaced.

MediaOne shall remove all of its aerial cable plant, together with above-grade pedestals containing passive devices utilized in connection with underground plant, which have been replaced by MediaOne in the course of any system rebuild, upgrade and/or modernization and are no longer required for proper operation of the Cable System, provided that MediaOne need not remove such portion of its aerial Cable System which has been overlashed with new cable and related facilities in connection with a rebuild or upgrade of its Cable System. However, MediaOne will not be required to remove, and will be permitted to abandon in place, any underground plant which has been rebuilt or replaced, provided that no portion of the abandoned plant is accessible to the public or is capable of causing a health or safety hazard, and MediaOne hereby agrees to indemnify and defend the County for any harm or damage that is caused by any such abandoned plant (except as may be due to the negligent acts or omissions of the County, its employees, contractors or agents), and that the County may require MediaOne immediately to remove underground plant which interferes with public facilities or construction. MediaOne must comply with the requirements of applicable state and local statutes, ordinances, codes and

regulations governing the location of subsurface installations, with respect to notification to or from a regional notification center concerning proposed excavation work.

6.13 Line Extension Policy.

6.13.1 Mandatory Extension Rule.

MediaOne shall be required to extend energized cable from any existing activated lines of the Cable System to any area within MediaOne's service area which includes residential property having a density of at least twenty-five (25) single family residential dwelling units or potential Subscriber units per mile, as measured in linear trench or aerial strand footage from the nearest technically feasible point on MediaOne's activated coaxial distribution system to the end of the proposed line extension. The extension of the distribution system (excluding drops) shall be completed at MediaOne's cost within ninety (90) days after the requirements of this section become operative and all necessary permits are obtained, provided that:

(1) Each such existing or planned residential unit (one for which subdivision or building permit approval has been obtained) is, located within a distance of no more than one hundred fifty (150) feet from the proposed location of such extension, or each such residential unit which is in excess of one hundred fifty (150) feet from the proposed location of such extension agrees to pay and does in fact pay the actual cost of that portion of the extension in excess of one hundred fifty (150) feet.

(2) Media One is able to secure all necessary easements or rights-of-way for the purposes of locating its system in the area of such extension, including the location of the trunk, distribution and drop cables, on reasonable terms and conditions after good faith efforts to do so.

(3) To be counted in the extension formula, each such residential unit must be in existence, or is anticipated to be constructed within six (6) months from the date of such extension, provided that MediaOne shall place conduit in open trench where it exists and where housing construction will be completed in a period estimated to be less than six (6) months, but no more than twenty-four (24) months, where the area of such extension has been platted with at least twenty-five (25) single family residential dwelling units per mile as measured in linear trench footage from the nearest technically feasible point of MediaOne's activated distribution system to the end of the proposed line extension.

(4) Such area is not served, or is not planned and reasonably expected to be served within one (1) year under existing plans and design maps available to the County, by another wire-line, multi-channel video provider, including a master antenna television system, a satellite master antenna television system, another Cable System, or an Open Video system constructed and/or operated by a common carrier providing local exchange telephone service regulated in accordance with the provisions of Title II of the Communications Act of 1934.

6.13.2 Extension into New Housing Developments.

Grantee shall use best efforts to extend Cable Service to residents of new housing developments having a density of at least 20 homes per mile as measured from the nearest technically feasible point of the MediaOne's activated distribution system to the end of the proposed line extension in the new housing development. Such construction shall occur prior to home occupancy (approximately along with telephone lines), weather and third party permits permitting.

MediaOne agrees to make best efforts to inform itself of all newly planned developments within the County and to work with developers to cooperate in pre-installation; in those newly planned developments where the necessary easements have been provided for Cable Service, MediaOne and developers will be required to cooperate to accomplish the installation in a manner that coordinates all infrastructure construction, so as to avoid damage to facilities and to avoid long waiting periods for residential occupants to receive Cable Service.

6.13.3 Multiple Dwelling Units.

A multiple dwelling unit shall be considered in establishing the minimum density required for a mandatory line extension where the owner of the multiple dwelling unit has agreed to enter into a service contract with MediaOne for the units of the complex or has otherwise requested that Cable Service be furnished directly to the owners or occupants of the units within a complex and, in either instance, the complex satisfies each of the criteria for extension set forth in this Section, including without limitation MediaOne securing all necessary easements or rights-of-way to the complex, as well as within the complex, for purposes of constructing its system. Where a Cable Service contract has been arranged consistent with the requirements of this Section and Cable Service is to be provided directly to, and all charges for Cable Service are the responsibility of the occupants or owners of individual dwelling units within multi-dwelling unit buildings or the owner of the multi-dwelling unit buildings, the units will be counted separately for purposes of mandatory line extension; where Cable Service is to be provided indirectly to occupants through bulk billing services or other discounted rates, units will be counted based on their equivalency to regular rate paying units (e.g., if MediaOne receives one-half the normal service charge for twenty (20) units in a multiple dwelling unit complex, this will be deemed to be the equivalent of ten (10) full paying units, and they will only be counted as ten (10) units for purposes of this determination).

6.13.4 Early Extension.

Except as provided in Section 6.14.1 of this agreement, MediaOne shall extend its full service outside the initial Franchise area to any location within the County boundaries upon written request by five or more applicants living within one thousand yards.

MediaOne shall be entitled to recover from the applicants requesting such service extensions the direct, total cost of that portion of the combined trunk and feeder line extension

which exceeds an average of one hundred fifty feet per subscriber, measured along the most practicable route from the nearest technically feasible point on MediaOne's system, not including the length of service drops.

6.13.5 Voluntary Extension.

Nothing in this Section shall be construed to prevent MediaOne from serving areas not covered under this Section upon agreement with developers, property owners or residents.

6.13.6 Service to Commercial, Industrial and Non-Residential Subscribers.

MediaOne shall extend service to commercial, industrial, and non-residential Subscribers as follows: Within ninety (90) days following a request for service from any potential commercial, industrial or non-residential Subscriber, MediaOne shall provide the potential Subscriber requesting service an estimate of the cost per Subscriber of supplying services to all the potential contiguous Subscribers within an area reasonably defined by MediaOne. MediaOne shall (i) provide the potential Subscriber requesting service with a written estimate of the costs of providing that Subscriber with service, along with a statement that such costs shall only apply if all (or a specified percentage) of the other potential commercial, industrial or non-residential Subscribers in the service area defined by MediaOne also request comparable service. MediaOne may require that such Subscriber or Subscribers enter into contracts which will reasonably assure adequate revenues to provide MediaOne with recovery of the full costs and expenses of constructing and operating the line extension, including a reasonable return on investment over the term of the subscriber service contract.

6.14 Service Drops.

6.14.1 MediaOne shall make service available to any Subscriber within the County upon Subscriber's request and at the standard connection charge if the connection requires no more than a one hundred fifty (150) foot aerial or underground drop, measured from the new Subscriber's residence or place of business to MediaOne's nearest activated distribution line, and includes one (1) outlet and standard materials.

6.14.2 If making service available requires more than a standard drop (such as a wall fish installation), MediaOne may, after so informing the Subscriber, charge the Subscriber (i) the standard connection charge and (ii) an amount equal to the reasonable actual labor (including wages, benefits and payroll taxes), material and other costs incurred by MediaOne for the additional facilities and work (including a reasonable allowance for overhead); in the alternative, MediaOne may charge an appropriate hourly service charge for the entire installation.

6.14.3 Standard drops shall be accomplished, no less than ninety percent (90%) of the time measured on a quarterly basis under normal operating conditions, within seven (7) business days of Subscriber's requested installation date; a non-standard drop shall be accomplished within twenty (20) calendar days of a Subscriber's request and payment in accordance with this Section 6. Underground drops, including the trenching work, shall be completed within ten (10) days of the work order. The ability of MediaOne to extend a drop within such time periods is predicated upon the assumptions that MediaOne is able to secure all necessary rights-of-way at the location

of the drop upon reasonable terms and conditions, that the schedule or preferences of the Person requesting the installation have not been responsible for delay, and that all applicable fees and charges have been timely paid. Should MediaOne or the County receive a valid complaint from any resident of the County that Cable Service was not installed for that resident within the time periods stated above, MediaOne shall complete such installations within two (2) business days after notice to MediaOne of such complaint, subject to the provisions of this paragraph, and that resident shall be charged no installation fee for such installation. Inability to meet any specific installation standard shall not be deemed noncompliance if in the aggregate MediaOne has complied with these standards ninety percent (90%) of the time measured on a quarterly basis under normal operating conditions as required by the Cable Ordinance.

6.14.4 When the extensions of the Cable System into new areas or post-wiring of multiple dwelling units is required, installation shall be completed within ninety (90) days following satisfaction of each of the conditions set out above and after third party permits have been received, unless otherwise agreed by MediaOne and the Subscriber(s).

6.15 Charges for aerial and underground drops in excess of 150 feet.

With respect to requests for connection requiring an aerial or underground drop line in excess of one hundred and fifty (150) feet from the nearest activated distribution lines, MediaOne must extend and make available Cable Service to such Subscribers at a connection fee not to exceed (i) MediaOne's standard connection fee, if any, plus the actual installation costs incurred by MediaOne for the distance exceeding one hundred fifty (150) feet, or (ii) MediaOne's hourly service charge for the entire installation as the case may be. Actual installation costs include reasonable actual labor or hourly service charges (including wages, benefits and payroll taxes) and material costs incurred by MediaOne for the additional work beyond one hundred fifty (150) feet, plus a reasonable return.

7. Services to be Provided Subscribers.

7.1 Basic Service Requirements.

Upon the completion of the system upgrade described in Section 6.2, MediaOne agrees to provide to Subscribers a continuous updated schedule of programming indicating the channel number, specific program description and the time of day the program can be seen.

7.2 Changes in Service.

Unless waived by the County Administrator, MediaOne agrees to give the County Administrator and Subscribers at least thirty (30) days prior written notice of additions and deletions of programming, if the changes are within the control of MediaOne.

7.3 Billing Practices, Information and Procedures.

MediaOne shall provide to all Subscribers at time of installation complete information pertaining to billing and collection procedures, procedures for ordering changes in or termination of services, refund and credit policies. Billing Procedures shall be as follows:

(1) MediaOne shall 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 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 date of billing.

(2) MediaOne shall provide all Subscribers with an itemized monthly bill that contains, at a minimum, the following information:

- a. A list of each service or package received for that billing period showing individual charges for the "Basic Service" tier, any optional upper tiers, pay per view usage, each pay TV channel, and each remote control or other devices)
- b. The period of time over which the services are billed;
- c. The total charges due for the monthly period, separate from any previous balance due;
- d. A specific date by which payment is required; and
- e. Information on complaint procedures that are available to Subscribers.
- f. A Subscriber's first billing statement after a new installation or service change shall be prorated as appropriate and shall reflect any security deposit.

7.4 Disconnection and Termination of Cable Services.

7.4.1 Subscriber termination of Cable Service.

A Subscriber may terminate Cable Service at any time without penalty, unless a Subscriber has previously agreed to a specific minimum term of subscription in consideration for a special promotional offer.

7.4.2 MediaOne disconnection of Subscriber Cable Service.

MediaOne shall only disconnect or terminate a Subscriber's cable for good and just cause, or upon request of the Subscriber. In no event shall MediaOne disconnect said Cable Service for nonpayment without the prior written notification to the affected Subscriber at least ten (10) business days prior to such disconnection or termination. In no event shall such disconnection or

termination for nonpayment occur in less than 30 days after a Subscriber's failure to pay a bill due. Such notice shall state the date by which disconnection may occur. Where MediaOne has improperly discontinued Cable System service to any such Subscriber, MediaOne shall provide free reconnection to the Cable System to such Subscriber, within twenty-four (24) hours of being notified by Subscriber.

7.5 Subscriber Surveys as to Programming Interests and Quality of MediaOne's Services and Operations.

At least once every three years MediaOne, at its expense, shall survey the Subscribers to evaluate MediaOne's performance and seek Subscriber programming preferences. Each survey shall be performed by professionally qualified survey specialists that are independent from MediaOne. MediaOne will provide to the County Administrator a copy of the survey form.

7.6 Information Requirements to Subscribers.

All information required by the Cable Ordinance and this Agreement to be sent to Subscribers shall be provided to all system Subscribers, including all households or individual units that may receive Cable Service through bulk billing arrangements, where individual addresses are available.

7.7 Automatic Termination of Limited-Term Premium Channel Offerings.

MediaOne shall automatically terminate the Subscriber's reception of any no-cost or discounted limited-term premium channel offering at the end of the established promotional period, unless the Subscriber has asked to retain and pay for said service.

7.8 Community Access and Local Origination Programming by MediaOne.

In delivering community programming, MediaOne shall maintain at least the level of facilities, equipment and support as is presently devoted to community access programming and local origination programming. The studio shall contain adequate facilities and equipment for the local production and presentation of cablecast programs. The studio and its facilities shall be available, without charge, for all community access programming, other than leased access, along with the services of technical and production staff to be provided by MediaOne. MediaOne shall not enter into any contract, arrangement, or lease use of its cablecast equipment which prevents or inhibits the use of such studio or facilities for a substantial portion of time for access purposes. MediaOne shall also provide fully equipped portable color production equipment which shall be available, upon request, for access cablecasting purposes within the County for a minimum of five (5) hours per week between the hours of 9 a.m. and 11 p.m.

8. Equipment and Services to County Government and Educational Institutions.

8.1 Cable Service to Public Buildings and Other Locations.

Within the Serviceable Area, no later than twenty-four (24) months from the date of execution of this Agreement, MediaOne shall provide one cable service outlet for each fire station, public and private school (defined as a school with grades 1-12, serving at least one hundred students), law enforcement facility, public library and such buildings used for governmental purposes as may be designated by the County during the term of this Agreement. Basic Service Tier and Cable Programming Service Tier, as defined by federal regulations, and any necessary terminal equipment, shall be provided free of charge to all those buildings designated. If it is necessary to extend Media One's trunk, feeder or drop lines more than two hundred fifty (250) feet solely to provide service to any such public school or public building, the County shall have the option of either paying MediaOne's direct costs for such extension in excess of two hundred fifty (250) feet or releasing MediaOne from the obligation to provide service to the building. MediaOne shall be permitted to recover, from any public or private building owner entitled to free service, the direct costs of installing, when requested to do so, more than one outlet, or concealed inside wiring.

Since the Hanover Public School District includes the Town of Ashland, MediaOne agrees to feed the County's Educational Access Channel to Ashland.

8.2 Access Channel Allocations.

No later than twenty-four months from the date of execution of this Agreement, four channels on the downstream subscriber network of the Cable System shall be permanently and exclusively allocated to Hanover County for non-commercial government, educational or library access uses and a separate channel shall be provided exclusively for non-commercial community access use on an area-wide basis. The carriage content of all Access Channels shall be available to all Subscribers at that time.

Channel number assignments for the Access Channels shall not be changed by MediaOne without the prior written approval of the County Administrator, unless those changes are made on an area wide basis also affecting neighboring MediaOne franchises. In the event such changes are approved, MediaOne shall bear all of the reasonable costs incurred by the County resulting from the changes, including, but not limited to, technical costs, logo modifications, stationery, promotion and advertising.

An additional Access Channel shall be made available to user agencies promptly upon the County Administrator's request whenever utilization of the existing channel is at least six hours per day, seven days per week of non-repetitive programming over a continuous period of six weeks.

The Cable System shall allow government and educational access programming to originate from the County Courthouse Complex, the School Board building and another site to be designated by the County Administrator and located within the serviceable area.

8.2.1 Underutilized Access Channels to be Used by Others Under Rules Established by The County.

Whenever any Access Channel is utilized less than four (4) consecutive hours per day for six (6) days per week for a continuous period of not less than six (6) consecutive weeks, the County may permit different or additional “interim” uses for said channel. MediaOne may be permitted to utilize unused Access Channel capacity under conditions, rules and procedures established by the County.

8.2.2 MediaOne Shall Assure High Technical Quality of Access Channels.

All Access Channels shall include the Vertical Blanking Intervals, all other video components, and all aural components, including sub carriers, and with the exception of Leased Access Channels, shall be transmitted to the Subscribers on the Basic Service Tier. The technical quality of all Access Channels, apart from the technical quality of the programming supplied to MediaOne, shall be at least equal to the same technical quality as the channels used by MediaOne to transmit other commercial television broadcast stations and satellite channels. MediaOne shall insure that there is no material degradation in the Access Channel signals that are received by MediaOne for distribution by MediaOne over the Cable System.

8.2.3 The County has the Right to Exchange Channels

8.2.4 With six months prior notice by the County Administrator to MediaOne, the County may exchange one analog Government Access Channel for two digitally compressed channels and/or one analog Educational Access Channel for two digitally compressed channels upon satisfaction of the following conditions:

- (1) MediaOne provides digitally compressed channels which offer at least as many services as are available by analog channels on the system;
- (2) Digital decompression terminal devices are installed in the homes of at least 50% of MediaOne’s Subscribers, and are used to receive MediaOne’s services.

As used in this section, a “digitally compressed channel” shall mean a data stream capable of delivering video programming on a basis comparable to the delivery of other digitally compressed video programming.

Analog and digitally compressed Government Access Channels and Educational Access Channels which have been activated under the terms of this Franchise may be exchanged, on a one-to-one basis for each other upon approval by the County Administrator.

8.3 County Institutional Network.

No later than twenty-four months from the date of execution of this Agreement, MediaOne shall build and provide a 6-fiber single-mode fiber network (the "I-Net") for exclusive use of the County and its governmental designees for all lawful governmental, non-revenue generating purposes, which shall interconnect all buildings specified in Exhibit B. The route of the I-Net shall substantially conform to that depicted on a map titled "Hanover County I-Net" filed in the County Administrator's office on the date of execution of this Agreement.

The County shall provide at its cost any necessary termination equipment used at each building in the network. During the term of this Franchise Agreement, MediaOne shall maintain the fiber network up to the point of demarcation (defined as the point within each building where the wire is terminated by MediaOne), but shall not be responsible for maintenance beyond the point of demarcation. MediaOne shall provide 4-hour response time after notification of an outage to begin repair of the outside network, except that response time to any sites within the Courthouse Complex and a two mile radius of the Courthouse Complex shall be 3 hours. At the request of the County, MediaOne may provide assistance for problems arising on the County's side of the demarcation. The County shall pay the direct cost to MediaOne for such assistance.

The County and MediaOne acknowledge the difficulty of separating ownership and the responsibility for maintaining strands of fiber within a single sheath, as well as the County's need for continued, uninterrupted use of the I-Net fibers after the Franchise expires or is terminated. It is agreed that at the expiration of this Agreement or at the termination of the Agreement for any reason, the County shall own the I-Net fibers and shall have all rights necessary for continued use and maintenance of the I-Net. MediaOne or its successor in interest shall continue to maintain the I-Net so long as the other fibers in the sheath are used as part of the Cable System and the County shall pay for the direct allocated cost of maintenance. If after the expiration or termination of this Agreement the other fibers are not used as part of the Cable System, MediaOne shall not be responsible for maintenance and the County shall have all rights necessary for continued operation and maintenance. The parties may, by further written agreement, amend the provisions of this subparagraph.

8.4 Institutional Network Extensions and Connections.

MediaOne shall give the County notice of and plans for proposed extensions of fiber optic lines and within forty-five (45) days of receipt of notice the County shall give notice to MediaOne of the County's request for six strands of dedicated fiber. Upon such request, a minimum of six fiber strands shall be allocated and provided by MediaOne for exclusive use by the County and its government designees for all lawful governmental, non-revenue generating purposes. The I-Net shall be terminated by MediaOne at the demarcation point designated by the County Administrator in the notice and connected on a point to point basis as determined by the County Administrator. At the request of the County Administrator, the County may, at any time

during the term of this Agreement, connect additional sites to the I-Net. The County shall pay to MediaOne the marginal direct cost associated with providing these strands and/or connections.

MediaOne agrees to maintain these facilities in accordance with this Agreement.

8.5 Equipment and Service Provided.

No later than twenty-four months from the date of execution of this Agreement, MediaOne shall provide and install the following equipment:

1. One character generator at the School Board offices to be used on the Educational Access Channel;
2. One character generator at the Emergency Operations Center to be used for the Government Access Channel.;
3. Upon request, another character generator, with the use and location to be determined by the County Administrator.
4. A remote keyboard for each character generator.

MediaOne shall provide cable-based, high-speed Internet access to buildings on the County's wide area network through a single point of presence with a total capacity of up to 3mbps. This service shall be made available within one year of the time MediaOne makes the service commercially available within the franchise area. This service shall be provided free of charge for a minimum of one year or until December 31, 2000, whichever period is longer.

8.6 Additional Support Specific to the Public Schools.

MediaOne shall use best efforts to support the "Cable in the Classroom" effort in all Hanover County public schools, including encouraging PrimeStar (or its successor) to provide a free package of programming suitable for educational purposes to South Anna Elementary, Beaverdam Elementary, and to any other public schools which do not have Cable Service. Should a free package of educationally oriented programming not be available to these schools from MediaOne, Prime Star (or its successor) or from another satellite or wire-line provider, MediaOne shall, at the request of the County Administrator, make available a grant of up to \$40 per month, per school, to be used to pay for programming for those schools.

8.7 Emergency Alert.

MediaOne shall comply with applicable federal and State regulations regarding emergency override of audio and video signals for the purposes of making public announcements during time of emergency.

9. Reports and Correspondence.

During the term of a Franchise, MediaOne shall file annually with the County Administrator not later than 120 days after the end of its fiscal year and, if the Franchise is terminated or expires prior to the end of MediaOne's fiscal year, 120 days after such termination or expiration, two (2) copies of the reports required by this Section for the preceding twelve months.

9.1 Annual Financial Report

Financial data prepared in accordance with generally accepted accounting principles including detailed income and expense statements, a balance sheet and cash flow statement for the company operating the Cable System including notes to the financial statements, if any, and an annual summary of Franchise Fee information as required in Subsection 10.1 below. All financial reports shall provide data for the most recent fiscal year along with comparative data for the prior fiscal year.

9.2 Annual Operating Report

A current copy of the following subscriber information:

- (1) Number of subscribers;
- (2) Number of cable plant miles under construction and completed;
- (3) Gross revenues attributable to the operations of the Cable System within the County;
- (4) Summary of system outages and "down time";
- (5) Products and services offered;
- (6) Prices and options for programming services and conditions of subscription to programming and other services;
- (7) Installation and service maintenance policies;
- (8) Instructions on how to use the cable service;
- (9) Channel positions programming carried on the system; and,
- (10) Billing and complaint procedures.

MediaOne agrees to make the semi-annual FCC test results available for County Administrator review.

9.3 Annual Customer Service Report

- (1) Number of repair service requests received in the previous year.
- (2) Breakdown by type of service request received (ex. "complete outage" or "snowy picture" etc.)
- (3) Breakdown by service problem, if it can be determined (ex. Subscriber equipment or "drop/converter" or "system" etc.)
- (4) Breakdown by time of response or resolution (e.g. "within 24 hours" or "same day" etc.)
- (5) Average hold time for Subscriber service telephone calls that were received in the previous year.
- (6) Percentage of telephone calls that were answered within 30 seconds during the previous year.
- (7) Percentage of calls received within the previous year which were abandoned before being answered by a live operator.
- (8) Percentage of time when all incoming trunk lines were in a busy condition.

Reports shall be based on a twelve month operational period as established by MediaOne. MediaOne shall provide data for the most recent reporting year along with comparative data for the corresponding period in the prior two reporting years, with the exception that some comparative data not available for 1996 and 1995 shall not be provided.

9.4 Current Map Service Area

A dated, accurate and legible map of the Cable System installed including changes made during the year. Detailed as-built maps shall be made available for inspection by the County at the MediaOne office.

9.5 Annual Ownership Report

A current list of all MediaOne officers, the business addresses and phone numbers of the cable television system resident manager and engineer, and a list of its shareholders holding ten (10) percent or more of the outstanding stock or equivalent ownership interest.

9.6 Certification

These reports shall be certified as being correct by a responsible officer of the company and there shall be submitted along with them such other reasonable information as the County Administrator shall request.

10. Franchise Fees and Reports.

10.1. Each year during the Franchise term, MediaOne shall pay to the County, on a quarterly basis, a Franchise fee equal to five percent (5%) of Gross Revenues, except that:

- (a) the Franchise fee on Internet service revenue shall not be assessed for a twenty four (24) month period following the commercial availability of such service in the County, and
- (b) the Franchise fee assessed on all other services shall remain 3% until such time as MediaOne changes rates in coordination with the activation of the 750 MHz Cable System and after proper Subscriber notification. In no event shall the collection of the higher fee begin later than two months after complete activation of the 750 MHz Cable System.

Such payments shall be made no later than thirty (30) days following the end of each calendar quarter.

10.2. The parties agree that any cost to MediaOne associated with providing any support for Community, Education and Government Access use required under this Agreement (including the provision of the I-Net and support therefor) and payments made outside this Agreement, if any, are not part of the Franchise fee.

10.3. If the limitation on the amount of Franchise fees permitted by federal law is raised or removed, the County may in its sole discretion, increase the amount of the Franchise fee up to the maximum amount permitted under state and federal law at any time. However, the County shall provide MediaOne with sixty (60) days advance notice of such an increase. If no maximum amount is specified under law, the County and MediaOne may amend MediaOne's Franchise Agreement to specify the amount MediaOne will pay, or, if the parties cannot agree, the County may increase the fee up to an amount not to exceed the highest fee charged on any franchise in Virginia. If the fee is increased, MediaOne shall begin paying the increased fee from the effective date of the amendment to the Franchise Agreement.

10.4. Each Franchise fee payment shall be submitted with supporting detail and a statement certified by a responsible officer of the Company reflecting the total amount of quarterly Gross Revenues for the payment period. The County shall have the right to require further supporting information and to review details of Gross Revenues by each major revenue category (such as basic service, cable programming service, premium service, etc.) at MediaOne's offices.

11. Insurance

MediaOne shall maintain at all times general liability insurance as required in Section 5 of the Cable Ordinance and shall file with the County Administrator's office Certificates of Insurance evidencing the required coverage. The insurance shall include contractual liability insurance applicable to MediaOne's obligation under Section 15 (Defense and Indemnification)

below, and a mandatory thirty (30) day notice of cancellation clause for the benefit of the County.

MediaOne also shall maintain at all times the capability to pay any amount which may be deducted from insurance claim payments pursuant to the terms of MediaOne's insurance policy.

12. Letter of Credit.

Within thirty days after the effective date of this Agreement, MediaOne shall provide the County with an irrevocable letter of credit subject to automatic renewal from year to year, in the amount of fifty thousand dollars (\$50,000) in a form approved by the County, assuring performance by MediaOne of the requirements of the Franchise Agreement and the Cable Ordinance, issued by a financial institution approved by the County.

The letter of credit shall be maintained throughout the term of the Franchise Agreement. If the amount available to the County is reduced by payment to the County, a substitute letter of credit shall be provided, or other arrangement made to maintain the availability of the full face amount of the letter of credit.

13. Customer Service Requirements Standards.

MediaOne shall meet or exceed the customer service standards set forth in the Cable Ordinance and Applicable Law, as the same may be amended from time to time.

14. Rates.

MediaOne acknowledges that, subject to the provisions of Applicable Law, the County may regulate MediaOne's rates for Cable Service. MediaOne shall maintain a copy of its current rate schedule on file with the County as required by Section 11 of the Cable Ordinance and shall notify the County Administrator, the Board of Supervisors and each of MediaOne's Subscribers of rate changes at least thirty (30) days before the effective date.

15. Defense and Indemnification.

It is expressly understood and agreed that MediaOne shall defend, indemnify and save harmless the County, its officers, boards, commissions, agents and employees to the extent provided in Section 5 of the Cable Ordinance.

16. Performance Bond.

MediaOne shall furnish and maintain during the term of the Franchise Agreement a performance bond in the amount of \$250,000 (two hundred and fifty thousand dollars) in the form required in Section 5 of the Cable Ordinance, securing performance by MediaOne of all requirements of the Cable Ordinance and the Franchise Agreement relating to construction. On application of MediaOne for a reduction in the amount of the bond, and demonstration by

MediaOne that the value of pending or planned construction is an amount less than the face value of the bond, the County may authorize a reduction.

17. Liquidated Damages.

17.1 In addition to any other remedies provided herein, liquidated damages for violations of this Franchise Agreement are set forth below with the limitation that in no instance shall liquidated damages be imposed for the failure to pay a monetary amount. By accepting this Franchise, MediaOne agrees that the following conditions will cause damages to the County which would require compensation to the County, and that the following monetary amounts are fair and reasonable and have been established because it is difficult to ascertain the exact amount of the damages due to their unique nature and other factors. Liquidated damages shall accrue upon the expiration of applicable notice and cure periods or upon resolution of disputed violations pursuant to Section 14 of the Cable Ordinance. As a result of the following acts or omissions by MediaOne pursuant to the Franchise, the County may charge to and collect from available security, or MediaOne, the following liquidated damages:

1. For failure to complete system construction or reconstruction in accordance with this Franchise Agreement, MediaOne shall pay five hundred dollars (\$500.00) per day for each day, or part thereof, the delinquency continues;
2. For failure to provide, upon written request, data, documents, reports or information, MediaOne shall pay fifty dollars (\$50.00) per day for each day, or part thereof, that each violation occurs or continues;
3. For failure to test, analyze and report on the performance of the system as required, MediaOne shall pay one hundred dollars (\$100.00) per day for each day, or part thereof, that such noncompliance continues;
4. For failure to provide in a continuing manner the required services, Access Channels and other governmental and educational support services, MediaOne shall pay five hundred dollars (\$500.00) per day for each day, or part thereof, that each noncompliance continues;
5. For failure of MediaOne to comply with operation, maintenance or technical standards, MediaOne shall pay five hundred dollars (\$500.00) per day for each day, or part thereof, that such noncompliance continues;
6. For breach of any consumer service standard, MediaOne shall pay one hundred dollars (\$100.00) per day for each day or part thereof, that such noncompliance continues. A breach shall be interpreted to mean that the County has evidence of repetitive failure to comply with the service standards;
7. For failure to maintain insurance, bonds or Letters of Credit required by the County, MediaOne shall pay three hundred (\$300.00) per day for each day or part thereof, that such noncompliance continues;

8. For failure to comply with any material provision of this Franchise Agreement for which an amount of liquidated damages is not otherwise specifically provided, liquidated damages shall be three hundred dollars (\$300.00) per day for each day or part thereof.

17.2 If the County Administrator concludes that MediaOne is in fact liable for liquidated damages pursuant to this Section, the applicable procedures established in Sections 13 and 14 of the Cable Ordinance shall be followed.

18. Revocation.

In addition to all other rights which the County has pursuant to law or equity, the County reserves the right to revoke, terminate or cancel this Franchise, subject to the terms of the Cable Ordinance.

19. Continuity of Service Mandatory.

19.1 It shall be the right of all Subscribers to continue receiving service insofar as their financial and other obligations to MediaOne are honored. In the event that MediaOne elects to overbuild, rebuild, modify, or sell the system, or the County gives notice of intent to terminate or fails to renew this Franchise, MediaOne shall act so as to insure that all Subscribers receive continuous, uninterrupted service regardless of the circumstances.

At the County's request, MediaOne shall operate its Cable System for a temporary period (the "transition period"), following the revocation or termination of its Franchise or any transfer as necessary to maintain service to Subscribers, and shall cooperate with the County to assure an orderly transition from MediaOne to another Grantee. The transition period shall be no longer than the reasonable period required to select another Grantee and to build a replacement Cable System, if necessary, and shall not be longer than thirty six (36) months, unless extended by the County for good cause. During the transition period MediaOne shall continue to be obligated to comply with the terms and conditions of the Cable Ordinance, this Franchise Agreement, and all Applicable Law.

19.2 In the event MediaOne fails to operate the system for four (4) consecutive days without prior approval of the County or without just cause, the County may, at its option, operate the system or designate an operator until such time as MediaOne restores service under conditions acceptable to the County or a permanent operator is selected. If the County operates the Cable System in accordance with this section, MediaOne shall reimburse the County for all costs, expenditures and damages incurred by the County that are the result of MediaOne's failure to perform.

20. Purchase of Cable System by the County.

At the expiration of this Franchise Agreement, the County may in lawful manner and upon payment of Fair Market Value, determined on the basis of the System as valued as a going concern exclusive of any value attributable to the Franchise itself, lawfully obtain, purchase, condemn, acquire, take over and hold the System.

Upon the revocation of this Franchise, the County may in lawful manner and upon the payment of an equitable price lawfully obtain, purchase, condemn, acquire, take over and hold the System.

21. Performance Evaluation Sessions.

21.1 The County and MediaOne shall hold scheduled performance evaluation sessions once every three years during the term of the Franchise, if requested by the County.

21.2 Ninety days prior to each performance evaluation session, a written report shall be prepared, in reasonable detail, covering the significant events related to MediaOne's performance or nonperformance of the terms and conditions of its Franchise Agreement and the Cable Ordinance during the period from the submission of the last report. Such reports shall be prepared by MediaOne, unless an independent third party is required by the County. Such reports shall cover significant topics which may include, but are not limited to the following:

1. compliance with, and any modification necessary with respect to, the financial commitments required under the Franchise Agreement including a detailed franchise fee audit for one of the three years selected by the County;
2. compliance with requirements regarding system characteristics and technical performance and testing requirements;
3. compliance with construction terms, standards, and schedules;
4. a description of changes or intended changes to programming in the broad categories of video programming or other services on the system. Nothing in this paragraph, however, shall imply the County or other regulatory authority has the power of censorship over the content of programming on MediaOne's channels;
5. the status of State-of-the-Art communications technologies;
6. compliance with, and any modification necessary with respect to MediaOne's privacy protection policies;
7. a summary of all service interruptions;
8. a summary of all significant and representative Subscriber and user complaints and the action taken by MediaOne in response thereto;
9. a summary of relevant legal and regulatory developments; and
10. other matters which the County or MediaOne may find significant.

21.3 Within sixty (60) days after receipt of MediaOne's report, the County may request additional reasonable and appropriate information on specific topics which MediaOne shall

supply the County within sixty (60) days of such request. The County may review MediaOne's performance to determine whether MediaOne has complied with the terms and conditions of the Franchise Agreement and shall, following completion of any such review, keep MediaOne's report on file. Nothing in this Section shall affect the County's remedies provided elsewhere in the Ordinance and this Agreement.

21.4 Special evaluation sessions on specific issues may be held at any time during the term of this Franchise at the request of the County or MediaOne.

21.5 Topics which may be discussed at any scheduled or special evaluation session may include, but not be limited to: service rate structures; Franchise fees; liquidated damages; free or discounted services; application of new technologies; system performance; services provided; Access Channels; programming offered; Subscriber complaints; privacy; judicial and FCC rulings; line extension policies; and MediaOne, or County rules.

21.6 Within sixty (60) days after the conclusion of any evaluation proceeding, the County may prepare a report with respect to the adequacy of system performance and quality of service. If inadequacies are found which result in the apparent violation of any of the material provisions of the Cable Ordinance or this Franchise Agreement, MediaOne shall have a minimum of thirty (30) days to respond and propose a plan for implementing any improvement or correction.

22. New Developments.

MediaOne shall periodically upgrade its facilities, equipment, and service so that its system is as advanced as required by the Ordinance.

23. Failure of the County to Enforce a Franchise, No Waiver of the Terms Thereof.

MediaOne shall not be excused from complying with any of the terms and conditions of this Franchise Agreement or the provisions of the Cable Ordinance by any failure or delay of the County upon any one or more occasions to insist upon or to seek compliance with any such terms or conditions.

24. Interpretation and Administration.

MediaOne agrees that all interpretations and decisions regarding administration of the Agreement and Ordinance shall be made by the County Administrator and shall be final unless a written appeal to the Board of Supervisors is filed by MediaOne within thirty days of the date of the decision of the County Administrator. The Board of Supervisors shall render a decision within thirty (30) days of the appeal, unless the parties agree otherwise.

25. Representations and Warranties.

25.1 MediaOne evidences its acceptance of this Franchise and of the terms and conditions of this Franchise Agreement, and warrants and represents the following, all by the execution of this Franchise Agreement by the authorized, responsible officer of MediaOne:

1. MediaOne is qualified to do business in Virginia.;

2. MediaOne and its signatory have the requisite power and authority under applicable law and MediaOne's organizational documents, are authorized by resolutions of its Board of Directors or other governing body, and have secured all consents which are required to be obtained as of the effective date of this Agreement, to enter into and legally bind MediaOne to this Agreement and to take all actions necessary to perform all of the obligations pursuant to this Agreement;
3. MediaOne guarantees that it is financially able to perform all commitments made in this Agreement and agrees to provide financial statements evidencing this ability.
4. MediaOne upon accepting this Franchise, does so relying upon its own investigation and understanding of the power and authority of the County to grant the Franchise;
5. MediaOne has carefully read the terms and conditions of this Franchise and the Cable Ordinance and is willing to and does accept all of the risks of the meaning of such terms and conditions;
6. To the best of its knowledge, there is no action or proceeding pending or threatened against MediaOne which adversely affects its performance under this Agreement;
7. The execution of, and performance pursuant to, this Agreement by MediaOne will not result in the breach of any agreements or other obligations applicable to MediaOne, of any federal, state or local laws or regulations, or of any administrative or judicial orders applicable to MediaOne;
8. None of the officers, directors, general partners, or managers of MediaOne has any ownership interests that would be in violation of Section 613 of the Communications Act of 1934, 47 U.S.C. 533, and amendments thereto; and
9. MediaOne enters into this Franchise Agreement willingly and without coercion, undue influence, or duress, has not misrepresented or omitted material facts, and represents and warrants that, so long as it operates the Cable System, it will be bound by the terms and conditions of this Agreement and the Cable Ordinance.
10. The performance of all terms and conditions of this Agreement and the Cable Ordinance is commercially practical at the time of the signing of the Agreement.

25.2 MediaOne by acceptance of this Franchise Agreement acknowledges that it has not been induced to enter into this Franchise Agreement by any understanding or promise or other statement whether oral or written by or on behalf of the County or by any other Person concerning any term or condition of this Franchise Agreement not expressed herein or in the Cable Ordinance.

25.3 The rights and remedies of the parties pursuant to this Agreement are cumulative, except as otherwise provided in this Agreement, and shall be in addition to and not in derogation of any other rights or remedies which the parties may have with respect to the subject matter of this Agreement. A waiver of any right or remedy by a party at one time shall not affect the exercise of said right or remedy or any other right or other remedy by such party at any other time.

25.4 In the event that, after the effective date of this Agreement, any court, agency, commission, legislative body, or other authority of competent jurisdiction; (i) declares this Agreement invalid, in whole or in part, or (ii) requires MediaOne either to: (a) perform any act which is inconsistent with any provision of this Agreement or (b) cease performing any act required by any provision of this Agreement, the County shall reasonably determine whether said declaration or requirement has a material and adverse effect on the Agreement. When MediaOne intends to exercise its rights pursuant to such declaration, MediaOne shall so notify the County of said declaration or requirement. If the County determines that said declaration or requirement does have a material and adverse effect on the Agreement, MediaOne shall then enter into good faith negotiations with the County to amend this Agreement to eliminate any inconsistency or conflict between said declaration or requirement and the provisions of this Agreement and to meet the original intent of the parties as the circumstances warrant and unless prohibited by law.

26. Miscellaneous Provisions.

26.1 Filing Requirements.

When not otherwise prescribed, all matters required to be filed with the County shall be filed with the County Administrator.

26.2 Requirements Pertaining to Parties Giving Notice.

All notices given pursuant to this Franchise Agreement shall be in writing and sent by certified mail or other receipted delivery, as follows:

| | |
|-------------------------------|--|
| Grantee: | MediaOne of Virginia, Inc. |
| Title of Responsible Officer: | Vice President |
| Address: | 5401 Staples Mill Road Richmond, Virginia 23228 |
| County: | Hanover County Administrator 7497 County Complex Road PO Box 470 Hanover, Virginia 23069-0470 |

26.3 Headings to Facilitate Reference Only.

The headings contained in the Cable Ordinance and this Agreement are to facilitate reference only, and do not form a part of the Ordinance or this Agreement, and shall not in any way affect the construction or interpretation hereof.

27. Force Majeure.

With respect to any provisions of this Franchise Agreement, the violation or noncompliance with which could result in the imposition of a financial penalty, forfeiture or other sanction upon MediaOne, such violation or noncompliance shall be excused where such violation or noncompliance is the result of Acts of God, war, civil disturbance, strike or other labor unrest, or similar events, the occurrence of which was not reasonably foreseeable by MediaOne and is beyond its reasonable control.

28. Time is of the Essence.

Time shall be deemed of the essence and any failure of MediaOne to perform within the time allotted, or within a reasonable time if a period is not specified, shall always be sufficient grounds for the County to invoke liquidated damages or revocation of this Franchise.

29. Acceptance and Effective Date of Franchise.

29.1 This Franchise shall not become effective unless and until all requirements of this Section are met. All of such requirements are declared to be conditions precedent to the effectiveness of the Franchise. In the event any of such requirements are not met in the time and manner required, or waived by the County, this Franchise shall be null and void.

29.2 MediaOne shall immediately upon execution of this Agreement file with the County Administrator the Letter of Credit, performance bond and certificates of insurance.

30. Entire Agreement.

This Agreement (and all Exhibits) contains the entire understanding and all representations, warranties, covenants, or undertakings of the parties with respect to the Agreement. There are no oral agreements between the parties affecting this Agreement. This Agreement supersedes all previous negotiations, discussions and understandings between the parties with respect to the Agreement and supersedes the franchise granted to Continental Cablevision of Virginia, Inc., predecessor to MediaOne, Inc., by Ordinance number 83-16 adopted by the Board of Supervisors on May 25, 1983.

31. MediaOne Agrees to Pay Costs Incurred in Awarding This Franchise.

31.1 Prior to execution of this Agreement, MediaOne shall have paid to the County, the sum certified by the County Administrator as representing MediaOne's contribution to the actual and reasonable costs incurred by the County in connection with the awarding of this Franchise

including, but not limited to, all costs for legal services, outside consultants and publication costs. MediaOne agrees that its contribution pursuant to this Section shall not be deemed to be part of its Franchise fee obligations to the County.

31.2 MediaOne also agrees to pay to the County an amount equal to the ordinary and reasonable costs which the County may incur in connection with any future transfer, renewal, or re-negotiation of this Agreement required by law or initiated by MediaOne, or any other modification of this Agreement initiated by MediaOne, at such time and in such manner as MediaOne and the County shall mutually determine. Any such payment by MediaOne shall be within the exclusion of the Franchise Fee as defined in Section 622(g)(2)(D) of the Communications Act of 1934 as amended and shall not be deemed to be part of the Franchise Fee obligations of MediaOne.

32. Severability.

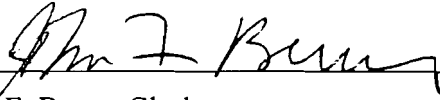
If any Section or provision of this Franchise Agreement or any ordinance, law, or document incorporated herein by reference is held by a Court of competent jurisdiction to be invalid, unconstitutional or unenforceable, such holding shall be confined in its operation to the Section or provision directly involved in the controversy in which such holding shall have been rendered and shall not in any way affect the validity of any other Section or provision hereof, except that the parties shall in good faith re-negotiate that Section or provision. Both the County and MediaOne agree to be bound by all terms and conditions of this Franchise except as may be finally determined to be unenforceable by a Court of competent and appropriate jurisdiction. The Commonwealth of Virginia shall be the proper venue for any legal actions arising out of this Franchise Agreement.

33. Miscellaneous.

- This Agreement may be executed in counterparts, each of which shall be deemed an original.
- This Ordinance and Franchise Agreement shall be effective upon the date of execution of the Franchise Agreement by MediaOne.


Public Hearing: October 22, 1997

Adopted: October 22, 1997



John F. Berry, Clerk
Hanover County Board of Supervisors

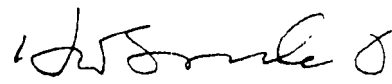
APPROVED AS TO FORM:



A. Lisa Barker
Senior Assistant County Attorney

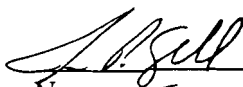
ACCEPTED AND AGREED TO:

MEDIAONE OF VIRGINIA, INC.

By: 

Name: H. W. Goodall, III
Title: Senior Vice President
Date: NOVEMBER 16 1997

Attest:



Name: JAMES P. CAMPBELL
Title: ASSOCIATE REGIONAL COUNSELLOR

Exhibit A

Hanover Modernization Timetable

Phase I:

East of Route 301, north of I-295, and west of New Kent County line.

Activation Date: February 28, 1998.

Phase II:

East of Route 301, south of I-295, and west of Route 615,

Activation Date: April 30, 1998.

Phase III:

East of I-95, north of I-295, and west of Route 301.

Activation Date: June 30, 1998.

Phase IV:

West of I-95, north of Hanover/Henrico County border.

Activation Date: September 30, 1998.

EXHIBIT B

HANOVER I-NET BUILDINGS

Buildings with Fiber and Laterals

Wickham Building
Wickham Annex
Vaughan-Bradley Building
Public Utilities Building
Hanover Circuit Court Building
Hanover District Court Building
Hanover Complex Maintenance Building
Pamunkey Regional Library Hanover Branch
Pamunkey Regional Jail
Hanover County School Board
Hanover Human Services Building
Hanover Emergency Operations Center
Taylor Complex
Lee Davis High School
Atlee High School
Patrick Henry High School
Stonewall Jackson Middle School
Chickahominy Middle School
Liberty Middle School
Pearson's Corner Elementary
Cool Springs Elementary
Mechanicsville Elementary
Henry Clay Elementary
Battlefield Elementary
Cold Harbor Elementary
Rural Point Elementary
Elmont Elementary
Washington Henry Elementary

Buildings with Fiber Only

Fire Training Center
Fire Company #1/Ashland
Fire Company #6/ Henry
Fire Company #7/Mechanicsville
Fire Company #3/Eastern Hanover
Fire Company #10/Hanover Industrial AirPark
Ashland Rescue Squad
East Hanover Rescue Squad
Ashcake Rescue Squad
Pamunkey Regional Library Ashland Branch
Pamunkey Regional Library Atlee Branch
Pamunkey Regional Library Mechanicsville Branch
Pole Green Park