

**CABLE FRANCHISE AGREEMENT
BETWEEN GREENBELT, MARYLAND
AND VERIZON MARYLAND INC.**

Date: January 8, 2007

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EXHIBITS

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THIS CABLE FRANCHISE AGREEMENT (the “Agreement”) is entered into by and between the City of Greenbelt, Maryland, a duly incorporated municipality under the laws of the State of Maryland (hereinafter sometimes referred to as the “City”), and Verizon Maryland Inc., a corporation duly organized and existing under the laws of the State of Maryland (hereinafter sometimes referred to as “Franchisee”).

WHEREAS, Franchisee has applied to the City for a nonexclusive franchise to own, construct, reconstruct, install, maintain, repair, extend and operate a cable communications system in the City, and the City desires to issue such a franchise to Franchisee under appropriate terms and conditions; and

WHEREAS, the City is a “local franchising authority” in accordance with Title VI of the federal Communications Act (*see* 47 U.S.C. §522(10)) and is authorized to grant one or more nonexclusive cable system franchises pursuant to Chapter 5 – Cable Television and Telecommunications of the City’s Code, known as the City Cable Communications Regulatory Code (the “Cable Code”); and

WHEREAS, Franchisee is in the process of installing a Fiber to the Premise Telecommunications Network (“FTTP Network”) in the Franchise Area for the transmission of Non-Cable Services pursuant to authority granted by the State of Maryland; and

WHEREAS, the FTTP Network does and will occupy the Public Rights-of-Way within the City, and Franchisee desires to use portions of the FTTP Network once installed to provide Cable Services (as hereinafter defined) in the City; and

WHEREAS, the City has identified the future cable-related needs and interests of the City and its residents, has considered the financial, technical and legal qualifications of Franchisee, and has determined that Franchisee’s plans for constructing, maintaining, operating and repairing its Cable System are adequate, in a full public proceeding affording due process to all parties; and

WHEREAS, the City has relied on Franchisee’s representations regarding its financial, technical, and legal qualifications and its plans for installing, constructing, reconstructing, maintaining, operating, and repairing its Cable System; and

WHEREAS, based upon Franchisee’s representations and information, and in response to its request for a cable franchise, the City Council has determined that, subject to the provisions of Cable Code, the terms and conditions set forth herein, and provisions of Applicable Law the granting of a new, nonexclusive cable franchise to Franchisee is consistent with the public interest; and

WHEREAS, the City and Franchisee have reached agreement on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the City’s grant of a cable franchise to Franchisee and Franchisee’s promise to provide Cable Service to residents of the City in the Franchise Area pursuant to and consistent with the Cable Code, Applicable Law, the terms and

conditions set forth herein, the promises and undertakings provided for herein, and for other good and valuable consideration, the receipt and adequacy of all of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. **DEFINITIONS**

Except as otherwise provided herein, the definitions and word usage set forth in the Cable Code are incorporated herein and shall apply in this Agreement. In addition, the following definitions shall apply:

1.1. *Access Channel*: Any Channel on the Cable System set aside under this Agreement for noncommercial public, educational, or government use.

1.2. *Affiliate*: Any Person who, directly or indirectly, owns or controls, is owned or controlled by, or is under common ownership or control with, the Franchisee.

1.3. *Applicable Law*: All federal, state, and local laws, statutes, codes, ordinances, resolutions, orders, rules, and regulations including, but not limited to, FCC resolutions, orders, rules, and regulations, the Cable Code, and all administrative and judicial decisions interpreting the same.

1.4. *Basic Service*: Any service tier that includes the retransmission of local television broadcast signals and/or the transmission or retransmission of PEG Channels required by this Agreement.

1.5. *Cable Code*: Chapter 5 – Cable Television of the City of Greenbelt Code, as amended from time to time.

1.6. *Cable Service* or *Cable Services*: Shall be defined herein as it is defined under Section 602 of the Communications Act, 47 U.S.C. § 522(6). If during the course of this Agreement any service is classified or otherwise designated to be or not to be a “Cable Service” (i) by federal statute, regulation, or decision, or (ii) by a court of competent jurisdiction in a decision that constitutes a binding legal precedent on the City, or on the Franchisee, or in or applicable to the Franchise Area, (iii) or by the FCC in a decision that is binding on the City, or on the Franchisee, or in or applicable to the Franchise Area, or (iv) by state or local law, rule, or regulation enacted or promulgated as result of or as authorized by any of the foregoing, then the term “Cable Service” as used in this Agreement shall be interpreted in accordance therewith. This Agreement shall also be deemed amended as and to the extent appropriate as to related definitions affected or impacted by such change in the definition or coverage of the term Cable Services or as otherwise resulting from any of the foregoing.

1.7. *Cable System* or *System*: Shall be defined herein as it is defined under Section 602 of the Communications Act, 47 U.S.C. § 522(7). A facility, consisting of a set of closed transmission paths and associated signal generation, reception, and control equipment that is designed to provide Cable Service which includes video programming and which is provided to multiple Subscribers within the City. The portion of the FTTP Network used for the Cable System shall be limited to the optical spectrum wavelength(s), bandwidth or future technological

capacity that is used for the transmission of Cable Services directly to Subscribers within the Franchise/Service Area and shall not include the tangible network facilities of a common carrier subject in whole or in part to Title II of the Communications Act or of an Information Services provider. Such term does not include:

1.7.1. A facility that serves only to retransmit the television signals of one or more television broadcast stations;

1.7.2. A facility that serves subscribers without using any public rights-of-way;

1.7.3. A facility of a common carrier which is subject, in whole or in part, to the provisions of Title II of the Communications Act, except that such facility shall be considered a cable system to the extent such facility is used in the transmission of video programming directly to subscribers;

1.7.4. An open video system that complies with 47 U.S.C. Section 573;
or

1.7.5. Any facilities of any electric utility used solely for operating its electric utility system.

A reference to a Cable System refers to any part thereof, including, without limitation, converters. This definition shall not be deemed to circumscribe or limit the valid authority of the City to regulate or franchise the activities of any other communications system or provider of communications services to the full extent permitted by law.

1.8. *Channel*: Shall be defined herein as it is defined under Section 602 of the Communications Act, 47 U.S.C. § 522(4).

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

1.10. *Control*: The ability to exercise *de facto* or *de jure* control over day-to-day policies, operations, or management of a Person, the Cable System, or the Franchise, including working control in whatever manner exercised, including, without limitation, working control through ownership, management, debt instruments, or negative control, as the case may be, of a Person, the Cable System, or the Franchise. A rebuttable presumption of the existence of Control of, or a Controlling interest in, a Person shall arise from the beneficial ownership, directly or indirectly, by any Person or group of Persons acting in concert (other than underwriters during the period in which they are offering securities to the public) of five percent (5%) or more of voting interests or fifty percent (50%) or more of non-voting interests of such Person. Control or Controlling interest as used in this Agreement may be held simultaneously by more than one (1) Person or group of Persons. Notwithstanding the preceding sentence, if one (1) Person owns a majority of the voting interests of a Person, the Cable System, or the Franchise, such owner shall be presumed to have sole Control of and to possess the sole Controlling interest in such Person, the Cable System, or the Franchise unless another Person exercises *de facto* control (as that term is defined under the precedents of the FCC) of the

Controlled Person, the Cable System, or the Franchise, in which case such other Person also shall have Control and a Controlling interest.

1.11. *Economically and Technically Feasible:* Capable of being provided through technology that has been demonstrated to be feasible for its intended purpose, in an operationally workable manner, and in a manner whereby the Cable System has a reasonable likelihood of being operated on reasonably profitable and commercially practicable terms.

1.12. *Educational Access Channel:* An Access Channel available for the use by educational institutions in, or for the benefit of, the Franchise Area as designated by the City.

1.13. *FCC:* The United States Federal Communications Commission, its designee, or any successor governmental entity thereto.

1.14. *Force Majeure:* An event or events reasonably beyond the ability of Franchisee to anticipate and control. This includes, but is not limited to, severe or unusual weather conditions, strikes, labor disturbances, lockouts, war or act of war (whether an actual declaration of war is made or not), insurrection, riots, act of public enemy, actions or inactions of any government instrumentality or public utility including condemnation, accidents for which the Franchisee is not primarily responsible, fire, flood, or other acts of God, or work delays caused by waiting for utility providers to service or monitor utility poles to which Franchisee's FTTP Network is attached, and unavailability of materials and/or qualified labor to perform the work necessary if such acquisition of qualified labor would be commercially impracticable as defined in 47 U.S.C. § 545(f).

1.15. *Franchise:* The franchise granted by this Agreement as defined in Section 5-2(o) of the Cable Code.

1.16. *Franchise Area:* The territorial confines of the City, and any areas added or annexed thereto during the Term of the Franchise.

1.17. *Government Access Channel:* An Access Channel available for the use by the City and other governmental entities as may be authorized by the City.

1.18. *Gross Revenue:* Any and all cash, credits, property or consideration of any kind or nature that constitute revenue in accordance with Generally Accepted Accounting Principles which is derived directly or indirectly by Franchisee from the operation of the Cable System to provide Cable Service in the Service Area; provided, however, that any service provided by Franchisee over the FTTP Network that is a Cable Service shall be considered to be provided over a Cable System for purposes of this definition. Gross Revenue on bundled services will be calculated as provided in Section 7.5. Gross Revenue shall include all items permitted to be included in gross revenues for the calculation of franchise fees under Applicable Law, including, by way of example and description but not by way of limitation, the following: all Subscriber and customer revenues earned or accrued net of bad debts, including revenue for: (i) Basic Service, digital service tiers, pay per view services, expanded services and premium services; (ii) all fees charged to any Subscribers for any and all Cable Service provided by

Franchisee over the Cable System in the Service Area, including without limitation Cable Service related program guides, the installation, disconnection or reconnection of Cable Service; revenues from late or delinquent charge fees; cable franchise fee and FCC regulatory fee pass through to Subscribers paid by Subscribers to Franchisee; Cable Service related or repair calls; the provision of converters, remote controls, additional outlets and/or other Cable Service related Subscriber premises equipment, whether by lease or fee; (iii) revenues from the sale or lease of access channel(s) or channel capacity; (iv) compensation received by Franchisee that is derived from the operation of Franchisee's Cable System to provide Cable Service with respect to commissions that are paid to Franchisee as compensation for promotion or exhibition of any products or services on the Cable System, such as "home shopping" or a similar channel, subject to the exceptions below; (v) revenue from the collection of bad debts previously written off against Gross Revenue (which items shall be included for the period in which the bad debt is recovered); (vi) the fair market value of any non-monetary (*i.e.*, barter) transactions between the Franchisee and any Affiliate, which fair market value shall not be less than the customary prices paid in connection with equivalent transactions conducted with Persons who are not Affiliates; and (vii) any revenue generated by Franchisee or by any Affiliate through any means that have the effect of avoiding the payment of compensation that would otherwise be paid to the City for the Franchise granted in this Agreement. Gross Revenue includes a pro rata portion of all revenue derived by Franchisee or any Affiliate pursuant to compensation arrangements for advertising derived from the operation of Franchisee's Cable System to provide Cable Service within the Service Area, subject to the exceptions below. The allocation shall be based on the number of Subscribers in the Service Area divided by the total number of subscribers in relation to the relevant local, regional or national compensation arrangement. Advertising commissions paid to third parties shall not be netted against advertising revenue included in Gross Revenue.

Gross Revenue shall not include to the extent not includible in gross revenues for franchise fee purposes as determined under federal and state law:

1.18.1. Revenues received by any Affiliate or other Person in exchange for supplying goods or services used by Franchisee to provide Cable Service over the Cable System including professional service fees and insurance and/or bonding costs;

1.18.2. Bad debts written off by Franchisee in the normal course of its business, provided, however, that bad debt recoveries shall be included in Gross Revenue during the period collected;

1.18.3. Refunds, rebates or discounts made to Subscribers or other third parties, such as leased access providers, to the extent such refunds, rebates or discounts represent an actual refund or rebate of or a reduction in the price paid by Subscribers or other third parties;

1.18.4. Any revenues generated by services that are Non-Cable Services;

1.18.5. Any revenue of Franchisee or any other Person which is received from the sale of merchandise through any Cable Service distributed over the Cable System, except for that portion of such revenue which is paid to Franchisee as a commission or a fee for cablecasting such programming;

1.18.6. Revenue from the sale of Cable Service on the Cable System in a resale with respect to which the buyer is obligated to collect and pay a franchise fee to the City;

1.18.7. Any taxes, fees, or surcharges on services furnished by the Franchisee which are imposed directly on any Subscriber or user (but not on Franchisee) by the City or another governmental unit and which are collected by the Franchisee on behalf of such governmental unit. Sales/use taxes are such a tax; the cable Franchise Fee is not such a tax;

1.18.8. The provision of Cable Services to customers without charge, including, without limitation, the provision of Cable Services to public institutions as required or permitted herein, provided, however, that such foregone revenue which Franchisee chooses not to receive in exchange for trades, barter, services or other items of value shall be included in Gross Revenue;

1.18.9. Sales of capital assets or sales of surplus equipment;

1.18.10. Program launch fees and other programmer reimbursements to the extent such fees and reimbursements were not paid directly to Franchisee;

1.18.11. Directory or Internet advertising revenue including, but not limited to, yellow page, white page, banner advertisement and electronic publishing;

1.18.12. Investment income; and

1.18.13. Any fees or charges collected from Subscribers or other third parties for PEG/INET Grant payments.

1.19. *Information Services*: Shall be defined herein as it is defined under Section 3 of the Communications Act, 47 U.S.C. §153(20); provided, however, that any reference to Information Services herein does not include any Cable Services provided over the Cable System in the Franchise Area.

1.20. *Internet Access*: Dial-up or broadband access service that enables Subscribers to access the Internet; provided, however, that any reference to Internet Access herein does not include any Cable Services provided over the Cable System in the Franchise Area.

1.21. *Institutional Network or I-Net*: Dedicated, data, video, television, audio communications, and telephony facilities and one way and two way network designed and constructed to connect government locations and institutions and for use in connection with the ongoing operations of such locations and institutions. The Institutional Network may be a separate system, a portion of the Cable System, or a combination thereof, and may be operated by a City-designated separate entity in which the City has a direct ownership interest, provided, however, that the separate entity agrees in writing to comply with this Agreement.

1.22. *Liability or Liabilities*: Any and all charges, damages, expenses, penalties, fines, costs, claims, liabilities, obligations, debts, attorneys' and other fees of every kind and character, known and unknown, contingent or otherwise. "Liability" or "Liabilities" shall also

mean any damage or loss to any real or personal property of, or any injury to or death of, any Person or the City.

1.23. *Non-Cable Services*: Any service that does not constitute a Cable Service including, but not limited to, Information Services and Telecommunications Services.

1.24. *Non-Residential Subscriber*: A Subscriber other than a Residential Subscriber.

1.25. *Normal Business Hours*: Those hours during which most similar businesses in the community are open to serve customers. In all cases, “normal business hours” must include some evening hours at least one night per week and some weekend hours.

1.26. *Normal Operating Conditions*: Those service conditions which are within the control of the Franchisee. Conditions that are not within the control of the Franchisee include, but are not limited to, natural disasters, civil disturbances, power outages, telephone network outages, and severe weather conditions. Conditions that are ordinarily within the control of Franchisee include, but are not limited to, special promotions, pay-per-view events, rate increases, regular peak or seasonal demand periods, and maintenance or rebuild of the Cable System.

1.27. *PEG*: Public, Educational, and Governmental.

1.28. *Person*: An individual, partnership, association, corporation, joint stock company, trust, limited liability company, organization, governmental jurisdiction, and any other form of entity, but such term shall not include the City.

1.29. *Plant Mile*: The length in miles or fractions thereof of strand-bearing or underground cable as measured on the right-of-way from pole to pole or from pedestal to pedestal.

1.30. *Public Access Channel*: An Access Channel available for Public Access programming.

1.31. *Public Benefit Corporation*: Any non-profit, tax exempt organization that has as a primary purpose the provision of services of an educational, health, civic, charitable, or similar nature within the City.

1.32. *Public Rights-of-Way*: The surface of, and the space across, in, over, along, above and below, any public street, highway, freeway, bridge, tunnel, park, parkway, land, path, alley, court, boulevard, sidewalk, way, lane, public way, drive, circle, waterway, or similar property, or other public right-of-way, including, but not limited to, public utility easements, dedicated utility strips, or rights-of-way utilized for compatible uses and any temporary or permanent fixtures or improvements located thereon now or hereafter held by the City in the Franchise Area which City rights-of-way, consistent with the purpose for which they were dedicated, may be utilized for the purpose of installing, operating, repairing, and maintaining a Cable System. Public Rights-of-Way also means any easement now or hereafter

held by the City within the Franchise Area for the purpose of public travel, or for utility or public service use utilized for compatible uses and shall include other easements or rights-of-way as shall within their proper use and meaning entitle the City and the Franchisee to the use for the purposes of installing, operating, and maintaining the Franchisee's Cable System over poles, wires, cables, conductors, ducts, conduits, vaults, manholes, amplifiers, appliances, attachments, and other property as may be ordinarily necessary and pertinent to the Cable System. Public Rights-of-Way shall not include any City buildings, structures, or other improvements, regardless of whether they are situated in a public right-of-way. No reference herein to a Public Right-of-Way shall be deemed to be a representation or guarantee by the City that its interest or other right to control the use of such property is sufficient to permit the use of such property for the Franchisee's purposes hereunder, and Franchisee shall be deemed to gain only those rights to use such property as are properly in the City and as the City may have an undisputed right to give to Franchisee for the purposes of this Agreement.

1.33. *Region*: The area within the Washington, D.C. Designated Market Area ("DMA") as defined by the FCC:

1.34. *Resident*: Any occupant who resides in a residential dwelling in the City or a Participating Municipality, including, without limitation, occupants of apartment houses, one- and two-family dwellings, rooming houses, condominiums, town homes and mobile home parks.

1.35. *Residential Subscriber*: A Resident who is a Subscriber.

1.36. *Service Area*: The Franchise Area, which encompasses the current territorial confines of the City, including any Additional Service Areas added pursuant to Section 3.2 below.

1.37. *Service Date*: The date that the Franchisee first provides Cable Service on a commercial basis directly to multiple Subscribers in the Franchise Area. The Franchisee shall memorialize the Service Date by notifying the City in writing of the same, which notification shall become a part of this Agreement.

1.38. *Service Interruption*: The loss of picture or sound or the substantial deterioration thereof.

1.39. *Subscriber*: A Person who legally receives Cable Service over the Cable System.

1.40. *Telecommunications Facilities*: Franchisee's existing Telecommunications Services and Information Services facilities and its FTTP Network facilities.

1.41. *Telecommunication Services*: Shall be defined herein as it is defined under Section 3 of the Communications Act, 47 U.S.C. § 153(46).

1.42. *Title I*: Title I of the Communications Act.

1.43. *Title II*: Title II of the Communications Act.

1.44. *Title VI*: Title VI of the Communications Act.

1.45. *Transfer of the Franchise*:

1.45.1. Any transaction in which:

1.45.1.1. a controlling ownership or other interest in, or control of, Franchisee is transferred, directly or indirectly, from one Person or group of Persons to another Person or group of Persons, so that Control of Franchisee is transferred; or

1.45.1.2. the rights held by Franchisee under the Franchise and this Agreement are transferred or assigned to another Person or group of Persons.

1.45.2. However, notwithstanding Sub-sections 1.45.1.1 and 1.45.1.2 above, a Transfer shall not include transfer of an ownership or other interest in Franchisee to the parent of Franchisee or to another Affiliate of Franchisee; transfer of an interest in the Franchise and this Agreement or the rights held by the Franchisee under the Franchise and this Agreement to the parent of Franchisee or to another Affiliate of Franchisee; any Transfer which is the result of a merger of the parent of the Franchisee; or any Transfer which is the result of a merger of another Affiliate of the Franchisee.

1.46. *Video Programming*: Shall be defined herein as it is defined under Section 602 of the Communications Act, 47 U.S.C. § 522(20).

1.47. *Video Serving Office*: A facility of the Franchisee (usually a central office associated with the Public Switched Network for voice services, but includes other similar facilities designated by the Franchisee for this purpose) for which a portion has been equipped with the appropriate equipment to enable Cable Service to be provisioned to Subscribers.

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

2.1. *Grant of Authority*: Subject to the terms and conditions of this Agreement and of Applicable Law, the City hereby grants to Franchisee and Franchisee accepts from the City a Franchise with the right and privilege to own, construct, reconstruct, install, repair, operate and maintain a Cable System over, under, through, upon, across and along the Public Rights-of-Way within the Franchise Area, for the sole purpose of providing Cable Service. No privilege or power of eminent domain is bestowed by this grant; nor is such a privilege or power bestowed or conveyed by the grant of the Franchise by this Agreement. This Agreement and the Franchise granted in connection herewith grant no right or power not expressly provided herein, except as may be provided under Applicable Law. However, nothing in this Agreement shall be construed to prohibit Franchisee from offering any service over the Cable System that is not prohibited by federal or state law provided any requirements for City authorization or registration not inconsistent with federal and state law are satisfied.

2.2. *City's Regulatory Authority*: Franchisee is a Title II common carrier with authority to construct, own, operate and maintain Telecommunications Facilities and to provide Telecommunications Services pursuant to Communications Act and the laws of the State of

Maryland. The parties recognize that Franchisee's FTTP Network is being constructed and will be operated and maintained as an upgrade to and/or extension of its existing Telecommunications Facilities for the provision of Non-Cable Services. The jurisdiction of the City over such Telecommunications Facilities is restricted by federal and state law, and the City does not assert jurisdiction over Franchisee's FTTP Network in contravention of those limitations. Therefore, as provided in Section 621 of the Communications Act, 47 U.S.C. §541, the City's regulatory authority under Title VI of the Communications Act is not applicable to the construction, installation, maintenance or operation of the Franchisee's FTTP Network to the extent the FTTP Network is constructed, installed, maintained or operated for the purpose of upgrading and/or extending Franchisee's existing Telecommunications Facilities for the provision of Non-Cable Services. This Agreement shall not be construed to limit whatever regulatory authority the City may have under state and local law with respect to the FTTP Network facilities as Telecommunications Facilities or to limit the authority of the City under Title VI as to any aspect of Franchisee's operations as authorized or permitted thereunder. The City therefore reserves all rights and regulations and powers under Applicable Law, as the same shall from time to time exist, to regulate Franchisee's activities in the City in a manner not inconsistent with this Section 2.2. Nothing in this Agreement shall be in preference or hindrance to the City or any board, authority, commission, or public service corporation to perform or carry on any public works or public improvements of any description.

2.3. *Term:* This Agreement and the Franchise shall be effective contemporaneously with the effective date of the City Council bill or resolution approving this Agreement and granting the Franchisee a Franchise in accordance with the Cable Code (the "Effective Date") and shall terminate fifteen years from the Effective Date (the "Term") unless terminated sooner or renewed in accordance with this Agreement or under Applicable Law. The parties shall memorialize the Effective Date in writing.

2.4. *Grant Not Exclusive:* The Franchise and the rights granted herein to use the Public Rights-of-Way to provide Cable Services are not and shall not be exclusive, and the City reserves the right to grant other franchises, licenses, permits and authorizations to others to use or be in the Public Rights-of-Way, or any portions thereof, for cable services and cable systems, or for any other similar purpose, or for any other purpose, and to use said Public Rights-of-Way itself, during the term of the Franchise and any renewal or extension thereof. Any such rights which are granted shall not authorize or permit physical damage to existing facilities of the Cable System or the FTTP Network

2.5. *Franchise Subject to Federal Law:* The Franchise and this Agreement are subject to and shall be governed by all applicable provisions of federal law as it may be amended, including but not limited to the Communications Act.

2.6. *No Waiver:* The failure of either party to this Agreement to exercise a right, require compliance or performance under this Agreement, the Franchise, or Applicable Law, or declare of breach of this Agreement shall not be deemed to constitute a waiver of such right, or such compliance or performance, or of such breach, nor excuse a party from complying or performing in accordance with this Agreement, the Franchise, or Applicable Law, unless such right, performance, or breach has been specifically waived in writing.

2.7. *Effect of Acceptance of Franchise:* By accepting the franchise granted by the City and by entering into this Agreement, Franchisee:

(1) Except as may be otherwise provided in this Agreement, shall comply with the provisions of the Cable Code and this Agreement, subject to Subsection 2.10.1;

(2) Acknowledges and accepts the City's legal right to grant the Franchise and to enter into this Agreement, and to enact and enforce laws, ordinances, rules, and regulations related to the Franchise and the operations contemplated therein;

(3) Acknowledges and agrees that the Franchise has been granted, and that this Agreement has been entered into, pursuant to processes and procedures consistent with Applicable Law, and that Franchisee will not raise any claim to the contrary, or allege in any claim or proceeding against the City or which may affect the City that any provision, condition, or term, of the Cable Code, of any law or ordinance granting the Franchise, or of this Agreement, at the time of acceptance of the Franchise, was or is arbitrary, unreasonable, or void, or that the City had no power or authority to make or enforce any such provision, condition, or term;

(4) Agrees that neither Franchisee nor its Affiliates will oppose any intervention or participation by the City in any federal, state, or local proceeding affecting the Franchisee's Cable System or the Franchise granted by the City; and

(5) Acknowledges and agrees that the any costs incurred by or on behalf of the Franchisee or its Affiliates (i) associated with the provision of support for PEG access or activities and/or (ii) associated with the provision of support or activities in connection with or relating to the I-Net or any I-Net related activities do not constitute franchise fee payments within the meaning of 47 U.S.C. § 542 or otherwise.

2.8. *Incorporation of Cable Code:* The Cable Code shall be and is incorporated herein by reference.

2.9. *Limitation of City's Liability:* In any proceeding involving any claim against the City, or any other governmental entity, or any elected official, official, member, employee, or agent thereof, arising from a decision of approval or disapproval with respect to a grant, renewal, revocation, transfer, or amendment of the Franchise, or from any change in the Cable Code or law, ordinance, rule, or regulation affecting the Franchisee or the Cable System, any relief, to the extent such relief is required or granted, shall be limited to equitable, injunctive and/or declaratory relief. Franchisee shall notify the City in writing if it applies for or seeks any waivers, exceptions, or declaratory rulings affecting the Cable System from the FCC or any other federal, state, or local regulatory agency.

2.10. *Construction of Agreement:*

2.10.1. The provisions of this Agreement shall be liberally construed to effectuate their objectives. Any amendments to the Cable Code after the Effective Date (other than amendments that constitute an exercise of police power covered by Section 2.11 below) shall be consistent with state and federal law, and shall not abrogate any contractual rights of

Franchisee contained herein or otherwise alter any of Franchisee's material rights, benefits, obligations or duties specified in this Franchise or impose any new obligations or duties.

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

2.11. *Police Powers:* Nothing in this Agreement shall be construed to limit the lawful exercise of the City's police powers. However, if the lawful exercise of the City's police power results in any material alteration of the terms and conditions of this Agreement, then the parties shall modify this Agreement to the mutual satisfaction of both parties to permit the Franchisee to comply with such exercise of police power with as little adverse impact on the Franchisee as possible. Any modifications shall be in writing. If the parties cannot reach agreement on the above-referenced modification to this Agreement, then Franchisee may terminate this Agreement without further obligation to the City or, at Franchisee's option, the parties agree to submit the matter to mediation by the Maryland Mediation and Conflict Resolution Office.

3. **PROVISION OF CABLE SERVICE**

3.1. *Service Area:* Franchisee shall offer Cable Service to all residential areas in the Service Area within three (3) years of the Effective Date, except: (A) for periods of Force Majeure; (B) for periods of delay caused by the City; (C) for periods of delay resulting from Franchisee's inability to obtain authority to access rights-of-way in the Service Area; (D) in areas where developments or buildings are subject to exclusive arrangements with other providers; (E) in areas, developments or buildings where Franchisee cannot access under reasonable terms and conditions after good faith negotiation, as reasonably determined by Franchisee; and (F) in areas, developments or buildings where Franchisee is unable to provide Cable Service for technical reasons or which require non-standard facilities which are not available on a commercially reasonable basis; and (G) in areas where the occupied residential household density does not meet the density requirements set forth in Section 3.3 and Section 3.5.

3.2. *Additional Service Areas:* Subject to Sections 3.3 and 3.5, to the extent that the Franchise Area is expanded beyond the Service Area whether by annexation or any other lawful means by the City to (i) an area in which the Franchisee is providing Cable Service, (ii) an area in which the Franchisee is legally obligated to provide Cable Service, or (iii) an area that is served out of the same wire center(s) that provide(s) cable service to the City in Section 3.1 (the "Additional Service Areas"), the Franchisee shall make Cable Service available in such Additional Service Areas within one (1) year of annexation by the City. Should, through new construction, an area within any Additional Service Area subsequently meet the density requirements set forth in this Subsection, the Franchisee shall provide Cable Service to such area within six (6) months of receiving notice that the density requirements have been met. Any such Additional Service Areas in which Franchisee is required to make Cable Services available by operation of this Subsection shall be deemed to be portions of the Service Area for purposes of this Agreement.

3.3. *Density Requirement:* Franchisee shall make Cable Services available to residential dwelling units in all areas of the Service Area where the average density is equal to or

greater than twenty-five (25) occupied residential dwelling units per mile during the first nine years of the original term of the Franchise and twenty (20) occupied residential dwelling units per mile during all the periods subsequent to the first nine of the original term of the Franchise, as measured in strand footage from the nearest technically feasible point on the active FTTP Network trunk or feeder line. Should, through new construction, an area within the Service Area, meet the density requirements after the time stated for providing Cable Service as set forth in Section 3.1, Franchisee shall provide Cable Service to such area within twelve (12) months of receiving notice from the City that the density requirements have been met.

3.4. *Line Extension Policy:* Notwithstanding the provisions of Section 3.3, Franchisee shall extend Cable Service to potential Subscribers in Low Density Areas (as defined in Exhibit C) within Service Areas requesting Cable Service in accordance with the terms and conditions of the Line Extension Policy attached hereto as Exhibit C, which Exhibit C is incorporated herein by reference.

3.5. *Availability of Cable Service:* Franchisee shall make Cable Service available to all Residential Subscribers and may make Cable Service available to Non-Residential Subscribers within the Service Area in conformance with Section 3.1, and Franchisee shall not discriminate between or among any individuals in the availability of Cable Service. In the areas in which Franchisee shall provide Cable Service, Franchisee shall be required to connect, at Franchisee's expense, other than a standard installation charge, all Residential Subscriber dwelling units that are within two hundred and fifty (250) feet of trunk or feeder lines not otherwise already served by Franchisee's FTTP Network. Franchisee shall be allowed to recover, from a Subscriber that requests such connection, actual costs incurred for Residential Subscriber dwelling unit connections that exceed two hundred and fifty (250) feet and actual costs incurred to connect any Non-residential Subscriber unit.

3.6. *Cable Service to Municipal Buildings:* Subject to Section 3.1, Franchisee shall provide, without charge within the Service Area, one service outlet activated for Basic Service to each fire station, public school, police station, public library, and such buildings used for municipal purposes ("Public Buildings") as may be designated by the City, and also required of other cable operators in the Service Areas, as provided in Exhibit A, and newly acquired or constructed schools and Public Buildings designated hereafter during the Term of this Agreement in writing to Franchisee; provided, however, that if it is necessary to extend Franchisee's trunk or feeder lines more than three hundred (300) feet solely to provide service to any such school or public building, the City shall have the option either of paying Franchisee's direct costs for such extension in excess of three hundred (300) feet, or of releasing or deferring Franchisee's obligation to provide service to such building. Furthermore, Franchisee shall be permitted to recover, from any school or other public building owner entitled to free service, the direct cost of installing, when requested to do so, more than one outlet, or concealed inside wiring, or a service outlet requiring more than three hundred (300) feet of drop cable; provided, however, that Franchisee shall not charge for the provision of Basic Service to the additional service outlets once installed. Cable Service may not be resold or otherwise used in contravention of Franchisee's rights with third parties respecting programming. Equipment provided by Franchisee, if any, shall be replaced at retail rates if lost, stolen or damaged.

Franchisee shall provide, as a part of its requirements under this Section 3.6, equipment necessary or appropriate to access the service provided.

3.7. *Service and Programming Enhancements:* If the Franchisee or an Affiliate provides a new Cable Service, or substantially more Cable Services, on a commercially deployed basis in the Region, then the Franchisee, within eighteen (18) months, shall provide comparable Cable Services to and in the Service Area, unless the Franchisee reasonably determines and demonstrates in writing to the City that doing so would not be Economically and Technically Feasible or that there is insufficient Subscriber demand for such services. Nothing in this Section 3.7 shall be construed to require identity of programming throughout the Region, including, without limitation PEG and other non-commercial channels and must-carry signals.

4. **SYSTEM OPERATION**

4.1. *Cable System Tests:* In accordance with Section 5-7(b)(2) of the Cable Code, testing will be conducted in the following manner:

4.1.1. Franchisee shall perform all tests necessary to demonstrate compliance with the requirements of this Agreement and the technical standards of the FCC set forth in Part 76, Subpart K (Technical Standards) of the FCC's rules, 47 C.F.R. § 76.601 *et seq.*, including, without limitation, performance tests, technical standards, signal leakage performance criteria and cable television system monitoring. In the event that the FCC's technical performance standards are repealed or are no longer applicable to the Cable System, such standards shall remain in force and effect until the City and Franchisee agree to new standards.

4.1.2. The City shall have the right to witness and/or review all required tests on newly constructed or rebuilt segments of the Cable System. Franchisee shall provide the City with at least two (2) business days' notice of, and opportunity to observe, any such tests performed on the Cable System.

4.1.3. Franchisee shall retain written reports of the results of any tests required by the FCC, and such reports shall be submitted to the City upon the City's request.

4.1.4. If any test indicates that any part or component of the Cable System fails to meet applicable requirements, Franchisee, without requirement of additional notice or request from the City, shall within thirty (30) days, initiate corrective action, retest the locations and advise the City of the action taken and results achieved.

4.1.5. The City may, for good cause shown, waive or limit the system test provisions in this Section.

4.2. *Franchise Service Manager:* Franchisee shall provide a Franchise Service Manager who shall be a single point of contact on cable system services, operations and testing. Contact information shall include the manager's name, address, telephone and fax numbers and e-mail address.

5. **SYSTEM FACILITIES**

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

5.1.1. Shall be designed with an initial analog and digital carrier passband between 50 and 860 MHz;

5.1.2. Shall be designed to be an active two-way plant for subscriber interaction, if any, required for selection or use of Cable Service;

5.1.3. Shall have a modern design when built, utilizing an architecture that will permit additional improvements necessary for high quality and reliable service throughout the term of this Franchise. The FTTP Network shall utilize the ITU G.983 Passive Optical Network standard and have no outdoor active elements so as to make it more reliable;

5.1.4. Shall have protection against outages due to power failures, so that back-up power is available at a minimum for at least twenty-four (24) hours at each Video Serving Office;

5.1.5. Shall be comprised of facilities and equipment of good and durable quality, generally used in high-quality, reliable, systems of similar design;

5.1.6. Shall have personnel, facilities and equipment sufficient to cure violations of any applicable FCC technical standards and to ensure that the Cable System remains in compliance with the standards specified in Subsection 5.1.18;

5.1.7. Shall have personnel, facilities and equipment as necessary to maintain, operate, and evaluate the Cable System to comply with any applicable FCC technical standards, as such standards may be amended from time to time;

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

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

5.1.10. Shall have facilities and equipment designed, built and operated in such a manner as to protect the safety of the Cable System workers and the public;

5.1.11. Shall have available sufficient trucks, tools, testing equipment, monitoring devices and other equipment and facilities and trained and skilled personnel required to enable Franchisee to substantially comply with Applicable Law, including applicable customer service standards and including requirements for responding to System outages;

5.1.12. Shall have all facilities and equipment and qualified technical personnel available as required to properly test the Cable System and conduct an ongoing and active program of preventive maintenance and quality control and to be able to quickly respond to customer complaints and resolve System problems. Upon request, Franchisee shall provide the City with available copies of its Cable System maintenance and quality control plan;

5.1.13. Shall be designed to be capable of interconnecting with other cable systems in the Franchise Area as set forth in Section 5.6 of this Agreement;

5.1.14. Shall (if applicable) have antenna supporting structures (i.e., towers) designed in accordance with all applicable state and local building codes, as amended, and shall be painted, lighted, erected and maintained in accordance with all applicable rules and regulations of the Federal Aviation Administration, the FCC, and all other applicable codes and regulations;

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

5.1.16. Shall transmit in high definition on the digital tier any signal carried by the Cable System which is transmitted to Franchisee in a high definition format;

5.1.17. Shall provide adequate security provisions in its Subscriber site equipment to permit parental control over the use of Cable Services on the System. Such equipment will at a minimum offer as an option that a Person ordering programming must provide a personal identification number or other means provided by Franchisee only to a Subscriber, provided, however, that Franchisee shall bear no responsibility for the exercise of parental controls and shall incur no liability for any Subscriber's or viewer's exercise or failure to exercise such controls;

5.1.18. Shall conform to or exceed all applicable FCC technical performance standards, as amended from time to time, and any other future applicable technical performance standards, which the City is permitted by a change in law to enforce, and shall substantially conform in all material respects to applicable sections of the following standards and regulations to the extent such standards and regulations remain in effect and are consistent with accepted industry procedures:

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

5.1.18.2. National Electrical Code;

5.1.18.3. National Electrical Safety Code (NESC);

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

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

5.1.18.6. The Building Code of Greenbelt, as amended.

5.1.19. Shall be so constructed and operated that each PEG Channel shall be delivered over the System with transmission quality the same as or better than the transmission quality of any other Channel on Franchisee's Basic Service within the City;

5.1.20. Shall include optional equipment so that any pay-per-view programming can only be activated by the positive action of a Subscriber using, for example, a private identification number or other individual selection procedure; and

5.1.21. Shall comply with all requirements of Applicable Law, including, but not limited to, the Americans with Disabilities Act. Franchisee shall comply with FCC rules on transmission of closed captioning for the hearing-impaired. For hearing-impaired Subscribers, Franchisee shall provide information concerning the cost and availability of equipment to facilitate the reception of all basic services for the hearing impaired. In addition, Franchisee must provide information (upon request) regarding TDD/TTY (or equivalent) equipment, and a publicly listed telephone number for such equipment, that will allow hearing impaired Subscribers to contact Franchisee.

5.2. The FTTP Network shall have at least the following characteristics:

5.2.1. FTTP Network fiber shall be initially designed utilizing splitters of no greater than thirty-two (32) homes per splitter. The FTTP Network shall be pass-through or passive.

5.2.2. Status monitoring capability shall be a feature of the electronics at the customer premises in the FTTP Network. The FTTP Network shall deliver fiber to an Optical Network Terminal ("ONT") at the Subscriber's premises. The ONT shall automatically measure optical signal levels (and other distortion measurements) at the Subscriber's premises.

5.3. *Equipment Compatibility:* Franchisee shall comply with all FCC regulations regarding scrambling or other encryption of signals, Subscriber premises equipment, equipment compatibility, and facilities and equipment that permit Subscribers to fully utilize the capabilities of consumer electronic equipment while receiving Cable Service. FCC regulations governing compatibility with consumer electronics equipment, as they may be amended from time to time, including, but not limited to, 47 C.F.R. § 76.630, are incorporated herein by reference.

5.4. *System Maintenance:* Franchisee shall, when practicable, schedule and conduct maintenance on the Cable System so that interruption of service is minimized and occurs

during periods of minimum Subscriber use of Franchisee's Cable System. Franchisee shall provide reasonable prior notice to Subscribers and the City before interrupting service for planned maintenance or construction, except where such interruption is expected to be two (2) hours or less in duration or between the hours of 12:00 a.m. to 6:00 a.m. (which is Franchisee's maintenance window). Such notice shall be provided by methods reasonably calculated to give Subscribers actual notice of the planned interruption.

5.5. *Offices:* Section 5-9(c)(1) of the Cable Code shall be implemented by the establishment of a local office in Prince George's County as provided in Section 11 of Exhibit B hereof. Until such time that Franchisee establishes a local office in Prince George's County, Franchisee shall maintain at least one location in Prince George's County open during normal business hours where Subscribers can pay bills and shall also provide for the pick up or drop off of equipment in one of following manners: (a) by having a Franchisee representative going to the Subscriber's residence; (b) by using a mailer; or (c) by establishing a local business office in Prince George's County.

5.6. *Interconnection:*

5.6.1. Franchisee shall design the Cable System so that it can be interconnected with other cable systems or any open video systems in the area or within the City at suitable locations as determined by Franchisee. Interconnection capabilities shall be provided for the exchange of all PEG signals designated in Section 6.1 herein carried on the Cable System. Interconnection of systems may be made by direct cable connection, microwave link, satellite or other appropriate methods.

5.6.2. At the request of the City, the Franchisee shall, to the extent permitted by Applicable Law and its contractual obligations to third parties, use every reasonable effort to negotiate an interconnection agreement with any other franchised cable system in Prince George's County for the PEG channels on the Cable System; provided, however, that the Persons seeking to interconnect shall bear all reasonable costs of such interconnection.

5.6.3. The Franchisee shall notify the City prior to any interconnection of the Cable System with any other cable system in the City.

5.7. *Emergency Alert System:* Section 5-19(e) of the Cable Code shall be implemented by Franchisee complying with the Emergency Alert System ("EAS") requirements of the FCC in order that emergency messages may be distributed over the System. In the event of a state or local civil emergency, the EAS shall be activated by equipment or other acceptable means as set forth in the Maryland State EAS Plan. In accordance with the Maryland State EAS Plan, Franchisee will override the audio and video on all channels, so long as it is consistent with Franchisee's contractual commitments, to transmit EAS alerts received from the designated Local Primary Sources, including LP-1 and LP-2 Stations, assigned by the Maryland State EAS Plan to serve the Prince George's County Operational Area.

5.8. *Home Wiring:* Franchisee shall comply with all applicable FCC requirements, including any notice requirements, with respect to home wiring. Prior to a Subscriber's termination of Cable Service, the Franchisee will not restrict the ability of a

Subscriber to remove, replace, rearrange or maintain any cable wiring located within the interior space of the Subscriber's dwelling unit, so long as such actions are consistent with FCC standards. The Franchisee may require a reasonable indemnity and release of liability in favor of the Franchisee from a Subscriber for wiring that is installed by such Subscriber.

5.9. *Periodic Performance Evaluation:* The City may periodically evaluate the performance of the Franchisee during the term of this Franchise. The Franchisee shall cooperate fully with these evaluations and supply the City with all relevant information requested.

6. **PEG SERVICES**

6.1. *PEG Set Aside:*

6.1.1. In order to ensure universal availability of public, educational and government programming, Franchisee shall provide, at no charge to the City, up to three (3) video Channels for noncommercial PEG use by the City (the "PEG Channels"). Programming for the City's PEG Channels shall be determined by the City. Within ten (10) days after the Effective Date the City, shall notify Franchisee in writing of which PEG Channels are active and in use and for informational purposes only whether each such PEG Channel is an Educational Access Channel, a Governmental Access Channel or a Public Access Channel.

6.1.2. All PEG programming shall be carried on Franchisee's Basic Service Tier. If there is no Basic Service tier, Franchisee shall provide the PEG Channels as part of the lowest cost package offered to Subscribers in accordance with federal law. If Channels are selected only through a menu system, PEG Channels will be displayed as such on the menu. The City's PEG Channels shall be transmitted to all Subscribers in the Franchise Area. Nothing herein shall prevent Franchisee from transmitting a PEG Channel to Subscribers outside the Franchise Area. Each PEG Channel shall be delivered with transmission quality the same as or better than the transmission quality of non-PEG channels carried on Franchisee's Basic Service Tier, subject necessary allowances for the quality level in which such PEG Channel programming is received by the Franchisee.

6.1.3. Each PEG Channel shall be transmitted on the System in standard 6 MHz, unscrambled NTSC format so that every Subscriber can receive and display the PEG signals using the same converters and signal equipment that is used for other Basic Service Channels. If capacity on the Cable System dedicated for public, educational or governmental access use is subdivided or compressed resulting in multiple transmission paths, Franchisee will transmit the PEG Channels on its Cable System in this format and will reserve the capacity to provide the required PEG Channels to the City.

6.1.4. If Franchisee makes changes to Franchisee's Cable System or its technology that require improvements or changes to PEG access facilities and equipment in order to be compatible, Franchisee shall provide any necessary additional headend and distribution facilities or equipment within thirty (30) days so that PEG facilities and equipment may be used as intended with respect to the PEG Channels specified in Subsection 6.1.1, including, among other things, so that live and taped programming can be cablecast efficiently over those Channels to Subscribers.

6.1.5. If the City hereafter requires another cable operator in the City to carry fewer PEG Channels than the number specified in Subsection 6.1.1, the Franchisee shall be required to carry the same number of PEG Channels as such other cable operator rather than the number specified in Subsection 6.1.1.

6.1.6. This Subsection shall constitute authorization to Franchisee to transmit such programming within and without the Franchise Area. Franchisee shall initially assign the PEG Channels on its channel line-up at channel 49 or below in its reasonable discretion. If a PEG Channel provided under this Section is not being utilized by the City, Franchisee may utilize such PEG Channel, in its sole discretion, until such time as City elects, in its sole discretion, to utilize the PEG Channel for its intended purpose. In the event that the City determines to use such PEG Channel, the City shall provide Franchisee with one hundred twenty (120) days prior written notice of such request.

6.1.7. PEG Channel assignments shall be uniform throughout all areas served by the Franchisee within the territorial limits of the City. Franchisee shall not arbitrarily or capriciously change PEG Channel assignments, and the Franchisee shall seek to minimize the number of such changes; provided, however, that Franchisee may change such PEG Channel assignments as it deems appropriate so long as (a) the Franchisee gives the Access Channel programmer ninety (90) days' notice of such change if commercially practicable but in no event less than forty-five (45) days; and (b) Franchisee provides, free of charge, public announcements of such changes that shall include (i) to the extent Franchisee has advertising availability, advertising such PEG Channel changes on advertising inserts on local channels carrying non-satellite programming in prime time at least thirty seconds per day for the time period of thirty (30) to fifteen (15) days prior to such change and two minutes per day for the fourteen (14) days prior to such change, and (ii) providing notice of such changes in at least two (2) monthly Subscriber bill inserts prior to such change if commercially practicable, but in no event less than one (1) Subscriber bill insert; provided, however, that such bill inserts shall not be necessary in the event the Franchisee provides the requisite notice of such changes in a letter to all Subscribers separate from their bills. Anything herein to the contrary notwithstanding, except as may be required by Applicable Law, no PEG Channel assignment may be changed more than one (1) time in any twenty-four (24) month period without the express, written consent of the City, which consent shall not be unreasonably withheld, delayed or conditioned.

6.1.8. Public Access Channel(s) shall be for the display of noncommercial public, educational and governmental programming produced or sponsored locally by residents, organizations and institutions within the City, or other public access users as authorized by the City. The City may adopt reasonable rules regarding the use of such Channel(s).

6.1.9. Educational Access Channel(s) shall be for the noncommercial use of the educational community of the City, or other educational access users as authorized by the City. The City may adopt reasonable rules regarding the use of such Channel(s).

6.1.10. Governmental Access Channel(s) shall be for the noncommercial use of the City, or other governmental access users as authorized by the City. The City may adopt reasonable rules regarding the use of such Channel(s).

6.1.11. Franchisee shall use reasonable efforts to interconnect its Cable System with the existing cable operator(s) for PEG programming delivery purposes. Prior to the Service Date, the Franchisee shall initiate interconnection negotiations with the existing cable operator(s) to cablecast public, educational and governmental access programming consistent with this Franchise. Interconnection may be accomplished by direct cable, microwave link, satellite or other reasonable method of connection. Franchisee shall negotiate in good faith with existing cable operator(s) respecting reasonable, mutually convenient, cost-effective, and technically viable interconnection points, methods, terms and conditions. The City shall require the existing cable operator(s) to provide such interconnection to the Franchisee on reasonable terms and conditions. The Franchisee and the existing cable operator(s) shall negotiate the precise terms and conditions of an interconnection agreement. The City shall use its best efforts to facilitate these negotiations. If Franchisee is unable to reach such an agreement within thirty (30) days after requesting in writing to interconnect with other local cable operator(s), upon request of Franchisee, the City shall assist in mediating disputes. If no agreement is reached within an additional thirty (30) days, the City shall designate the point of interconnection with the objective of designating an interconnection point at the closest technically feasible location on Franchisee's Cable System permitting the transmission of high quality signals between cable systems for the least cost. Franchisee shall commence carrying the City's PEG Channel(s) within one hundred eighty (180) days after the Service Date; provided that Franchisee shall have the right to request the City for an extension of this deadline, and the City shall not unreasonably withhold its consent to such an extension.

6.1.12. Franchisee shall accommodate the potential migration of PEG programming to digital formats, as follows:

6.1.12.1. Franchisee shall provide the PEG Channels in analog form as long as Franchisee continues to transmit on the Basic Service Tier any Video Programming in analog form.

6.1.12.2. Franchisee shall also simulcast the same PEG Channels in standard-definition television (SDTV) digital format, as long as Franchisee continues to transmit any video programming in SDTV format. Franchisee shall encode and transmit the PEG Channels from the point where Franchisee acquires the signal to Subscribers in such a way that the signals originally provided to Franchisee suffer no greater degradation during such transmission than do any other signals on the Cable System in their transmission by Franchisee to Subscribers.

6.1.12.3. PEG content providers may provide Franchisee with their programming in either analog or digital form, at the PEG content provider's option. Franchisee shall provide and maintain all equipment needed to convert PEG analog video feeds to Franchisee's digital format, or to convert PEG digital video feeds (such as Serial Digital Interface) to Franchisee's analog format, for simulcast.

6.2. *PEG/INET Grant:*

6.2.1. Franchisee shall provide an annual grant to the City, as set forth in Subsection 6.2.2 hereof, to be used by the City, exclusively for PEG costs and/or Institutional

Network-related purposes (the “Annual PEG/I-Net Grant”), including, but not limited to, costs for studio facilities, studio and portable production equipment, editing equipment and program playback equipment, I-Net equipment or capacity, computers, dark fiber, and other costs associated with the PEG/I-Net (including I-Net maintenance costs), or any other PEG or I-Net item eligible for capital treatment or otherwise not classified as a Franchise Fee under Applicable Law, in the accounts of the City, or a PEG entity incurring or recording the cost related thereto, as the case may be, in accordance with generally accepted accounting principles.

6.2.2. Subject to Sub-subsection 6.2.6.1 below, the Annual PEG/I-Net Grant shall be payable as follows: three percent (3%) of Gross Revenues, paid at the same time as the Franchise Fee. Calculation of the Annual PEG/I-Net Grant will commence with the first calendar month during which Franchisee obtains its first Subscriber in the Service Area. The Annual PEG/I-Net Grant is in addition to the five percent (5%) Franchise fee.

6.2.3. Franchisee shall make PEG/I-Net payments directly to the City. Franchisee shall devise an internal method of identifying the correct Subscriber source of each PEG/I-Net Grant payment based upon each address to which Cable Service is provided. All such determinations shall be subject to verification and audit by the City as provided in Section 7.4 below.

6.2.4. Within one hundred eighty (180) days after the close of the fiscal year of the City, the City, shall, on Franchisee’s request, provide Franchisee with an accounting of the distribution of funds granted pursuant to this Section 6.2 for such fiscal year.

6.2.5. If requested by the City, the Franchisee shall enter into a support agreement with a Public Benefit Corporation or other nonprofit, third-party access management entity specified by the City to provide payments of up to one percent (1%) of Gross Revenue to such access management entity. Such payments, if required, shall be subtracted from the amount otherwise payable to the City by the Franchisee in accordance with Subsection 6.2.2. If, however, it should be held in any competent forum that such payments to the third-party access manager must be considered a franchise fee within the meaning of 47 U.S.C. § 542 or otherwise offset against the five percent (5%) federal limit on franchise fees, then such support agreement shall be null and void, and the one percent (1%) amount specified in this Subsection shall instead be paid to the City as part of a three percent (3%) Annual PEG/I-Net Grant pursuant to Subsection 6.2.2.

6.2.6. *I-Net/Supplemental Grant:*

6.2.6.1. Franchisee shall provide, within thirty (30) days of the Effective Date of this Franchise, a lump-sum grant (“I-Net/Supplemental Lump Sum Grant”) in the amount of Ten Thousand dollars (\$10,000). Franchisee may credit the amount of the I-Net/Supplemental Lump Sum Grant at the rate of Six Hundred Dollars (\$600) per quarterly payment period (“Credit”) against the amount of the periodic I-Net/Supplemental Grant payments otherwise owed pursuant to Subsection 6.2.6.2 and, to the extent necessary to recoup the full Credit amount in a calendar quarter, the amount of the periodic Annual PEG/I-Net Grant payments otherwise owed pursuant to Subsection 6.2.2 (collectively the “Grants”) until the amount of the I-Net/Supplemental Lump Sum Grant is fully recovered through Credits against the Grants. In the event that the amount of the Grants in any quarterly payment period would be

less than the Credit for that quarter, the Credit for that quarter shall be limited to the amount of the Grants for that quarter, and any such shortfall shall not be added to future Credits.

6.2.6.2. Franchisee shall provide, during the term of this Agreement and any extensions hereof, an annual grant to the City, for the maintenance, extension, improvement, and enhancement of the City's I-Net system, in the amount of 0.18% of Gross Revenues (the "I-Net/Supplemental Grant"), which shall be paid at the same time as the Franchisee Fee. Calculation of the I-Net/Supplemental Grant will commence with the first calendar month during which Franchisee obtains its first subscriber in the City.

6.2.6.3. The I-Net/Supplemental Lump Sum Grant and the periodic I-Net Supplemental Grant are in addition to any other amounts payable by Franchisee to the City pursuant to this Agreement. The I-Net/Supplemental Lump Sum Grant and the periodic I-Net/Supplemental Grant shall be used for the purposes stated hereinabove, including, but not limited to, the connection to the Prince George's County I-Net of certain City facilities and which presently are not connected thereto, the relocation of the City's and Prince George's County's I-Net connections, additional I-Net connections for the City, and for other services, improvements, costs, and programs related to the City's I-Net and associated facilities and services.

6.3. The City shall require all local producers and users of any of the PEG facilities or Channels to agree in writing to authorize Franchisee to transmit programming consistent with this Agreement and to defend and hold harmless Franchisee and the City, from and against any and all liability or other injury, including the reasonable cost of defending claims or litigation, arising from or in connection with claims for failure to comply with applicable federal laws, rules, regulations or other requirements of local, state or federal authorities; for claims of libel, slander, invasion of privacy, or the infringement of common law or statutory copyright; for unauthorized use of any trademark, trade name or service mark; for breach of contractual or other obligations owing to third parties by the producer or user; and for any other injury or damage in law or equity, which result from the use of a PEG facility or Channel. The City shall establish rules and regulations for use of PEG facilities, consistent with, and as required by, 47 U.S.C. Section 531.

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

6.5. *Recovery of Costs:* To the extent permitted by federal law, Franchisee shall be allowed to recover the costs of the Annual PEG/INET Grant, the I-Net/Supplemental Grant and any other costs arising from the provision of PEG services from Subscribers and to include such costs as a separately billed line item on each Subscriber's bill. Without limiting the forgoing, if allowed under state and federal laws, Franchisee may externalize, line-item, or otherwise pass-through interconnection costs to Subscribers. The parties agree that any costs to Franchisee associated with the provision of support for PEG access pursuant to this Agreement, and any other payments made to the City pursuant to Article 6 of this Agreement, do not

constitute and are not part of a Franchise fee, and fall within one or more of the exceptions to 47 U.S.C. § 542.

6.6 *Audit:* The provisions set forth in Article 7 of this Agreement shall apply to the determination, payment, audit, and collection of all payments required pursuant to this Article 6.

7. **FRANCHISE FEES**

7.1. *Franchise Fee Payments:* Franchisee shall pay to the City, on a quarterly basis, a Franchise fee of five percent (5%) of annual Gross Revenue. In accordance with Title VI of the Communications Act, the twelve (12) month period applicable under this Agreement for the computation of the Franchise fee shall be made on a calendar year basis. Such payments shall be made no later than thirty (30) days following the end of each of Franchisee's fiscal quarters. Franchisee shall be allowed to submit or correct any payments that were incorrectly omitted, and shall be refunded any payments that were incorrectly submitted, in connection with the quarterly Franchise fee remittances within 90 days following the close of the quarter for which such payments were applicable.

7.2. *Supporting Information:* Each Franchise fee payment shall be accompanied by a supporting detail certified by a financial representative of Franchisee showing the basis for the computation and the total amount of monthly Gross Revenue for the payment period.

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

7.4. *Audit:* The City shall have the right to audit the Franchisee's Franchise fee payments as provided in Section 5-11(f) of the Cable Code. Any such audit fees paid by the City shall not be determined based on a percentage of audit findings basis. Further, the Franchisee shall be required to only reimburse the City's reasonable and verifiable audit expenses in an amount not to exceed Five Thousand Dollars (\$5,000) per audit, adjusted annually for inflation based on the annual average of the Consumer Price Index for all urban consumers for the Washington-Baltimore MSA, as published by the Bureau of Labor Statistics. The City shall make all reasonable good faith efforts to coordinate with Prince George's County and other municipalities within the County to conduct audits jointly so as to minimize the burden on Franchisee.

7.5. *Bundled Services:* If Franchisee bundles Cable Service with Non-Cable Service, Franchisee agrees that it will not intentionally or unlawfully allocate such revenue for the purpose of evading the Franchise fee payments under this Agreement. In the event that the Franchisee or any Affiliate shall bundle, tie, or combine Cable Services (which are subject to the franchise fee) with Non-Cable Services (which are not subject to the franchise fee), so that Subscribers pay a single fee for more than one class of service or receive a discount on Cable Services, a reasonable *pro rata* share of the revenue received for the bundled, tied, or combined services shall be allocated to gross revenues for purposes of computing the franchise fee. To the

extent that charges can be calculated on a stand alone rate and it is practicable to do so, the *pro rata* share shall be computed on the basis of the published charge for each of the bundled, tied, or combined services, when purchased separately. However, in the event that legislation or regulations require same, the parties agree that tariffed telecommunications services that cannot be discounted under state or federal law or regulation are excluded from the bundled discount allocation obligations in this Section.

7.6. *No Limitation on Taxing Authority:*

7.6.1. Nothing in this Agreement shall be construed to limit any authority of the City to impose any tax, fee, or assessment of general applicability.

7.6.2. The Franchise fee payments required by this Section shall be in addition to any and all taxes of a general nature or other fees or charges which the Franchisee shall be required to pay to the City or to any state or federal agency or authority, as required herein or by law, all of which shall be separate and distinct obligations of the Franchisee. The Franchisee shall not have or make any claim for any deduction or other credit of all or any part of the amount of said Franchise fee payments from or against any of said City taxes or other fees or charges which the Franchisee is required to pay to the City, except as required by law or expressly provided in this Agreement. The Franchisee shall not apply nor seek to apply all or any part of the amount of said Franchise fee payments as a deduction or other credit from or against any of said City taxes or other fees or charges, each of which shall be deemed to be separate and distinct obligations of Franchisee, nor shall the Franchisee apply or seek to apply all or any part of the amount of any of said taxes or other fees or charges as a deduction or other credit from or against any of its Franchise fee obligations, each of which shall be deemed to be separate and distinct obligations of the Franchisee. The Franchisee may designate a Franchise fee as a separate item in any bill to a Subscriber, but shall not designate or characterize it as a tax.

8. **CUSTOMER SERVICE**

Customer Service Requirements are set forth in Exhibit B.

9. **REPORTS AND RECORDS**

9.1. *Open Books and Records:* Subject to Applicable Law, upon reasonable written notice to Franchisee, which shall be no less than thirty (30) days, the City shall have the right to require Franchisee to provide, at Franchisee's expense, and to inspect and copy at any time during Normal Business Hours and on a nondisruptive basis at a mutually agreed location in the City, all books and records, including all documents in whatever form maintained, including electronic media ("books and records") to the extent that such books and records relate to the Cable System or to Franchisee's provision of Cable Service in the Service Area which the City reasonably deems necessary and appropriate to monitor or ensure compliance with the terms of this Agreement. Such notice shall specify the purpose of the review, so that Franchisee may organize the necessary books and records for appropriate access by the City. Franchisee shall not be required to disclose any of its or an Affiliate's books and records not relating to the provision of Cable Services in the City.

9.2. If any books, records, maps, plans, or other requested documents are too voluminous, not available locally in the City, or for security reasons cannot be copied and moved, then the Franchisee may request that the inspection take place at a location mutually agreed to by the City and Franchisee, provided that (i) Franchisee must make necessary arrangements for copying documents selected by the City after its review; and (ii) the Franchisee must pay all travel and additional copying expenses incurred by the City in inspecting those documents or having those documents inspected by its designee.

9.3. *Proprietary Books and Records:*

9.3.1. If Franchisee believes that the requested information is confidential and proprietary, the Franchisee must provide the following documentation to the City: (i) specific identification of the information; (ii) statement attesting to the reason(s) Franchisee believes the information is confidential; and (iii) statement that the documents are available at the Franchisee's designated offices for inspection by the City. The City shall take reasonable steps, consistent with Applicable Law, to protect the proprietary and confidential nature of any books, records, Service Area maps, plans, or other City-requested documents that are provided pursuant to this Agreement to the extent they are designated as such by Franchisee.

9.3.2. Subsection 9.3.1 and Section 9.5 shall in no way limit the City's right to copy any and all necessary documents of Franchisee (the "Auditing Documents") to enable the City to conduct an audit of the Franchisee's Franchise fee payments pursuant to Section 7.4; provided, however, that if the City receives a demand from any Person for disclosure of any Auditing Documents designated by Franchisee as confidential, then the City shall provide the Franchisee with sufficient notice of any such disclosure requests and with a copy of such written request made by the Person demanding access to the Auditing Documents, such that the Franchisee has sufficient time to seek protection of such Auditing Documents from public inspection under the Maryland Public Information Act. Unless otherwise ordered by a court or agency of competent jurisdiction, the City agrees, to the extent permitted by state and federal law, that it shall deny access to the Franchisee's information marked confidential as set forth above to any Person.

9.3.3. Any such documents copied pursuant to Subsection 9.3.2 shall be returned to Franchisee once the City's audit is completed and all amounts determined to be due and owing to the City have been paid.

9.4. The Franchisee shall take all reasonable steps required to ensure that it is able to provide the City with all information that must be provided or may be requested under this Agreement or Applicable Law, including the issuance of appropriate subscriber privacy notices. Franchisee shall be responsible for redacting any data that Applicable Law prevents it from providing to the City. Nothing in this Section shall be read to require Franchisee to violate federal or state law protecting subscriber privacy.

9.5. *Copying of Books and Records:* Subject to Section 9.3 above, the City shall have the right to copy any books and records, except to the extent that such books and records are proprietary and/or confidential pursuant to the Maryland Uniform Trade Secrets Act or other Applicable Law.

9.6. *Complete and Accurate Records:* Franchisee shall keep complete and accurate books of account and records of its business and operations under and in connection with this Agreement.

9.7. *Retention of Materials:* Unless otherwise provided in this Section, all materials and information specified in this Section shall be maintained until the later of five (5) years or until any audit including such information has been completed and any amounts found to be due and owing to the City have been paid.

9.8. *Communication with Regulatory Agencies:*

9.8.1. If and to the extent requested by the City, Franchisee shall file with the City, in form acceptable to the City, all reports and materials submitted to the FCC, the Security and Exchange Commission, or any other federal or state regulatory commission or agency, including, but not limited to, any proof of performance tests and results, Equal Employment Opportunity reports, and all petitions, applications, and communications of all types regarding the Cable System, or a group of cable systems of which the Cable System is a part, submitted by Franchisee, an Affiliate of Franchisee, or any other person on behalf of Franchisee.

9.8.2. Materials filed with the City pursuant to Subsection 9.8.1. shall be submitted by Franchisee, an Affiliate, or any other person on behalf of Franchisee at the time they are submitted to the receiving agency.

9.9. *Uses of System:* Franchisee will notify the City of all products and Cable Services offered over the Cable System as promptly as practicable after each such product or Cable Service is instituted.

9.10. *Annual Report:* Unless this requirement is waived in whole or in part by the City, by April 1st of each year for the previous calendar year, Franchisee shall submit a written report to the City, in a form directed by the City, which shall include:

9.10.1. The summary of the previous calendar year's activities in development of the Cable System provided pursuant to Section 5-12(c) of the Cable Code shall be subject to the confidentiality provisions of Subsection 9.3.1. above:

9.10.2. A summary of complaints, identifying both the number and nature of the complaints received and an explanation of their dispositions, to the extent such records are kept by Franchisee. Where complaints involve recurrent system problems, the nature of each problem and the corrective measures taken shall be identified;

9.10.3. A report showing the number of service calls received by type during the prior quarter, and the percentage of service calls compared to the Subscriber base by type of complaint;

9.10.4. A certification of compliance with applicable customer service standards. If Franchisee is in non-compliance with any standard during any calendar quarter, it

shall include in its annual filing a statement specifying the areas of non-compliance, the reason for the non-compliance, and a remedial plan;

9.10.5. A copy of Franchisee's rules and regulations applicable to Subscribers of the Cable System;

9.10.6. (i) Franchisee's annual financial statements audited by an independent certified public accountant; which will include gross revenues for the year in question; (ii) a copy of Verizon Communications Inc.'s (the Franchisee's parent) 10-K report; and (iii) a statement of Gross Revenues for the previous calendar or fiscal year, certified by an officer of Franchisee or an Affiliate showing Subscriber revenue for every category of Service and every material category of non-Subscriber revenues;

9.10.7. A list of Persons holding five percent (5%) or more of the voting stock or interests of Franchisee and the nature of said interest;

9.10.8. An annual list of officers and members of the board of directors or similar controlling body of Franchisee and any Affiliates;

9.10.9. A summary of the result of, and/or, at Franchisee's option, copies of the System's technical tests and measurements performed during the past year; and

9.10.10. A full schedule of Franchisee's Cable Service rates, fees and charges.

9.11. *Quarterly Report:* Beginning six (6) months after the Service Date and unless this requirement is waived in whole or in part by the City after this initial waiver, no later than forty five (45) days after the end of each calendar quarter, Franchisee shall submit a written report to the City regarding the preceding quarter, in a form acceptable to the City, which shall include:

9.11.1. The active Cable System plant in miles, specifying aerial and underground mileage;

9.11.2. The new Cable System segments built, in miles, if any, specifying aerial and underground mileage;

9.11.3. The number of Subscribers and the penetration rate for each type of service and equipment offered;

9.11.4. The number of Subscriber service disconnections;

9.11.5. The number of outages, identifying separately:

9.11.5.1. Each outage; whether planned or unplanned; the time it occurred, its duration, when the Franchisee responded and when the outage was corrected; and a description of the Subscribers affected;

9.11.5.2. In addition, for each unplanned outage: its cause, the number of Subscribers affected; and

9.11.5.3. The total hours of outages as a percentage of total hours of Cable System operation.

9.11.6. The number of cases in which installation was not provided within the time established in this Agreement;

9.11.7. The average telephone answering and hold times, and the number of instances in which those telephone answering and hold times exceeded the time limits established in this Agreement;

9.11.8. The percentage of customer calls that received a busy signal;

9.11.9. The number of times in which interruptions of service were not in compliance with the times established in the customer service standards in this Agreement; and

9.11.10. The number of times scheduling and completing customer service did not occur in accordance with the customer service standards in this Agreement.

9.12. *Special Reports:* Unless this requirement is waived in whole or in part by the City, Franchisee shall deliver the following special reports to the City not more than ten (10) business days after the occurrence of the event:

9.12.1. A copy of any notice of deficiency, forfeiture, or other document issued by any state or federal agency instituting any investigation or civil or criminal proceeding regarding the Cable System, Franchisee, or any Affiliate of Franchisee, to the extent the same may affect or bear on operations in the City. This material shall be submitted in accordance with the deadlines specified in Section 5-12(b)(2) of the Cable Code; and

9.12.2. A copy and brief explanation of any request for protection under bankruptcy laws, or any judgment related to a declaration of bankruptcy by the Franchisee or by any partnership or corporation that owns or controls the Franchisee directly or indirectly.

9.13. *Additional Reports:* Franchisee shall provide such other information or reports as the City may request for the purpose of enforcing or monitoring compliance with any provision of the Franchise Agreement or the Cable Code. Franchisee shall, within sixty (60) days of the Effective Date, file the documents required to obtain all necessary federal, state and local licenses, permits, and authorizations required for the conduct of the operation of the Cable System, and shall submit monthly reports to the City's _____ on progress in this respect until all such documents are in hand.

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

9.14.1. Records of all complaints received for a period of three years after receipt by Franchisee. The term "complaint" as used herein refers to complaints about any aspect of the Cable System or Franchisee's cable operations, including, without limitation,

complaints about employee courtesy. Complaints recorded shall not be limited to complaints requiring an employee service call;

9.14.2. Records of outages for a period of three years after occurrence, indicating date, duration, area, and the number of Subscribers affected, type of outage, and cause;

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

9.14.4. Records of installation/reconnection and requests for service extension for a period of three years after the request was fulfilled by Franchisee, indicating the date of request, date of acknowledgment, and the date and time service was extended; and

9.14.5. A public file showing the area of coverage for the provisioning of Cable Services and estimated timetable to commence providing Cable Service.

10. **INSURANCE AND INDEMNIFICATION**

10.1. *Insurance Coverages and Limits:* During the Term of this Agreement and any period of removal (if any) of the Cable System following the end of the Term, Franchisee shall maintain, or cause to be maintained, in full force and effect and at its sole cost and expense, in a form acceptable to the City Manager or his designee, the following types and minimums or limits of insurance:

10.1.1. Workers' compensation insurance meeting Maryland statutory requirements and employer's liability insurance with minimum limits of One Million Dollars (\$1,000,000) for each accident.

10.1.2. Commercial general liability insurance with minimum limits of Ten Million Dollars (\$10,000,000) as the combined single limit for each occurrence and in the aggregate annually of bodily injury, personal injury, and property damage. The policy shall provide contractual liability insurance, and shall include coverage for products and completed operations liability, independent contractor's liability, and property damage from perils of explosion, collapse or damage to underground utilities, commonly known as XCU coverage.

10.1.3. Technology liability coverage for loss or damage arising out of publications or utterances in the course of or related to advertising, broadcasting, telecasting, or other communication activities conducted by or on behalf of Franchisee with minimum limits of Five Million Dollars (\$5,000,000) as the combined single limit for each wrongful act and in the aggregate annually of bodily injury, personal injury, and property damage arising out of the content of material disseminated by Franchisee.

10.1.4. Automobile liability insurance covering all owned, hired, and non-owned vehicles in use by Franchisee and its employees, with personal protection insurance and property protection insurance to comply with the provisions of the Maryland no-fault insurance law, with minimum limits of Two Million Dollars (\$2,000,000) as the combined single limit for each occurrence for bodily injury and property damage.

10.2. *Types of Policies:* The coverage amounts set forth in Section 10.1 may be met by a combination of underlying and umbrella policies so long as in combination the limits equal or exceed those stated.

10.3. *Period of Coverage:* The liability insurance policy or policies required by Section 10.1 shall:

10.3.1. Be maintained by the Franchisee throughout the Term of this Agreement and such other period of time during which the Franchisee operates or is engaged in the removal of the Cable System, whichever period is longer, and for one hundred twenty (120) Days thereafter; and

10.3.2. Provide coverage for acts and omissions occurring throughout the Term of this Agreement and such other period of time during which the Franchisee operates or is engaged in the removal of the Cable System.

10.4. *Insurance Companies:* All insurance shall be effected under valid and enforceable policies, issued by insurers licensed to do business by the State of Maryland or surplus line carriers on the Maryland Insurance Commissioner's approved list of companies qualified to do business in Maryland. All insurance carriers and surplus line carriers shall be rated A- or better by A.M. Best Company.

10.5. *Additional Insureds:* All insurance policies, except for workers' compensation and technology liability policies, shall name "Greenbelt, Maryland, an incorporated municipality of the State of Maryland and all associated, affiliated, allied and subsidiary entities of the City, now existing or hereafter created, and their respective elected officials, officers, boards, commissions, employees, agents and, as their respective interests may appear," as additional insureds (referred to as the "Additional Insureds"). Each policy which is to be endorsed to add Additional Insureds under this Agreement shall contain cross-liability wording, as follows or with the same effect:

"In the event of a claim being made hereunder by one insured for which another insured is or may be liable, then this policy shall cover such insured against whom a claim is or may be made in the same manner as if separate policies had been issued to each insured hereunder, except as it pertains to the limits of liability."

10.6. *Evidence of Insurance:* On or before the Effective Date, and annually thereafter, and at any time of any material and adverse policy change or cancellation during the term of this Agreement, certificates of insurance for each insurance policy required to be obtained by Franchisee in compliance with this Agreement shall be filed and maintained with

City. The acceptance of a form of certificate by the City shall not change or reduce Franchisee's obligation to provide the required insurance pursuant to Section 10.1.

10.7. *Endorsement:* Each such liability insurance policy or an endorsement thereto shall contain the following statement: "It is hereby understood and agreed that this policy may not be cancelled or not renewed by the carrier nor the intention not to renew be stated until thirty (30) days after receipt by the City, by U.S. mail, postage prepaid, of a written notice of such intent to cancel or not to renew, except for cancellation due to the nonpayment of premiums, for which such notice shall be not less than ten (10) days." Prior to said cancellation or failure to renew, the Franchisee shall obtain one (1) or more replacement insurance policies and shall furnish copies of the certificate of insurance therefor to the City.

10.8. *Notice of Expiration:* As soon as reasonably practicable following the renewal of any insurance policy required of the Franchisee by this Section, the Franchisee shall provide to the City evidence acceptable to the City Manager or his designee of the renewal or replacement of the policy. Further, the Franchisee shall notify the City of any materially adverse modification of the coverages and other requirements of this Article 10 or the discontinuation of coverage under any such policy, together with a plan to correct such modification or discontinuation, within ten (10) business days after receipt of notice of such discontinuance.

10.9. *Insurance Primary; Not Limiting:* The legal Liability of the Franchisee or any Affiliate to the City or any Person for any of the matters which are the subject of the liability insurance policies required by Section 10.1, including, without limitation, the Franchisee's indemnification obligation set forth in Section 10.12 of this Agreement, shall not be limited by such insurance policies nor by the recovery of any amounts under such policies, except to the extent necessary to avoid duplicative recovery from or payment by the Franchisee.

10.10. *Review of Limits:* Commencing on the fifth anniversary of the Effective Date and once every five (5) years thereafter during the Term of this Agreement, the City may review the insurance coverages to be carried by Franchisee. If the City reasonably determines that additional coverages or higher limits of coverage are reasonably necessary to protect the interests of the City, the Additional Insureds, or the public, the City shall notify the Franchisee of its determination, and the City and Franchisee shall negotiate for appropriate modifications in coverages or limits. The Franchisee shall obtain and maintain such mutually agreed to modified insurance at its sole cost and expense.

10.11. *Group Coverages:* Franchisee may meet the insurance requirements of Section 10.1 by participating in, or being included in, or by being covered under policies covering multiple Affiliate entities. All of the insurance related provisions of this Agreement shall apply to such multiple Affiliate policies as the same would apply any policy issued separately to the Franchisee to meet its obligations hereunder.

10.12. *Indemnification:* The City shall give Franchisee written notice of a matter requiring indemnification hereunder as soon as possible, but in no event more than thirty (30) days after the date the City receives notice, or otherwise is made aware, of such matter. Such notice shall in any event be delivered to Franchisee sufficiently in advance of the time for Franchisee's response to a third party claim in order that Franchisee will be able to timely

respond and the defense against such claim will not be prejudiced. Upon receipt of timely notice Franchisee shall:

10.12.1. Defend, indemnify and hold harmless the City, and its respective elected officials, officers, employees, agents, boards, and commissions, from and against all Liabilities, special, incidental, consequential, punitive and all other damages, costs and expenses arising out of or resulting from Franchisee's:

10.12.1.1. construction, maintenance, repair, upgrade, enhancement, rebuild or removal of the Cable System and conduct of the operation of the Cable System; and

10.12.1.2. except as provided in Section 10.15 below, distribution of any Cable Service over the Cable System, including but not limited to any claim against the Franchisee for invasion of the right of privacy, defamation of any Person or the violation or infringement of any copyright, trade mark, trade name, service mark, or patent, or of any other intellectual property right of any Person.

10.13. *Defense and Settlement:* In any action in which the Franchisee defends the City, the Franchisee shall consult with the City prior to proposing, accepting, or rejecting a settlement and prior to filing any pleading which might estop the City with respect to any question of fact or law. Franchisee shall provide the defense of any claims brought against the City by selecting counsel of Franchisee's choice to defend the claim, subject to the consent of the City, which shall not unreasonably be withheld. Nothing herein shall be deemed to prevent the City from cooperating with the Franchisee and participating in the defense of any litigation by its own counsel at its own cost and expense, provided, however, that after consultation with the City, Franchisee shall have the right to defend, settle or compromise any claim or action arising hereunder, and Franchisee shall have the authority to decide the appropriateness and the amount of any such settlement. In the event that the terms of any such settlement include the full release of the City and the City does not consent to the terms of any such proposed settlement or compromise, Franchisee shall not settle the claim or action, but its obligation to indemnify the City shall in no event exceed the amount of such proposed settlement.

10.14. *Limitations on Indemnification:* As between the City and the Franchisee or any Affiliate, the foregoing Liability and indemnity obligations of the Franchisee pursuant to this Agreement shall not apply to:

10.14.1. Any willful misconduct or negligence of any City elected official, officer, employee, agent, attorney, consultant or independent contractor causing any claim or damages;

10.14.2. Any Liability arising out of the content of Cable Services over the Governmental Channels, including any emergency alert system to the extent that such claims do not arise out of Franchisee's willful misconduct or negligence; or

10.14.3. Any Liability arising out of the content of Cable Services over Public Access Channels and Educational Channels to the extent that such claims do not arise out of Franchisee's willful misconduct or negligence;

10.15. *City's Liability*: The City shall be responsible for the willful misconduct and negligent actions of its elected officials, officers, employees and agents subject to, and to the extent of, all defenses, immunities, limitations, and provisions of Applicable Law, including, but not limited to, the Local Government Tort Claims Act. In addition, the City shall be responsible for its own acts of willful misconduct or negligence, or breach of obligation committed by the City for which the City is legally responsible, subject to any and all defenses and limitations of liability provided by law. The Franchisee shall not be required to indemnify the City for acts of the City which constitute willful misconduct or negligence, on the part of the City, its officers, employees, agents, attorneys, consultants, independent contractors or third parties.

11. **TRANSFER OF FRANCHISE**

Subject to Section 617 of the Communications Act, 47 U.S.C. Section 537, no Transfer shall occur without the prior consent of the City, provided that such consent shall not be unreasonably withheld, delayed or conditioned. No such consent shall be required, however, for a transfer in trust, by mortgage, by other hypothecation, by assignment of any rights, title, or interest of Franchisee in this Agreement or the Cable System in order to secure indebtedness, or for transactions otherwise excluded under Section 1.45 above.

11.1. *Affiliate Transfers*: In the event that Franchisee transfers the Franchise to an Affiliate or the Control of Franchisee is transferred to an Affiliate as provided in Subsection 1.45.2 above:

11.1.1. Franchisee shall guaranty the performance of this Agreement by such Affiliate; provided, however, that Franchisee may request the City to release said guaranty and the City shall act upon such request as promptly as reasonably possible. In considering such request, the City shall make its decision as to whether or not to release said guaranty by and upon evaluating the financial qualifications of the assignee or transferee. Franchisee shall provide the City with such information as may be reasonably required for the City to make such evaluation. Subject to Franchisee's compliance with such obligation, the City shall conduct such evaluation and reach its decision as promptly as practicable and shall not unreasonably withhold, delay or deny its consent to the release of said guaranty. Upon making its decision, the City shall promptly deliver to Franchisee written notice thereof. If the City shall agree to release said guaranty, it shall promptly deliver to Franchisee a written document evidencing such release of said guaranty; and

11.1.2. The transferee parent or Affiliate shall:

11.1.2.1. Notify the City of the transfer at least sixty (60) days before the transfer occurs and, at that time, describe the nature of the transaction and submit complete information describing who will have direct and indirect ownership and control of the Cable System after the transaction. Franchisee may also provide such notice;

11.1.2.2. Warrant that it has read, accepts, and agrees to be bound by each and every term of this Agreement;

11.1.2.3. Agree to assume all responsibility for all liabilities, acts and omissions, known and unknown, of its predecessor Franchisee, for all purposes, including renewal;

11.1.2.4. Agree that the transfer shall not permit it to take any position or exercise any right which could not have been exercised by its predecessor Franchisee;

11.1.2.5. Warrant that the transfer will not substantially increase the financial burdens or substantially diminish the financial resources available to Franchisee, or otherwise adversely affect the ability of Franchisee to perform this Agreement; and

11.1.2.6. Notify the City that the transfer is complete within five (5) business days of the date the transfer is completed (Franchisee may also provide such notice).

11.2. *Cost Reimbursement:* To the extent that City's consent to a Transfer of Franchise is required, Franchisee (or transferee) shall reimburse City for reasonable expenses incurred in reviewing that the transferee has the technical, legal, financial and operational ability to operate the Cable System to provide Cable Service. In no case shall Franchisee reimburse the City for expenses exceeding \$1,000. This supplements Section 5-5(b) of the Cable Code.

12. **RENEWAL OF FRANCHISE**

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

12.2. *Informal Renewal:* Notwithstanding anything to the contrary set forth herein, Franchisee and the City agree that at any time during the term of the then current Franchise, while affording the public appropriate notice and opportunity to comment, the City and Franchisee may agree to undertake and finalize informal negotiations regarding renewal of the then current Franchise and the City may grant a renewal thereof.

12.3. Franchisee and the City consider the terms set forth in this Article 12 to be consistent with the express provisions of 47 U.S.C. Section 546.

13. **ENFORCEMENT AND TERMINATION OF FRANCHISE**

13.1. *Noncompliance Notice:* In the event that the City believes that Franchisee has not complied with the terms of this Agreement or the Cable Code, the City shall informally discuss the matter with Franchisee. If these discussions do not lead to resolution of the problem, the City shall notify Franchisee in writing of the exact nature of the alleged noncompliance (for purposes of this Article, the “Noncompliance Notice”).

13.2. *Franchisee’s Right to Cure or Respond:* Franchisee shall have thirty (30) days from receipt of the Noncompliance Notice to: (i) respond to the City, if Franchisee contests (in whole or in part) the assertion of noncompliance; (ii) cure such noncompliance; or (iii) in the event that, by the nature of the noncompliance, such noncompliance cannot be cured within the thirty (30) day period, initiate reasonable steps to remedy such noncompliance and notify the City of the steps being taken and the date projected that they will be completed.

13.3. *Further Investigation or Notice of Violation:* In the event that (1) Franchisee fails to respond to the Noncompliance Notice pursuant to the procedures required by this Article, or (2) in the event that Franchisee has not remedied the alleged noncompliance within thirty (30) days or the date projected pursuant to Section 13.2(iii) above, if it intends to continue the investigation into the default, then the City shall provide Franchisee at least thirty (30) days written notice of its intention to continue the investigation, or if the City does not intend to continue the investigation and believes that a violation has occurred it shall provide Franchisee with a written notice specifying the nature and extent of the violation (“Notice of Violation”).

13.4. *Enforcement:* Subject to applicable federal and state law, in the event that after the expiration of thirty (30) days after the Notice of Violation Franchisee is still in default, the City may:

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

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

13.4.3. Collect amounts due, including by drawing on the Letter of Credit pursuant to Section 13.7 hereof if any amounts due are not timely paid after notice and, to the extent applicable, as provided in Section 5-14(a)(2) of the Cable Code.

13.4.4. In the case of a substantial material default of a material provision of this Agreement or the Cable Code, seek to revoke the Franchise in accordance with Section 13.5.

13.5. *Revocation:* Should the City seek to revoke the Franchise after following the procedures set forth in Sections 13.1 through 13.4 above, the City shall give written notice to Franchisee of such intent. The notice shall set forth the specific nature of the noncompliance. The Franchisee shall have ninety (90) days from receipt of such notice to object in writing and to

state its reasons for such objection. In the event the City has not received a satisfactory response from Franchisee, it may then seek termination of the Franchise at a public hearing. The City shall cause to be served upon the Franchisee, at least thirty (30) business days prior to such public hearing, a written notice specifying the time and place of such hearing and stating its intent to revoke the Franchise.

13.5.1. At the designated public hearing, Franchisee shall be provided a fair opportunity for full participation, including the right to be represented by legal counsel and to introduce relevant evidence. A complete verbatim record and/or a transcript shall be made of such hearing.

13.5.2. Following the public hearing, Franchisee shall be provided up to thirty (30) days to submit its proposed findings and conclusions in writing. If the City Council determines that the Franchise shall be revoked, the City shall promptly provide Franchisee with a written decision setting forth its reasoning. To the extent permitted by Applicable Law, Franchisee may challenge such determination of the City Council to an appropriate court. Franchisee shall be entitled to such relief as the court finds appropriate. Such appeal must be taken within sixty (60) days of Franchisee's receipt of the determination of the City Council.

13.5.3. The City may, at its sole discretion, take any lawful action which it deems appropriate to enforce the City's rights under the Franchise in lieu of revocation of the Franchise.

13.6. *Franchisee Termination:* Notwithstanding Section 5-3(c)(2) of the Cable Code, Franchisee shall have the right to terminate the Franchise and this Agreement and all obligations hereunder within ninety (90) days after the end of three (3) years from the Service Date of this Franchise, if at the end of such three (3) year period Franchisee does not then in good faith believe it has achieved a commercially reasonable level of Subscriber penetration on its Cable System and it also terminates its other franchises and cable franchise agreements in the State of Maryland. Franchisee may consider Subscriber penetration levels outside the Franchise Area in this determination. Notice to terminate under this Section 13.6 shall be given to the City 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 of its intent to cease Cable Service operations.

13.7. *Security Fund:*

13.7.1. Within thirty (30) days after the Effective Date, Franchisee shall post a security fund with the City in the form of a letter of credit or cash, as determined in the sole discretion of Franchisee, in the amount of Ten Thousand and No/100 Dollars (\$10,000) (the "Security Fund"). A letter of credit shall be in a form reasonably acceptable to the City. The Security Fund shall be used to: (i) ensure the faithful performance by Franchisee of its obligations under this Agreement and compliance with all orders, permits, and directions of any agency of the City having jurisdiction over Franchisee's acts or defaults under the Cable Code; (ii) payment of any claims, liens, and taxes due to the City that arise by reason of the operation or maintenance of the Cable System; (iii) failure of Franchisee to pay the City sums due under

the provisions of this Agreement and the Cable Code; (iv) reimbursement of costs borne by the City to correct Franchisee violations not corrected by Franchisee after notice and the opportunity to cure as provided herein; and (v) monetary remedies, penalties, or damages assessed against Franchisee due to Franchisee violations. If the Franchise is revoked for cause by reason of the default of Franchisee under Section 13.5 of this Agreement, the Security Fund deposited under this Section shall become the property of the City. If there is no outstanding default by Franchisee at the end of one hundred eighty (180) days after the termination of the Franchise, Franchisee shall be entitled to the return of all or any part of the Security Fund that remains on deposit and to any accrued interest.

13.7.2. Within five (5) days after a draw, the City shall notify the Franchisee of the date and amount of, and reason for, the draw. In the event that the Security Fund is in the form of cash, amounts withdrawn from the Security Fund pursuant to this Subsection shall be replenished by Franchisee by delivering to the City or its designee for deposit in the Security Fund a cash amount equal to the amount so withdrawn within thirty (30) days of its receipt of notice from the City of the date and amount of such withdrawal. In the event the Security Deposit is in the form of a letter of credit, Franchisee shall replenish the Security Fund by either restoring the Letter of Credit to its full original amount or by establishing a new letter of credit in the amount of Ten Thousand and No/100 Dollars (\$10,000) within thirty (30) days of its receipt of notice from the City of the date and amount of such withdrawal. Within thirty (30) days of receipt of the new letter of credit, the City shall return the previously issued letter of credit to Franchisee.

13.8. *Code Penalties:* At no time throughout the Franchise Term shall the Franchisee be liable for penalties under Section 5-14(a) of the Cable Code in excess of an aggregate of Ten Thousand Dollars (\$10,000) per year.

14. **MISCELLANEOUS PROVISIONS**

14.1. *Actions of Parties:* In any action by the City or Franchisee that is mandated or permitted under the terms hereof, such party shall act in a reasonable, expeditious, and timely manner. Furthermore, in any instance where approval or consent is required under the terms hereof, such approval or consent shall not be unreasonably withheld, delayed or conditioned unless otherwise specifically provided herein.

14.2. *Binding Acceptance:* This Agreement shall bind and benefit the parties hereto and their respective heirs, beneficiaries, administrators, executors, receivers, trustees, successors and assigns.

14.3. *Severability:* Subject to Section 2.6, if any term, condition, or provision of this Agreement shall, to any extent, be held to be invalid or unenforceable, the remainder hereof shall be valid in all other respects and continue to be effective.

14.4. *Preemption:* In the event that federal or state law, rules, or regulations preempt a provision or limit the enforceability of a provision of this Agreement, the provision shall be read to be preempted to the extent, and for the time, but only to the extent and for the time, required by law. In the event such federal or state law, rule or regulation is subsequently

repealed, rescinded, amended or otherwise changed so that the provision hereof that had been preempted is no longer preempted, such provision shall thereupon return to full force and effect, and shall thereafter be binding on the parties hereto, without the requirement of further action on the part of the City or Participating Municipality.

14.4.1. If, subsequent to the Effective Date, there is a change in federal law or state law that eliminates the authority of local governments to require and grant cable television franchises for the provision of Cable Service, then to the extent permitted by law this Franchise shall survive such legislation and remain in effect for the term of this Franchise.

14.4.2. In the event that federal or state laws, rules or regulations preempt, or substantially preempt, the material provisions of this Agreement, the Franchisee agrees to enter into a new agreement governing Franchisee's provision of Cable Services in the Service Area to the extent such an agreement is not preempted by federal or state laws, rules or regulations and is consistent with this Agreement.

14.5. *Force Majeure*: Franchisee shall not be held in default under, or in noncompliance with, the provisions of this Agreement, nor suffer any enforcement or penalty relating to noncompliance or default, where such noncompliance or alleged defaults occurred or were caused by a Force Majeure. In the event that any such delay in performance or failure to perform affects only part of the Franchisee's capacity to perform, the Franchisee shall perform to the maximum extent it is able to perform and shall take all reasonable steps within its power to correct such cause(s) in as expeditious a manner as possible.

14.6. *Governing Law*: To the extent state law rather than federal law controls, this Agreement shall be governed in all respects by the laws of the State of Maryland without regard to its conflict of laws principles.

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

14.7.1. Notices to Franchisee shall be mailed to:

William Roberts
President
Verizon Maryland Inc.
1 East Pratt Street, 8E
Baltimore, MD 21202

14.7.2. with a copy to:

Jack H. White
Senior Vice President and General Counsel
Verizon Telecom
One Verizon Way
Room VC 43E 010

Basking Ridge, NJ 07920-1097

14.7.3. Notices to the City shall be mailed to:

Michael McLaughlin
City Manager
City of Greenbelt
25 Crescent Road
Greenbelt, MD 20770

14.8. *Entire Agreement*: This Agreement and the Exhibits hereto constitute the entire agreement between Franchisee and the City, and it supersedes all prior or contemporaneous agreements, representations or understanding (whether written or oral) of the parties regarding the subject matter hereof. Any ordinances or parts of ordinances that conflict with the provisions of this Agreement are superseded by this Agreement.

14.9. *Amendments*: This Agreement shall not be modified except by a written instrument approved in accordance with Applicable Law and executed by both parties.

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

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

14.12. *Franchisee's FTTP Network*: The City and the Franchisee recognize and agree that due to Franchisee's status as a Title II common carrier and the nature of Franchisee's FTTP Network, the following provisions of the Cable Code are not applicable to Franchisee: 5-3(f) and (g) insofar as they pertain to construction, technical standards and removal and restoration; 5-6(d)(2) insofar as it pertains to termination; 5-6(d)(6); 5-7(a), (b)(2)-(8), (c) and (e); 5-12(c)(12); 5-12(f)(1); 5-12(h)(1)g; 5-12(j); and 5-14(a)(1)a, c and j except with respect to Cable Service only drops. Notwithstanding the foregoing, the City shall have the right to request Franchisee to report on the deployment of Cable Service in and to the Service Area, and Franchisee shall make maps of the Cable System available for inspection at Franchisee's offices by authorized City officials upon request.

14.13. *FTTP Network Transfer Prohibition*: Under no circumstance including, without limitation, upon expiration, revocation, termination, denial of renewal of the Franchise or any other action to forbid or disallow Franchisee from providing Cable Services, shall Franchisee or its assignees be required by and through this Agreement or the Cable Code to sell any right, title, interest, use or control of any portion of Franchisee's FTTP Network including, without limitation, the Cable System any capacity used for Cable Service or otherwise, to the City or any third party. Franchisee shall not be required by and through this Agreement or the Cable Code to remove the FTTP Network or to relocate the FTTP Network or any portion thereof as a result of revocation, expiration, termination, denial of renewal or any other action to

forbid or disallow Franchisee from providing Cable Services. This provision is not intended to contravene leased access requirements under Title VI or PEG requirements set out in this Agreement or to limit whatever regulatory authority the City may have under state and local law with respect to the FTTP Network facilities as Telecommunications Facilities.

14.14. *Independent Review*: The City and Franchisee each acknowledge that they have received independent legal advice in entering into this Agreement. In the event that a dispute arises over the meaning or application of any term(s) of this Agreement, such term(s) shall not be construed by the reference to any doctrine calling for ambiguities to be construed against the drafter of the Agreement.

14.15. *Franchisee Bears Its Own Costs*: Unless otherwise expressly provided in this Agreement, all acts that the Franchisee is required to perform must be performed at the Franchisee's own expense.

14.16. *City Bears Its Own Costs*: Unless otherwise expressly provided in this Agreement, all acts that the City is required to perform must be performed at the City's own expense.

14.17. *Jurisdiction and Venue*: Franchisee and the City agree that any court action to enforce or interpret the terms of this Agreement shall be brought and maintained exclusively in the Circuit Court for Prince George's County, Maryland, provided, however, that with respect to any matter which may be tried in a federal jurisdiction venue shall be in the U.S. District Court for the District of Maryland, provided, further, that the chosen forum has subject matter jurisdiction over the action and, in the case of an action originally brought in the Circuit Court, without prejudice to the exercise of any right of removal created by federal law.

[SIGNATURE PAGE FOLLOWS]

AGREED TO THIS 8th DAY OF JANUARY, 2007.

Greenbelt, Maryland

By: _____
Mayor

Verizon Maryland Inc.

By: _____
William Roberts
President

EXHIBITS

Exhibit A: Municipal Buildings to be Provided Free Cable Service

Exhibit B: Customer Service Standards

Exhibit C: Line Extension Policy

EXHIBIT A

MUNICIPAL BUILDINGS TO BE PROVIDED FREE CABLE SERVICE

NAME	ADDRESS	TOWN/CITY	ZIP_CODE
Municipal Building	25 Crescent Road	Greenbelt	20770
Youth Center	99 Centerway	Greenbelt	20770
Aquatic and Fitness Center	101 Centerway	Greenbelt	20770
Community Center	15 Crescent Road	Greenbelt	20770
Public Works	555 Crescent Road	Greenbelt	20770
Planning & Community Development	15 Crescent Road	Greenbelt	20770
Police Department	550 Crescent Road	Greenbelt	20770
Animal Shelter	behind 550 Crescent Road	Greenbelt	20770
Springhill Lake Recreation Center	6101 Cherrywood Lane	Greenbelt	20770
Buddy Attick Park	adjacent to 555 Crescent Road	Greenbelt	20770

EXHIBIT B

CUSTOMER SERVICE STANDARDS

These standards and those in Section 5-9 of the Cable Code shall, starting twelve months after the Service Date, apply to the Franchisee to the extent it is providing Cable Services over the Cable System in the Franchise Area. Franchisee shall further comply with the additional requirements of Section 5-9 of the Cable Code that are not covered by this Exhibit B.

SECTION 1: DEFINITIONS

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

B. Service Call: The action taken by the Franchisee to correct a Service Interruption the effect of which is limited to an individual Subscriber.

C. Significant Outage: A significant outage of the Cable Service shall mean any Service Interruption lasting at least four (4) continuous hours that affects at least ten percent (10%) of the Subscribers in the Service Area.

D. Standard Installation: Installations where the subscriber is within two hundred fifty (250) feet of trunk or feeder lines.

E. Disconnect: Termination of Cable Service.

SECTION 2: TELEPHONE AVAILABILITY

A. The Franchisee shall maintain at least one local or toll-free telephone number to receive all calls and inquiries from Subscribers in the Franchise Area and/or residents regarding Cable Service. Trained and qualified Franchisee representatives shall be available to answer questions related to Cable Service and to receive Service Interruption reports in the Service Area twenty-four (24) hours a day, seven (7) days a week, and other inquiries at least forty-five (45) hours per week. Franchisee representatives shall identify themselves by name when answering this number.

B. The Franchisee's telephone numbers shall be listed, with appropriate description (e.g., administration, customer service, billing, repair, etc.), in the directory published by the local telephone company or companies serving the Service Area, beginning with the next publication cycle after acceptance of this Franchise by the Franchisee.

C. Franchisee may use an Automated Response Unit ("ARU") or a Voice Response Unit ("VRU") to distribute calls. If a foreign language routing option is provided, and the

Subscriber does not enter an option, the menu will default to the first tier menu of English options.

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

D. Under Normal Operating Conditions, calls received by the Franchisee shall be answered within thirty (30) seconds. The Franchisee shall meet this standard for ninety percent (90%) of the calls it receives at all call centers receiving calls from Subscribers, as measured on a cumulative quarterly calendar basis. Measurement of this standard shall include all calls received by the Franchisee at all call centers receiving calls from Subscribers, whether they are answered by a live representative, by an automated attendant, or abandoned after 30 seconds of call waiting.

E. Under Normal Operating Conditions, callers to the Franchisee shall receive a busy signal no more than three (3%) percent of the time during any calendar quarter.

F. Upon request from the City but in no event more than once a quarter thirty (30) days following the end of each quarter, the Franchisee shall report to the City the following for all call centers receiving calls from Subscribers except for temporary telephone numbers set up for national promotions:

(1) Percentage of calls answered within thirty (30) seconds as set forth in Subsection 2.D.

(2) Percentage of time customers received busy signal when calling the Verizon service center as set forth in Subsection 2.E.

Subject to consumer privacy requirements, underlying activity will be made available to the City for review upon reasonable request.

G. At the Franchisee's option, the measurements and reporting above may be changed from calendar quarters to billing or accounting quarters. The Franchisee shall notify the City of such a change at least thirty (30) days in advance of any implementation.

SECTION 3: INSTALLATIONS AND SERVICE APPOINTMENTS

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

B. The Standard Installation shall be performed within seven (7) business days after the placement of the Optical Network Terminal ("ONT") on the customer's premises or within

seven (7) business days after an order is placed if the ONT is already installed on the customer's premises. If an ONT is not already installed on the customer's premises, it shall be installed within seven (7) business days after an order is placed by the customer.

The Franchisee shall meet this standard for ninety-five percent (95%) of the Standard Installations it performs, as measured on a calendar quarter basis, excluding customer requests for connection later than seven (7) days after ONT placement or later than seven (7) days after an order is placed if the ONT is already installed on the customer's premises.

C. The Franchisee shall provide the City with a report upon request from the City but in no event more than once a quarter thirty (30) days following the end of each quarter, noting the percentage of Standard Installations completed within the seven (7) day period, excluding those requested outside of the seven (7) day period by the Subscriber. Subject to consumer privacy requirements, underlying activity will be made available to the City for review upon reasonable request.

At the Franchisee's option, the measurements and reporting of performance under this Section 3 may be changed from calendar quarters to billing or accounting quarters. The Franchisee shall notify the City of such a change not less than thirty (30) days in advance.

D. The Franchisee will offer Subscribers either a specific time or an "appointment window" alternatives for arrival to perform installations, Service Calls and other activities. Franchisee shall use good faith efforts to establish appointment windows of two (2) hours, but in no event will such windows be more than a maximum of four (4) hours, with such scheduled time blocks to be during appropriate daylight available hours, usually beginning at 8:00 AM unless it is deemed appropriate to begin earlier by location exception. At the Franchisee's discretion, the Franchisee may offer Subscribers appointment arrival times other than these four (4) hour time blocks, if agreeable to the Subscriber. These hour restrictions do not apply to weekends. Franchisee shall meet this standard for ninety-five percent (95%) of the appointments scheduled as measured on a calendar quarter basis.

SECTION 4: SERVICE INTERRUPTIONS AND OUTAGES

A. The Franchisee shall immediately notify the City of any Significant Outage of the Cable Service.

B. The Franchisee shall exercise commercially reasonable efforts to limit any Significant Outage for the purpose of maintaining, repairing, or constructing the Cable System. Except in an emergency or other situation necessitating a more expedited or alternative notification procedure, the Franchisee may schedule a Significant Outage for a period of more than four (4) hours during any twenty-four (24) hour period only after the City and each affected Subscriber in the Service Area have been given fifteen (15) days prior notice of the proposed Significant Outage. Notwithstanding the forgoing, Franchisee may perform modifications, repairs and upgrades to the System between 12.01 a.m. and 6 a.m. which may interrupt service, and this Section's notice obligations respecting such possible interruptions will be satisfied by notice provided to Subscribers upon installation and in the annual subscriber notice.

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

D. Under Normal Operating Conditions, the Franchisee must Respond to and commence repair or maintenance activity in response to a call from a Subscriber regarding a Service Interruption or other service problems within the following time frames:

(1) Within twenty-four (24) hours, including weekends, of receiving subscriber calls respecting Service Interruptions in the Service Area.

(2) The Franchisee must begin actions to correct all other Cable Service problems the next business day after notification by the Subscriber or the City of a Cable Service problem.

E. Under Normal Operating Conditions, the Franchisee shall complete Service Calls within seventy-two (72) hours of the time Franchisee commences to Respond to the Service Interruption, not including weekends and situations where the Subscriber is not reasonably available for a Service Call to correct the Service Interruption within the seventy-two (72) hour period.

F. The Franchisee shall meet the standard in Subsection E. of this Section for ninety five percent (95%) of the Service Calls it completes, as measured on a quarterly basis.

G. The Franchisee shall provide the City with a report upon request from the City but in no event more than once a quarter within thirty (30) days following the end of each calendar quarter, noting the percentage of Service Calls completed within the seventy-two (72) hour period not including Service Calls where the Subscriber was reasonably unavailable for a Service Call within the seventy-two (72) hour period as set forth in this Section. Subject to consumer privacy requirements, underlying activity will be made available to the City for review upon reasonable request. At the Franchisee's option, the above measurements and reporting may be changed for calendar quarters to billing or accounting quarters. The Franchisee shall notify the City of such a change at least thirty (30) day in advance.

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

I. Under Normal Operating Conditions, if a Significant Outage affects all Video Programming Cable Services for more than twenty-four (24) consecutive hours, the Franchisee shall issue an automatic credit to the affected Subscribers in the amount equal to their monthly recurring charges for the proportionate time the Cable Service was out, or a credit to the affected subscribers in the amount equal to the charge for the basic plus enhanced basic level of service for the proportionate time the Cable Service was out, whichever is technically feasible or, if both are technically feasible, as determined by Franchisee provided such determination is non-

discriminatory. Such credit shall be reflected on Subscriber billing statements within the next available billing cycle following the outage.

J. With respect to service issues concerning cable services provided to City facilities, Franchisee shall Respond to all inquiries from the City within four (4) hours and shall commence necessary repairs within twenty-four (24) hours under Normal Operating Conditions. If such repairs cannot be completed within twenty-four (24) hours, the Franchisee shall notify the City in writing as to the reason(s) for the delay and provide an estimated time of repair.

SECTION 5: CUSTOMER COMPLAINTS

Under Normal Operating Conditions, the Franchisee shall investigate Subscriber complaints referred by the City within seventy-two (72) hours. The Franchisee shall notify the City of those matters that necessitate an excess of seventy-two (72) hours to resolve, but those matters must be resolved within fifteen (15) days of the initial complaint. The City may require reasonable documentation to be provided by the Franchisee to substantiate the request for additional time to resolve the problem. For purposes of this Exhibit and the Agreement, “resolve” means that the Franchisee shall perform those actions, which, in the normal course of business, are necessary to investigate the Customer’s complaint, complete any necessary corrective action and advise the Customer and the City if requested, of the results of that investigation and the resolution of the complaint.

SECTION 6: BILLING

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

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

C. A specific due date shall be listed on the bill of every Subscriber whose account is current. Delinquent accounts may receive a bill which lists the due date as upon receipt; however, the current portion of that bill shall not be considered past due except in accordance with Subsection 6.B. above.

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

- (1) The Subscriber pays all undisputed charges;

(2) The Subscriber provides notification of the dispute to Franchisee within five (5) days prior to the due date; and

(3) The Subscriber cooperates in determining the accuracy and/or appropriateness of the charges in dispute.

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

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

F. The Franchisee shall provide a telephone number and address on the bill for Subscribers to contact the Franchisee.

G. The Franchisee shall forward a copy of any Cable Service related billing inserts or other mailing sent to Subscribers to the City prior to customer mailing.

H. The Franchisee shall provide all Subscribers with the option of paying for Cable Service by check, money order, on-line payment, payment service center, or an automatic payment option where the amount of the bill is automatically deducted from a checking account designated by the Subscriber. Franchisee may in the future, at its' discretion, permit payment by using a major credit card on a preauthorized basis. Based on credit history, at the option of the Franchisee, the payment alternative may be limited.

SECTION 7: DEPOSITS, REFUNDS AND CREDITS

A. The Franchisee may require refundable deposits from Subscribers with 1) a poor credit or poor payment history, or 2) who refuse to provide credit history information to the Franchisee, if they do not have a payment history with Franchisee. Franchisee may also require a refundable deposit from Subscribers who rent Subscriber equipment from the Franchisee. All such deposits shall be applied on a non-discriminatory basis. The deposit the Franchisee may charge Subscribers with poor credit or poor payment history; or who refuse to provide credit information if they have no payment history with Franchisee may not exceed an amount equal to an average Subscriber's monthly charge multiplied by three (3). Upon a showing that the customer has made twelve (12) consecutive on-time payments, the customer may request the deposit be returned with interest. The maximum deposit the Franchisee may charge for Subscriber equipment is the cost of the equipment which the Franchisee would need to purchase to replace the equipment rented to the Subscriber. Franchisee will not charge a deposit hereunder in excess of \$50.00 unless and until it also implements an installment payment process for deposits in excess of \$50.00.

B. The Franchisee shall refund or credit the Subscriber for the amount of the deposit collected for equipment, which is unrelated to poor credit or poor payment history, after one year and provided the Subscriber has demonstrated good payment history during this period. The Franchisee shall pay interest on other deposits if required law.

C. Under Normal Operating Conditions, refund checks will be issued promptly, but not later than the earlier of the Subscriber's next available billing or thirty (30) days following the resolution of the event giving rise to the refund, or return of all equipment supplied by the Franchisee if service is terminated by the customer (e.g. equipment return and final bill payment).

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

E. Bills shall be considered paid when appropriate payment is received by the Franchisee or its' authorized agent. Appropriate time considerations shall be included in the Franchisee's collection procedures to assure that payments due have been received before late notices or termination notices are sent.

SECTION 8: RATES, FEES AND CHARGES

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

B. The Franchisee shall provide reasonable notice to Subscribers of the possible assessment of a late fee on bills or by separate notice. Any unpaid balance carried forward to the next month's bill will be subject to a late payment charge.

C. The Franchisee shall not charge Subscribers a late fee or otherwise penalize them for any failure by a franchisee, including failure to timely or correctly bill the subscriber, or failure to properly credit the subscriber for a payment timely made.

D. Subject to Section 14.17 of the Agreement and to the extent permitted by Applicable Law, the CATV Commission shall enforce rate regulations promulgated by the FCC in 47 CFR 76.922, et seq., for the establishment of initial basic cable service and associated equipment rates and for basic cable service and associated equipment rate increases. The Franchisee shall submit all rate filings on the proper federal forms. All CATV Commission rate proceedings shall be consistent with the rules and regulations promulgated by the FCC and Applicable Law, including § 5A-110 of the Cable Code.

SECTION 9: DISCONNECTION /DENIAL OF SERVICE

A. The Franchisee shall not terminate Cable Service for nonpayment of a delinquent account unless the Franchisee sends a notice of the delinquency and impending termination prior to the proposed final termination at least ten (10) days prior to disconnection. The notice shall be

mailed or emailed to the Subscriber to whom the Cable Service is billed. The notice of delinquency and impending termination may be part of a billing statement. If a Subscriber fails to pay a monthly subscriber fee or other fee or charge, Franchisee may disconnect the delinquent Subscriber's service, but such disconnection shall not be effected until at least forty-two (42) days after the bill is due.

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

C. Nothing in these standards shall limit the right of the Franchisee to deny Cable Service for non-payment of previously provided Cable Services, refusal to pay any required deposit, theft of Cable Service, damage to the Franchisee's equipment, abusive and/or threatening behavior toward the Franchisee's employees or representatives, or refusal to provide credit history information or refusal to allow the Franchisee to validate the identity, credit history and credit worthiness via an external credit agency.

D. A Subscriber may downgrade or terminate Cable Services at any time. Franchisee shall promptly disconnect or downgrade Cable Services at the Subscriber's request and charges for cable service will be discontinued at the designated time of the requested termination of Cable Service by the subscriber. No period of prior notice for a voluntary termination or downgrade of service shall be required from a Subscriber by the Franchisee. No equipment charge shall accrue or be assessed against a Subscriber in respect of such termination or downgrade provided that the Subscriber returns, or allows the Franchisee to retrieve, such equipment within five (5) days of the termination or downgrade with respect to such termination or downgrade. Franchisee may assess such equipment charges in the event equipment is not returned or made available to the Franchisee in such five (5) day period until such equipment is returned. No charge shall be imposed upon the Subscriber for or related to total disconnection of Cable Service or for any Cable Service delivered after the effective date of the disconnect request, unless there is a delay in returning Franchisee equipment or early termination charges apply pursuant to the Subscriber's service contract. If the Subscriber fails to specify an effective date for disconnection, the Subscriber shall not be responsible for Cable Services received after the day following the date the disconnect request is received by the Franchisee. For purposes of this subsection, the term "disconnect" shall include Subscribers who elect to cease receiving Cable Service from the Franchisee and to receive Cable Service or other multi-channel video service from another Person or entity.

SECTION 10: COMMUNICATIONS WITH SUBSCRIBERS

A. All Franchisee personnel, contractors and subcontractors contacting Subscribers or potential Subscribers outside the office of the Franchisee shall wear a clearly visible identification card bearing their name and photograph. The Franchisee shall make reasonable effort to account for all identification cards at all times. In addition, all Franchisee representatives shall wear appropriate clothing while working at a Subscriber's premises. Every service vehicle of the Franchisee and its contractors or subcontractors shall be clearly identified

as such to the public. Specifically, Franchisee vehicles shall have the Franchisee's logo plainly visible. The vehicles of those contractors and subcontractors working for the Franchisee shall have the contractor's / subcontractor's name plus markings (such as a magnetic door sign) indicating they are under contract to the Franchisee.

B. All contact with a Subscriber or potential Subscriber by a Person representing the Franchisee shall be conducted in a courteous manner.

C. The Franchisee shall send annual notices to all Subscriber informing them that any complaints or inquiries not satisfactorily handled by the Franchisee may be referred to the City.

D. All notices identified in this Section shall be by either:

(1) A separate document included with a billing statement or included on the portion of the monthly bill that is to be retained by the Subscriber; or

(2) A separate electronic notification.

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

F. The Franchisee shall provide information to all Subscribers about each of the following items at the time of installation of Cable Services, annually to all Subscribers, at any time upon request, and, subject to Subsection 10.E., at least thirty (30) days prior to making significant changes in the information required by this Section if within the control of the Franchisee:

(1) Products and Cable Service offered;

(2) Prices and options for Cable Services and condition of subscription to Cable Services. Prices shall include those for Cable Service options, equipment rentals, program guides, installation, downgrades, late fees and other fees charged by the Franchisee related to Cable Service;

(3) Installation and maintenance policies including, when applicable, information regarding the Subscriber's in-home wiring rights during the period Cable Service is being provided;

(4) Channel positions of Cable Services offered on the Cable System;

(5) Complaint procedures, including the name, address and telephone number of the City, but with a notice advising the Subscriber to initially contact the Franchisee about all complaints and questions;

- (6) Procedures for requesting Cable Service credit;
- (7) The availability of a parental control device;
- (8) Franchisee practices and procedures for protecting against invasion of privacy; and
- (9) The address and telephone number of the Franchisee's office to which complaints may be reported.

A copy of notices required in this Subsection 10.F. will be given to the City at least fifteen (15) days prior to distribution to subscribers if the reason for notice is due to a change that is within the control of Franchisee and as soon as possible if not within the control of Franchisee.

G. Notices of changes in rates shall indicate the Cable Service new rates and old rates, if applicable.

H. Notices of changes of Cable Services and/or Channel locations shall include a description of the new Cable Service, the specific channel location, and the hours of operation of the Cable Service if the Cable Service is only offered on a part-time basis. In addition, should the channel location, hours of operation, or existence of other Cable Services be affected by the introduction of a new Cable Service, such information must be included in the notice.

I. Every notice of termination of Cable Service shall include the following information:

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

J. Franchisee shall be responsible for the omissions and negligent actions of persons contracting or subcontracting or representing the Franchisee in the course of providing service to any Subscriber. Franchisee is responsible for and shall address complaints made against its contractors, subcontractors, representatives or agents. All contractors, subcontractors, representatives or agents of the Franchisee shall be properly trained and supervised in accordance with Franchisee's customer service standards.

SECTION 11: CUSTOMER SERVICE CENTER

Section 11, Customer Service Centers, of Exhibit D of the Prince George's County Cable Franchise Agreement, is incorporated herein by reference. It provides that the Franchisee shall

establish a Customer Service Center which is centrally located in the Franchise area when the Franchisee attains a minimum of 50,000 Subscribers in the Franchise Area or within three (3) months of the Effective Date, whichever first occurs. The Customer Service Center will be open during normal business hours and will provide services that will include but are not limited to the following:

- a. Order cable service
- b. Upgrade or downgrade cable service
- c. Pay cable bills or discuss discrepancies pertaining to bills with customer service representatives
- d. Speak directly with a customer service representative
- e. Obtain copies of cable bills
- f. Pick-up, exchange or return cable equipment
- g. Terminate cable service
- h. File a cable complaint
- i. Schedule a service visit

EXHIBIT C

LINE EXTENSION POLICY

Where potential Subscribers reside in an area of a Service Area with a dwelling density that does not meet the prescribed minimum density requirements set out in Section 3.3 of the Agreement (“Low Density Area”), Franchisee shall extend service to such potential Subscribers in the Low Density Area under the following conditions:

- (i) The potential Subscribers agree to pay a one-time up-front charge equivalent to Franchisee’s cost of extending the System in order to deliver Cable Service to such Subscribers. Franchisee's one-time charge will include all costs required to extend the System, including, but not limited to, total construction, engineering, design, capital and administrative costs (“Extension Costs”); or
- (ii) Potential Subscribers representing 15 residents per proposed cable plant mile as measured in strand footage from the nearest technically feasible point on the active trunk or feeder line, sign agreements to subscribe to Franchisee’s Cable Services for 12 months.

1. Criteria for Extensions

The following criteria apply if a potential Subscriber or group of Subscribers residing in the same area request an extension of Franchisee’s network and/or facilities to a Low Density Area so that they may subscribe to Franchisee Cable Services:

- a. The potential Subscriber (or collective group of potential Subscribers) must reside in an area where the planned video serving office has already been constructed and the buildout in the area has been completed or the time for the buildout has expired. This provision may be waived at Franchisee’s sole discretion, if it should complete its buildout sooner than the Agreement allows;
- b. With respect to clause (i) above, the potential Subscriber or group of Subscribers agrees to pay the one-time up-front charge for the Extension Costs. Franchisee will promptly provide the estimate of the Extension Costs for the line extension to the potential Subscriber (or the pro-rata cost estimate to each member of a group of potential Subscribers). Franchisee may require each potential Subscriber requesting service to execute an agreement reasonably reflecting such party’s responsibility for the Extension Costs;
- c. With respect to clause (i) above, if sufficient payments are made to cover Franchisee’s Extension Costs and all necessary agreements are returned to Franchisee, then Franchisee will proceed to construct the extension and such extension shall become a part of Franchisee’s Service Area in which the density requirement has been satisfied for the provision of Cable Service; and

- d. Notwithstanding the above requirements, Franchisee may deny extension requests upon a showing to the City's reasonable satisfaction (which shall not be unreasonably delayed or withheld) that there are significant technical or legal limitations on Franchisee's ability to satisfy the request make a line extension impracticable or unreasonably expensive.

2. Ownership of Facilities

Franchisee shall own and maintain any and all facilities added, constructed or extended as a result of a request for construction pursuant to this line extension policy.

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