

CABLE FRANCHISE AGREEMENT BETWEEN
FREDERICK COUNTY, MARYLAND
AND
SHENANDOAH CABLE TELEVISION, LLC

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CABLE FRANCHISE AGREEMENT

This Cable Franchise Agreement ("Franchise") is entered into this 21st day of December, 2023, by and between Frederick County, Maryland, a body corporate and politic, ("County"), and Shenandoah Cable Television, LLC ("Grantee").

RECITALS

WHEREAS, Grantee desires a franchise authorizing it to own, operate and maintain a Cable System, as defined in the Communications Act of 1934 (the "Communications Act" or "Act") in and along the public Rights-of-Way and streets of the County for the purpose of providing Cable Service;

WHEREAS, the County is authorized to grant franchises for the installation, operation, and maintenance of cable systems within the County;

WHEREAS, the County has reviewed the technical and financial qualifications of Grantee; and

WHEREAS, the County and Grantee engaged in good faith negotiations and agreed on various provisions regarding the Cable System in the County; and

WHEREAS, the Grantee is willing to accept this Franchise subject to the terms and conditions stated herein, and to abide by these terms and conditions; and

WHEREAS, the County hereby finds that it would serve the public interest of the citizens of the County to grant a cable franchise to the Grantee subject to the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual promises made herein, and other good and valuable consideration the receipt and adequacy of which are hereby acknowledged, the County and Grantee do hereby agree as follows:

SECTION 1. DEFINITIONS

For the purpose of this Franchise and Exhibits, the following terms, phrases, words, and their derivations have the meanings given herein, unless the context clearly indicates that another meaning is intended. When not inconsistent with the context, words used in the present tense include the future, words in the plural number include the singular number, and words in the singular number include the plural number. The word shall is always mandatory and not merely directory.

1.1 **"Access"** means the availability for noncommercial use by various educational or governmental agencies, institutions, or organizations in the community, including the County and its designees, of channels on the Cable System to acquire, create, receive, and distribute programming as permitted under applicable law including:

a. "Educational Access" means Channels designated and made available for noncommercial use by educational institutions in the County for the purpose of showing programming related to education.

b. "Government Access" or "Governmental Access" means a Channel designated and made available for noncommercial use by the County for the purpose of showing governmental programming.

c. "Public Access" means a Channel designated and made available for noncommercial use which is utilized by the public who are residents or businesses of the County, including groups and individuals, that is available on a non-discriminatory basis.

1.2 "Access Channel" means any Channel, or portion thereof, designated for Access purposes or otherwise made available to facilitate or transmit Access programming or services.

1.3 "Affiliate" when used in connection with Grantee, means any Person who owns or controls, is owned or controlled by, or is under common ownership or control with Grantee.

1.4 "Bad Debt" means amounts lawfully billed to a Subscriber and owed by the Subscriber for Cable Service, but not collected after reasonable efforts have been made by Grantee to collect the charges.

1.5 "Basic Service" means the Cable Service Tier which includes, at a minimum, the retransmission of local television Broadcast Signals.

1.6 "Broadcast Signal" means a television signal transmitted over the air to a wide geographic audience, and received by the Cable System by antenna, microwave, satellite dishes or any other means.

1.7 "Cable Act" means the Communications Act of 1934 as amended by the Cable Communications Policy Act of 1984, the Cable Television Consumer Protection and Competition Act of 1992, and the Telecommunications Act of 1996, and all additional amendments thereto.

1.8 "Cable Operator" means any person or groups of persons, including Grantee, who provide(s) Cable Service over a Cable System and directly or through one or more affiliates owns a significant interest in such Cable System or who otherwise control(s) or is (are) responsible for, through any arrangement, the management and operation of such a Cable System.

1.9 "Cable Service" means the one-way transmission to Subscribers of video programming or other programming service, and Subscriber interaction, if any, which is required for the selection or use of such video programming or other programming service.

1.10 "Cable System" means any facility, consisting of a set of closed transmissions 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 a community, but such term does not include (A) a facility that serves only to retransmit the television signals of one or more television broadcast stations; (B) a facility that serves Subscribers without using any public Right-of-Way; (C) a facility of a common carrier which is subject, in whole or in part, to the provisions of Title II of the Communications Act (47 U.S.C. §201 et seq.), except that such facility shall be considered a Cable System (other than for purposes of Section 621(c) (47 U.S.C. §541(c)) to the extent such facility is used in the transmission of video programming directly to Subscribers, unless the extent of such use is solely to provide interactive on-demand services; (D) an open video system that complies with federal laws and regulations; or (E) any facilities of any electric utility used solely for operating its electric utility systems.

1.11 "Channel" means a portion of the electromagnetic frequency spectrum which is used in a Cable System, and which is capable of delivering a television channel (as television channel is defined by the FCC by regulation).

1.12 "Commercial Subscribers" means any Subscribers other than Residential Subscribers.

1.13 "Complaint" means a Subscriber contact with the Grantee to express a grievance or dissatisfaction concerning Cable Service.

1.14 "Converter" means an electronic device that converts transmitted signals to a frequency or format that permits their reception on an ordinary television receiver.

1.15 "County" means Frederick County, a body politic and corporate under the laws of the State of Maryland.

1.16 "Demarcation Point" means the point between the Cable System and the Subscriber equipment as defined within the FCC rules and regulations concerning inside wiring, as amended from time to time.

1.17 "Designated Access Provider" means the entity or entities designated now or in the future by the County to manage or co-manage Access Channels and facilities. The County may be a Designated Access Provider.

1.18 "Downstream" means carrying a transmission from the Headend to remote points on the Cable System.

1.19 "Dwelling Unit" means any building, or portion thereof, that has independent living facilities, including provisions for cooking, sanitation and sleeping, and that is designed for residential occupancy.

1.20 "Facility" or "Facilities" means the component parts of the Cable System whether owned, rented, leased, or otherwise controlled by Grantee including, but not limited to, conduit, coaxial cable, fiber-optic cable, amplifiers, taps, connectors, power supplies, electronics, towers, antennas, satellite dishes, optronics and all associated hardware located in the Rights-of-Way.

1.21 "FCC" means the Federal Communications Commission.

1.22 "Franchise" means the authorization granted by the County to construct, operate, and maintain a Cable System as embodied in the terms and conditions of this Agreement.

1.23 "Franchise Area" means the entire unincorporated area within the jurisdictional boundaries of the County during the term of this Franchise.

1.24 "Gross Revenues" means all revenue, as determined in accordance with generally accepted accounting principles (GAAP), that is actually received by the Grantee and its Affiliates and derived from the operation of the Cable System to provide Cable Services in the Franchise Area. Gross Revenues shall include, but are not limited to, the following:

- a. Basic Service fees;
- b. fees charged to Subscribers for any Cable Service tier other than Basic Service;
- c. fees charged for premium Cable Services;
- d. fees for all digital video tiers;
- e. fees for video-on-demand;
- f. fees charged to Subscribers for any optional, per-channel or per-program Cable Services;
- g. revenue from the provision of any other Cable Services;
- h. charges for installation, additional outlets, relocation, disconnection, reconnection, and change-in-service fees for Cable Service;
- i. fees for changing any level of Cable Service programming;
- j. fees for service calls pertaining to Cable Services;
- k. inside wire maintenance fees for Cable Services;
- l. service plan protection fees for Cable Services;
- m. convenience fees;
- n. early termination fees on Cable Services;
- o. fees for Leased Access Channels;
- p. charges based on the sale or lease of any portion of the Cable System for Cable Service;
- q. rental or sales of any and all equipment, including converters and remote control devices;
- r. advertising revenues attributable to the local Cable System and Cable Services;
- s. revenues or commissions from locally derived home shopping channels;
- t. broadcast retransmission fees;
- u. regional sports fee;
- v. late payment fees on Cable Services;
- w. billing and collection fees on Cable Services;
- x. NSF check charges; and

y. Franchise Fees.

This definition shall be construed so as to include all Gross Revenues from Cable Services to the maximum extent permitted by federal and State law and encompasses Cable Service revenues that may develop in the future, whether or not anticipated. If a change in State or federal law or a decision of the FCC or a court of competent jurisdiction expands or reduces the categories of Cable Service revenue available to the County for franchise fees beyond or less than those permitted under this definition, that change shall be included in the definition of Gross Revenues under this Franchise, within sixty (60) days of receiving a written notice from the County, provided that the County imposes the same requirement upon any other similarly situated multichannel video provider over which the County has jurisdiction and authority to impose such fees.

Gross Revenues shall not include program launch fees and revenues derived from services that are classified as non-cable services under federal law, any taxes on services furnished by Grantee which are imposed directly on any Subscriber or user by the State, the County, the FCC or other governmental unit which are collected by the Grantee on behalf of said governmental unit, Capital Grants referenced in subsection 9.5, refunds or rebates made to Subscribers, and any uncollected receipts (bad debt); provided, however, that all or any part of any such actual bad debt that is written off but subsequently collected shall be included in Gross Revenues in the period collected. Franchise fees are not a tax and are therefore included in the Gross Revenue calculation.

1.25 "Headend" means the control center of the Cable System, where incoming signals are amplified, converted, processed and/or combined onto a common cable or cables for transmission to Subscribers.

1.26 "Leased Access Channel" means a Channel or portion of a Channel made available by Grantee for programming by others for a fee.

1.27 "Non-Commercial" means, in the context of Access Channels, that particular products and services are not promoted or sold for commercial gain and that the carriage of programming is not in return for compensation (including programming selected by a third party). The term will not be interpreted to prohibit an Access Channel operator or programmer from soliciting and receiving financial support to produce and transmit Video Programming on an Access Channel, or from acknowledging a contribution, such as those typically utilized by the public broadcasting service system.

1.28 "Pay-Per-View Service" means programming offered on a per-program or per-event basis for which a separate fee is charged.

1.29 "Person" means any individual, sole proprietorship, partnership, association, or corporation, or any other form of entity or organization.

1.30 "Premium Service" means programming choices (such as movie Channels) offered to Subscribers on a per-Channel, per-program, or per-event basis.

1.31 "Residential Subscriber" means any Subscriber who receives Cable Service delivered to Dwelling Units or Multiple Dwelling Units.

1.32 "Right-of-Way" or "Rights-of-Way" means to the extent allowed under Maryland law each of the following areas which have been dedicated to public use or are hereafter dedicated to public use as a public road, accepted and maintained by the County and located within the Franchise Area: the area across, in, over, along, under and upon streets, roadways, highways, avenues, lanes, alleys, bridges, sidewalks, subject to existing easements and the rights of the underlying fee simple property owner(s).

1.33 "School" means all accredited public, middle, and secondary schools, and Frederick Community College, but shall not include "home schools".

1.34 "State" means the State of Maryland.

1.35 "Subscriber" means any Person who or which elects to subscribe to, for any purpose, Cable Service provided by Grantee by means of or in connection with the Cable System and whose premises are physically wired and lawfully activated to receive Cable Service from Grantee's Cable System.

1.36 "Telecommunications" means the transmission, between or among points specified by the user, of information of the user's choosing, without change in the form or content of the information as sent and received (as provided in 47 U.S.C. §153(50)).

1.37 "Telecommunications Service" means the offering of Telecommunications for a fee directly to the public, or to such classes of users as to be effectively available directly to the public, regardless of the facilities used (as provided in 47 U.S.C. §153(53)).

1.38 "Tier" means a group of Channels for which a periodic subscription fee is charged.

1.39 "Upstream" means carrying a transmission to the Headend from remote points on the Cable System.

1.40 "Video Programming" means programming provided by, or generally considered comparable to programming provided by a television broadcast station.

1.41 "Wireline Video Service" means a service that provides video programming, and it transmitted through a wired network.

SECTION 2. GRANT OF FRANCHISE

2.1 Grant

(A) The County hereby grants to Grantee a franchise and nonexclusive authorization, subject to existing easements and the rights of the underlying fee simple property owner(s), to make reasonable and lawful use of the Rights-of-Way within the Franchise Area to construct, operate, maintain, reconstruct, rebuild, and upgrade a Cable

System for the purpose of providing Cable Service subject to the terms and conditions set forth in this Franchise. This Franchise shall constitute both a right and an obligation to provide the Cable Service required by, and to fulfill the obligations set forth in, this Franchise. Grantee shall in no instance be denied access to the County owned, controlled, and maintained Rights-of-Way if the County has previously granted access to such Rights-of-Way to other Telecommunications Service providers.

(B) The Grantee is granted the right to operate its Cable System in compliance with all applicable Federal, State and County laws, codes, ordinances, resolutions, standards, procedures, and regulations, provided that in the event of a conflict between the provisions of the Federal law, State law, County codes, ordinances, resolutions, standards, procedures and regulations and this Franchise, the State and County laws shall govern.

(C) Further, the County shall not enact legislation, or implement regulation, which is specific to the Grantee, its Cable System, or this Franchise; provided, however, that the County may enact legislation or implement regulation which applies to all cable operators in the Franchise Area.

(D) Nothing in this Franchise shall be deemed to waive the lawful requirements of any generally applicable County law, or the rights of property owners.

(E) This Franchise is subject to applicable local, State, and federal laws and regulations.

(F) Grantee promises and guarantees, as a condition of exercising the privileges granted by this Franchise, that any Affiliate of the Grantee directly involved in the offering of Cable Service in the Franchise Area, or directly involved in the management or operation of the Cable System in the Franchise Area, will also comply with the terms and conditions of this Franchise.

(G) No rights shall pass to Grantee by implication. Without limiting the foregoing, by way of example and not limitation, this Franchise shall not include or be a substitute for:

(1) Any other permit or authorization generally required for the privilege of transacting and carrying on a business within the County that may be required by the ordinances and laws of the County.

(2) Any permit, agreement, or authorization required by the County for Right-of-Way users in connection with operations on or in Rights-of-Way or public property including, by way of example and not limitation, street cut permits.

(3) Any permits or agreements for occupying any other property of the County to which access is not specifically granted by this Franchise including, without limitation, permits and agreements for placing Facilities on County owned poles, in County owned conduits or in or on other County structures; or

(4) Any easement or right of way required to be obtained from the

property owner(s) to install a Cable System or part thereof on the property.

(H) This Franchise is intended to convey limited rights and interests consistent with the law of Maryland and only as to those Rights-of-Way in which the County has an actual interest. It is not a warranty of title or interest in any Right-of-Way; it does not provide the Grantee with any interest in any particular location within the Right-of-Way; and it does not confer rights other than as expressly provided in the grant hereof.

(I) This Franchise is an authorization to build, maintain, and operate a Cable System and to provide Cable Services. Nothing in this Franchise prohibits Grantee from utilizing the Cable System to provide other services, subject to any requirements of federal law, State law, and local regulations. This Franchise does not relieve the Grantee of any obligation it may have to obtain from the County an authorization to provide non-cable services, Telecommunications Services or information services or relieve the Grantee of its obligation to comply with any such authorization(s) related to those non-cable services that may be lawfully required, provided however, that Grantee shall not be subject to duplicative obligations (for example, the insurance policy obligations set forth herein shall be deemed to satisfy the insurance obligations for any other service).

2.2 Use of Rights-of- Way

(A) To the extent allowed under Maryland law and subject to existing easements, the rights of the property owner(s) and the County's regulatory authority, Grantee may erect, install, construct, repair, replace, reconstruct, upgrade and retain in, on, over, under, upon, across and along Rights-of-Way maintained by the County within the Franchise Area such wires, cables, conductors, ducts, conduits, vaults, manholes, amplifiers, pedestals, attachments and other property and equipment as are necessary and appurtenant to the operation of the Cable System within the Franchise Area.

(B) Grantee must follow County-established requirements for placement of Cable System facilities in Rights-of-Way, including the specific location of facilities in the Rights-of-Way, as prescribed in the County's written Utility Specifications. Grantee must install Cable System facilities in a manner that minimizes interference with the use of the Rights-of-Way by others, including others that may be installing communications facilities. Within limits reasonably related to the County's role in protecting public health, safety and welfare, the County may require that Cable System facilities be installed at a particular time, at a specific place or in a particular manner as a condition of access to a particular Right-of-Way; may deny access if Grantee is not willing to comply with the County's requirements; and may remove, or require removal of, any facility that is not installed in compliance with the requirements established by the County, or which is installed without prior County approval of the time, place or manner of installation, where approval is required, and charge Grantee for all the costs associated with removal.

(C) All transmission and distribution structures, poles, other lines, and equipment installed by the Grantee for use in the Cable System in accordance with the terms and conditions of this Franchise shall be located so as to minimize the interference with the proper use of the Rights-of-Way and subject to the rights and

reasonable convenience of property owners who own property that adjoins or lay under any such Right-of-Way, and grantees of existing easements.

2.3 Term of Franchise

This Franchise and the rights, privileges and authority granted hereunder shall take effect on _____, 2023 (the "Effective Date"), and shall terminate on _____, 2033, unless terminated sooner as hereinafter provided.

2.4 Franchise Nonexclusive

This Franchise shall be nonexclusive, and subject to all prior rights of the County, interests, easements, or licenses granted by the property owner(s) or County to any Person to use any property, Right-of-Way, right, interest or license for any purpose whatsoever, including the right of the County to use the same for any purpose it deems fit, including the same or similar purposes allowed Grantee hereunder. The property owner(s) or County may at any time grant authorization to use the Rights-of-Way for any purpose not incompatible with Grantee's authority under this Franchise and for such additional franchises for cable systems as the County deems appropriate.

2.5 Police Powers

Grantee's rights hereunder are subject to the police powers of the County to adopt and enforce ordinances, resolutions, rules, and regulations necessary to the safety, health and welfare of the public, and Grantee agrees to comply with all laws, ordinances, resolutions, rules, and regulations of general applicability enacted, or hereafter enacted, by the County or any other legally constituted governmental unit having lawful jurisdiction over the subject matter hereof. The County shall have the right to adopt, from time to time, such ordinances, resolutions, rules, and regulations as may be deemed necessary in the exercise of its police power.

Nothing in this Franchise shall be construed to limit rights of the property owner(s) or the lawful exercise of the County's police powers. However, if the lawful exercise of the County's police power results in any material alteration of the terms and conditions of this Franchise, then the parties shall negotiate in good faith to modify this Franchise to the mutual satisfaction of both parties to minimize, to the extent practicable, the negative effects on the Grantee and permit the Grantee to comply with such exercise of police power with as little adverse impact on the Grantee as possible.

2.6 Competitive Equity

(A) The Grantee acknowledges and agrees that the County reserves the right to grant one (1) or more additional franchises, or other authorizations, to provide Cable Services within the Franchise Area and that the County desires to encourage competitive Cable Service; provided, however, if the County grants an additional franchise or other authorization to provide Cable Services, that, when taken as a whole upon consideration of all of its material obligations, is more favorable or less burdensome to a subsequent provider than this Agreement is to Grantee, then Grantee may request an

amendment to provide Grantee with competitive equity. If, when taken as a whole upon consideration of all of its material obligations, the additional franchise is more favorable or less burdensome, then the County and Grantee shall enter into good faith negotiations in order to modify this Agreement to the mutual satisfaction of both parties to provide Grantee with such competitive equity.

(B) In the event an application for a cable franchise, or other authorization to provide Cable Services, is filed with the County proposing to serve the Franchise Area, in whole or in part, the County shall serve or require to be served a copy of such application upon the Grantee by registered or certified mail or via nationally recognized overnight courier service not later than thirty (30) days before the County Council conducts a public hearing on the application.

(C) The County and Grantee recognize and acknowledge that other cable franchises, or other authorizations, granted by the County might contain provisions and conditions that are different than the provisions and conditions that the Grantee has negotiated and accepted in this Franchise. Nothing in this Franchise shall be construed so as to require identical provisions and conditions in other cable franchises, or authorizations, granted by the County; provided, however, that such other cable franchises, or authorizations, taken as a whole, shall not be more favorable or less burdensome than this Franchise.

2.7 Effect of Acceptance

By accepting the Franchise, the Grantee: (1) acknowledges and accepts the County's legal right to issue and enforce the Franchise; (2) accepts and agrees to comply with each and every provision of this Franchise; and (3) agrees that the Franchise was granted pursuant to processes and procedures consistent with applicable law, and that no provision, condition or term of this Franchise at the time of the acceptance of the Franchise was unlawful, unreasonable or arbitrary, void or unenforceable.

SECTION 3. FRANCHISE FEE PAYMENTS AND FINANCIAL CONTROLS

3.1 Franchise Fees

As compensation for the benefits and privileges granted under this Franchise and in consideration of permission to use the County's Rights-of-Way, Grantee shall pay, upon receiving ninety (90) days prior written notification from the County, a franchise fee to the County of up to five percent (5%) of Grantee's Gross Revenues. The actual franchise fee percentage shall be specified by the County. Accrual of such franchise fees shall commence ninety (90) days after the date of the notification from the County to Grantee. The parties acknowledge that, at present, applicable federal law limits the County to collecting a franchise fee of five percent (5%) of Gross Revenues in a 12-month period. Grantee agrees that it will not intentionally or unlawfully allocate revenue to any of its subsidiaries, or to an Affiliate for the purpose of evading franchise fee payments under this Franchise.

3.2 Payments

Grantee's franchise fee payments to the County shall be computed quarterly for the preceding calendar quarter. Each quarterly payment shall be due and payable no later than forty-five (45) days after the end of the preceding quarter. The quarters shall end respectively on the last day of March, June, September, and December.

3.3 Acceptance of Payment

The acceptance of any payment required by the County shall not be construed as an acknowledgement or an accord and satisfaction that the amount paid is the correct amount due, nor shall such acceptance of payment be construed as a release or waiver of any claim which the County may have for additional sums due and payable.

3.4 Franchise Fee Reports

Each payment shall be accompanied by a written report to the County, verified by the Grantee's Accounting Department, containing an accurate statement in categorized form of Grantee's Gross Revenues and the computation of the payment amount. The report shall contain line items for sources of revenue received and the amount of revenue received from each source.

3.5 Annual Reports

Upon written request, Grantee shall, within ninety (90) days after the end of each year, furnish to the County a statement stating the total amount of Gross Revenues for that prior year and all payments, deductions, and computations for the period from operating the Cable System in the Franchise Area. Such statement shall be reviewed by the Grantee's Accounting Department prior to submission to the County.

3.6 Audits

(A) The County shall have the right to inspect books and records of Grantee related to Franchise Fee and other payments made, and to audit and recompute any amounts determined to be payable under this Franchise; provided, however, that any such audit shall occur within thirty-six (36) months following the date the County receives such payment and shall be completed within a reasonable period of time. The books and records necessary to determine the accuracy of the franchise fee payments and all other payments due the County shall be made available to the County within thirty (30) days of a written request of the County.

(B) In the event of an alleged underpayment, the Grantee shall have forty-five (45) days from the receipt of a report from the County substantiating such underpayment to provide the County with a written response agreeing to or refuting the results of the audit, including any substantiating documentation. If Grantee agrees to the results of the audit, Grantee shall remit payment to the County, along with interest as described in Section 3.7 below. If Grantee refutes the results, then based on these reports and responses, the parties shall agree upon a "Final Settlement Amount."

For purposes of this Section, the term "Final Settlement Amount(s)" shall mean the agreed upon underpayment, if any, to the County by the Grantee as a result of any such audit. If the parties cannot agree on a "Final Settlement Amount," the parties shall submit the dispute to a mutually agreed upon mediator within sixty (60) days of reaching an impasse. In the event an agreement is not reached at mediation, either party may bring an action to have the disputed amount determined by a court of law.

(C) The County's reasonable expenses, fees and costs for an audit or financial review shall be borne by the Grantee if the audit or financial review discloses an underpayment of five percent (5%) or more. Both parties agree that the County's reasonable expenses, fees and costs shall not exceed twenty thousand dollars (\$20,000) for the audit period. In no event shall the audit period or financial review extend beyond three (3) years from the date payment is received.

(D) The Grantee shall pay any "Final Settlement Amount" due the County as a result of the audit or financial review within thirty (30) days of written notice, provided that a copy of the audit or financial review is delivered to the Grantee by the County and is agreed upon by both parties.

(E) Amounts recovered by the County shall be subject to the additional payment of interest as provided for in Section 3.7 below.

3.7 Late Payments

In the event that the franchise fees or any other amounts herein required are not tendered on or before the date due, interest on such fees and amounts shall accrue from the date due at the then current bank prime rate of interest as published in *The Wall Street Journal*.

3.8 Underpayments

If a franchise fee underpayment or any other underpayment is discovered as the result of an audit, Grantee shall pay, in addition to the amount due, interest at the then current bank prime rate of interest as published in *The Wall Street Journal*, calculated from the date the underpayment was originally due until the date the County receives the payment.

3.9 Additional Commitments Not Franchise Fee Payments

Although the total sum of franchise fee payments and additional commitments set forth elsewhere in this Franchise may total more than five percent (5%) of Grantee's Gross Revenues in any twelve (12) month period, Grantee agrees not to offset or credit any amounts related to PEG capital support, I-Net capital support, or liquidated damages against any franchise fee payments due to the County, unless permitted by federal law.

3.10 Tax Liability

(A) The franchise fees and Capital Contributions shall be in addition to any and all taxes or other levies or assessments which are now or hereafter required to be paid by

businesses in general by any law of the County, the State or the United States including, without limitation, sales, use and other taxes, business license fees or other payments including the payment of any other license fee, permit fee, tax or charge on the business, occupation, property or income of Grantee that may be lawfully imposed by the County.

(B) Nothing in this Franchise shall be construed to preclude Grantee from exercising any right it may have under law to challenge the lawfulness of any tax, fee, or assessment of general applicability imposed by the County or any State or federal agency or authority, nor shall anything in this Franchise be construed to waive any rights Grantee has under 47 U.S.C. §542 or to waive any rights Grantee may have to withhold payment of applicable taxes during a challenge of such taxes, to the extent permitted by law.

3.11 Financial Records

Upon sixty (60) days' written request, Grantee shall provide the County information reasonably necessary to review Grantee's methodology of record-keeping, financial reporting, the computing of franchise fee obligations and other procedures, the understanding of which the County deems necessary for reviewing reports and records. Such financial records shall be maintained by Grantee for three (3) years and be provided upon request to the County for such time period.

3.12 Payment on Termination

If this Franchise is revoked in accordance with the procedures set forth in Section 15.2 and the County has implemented a Franchise Fee under this Franchise, the Grantee shall file with the County within thirty (30) days of the date of the termination, a financial statement, certified by Grantee's Accounting Department, showing the Gross Revenues received by the Grantee since the end of the previous calendar quarter. The County reserves the right to satisfy any remaining financial obligations, up to the date of revocation, of the Grantee to the County by utilizing the funds available in the performance bond or other security provided by the Grantee.

3.13 Bundling of Cable Service and Non-Cable Service

If Grantee bundles Cable Services with non-Cable Services, Grantee agrees that it will not intentionally or unlawfully allocate such revenue for the purpose of evading franchise fee payments under this Franchise. To the extent revenues are received by Grantee for the provision of a bundle of services which includes Cable Services and non-Cable Services, Grantee shall calculate revenues to be included in Gross Revenues using a methodology in accordance with GAAP. The County reserves its right to review and to challenge Grantee's calculations under GAAP.

SECTION 4. ADMINISTRATION AND REGULATION

4.1 Authority

(A) To the extent permitted under federal, State, and local law, the County shall

be vested with the power and right to reasonably regulate the exercise of the privileges permitted by this Franchise in the public interest, or to delegate that power and right, or any part thereof to any County agent in its sole discretion. In the event that the County delegates regulatory authority pursuant to this section, it shall provide advanced written notice of such delegation to the Grantee.

(B) The Grantee and County shall be entitled to all rights and be bound by all changes in local, State, and federal law that occur subsequent to the Effective Date. The Grantee and County acknowledge that their rights and obligations under this Franchise are explicitly subject to all such changes.

(C) Nothing in this Franchise shall limit nor expand the County's right of eminent domain under State law.

4.2 Filing of Rates and Charges

(A) Throughout the term of this Franchise, upon written request, Grantee shall provide written notification to the County of its complete schedule of applicable rates and charges for residential Cable Services provided under this Franchise. Nothing in this subsection shall be construed to require Grantee to provide written notice to the County of its rates and charges under temporary reductions or waivers of rates and charges in conjunction with promotional campaigns.

(B) Grantee shall apply its rates in accordance with governing law without regard to race, color, ethnic or national origin, religion, age, sex, sexual orientation, marital, military, or economic status, or physical or mental disability or geographic location within the Franchise Area. Grantee shall permit Subscribers to make any lawful in-residence connections the Subscriber chooses without additional charge nor penalizing the Subscriber therefor. However, if any in-home connection requires service from Grantee due to signal quality, signal leakage or other factors, caused by improper installation of such in-home wiring or faulty materials of such in-home wiring, the Subscriber may be charged reasonable service charges by Grantee. Nothing herein shall be construed to prohibit the offering of reasonable discounts to senior citizens or economically disadvantaged citizens; or the Grantee from establishing different rates and charges and classes of service for Commercial Subscribers.

4.3 No Rate Discrimination

All of Grantee's rates and charges shall be published (in the form of a publicly available rate card) and shall be nondiscriminatory for all Persons of similar classes, under similar circumstances and conditions. Nothing herein shall be construed to prohibit:

(B) The temporary reduction or waiving of rates or charges in conjunction with valid promotional campaigns.

(C) The offering of reasonable discounts to similarly situated Persons; or

- (D) The offering of bulk discounts for Multiple Dwelling Units.

4.4 Leased Access Channel Rates

Grantee shall offer Leased Access Channel capacity on such terms and conditions and rates as may be negotiated with each lessee, subject to the requirements of Section 612 of the Cable Act. Upon written request, Grantee shall provide a complete schedule of current rates and charges for any and all Leased Access Channels, or portions of such Channels, provided by Grantee.

4.5 Late Fees

The Grantee's late fee and disconnection policies and practices shall be nondiscriminatory, and such policies and practices, and any fees imposed pursuant to this subsection, shall apply equally in all parts of the Franchise Area without regard to the neighborhood or income level of the Subscriber and shall be in compliance with applicable laws.

4.6 Performance Evaluation Sessions

- (A) A performance evaluation session may be held once every three (3) years by the County during the term of this Franchise.

(B) Grantee shall receive thirty (30) days prior written notice of any public hearing held in conjunction with an evaluation session. The purpose of said evaluation session shall be to review the Grantee's compliance with the terms and conditions of the Franchise.

(C) During review and evaluation by the County, the Grantee shall fully cooperate with the County and its designee(s), and subject to the confidentiality provisions of this Franchise, produce such documents or other materials relevant to such evaluation as are reasonably requested by the County. Topics which may be discussed at any evaluation session may include, but are not limited to, compliance with technical standards, construction standards, consumer protection standards, customer service standards and financial reporting and any and all obligations contained in this Agreement.

(D) Within sixty (60) days after the conclusion of such session(s), the County shall issue a written report with respect to the Grantee's compliance. If noncompliance is found of any of the material provisions of the Franchise, the Grantee shall correct such noncompliance pursuant to Section 15.

4.7 Reserved Authority

The County reserves all of its rights and authority arising from the Cable Act and any other relevant provisions of federal, State, or local laws.

4.8 Time Limits Strictly Construed

Whenever this Franchise sets forth a time for any act to be performed by Grantee, time

shall be deemed to be of the essence.

SECTION 5. FINANCIAL AND INSURANCE REQUIREMENTS

5.1 Indemnification

(A) General Indemnification. Grantee shall indemnify, defend and hold harmless the County and any of the County's officers, officials, boards, commissions, agents and employees acting in an official capacity from any action, claim, damage, loss, liability, cost or expense, including reasonable court costs and reasonable attorneys' fees and expenses arising out of, or by reason of, any construction, excavation, operation, maintenance, repair, reconstruction, upgrade, rebuild, upkeep or removal of the Cable System, by or for Grantee, its agents or employees, or by any act or omission of Grantee, its agents or employees. The obligation to indemnify, defend, save, and hold the County harmless shall include, but not be limited to, the obligation to pay judgments, injuries, liabilities, damages, penalties, expert fees, and reasonable attorneys' fees.

(B) Procedures and Defense. The County shall give the Grantee timely written notice of any claim, or of the commencement of, any action, suit or other proceeding covered by the indemnity in this subsection as soon as possible, but in no event more than ten (10) days after the date the County receives notice, or otherwise is made aware, of a claim, suit, cause of action, or proceeding for which the Grantee is obligated to indemnify the County. If a claim or action arises, the County or any other indemnified party shall then tender the defense of the claim to Grantee, which defense shall be at Grantee's expense. The County may participate in the defense of a claim at its own cost and expense, and, in any event, Grantee may not agree to any settlement of claims financially affecting the County without the County's prior written approval. In the event that the County does not consent to the terms of any such settlement, Grantee's obligation to indemnify the County shall in no event exceed the amount of such settlement, provided that the County is released from any liability related thereto. The County agrees that it will take all necessary action to avoid a default judgment and not prejudice the Grantee's ability to defend the claim or action.

(C) Grantee's Duties. The fact that Grantee carries out any activities under this Franchise through independent contractors shall not constitute an avoidance of or defense to Grantee's duties of defense and indemnification under this subsection.

(D) Other Counsel. If separate representation to fully protect the interests of both parties is necessary, such as a conflict of interest between the County and the counsel selected by Grantee to represent the County, Grantee shall select other counsel who has no conflict with the County.

(E) Grantee shall not be required to indemnify the County for negligence or misconduct on the part of the County or its officers, officials, boards, commissions, agents, or employees or related to programming carried on any Access Channel, Channels leased pursuant to 47 U.S.C. §532, or to operations of the Access Channels.

5.2 Insurance Requirements

(A) General Requirement. Grantee must have adequate insurance during the entire term of this Franchise to protect the County against claims for death or injuries to Persons or damages to property or equipment for which Grantee is responsible.

(B) Minimum Insurance Limits. The Grantee shall maintain the following insurance limits:

(1) Commercial General Liability: \$3,000,000 per occurrence, \$3,000,000 general aggregate, and \$3,000,000 products/completed operations aggregate.

(2) Automobile Liability: \$3,000,000 combined single limit.

(3) Workers Compensation Insurance limits in accordance with State law requirements.

(4) Excess or Umbrella Liability: \$5,000,000 each occurrence and \$5,000,000 policy limit. Overall limits of liability may be met through any combination of primary and excess liability policies of the Grantee.

(C) Endorsements. Commercial General Liability insurance policies are to contain, or be endorsed to contain, the following:

(1) The Grantee's insurance coverage shall be primary insurance with respect to the County. Any insurance, self-insurance, or insurance pool coverage maintained by the County shall be in excess of the Grantee's insurance and shall not contribute to it, but only with respect to losses for which the Grantee is responsible hereunder.

(2) The Grantee's insurance shall name the County as an additional insured.

The insurance provided herein shall state that notice of cancellation will be given in accordance with policy provisions. If the insurance is canceled or reduced in coverage below the requirements of this Section, Grantee shall provide a replacement policy.

(D) Verification of Coverage. The Grantee shall furnish the County with signed certificates of insurance upon acceptance of this Franchise. The Grantee will notify the County promptly if there are any material changes to any of the insurance coverages listed above. The certificate for each insurance policy is to be signed by a Person authorized by that insurer to bind coverage on its behalf. It is acknowledged that facsimile signatures satisfy the signature requirement of this subsection.

(E) No Limitation. Grantee's maintenance of insurance policies required by this Franchise shall not be construed to limit, or otherwise alter, the liability of Grantee to the coverage provided in the insurance policies, or otherwise limit, or alter, the County's

recourse to any other remedy available at law or in equity.

5.3 Performance Bond

Grantee shall obtain and maintain, at its sole cost and expense, a performance bond from a financial institution licensed to do business in the State in the amount of five hundred thousand dollars (\$500,000). Upon completion of the construction of the cable system pursuant to Section 12 of this Agreement and upon approval of such completion by the County in writing, Grantee may reduce the amount of the performance bond to fifty thousand dollars (\$50,000). In the event of any transfer of this Franchise, the County may require the new grantee to increase the amount of the performance bond to one hundred thousand dollars (\$100,000).

(B) Following the notice and cure procedures in Section 15.1 herein, such performance bond may be drawn on in the case of any default or failure of Grantee to pay any amount due under the Franchise. The County shall give Grantee ten (10) days' notice of its intent to draw from the performance bond. Upon drawing on the performance bond, the County shall notify Grantee in writing via certified mail within three (3) business days. Grantee shall, within ten (10) business days of receipt of such notification, take action required to restore the performance bond to its original full amount. If Grantee commences litigation or other legal process to dispute the alleged default, Grantee's obligation to restore the performance bond shall be stayed pending final resolution of the litigation. If it is determined through a judicial process that is no longer subject to appeal that the County has erroneously drawn on the performance bond, the amount withdrawn shall be paid back to Grantee within twenty (20) days of the final judicial determination.

(C) Within thirty (30) calendar days of the expiration or authorized transfer of the Franchise, if Grantee is no longer operating the Cable System, then the County will return the original performance bond and any amendments to the issuing bank for cancellation.

SECTION 6. SECTION 6. CUSTOMER SERVICE

6.1 Local Office

Grantee shall maintain a full-service customer service office conveniently located to Subscribers which shall be open to serve customers during Normal Business Hours. Grantee shall maintain options for equipment return and exchange, as well as bill payment, within the County for the term of this Franchise.

6.2 Line Extension Complaints

Upon written request, Grantee shall provide detailed written information to the County on each line extension complaint that it receives from the County. Grantee shall provide a summary of the review that was made to determine Grantee's decision whether to provide service or not, and the detailed support for Grantee's decision, including the cost that potential new subscribers would be required to pay for Grantee to extend the system.

6.3 Office Hours and Telephone Availability

(a) Grantee shall provide and maintain a toll-free telephone access line that will be available to Subscribers twenty-four (24) hours a day, seven (7) days a week. Trained representatives shall respond to Subscriber telephone inquiries during Normal Business Hours. After Normal Business Hours, the access line may be answered by a service or an automated response system. Inquiries received after Normal Business Hours must be responded to by a trained company representative on the next business day.

(b) Under Normal Operating Conditions and during Normal Business Hours, telephone answering time by a Subscriber representative, including wait time, shall not exceed thirty (30) seconds after the connection is made. If the call needs to be transferred, transfer time shall not exceed thirty (30) seconds. These standards shall be met no less than ninety percent (90%) of the time, measured on a quarterly basis. Under Normal Operating Conditions, the Subscriber shall receive a busy signal less than three percent (3%) of the time.

(c) Grantee will not be required to perform surveys to measure compliance with the telephone answering standards above unless a historical record of Complaints indicates a clear failure to comply. If the County determines, after receiving Complaints itself and/or receiving a record of Complaints made to Grantee in accordance with Sections 4.5 and/or 5.7(a), that there is a clear failure to comply with the telephone answering requirements above, the County shall notify Grantee in writing that it must measure its compliance with these requirements for the next three months and report to the County the results of such monthly average measurements.

6.4 Installations and Service Calls

(a) Grantee shall maintain a staff of employees sufficient to provide adequate and prompt service to its Subscribers. Grantee shall require that any employee or agent, including any subcontractor, who personally visits any residential dwelling, shall display a photo identification badge. Any vehicle used for installation, operation or maintenance activities by any Grantee employee or agent, including any subcontractor, shall prominently display the Grantee logo.

(b) Standard installations will be performed within seven (7) business days after an order has been placed. "Standard" installations are those aerial installations that are located up to two hundred fifty (250) feet from the existing main distribution line.

(c) Upon scheduling of appointments with the Subscriber for installations, service calls and other activities, Grantee shall provide the Subscriber with either a specific time or an "appointment window" of a maximum of four (4) hours during Normal Business Hours. Grantee may schedule service calls and installation activities outside of Normal Business Hours at a time that is convenient for the Subscriber.

(d) Grantee may not cancel an appointment with a Subscriber after the close of business on the business day prior to the scheduled appointment. If, at any time, an installer or technician is running late, an attempt to contact the Subscriber must be made prior to the

time of the appointment. If the appointment must be rescheduled, it must be done so at a time that is convenient for the Subscriber.

6.5 Notices

(a) In accordance with applicable federal law, Grantee shall provide written information to each Subscriber upon initial subscription, and at least annually to Subscribers and at any time upon request, regarding each of the following areas:

- (1) Products and services offered.
- (2) Prices and options for programming services and conditions of subscription to programming and other services.
- (3) Channel positions of programming carried on the Cable System.
- (4) Installation and service maintenance policies.
- (5) Instructions on how to use the Cable Service and any converters.
- (6) Billing and Subscriber complaint procedures.
- (7) A notice of Subscriber privacy rights as required by federal law.

(b) In accordance with applicable law, Grantee shall notify Subscribers and the County in writing of any changes in rates, programming services or channel positions a minimum of thirty (30) days in advance of such changes provided that such change is within the control of Grantee. Grantee shall not be required to provide prior notice to Subscribers of any rate change that is the result of a regulatory fee, Franchise Fee or any other fee, tax, assessment, or charge of any kind imposed by any federal agency, The State of Maryland, or the County on the transaction between Grantee and the Subscriber. Advance notice is not required for the launch of new channels when offered on a subscription basis or added to an existing service tier at no additional cost to the customer.

(c) The written notices required by this section may be provided electronically as permitted by 47 C.F.R. § 76.1600.

6.6 Billing

(a) Bills shall be clear, concise, and understandable. Bills must be fully itemized, and shall include all applicable service tiers, equipment charges and any installation or repair charges. Bills shall state the billing period, including an effective due date, the amount of current billing and any relevant credits or past due balances.

(b) The County hereby requests that Grantee omit the County's name, address, and telephone number from Subscriber bills as permitted by 47 C.F.R. § 76.952.

6.7 Subscriber Complaint Procedures

Grantee shall establish clear written procedures for resolving all Subscriber Complaints, which shall include at least the following:

(a) Grantee shall provide the Subscriber with a written response to a written Complaint within thirty (30) days of its receipt at the local business office. Such response shall include the results of its inquiry into the subject matter of the Complaint, its conclusions based on the inquiry, and its decision in response to the Complaint.

(b) If the County is contacted directly about a Subscriber Complaint, it shall notify Grantee promptly and in writing. When Grantee receives such notification, Grantee shall respond in writing within the time period specified in Section 6.75(a).

(c) Any Subscriber who, in good faith, disputes all or part of any bill sent by Grantee has the option of withholding the disputed amount, without a late fee or disconnection, until Grantee has investigated the dispute in good faith and has made a determination that the amount is owed provided that:

- (1) The Subscriber provides a written Complaint to Grantee in a timely fashion and includes identifying information.
- (2) The Subscriber pays all undisputed charges.
- (3) The Subscriber cooperates in determining the appropriateness of the charges in dispute; and
- (4) It shall be within Grantee's sole discretion to determine when the dispute has been resolved.

(d) In accordance with applicable law, Grantee shall maintain Subscriber Complaint records for inspection by the affected Subscriber, which shall contain the date each Complaint is received, the name and address of the affected Subscriber, a description of the Complaint, the date of resolution of the Complaint, and a description of the resolution.

6.8 Disconnection

Grantee may disconnect or terminate a Subscriber's service for cause:

(a) If at least thirty (30) days have elapsed from the due date of the bill that Subscriber has failed to pay; and

(b) If Grantee has provided at least ten (10) days' notice to the affected Subscriber prior to disconnection, specifying the effective date after which Cable Services are subject to disconnection; and

(c) If there is no pending written dispute with Grantee regarding the bill; or

(d) If at any time and without notice, Grantee determines in good faith that

Subscriber has tampered with or abused Grantee's equipment or service, is engaged in theft of Cable Service or has exhibited violent or threatening behavior toward its employees.

6.9 Service Interruptions

(a) Excluding conditions beyond its control, Grantee shall begin working on a Service Interruption promptly and in no event later than twenty-four (24) hours after the Service Interruption becomes known and shall pursue to completion. Notice of a Service Interruption of a single Subscriber shall give rise to this obligation on behalf of Grantee. All other service calls not affecting public health, safety or welfare shall occur within a maximum of forty-eight (48) hours after notice to Grantee or scheduled at the convenience of the Subscriber.

(b) In the event that there is a Service Interruption to any Subscriber for six (6) or more consecutive hours and upon receipt of written or credible oral request, Grantee shall grant such Subscriber a pro rata credit or rebate, on a daily basis, of that portion of the service charge during the next consecutive billing cycle, or, at its option, apply such credit to any outstanding balance that is currently due.

6.10 Privacy

Grantee shall comply with the privacy provisions of Section 631 of the Cable Act and all other applicable federal and state privacy laws and regulations. Grantee shall at all times maintain adequate physical, technical, and administrative security safeguards to ensure that personally identifiable Subscriber information is handled and protected strictly in accordance with this policy and all applicable laws and regulations.

SECTION 7. REPORTS AND RECORDS

7.1 Recordkeeping

Grantee's books and records shall be maintained in accordance with all federal, State, and local laws, rules, and regulations. The County shall have the right to inspect and copy all books and records, including documents in whatever form maintained, including electronic media, to the extent that such books and records are necessary for the enforcement of this Franchise. The inspection shall take place during normal business hours, upon reasonable written notice by the County of not less than ten (10) business days, and at Grantee's local office. Subject to the provisions of federal and State public information statutes and regulations and consistent with Section 7.8, the County shall take reasonable steps to protect the proprietary and confidential nature of any such documents to the extent that such documents are identified as proprietary and confidential by the Grantee. Such financial records shall be maintained by Grantee for three (3) years and be provided upon request to the County for such time period.

7.2 Maps and Records Required

Grantee shall provide to the County upon written request, the following:

(A) Within sixty (60) days of substantial completion of the construction of the Cable System, a complete set of strand maps showing the location of the activated Cable System facilities placed in the Rights-of-Way. The maps shall identify Cable System facilities as aerial or underground and is not required to depict cable types, number of cables, electronic equipment, and service lines to individual Subscribers. The Grantee shall provide these maps in a compatible electronic format. Maps provided hereunder shall be treated as confidential and proprietary in accordance with section 7.8. Thereafter, Grantee shall not be required to provide maps hereunder more than once per calendar year; and

(B) In the event of a legal dispute between the Grantee or the County and a private property owner regarding an easement or other property right related to Grantee's construction activities, identification of the source and a written verification of the easement or property right upon which Grantee relies; and

(C) A copy of all FCC filings within the previous twelve (12) months which relate specifically to and materially affect the operation of the Cable System in the Franchise Area; and

(D) A list of Grantee's Cable Services, rates, and Channel line-up.

7.3 Reports of Regulatory Violations

Upon written request, Grantee shall provide to the County copies of any consent decree or formal determination of violation by any regulatory agency having jurisdiction over Grantee specifically relating to the Grantee's provision of Cable Service in the Franchise Area.

7.4 Submittal of Documents

Grantee shall timely notify the County of any lawsuit that materially affects the operation of Grantee's Cable System within the Franchise Area. Grantee shall, upon written request, submit to the County a copy of any document submitted by Grantee to any federal, State, or local courts if such document directly relates to the operations of Grantee's Cable System within the Franchise Area.

7.5 Annual Reports

Upon written request, thirty (30) days after the end of the first quarter, Grantee shall submit to the County a written report, which shall include the following information:

(A) The most recently completed annual corporate report.

(B) A summary of the previous year's activities regarding the development of the Cable System, including, but not limited to, homes and businesses passed, beginning, and ending plant miles, any technological changes or upgrades occurring in the Cable System and the number of Subscribers.

- (C) A description of any substantial Cable System expansions commenced or completed in the previous year.
- (D) A description of planned construction, if any, for the current year; and
- (E) A detailed complaint log of written Subscriber Complaints from the previous year, including summary descriptions of the Complaints, the dates the Complaints were resolved and summary descriptions of the resolutions.

7.6 False Statements

Any false or misleading statement or representation in any report required by this Franchise (not including clerical errors or errors made in good faith) may be deemed a material breach of this Franchise and may subject Grantee to all remedies, legal or equitable, which are available to the County under this Franchise or otherwise.

7.7 Failure to Report

The intentional failure or neglect of Grantee to file any of the information required under this Franchise (not including clerical errors or errors made in good faith) may, at the County's option, be deemed a breach of this Franchise.

7.8 Confidential and Proprietary Information

The County agrees to treat any written information disclosed by the Grantee as confidential and proprietary to the extent it is marked as such by Grantee so long as the County is permitted to do so under applicable law and only to disclose it to those employees, representatives, and agents of the County that have a need to know in order to enforce this Franchise and with regard to the County's representatives and agents who agree, through the execution of a non-disclosure agreement, to maintain the confidentiality of all such information. The Grantee shall not be required to provide Customer information in violation of Section 631 of the Cable Act or any other applicable federal or state privacy law. For purposes of this Section, the terms "proprietary or confidential" include, but are not limited to, information relating to the Cable System design, customer lists, marketing plans, financial information unrelated to the calculation of franchise fees or rates pursuant to FCC rules, or other information that is competitively sensitive. Grantee may make proprietary or confidential information available for inspection, but not copying or removal of information by the County's representative unless parties have in place a mutually agreeable non-disclosure agreement ("NDA"). In the event that the County has in its possession and receives a request under a state "sunshine," public records, or similar law for the disclosure of information the Grantee has designated as confidential, trade secret or proprietary, the County shall notify Grantee of such request and cooperate with the Grantee in protecting such information to the extent allowed by law. Further, in the event of an audit by the County, the County will cooperate in taking such action as necessary to protect the confidential information.

SECTION 8. PROGRAMMING

8.1 Broad Programming Categories

Grantee shall offer broad categories of video programming services designed to meet the needs and interests of its Subscribers.

8.2 Parental Control Device

Upon request by any Subscriber, Grantee shall make available a parental control or lockout device, traps, or filters to enable a Subscriber to control access to both the audio and video portions of any or all Channels. Grantee shall inform its Subscribers of the availability of the parental control or lockout device at the time of their initial subscription and periodically thereafter. Any device offered shall be at a rate, if any, in compliance with applicable law. Grantee shall incur no liability for any Subscriber's, renter's, or viewer's exercise or failure to exercise such controls.

8.3 Continuity of Service Mandatory

(A) It shall be the right of all Subscribers to continue to receive Cable Service from Grantee insofar as their financial and other obligations to Grantee are honored. Grantee reserves the right to deny service or terminate service for good cause, including but not limited to non-payment, theft of service, damage to equipment or abusive conduct directed towards Grantee's employees or agents. The Grantee shall act to the best of its ability so as to ensure that all Subscribers receive continuous, uninterrupted Cable Service. For the purposes of this subsection, "uninterrupted" does not include short-term outages of the Cable System for repair, maintenance, or testing.

(B) In the event of a change of grantee, or in the event a new cable operator acquires the Cable System in accordance with this Franchise, Grantee shall cooperate with the County, new grantee, or cable operator in maintaining continuity of Cable Service to all Subscribers.

(C) Subscribers shall continue to receive Cable Service from Grantee provided their financial and other obligations to Grantee are honored. Subject to Force Majeure provisions in Section 9.1, Grantee shall use its best efforts to ensure that all Subscribers receive continuous, uninterrupted service regardless of the circumstances. For the purpose of construction, routine repairing or testing of the Cable System, Grantee shall use its best efforts to interrupt service only during periods of minimum use. When necessary, service interruptions of more than twenty-four (24) hours can be anticipated, Grantee shall notify Subscribers in advance of such service interruption along with providing Subscribers with a pro-rata credit for the time of such service interruption.

8.4 Services for the Disabled

Consistent with applicable Federal law, Grantee's facilities and services shall be functionally accessible and usable by individuals with disabilities as may be readily achievable.

SECTION 9. ACCESS

9.1 Access Channels

(A) Grantee shall make available three (3) High Definition (HD) format digital Access Channels. As of the Effective Date, these Access Channels shall be allocated as follows: one (1) Governmental Access Channel for use by the County and two (2) Educational Access Channels to be used by Frederick County Public Schools ("FCPS") and Frederick Community College ("Community College"). The Access Channels shall be made available to all Subscribers without any additional fee or charge in addition to the fee or charge the Subscriber is paying for the Cable Services the Subscriber receives on the Cable System.

(B) Grantee shall offer closed captioning of programming for Subscribers in accordance with FCC regulations, the Americans with Disabilities Act and other applicable laws and regulations. Captions must match the spoken words in the dialogue with order spoken and must be legible with appropriate spacing. Captions must also coincide with their corresponding spoken words and sounds to the greatest extent possible and must be displayed on the screen at a speed that can be read by viewers.

(C) The County shall have complete control over the content, scheduling, administration, and all other programming aspects of all Access channels, and may delegate such functions, or a portion of such functions, to appropriate Designated Access Providers. Subject to applicable law, Grantee shall not exercise any editorial control over Access Channel programming. Grantee shall transport and deliver the Access Channels signals at the level of audio and visual quality, picture resolution, encoding rate functionality, and accessibility, equivalent to that of commercial channels transmitted by Grantee to Subscribers on its Cable System.

(D) If a digital program guide or menu is managed for Grantee by a third party, Grantee will make available to the County the information needed and take the necessary steps to place Access Channel programming information on Grantee's interactive channel guide. The Access Channel administrator shall be responsible for providing the required programming description to the third-party vendor used by Grantee to manage the digital program guide.

(E) All Designated Access Providers and Access users shall cooperate in good faith to ensure the efficient use of Access Channels. In particular, all Designated Access Providers and Access users shall make reasonable accommodation for requests from other similar governmental or educational access entities served by the Cable System to share existing Access Channel time.

(F) Grantee shall construct, provide, and maintain, in good working order, the digital fiber optic transport equipment and the cable necessary for transmitting the Access Channel signals from the video origination locations designated by the County to Grantee's Channel aggregation sites for further processing and distribution to all Subscribers.

(G) Once channel positions are established for the Access Channels, Grantee shall use its best efforts to maintain the Channel positions. Notwithstanding the foregoing,

those Channel positions shall be changed by the Grantee only after providing the County and Access Provider not less than sixty (60) days prior written notice. Grantee shall provide reasonable notice to Subscribers, of not less than thirty (30) days, if the change is within the control of Grantee, so that Subscribers are made aware of a change in channel assignment. Grantee shall use its best efforts to keep the Access Channels grouped together. Except for Access Channel relocations due to channel designations of must carry Channels or other federal or state legal requirements, if Grantee relocates any of the Access Channels, then, Grantee will pay an amount not to exceed eighteen thousand dollars (\$18,000) in verified total expenses to the County, FCPS and the Community College, as applicable, during the duration of this Franchise, for personnel and other expenses needed to facilitate the rebranding efforts.

9.2 Additional Access Channel

Within ninety (90) days of a written request of the County, Grantee shall provide one (1) HD digital Access Channel, beyond those Access channels described in subsection 9.1(A). In order to request the additional HD digital Access Channel, the then existing Access Channels must be programmed at least six (6) hours a day with non-repetitive, non-character generated, non- alphanumeric, locally produced programming, Monday through Friday, for a minimum of six (6) consecutive weeks. The County must provide Grantee with written, detailed documentation evidencing the usage meets the threshold requirement for each of the current Access Channels.

9.3 HD Delivery of Access Channels

Grantee shall carry all components of the Access Channel signals in HD, including, but not limited to, video, audio, stereo, closed captioning, and other elements associated with the programming. For each HD Access Channel described above, Grantee shall continue to carry the Access programming simultaneously in SD format until SD digital channels are no longer provided over the Cable System, and in the event that Grantee offers only HD formatted channels, it shall provide the Access Channels described above in HD format even if the Access Channels do not satisfy the minimum conditions specified above.

The County acknowledges that HD Access Channels may require Subscribers to buy or lease special equipment, available to all Subscribers, and subscribe to those tiers of Cable Service upon which HD channels are made available. Grantee is not required to provide free HD equipment to Subscribers or the County.

9.4 Management and Control of Access Channels

(A) The County shall have the responsibility for identifying the Designated Access Providers and sole and exclusive responsibility for allocating the Access resources under this Section. The County may authorize Designated Access Providers to control and manage the use of any and all Access facilities, including, without limitation, the operation of Access Channels. The County or its designee may formulate rules for the operation of the Access Channels, consistent with this Franchise. Grantee shall cooperate with the County and Designated Access Providers in the use of the Cable System and Access

facilities.

(B) In accordance with applicable law, the County and/or the Designated Access Provider shall indemnify the Grantee for any liability, loss, or damage it may suffer due to violation of the intellectual property rights of third parties or arising out of the content or programming aired on any Access Channel and from claims arising out of the County's rules for or administration of Access Programming.

(C) Other than the Access support specifically provided elsewhere in this Franchise, Grantee shall not be required to provide technical or production staff, Access studios, facilities, production equipment, Access origination transmission equipment, or programs, pursuant to this Franchise for the purpose of providing Access programming on the Access Channels. At no time shall the Designated Access Provider be deemed a third-party beneficiary of this Franchise, nor have any rights of enforcement other than through petition to the County.

9.5 Capital Support

(A) Grantee shall pay to the County, upon receiving ninety (90) days prior written notification from the County, one (1) capital advance (the "Capital Grant") for Access in the amount of ten thousand dollars (\$10,000). Such Capital Grant can be requested by the County at any time during the term of this Franchise.

The Capital Grant is an advance of the monthly capital contribution set forth in subsection 9.5(B). These funds shall be used by the County, in its sole discretion, for Access equipment (including, but not limited to, studio and portable production equipment, editing equipment and program playback equipment) or for Access-related facilities renovation or construction in accordance with this Franchise. The County acknowledges that Grantee has the right under federal law to treat the capital grant and the costs of other Franchise requirements as external costs, and Grantee reserves its right to pass those costs through to Subscribers in accordance with applicable law.

(B) Upon receiving ninety (90) days' prior written notification from the County, Grantee shall collect from its Subscribers and provide to the County the following: (i) one percent (1%) of Grantee's Gross Revenues per month; and (ii) a pro rata amount of \$.18 per Subscriber per month (the "Capital Contributions") for Access capital and I-Net purposes. Grantee shall be entitled to retain the Capital Contributions until it has recouped the capital advances referenced in subsection 9.5(A).

Payments hereunder shall be due and payable no later than forty-five (45) days following the end of each quarter subject to Grantee's right to recoup the Capital Grant referenced above. The County shall have discretion to allocate the Capital Contributions in accordance with applicable law. The County may adjust the amount of the Capital Contributions on an annual basis (up to the maximum amount specified in this subsection); provided that Grantee is given ninety (90) days' advance written notice. To the extent the County makes Access capital investments using County funds prior to receiving the Capital Grant or Capital Contributions, the County is entitled to apply the subsequent Capital Grant and

Capital Contributions from Grantee toward such County capital investments.

The County acknowledges that Grantee has the right under federal law to treat the Capital Grant and Capital Contributions as external costs and that Grantee may choose to include them as line items on Subscribers' bills.

9.6 Change in Technology

In the event Grantee makes any change in the Cable System and related equipment and facilities or in Grantee's signal delivery technology, which directly or indirectly affects the signal quality or transmission of Access services or programming, Grantee shall at its own expense take necessary technical steps or provide necessary technical assistance, including the acquisition of all necessary equipment and training of Access personnel, to ensure that the capabilities of Access services are not diminished or adversely affected by such change.

9.7 Access Origination Connections

Grantee shall, upon completion of construction of the Cable System to each of the locations individually listed in Exhibit A, provide throughout the term of this Franchise fiber optic return lines to the headend and hubs from such locations that are designated with Grantee's fiber in order to enable the distribution of Access programming to Residential Subscribers on the Access Channels. At the County's request, Grantee shall provide a digital fiber optic signal transmitter at each of the locations listed in Exhibit A and a companion fiber optic signal receiver at the appropriate receive locations, headend or hub, as well as processing or remodulation equipment at the headend or hubs for Access purposes. The cost for such digital transmission, reception, processing or remodulation equipment attributable to Access channel reception at hubs or headends and delivery to Subscribers shall be borne by the Grantee.

9.8 Technical Assistance

Grantee shall provide to the County technical assistance for Access transport as necessary, upon reasonable request.

9.9 Access Program Listings in Subscriber Guides

If a program guide or menu is managed by Grantee, Grantee will take the necessary steps so that, if the County or Designated Access Provider provides the information, Access Channels and individual programs shall be listed on channel guides and menus in the same detail as for commercial channels. If a program guide or menu is managed by a third party, Grantee will make available to the County and Designated Access Provider, the third-party vendor contact information necessary to participate in the channel guide carried on the Cable System. The reasonable cost of such individual program listings shall be borne by the County, or any other entity responsible for programming or managing the Access Channels, and each such entity shall be responsible for providing the required programming description to the third-party vendor.

9.10 Access Channel Signal Quality

Grantee shall transport and distribute all Access programming without material degradation. Consistent with this requirement, Grantee shall provide all necessary equipment outside the demarcation point at the Access Channel provider's origination point, at Grantee's headend and throughout its distribution system to deliver the Access Channels in whatever format is required under this Franchise. Grantee may implement carriage of Access Channels in any manner (including selection of compression, utilization of IP, and other processing characteristics) as long as it does not discriminate against Access Channels with respect to accessibility, recordability, and signal quality from those of other commercial cable channels of the same format carried on the Cable System. With respect to signal quality, Grantee shall not be required to carry an Access Channel at a higher quality format than that of similar commercial cable channels of the same format delivered by Grantee. For purposes of this subsection, material degradation means where signal quality is noticeably degraded, from the perspective of the viewer, from that provided to Grantee at the demarcation point, but shall not include any conversion of programming from HD resolution to SD resolution in order to program any SD format Access Channels.

SECTION 10. INSTITUTIONAL NETWORK (I-NET)

The County and Grantee have agreed to negotiate a separate Institutional Network Indefeasible Right of Use Agreement regarding the use of fiber optic network capacity.

SECTION 11. GENERAL RIGHT-OF-WAY USE AND CONSTRUCTION

11.1 Right to Construct

Subject to Maryland law, existing easements, the rights of the fee simple property owner(s), and the other provisions of this Franchise, Grantee may install any facility needed for the maintenance, operation, or extension of Grantee's Cable System.

11.2 Right-of-Way Meetings

Subject to receiving advance written notice, Grantee will make reasonable efforts to participate in discussions which may be organized by the County regarding Right-of-Way acquisition and issues that may impact the Cable System or private property owners' rights.

11.3 General Standards

All work authorized and required hereunder shall be done in a safe, thorough, and workmanlike manner, and in compliance with all Federal, State and County regulations. All installations of equipment shall be durable and installed and maintained in accordance with sound engineering practices. Grantee will take prompt corrective action if it finds that any facilities or equipment in the Cable System are not operating as expected, or if it finds that facilities and equipment do not comply with the requirements of this Franchise or applicable law.

11.4 One Call

The Grantee shall participate in the call before you dig program required under State law.

11.5 Permits

(A) No construction, upgrade, rebuild, reconstruction, maintenance, or relocation of Grantee's Cable System, or any part thereof, that disturbs the surface of any street, curb, sidewalk or other public improvement in the Right-of-Way, or impedes vehicular traffic within any Public Rights-of-Way or public land shall be commenced unless applicable permits have been obtained from proper County officials, except that in case of emergency, the Grantee may carry out such work to the extent necessary pending the issuance of such permits, as long as the Grantee acts to secure such permits as soon as possible. Permit applications will be processed in accordance with the normal procedures of the Division of Planning and Permitting or successor department(s). The issuance of such permits shall not be unreasonably withheld, conditioned, or delayed. Notwithstanding the requirements herein, Grantee shall not be required to obtain a permit for individual drop connections to Subscribers, servicing or installing pedestals or other similar facilities, or other instances of routine maintenance or repair to its Cable System.

(B) Grantee is responsible for securing and paying for any and all applicable federal, State, and local permits and is responsible for displaying the appropriate permits, upon request, at the work site.

(C) The issuance of permits by the County is subject to and does not substitute for obtaining easements from affected property owners.

11.6 Approval of Plans

The Grantee shall comply with the Right-of-Way requirements of the County when conducting construction activities in the Rights-of-Way. The County shall undertake reasonable efforts to ensure the timely approval of any required plans submitted by the Grantee.

11.7 Notice to Private Property Owners

Except for emergency maintenance or repairs, the Grantee shall obtain necessary easements and provide reasonable notice to residents in any construction area prior to first entering onto their property to perform any work in conjunction with Cable System construction, upgrade or rebuild, and shall provide reasonable notice to affected residents in advance of any work which will involve excavation, or replacement of poles. The Grantee shall provide affected residents with a local name and phone number they can call to discuss the Grantee's actions.

11.8 Coordination

The Grantee shall cooperate and coordinate with the Office of Transportation

Engineering (Utility Coordinator), property owners, and all gas, electric, telephone, water, sewer, and other utilities in the placement of its facilities, equipment, or fixtures, to minimize the costs and disruption caused by any construction activities.

11.9 Joint Trenching

Grantee shall endeavor to limit the cutting of streets, sidewalks, and other Rights-of-Way through joint trenching. Grantee shall contact the County prior to any street cuts or disturbance of a sidewalk to determine if utilities or Telecommunications companies or other cable operators are scheduled to cut the same street or disturb the same sidewalk. A permit application, when applicable, will satisfy this requirement. Upon discovery of other like plans to disturb the Right-of-Way, Grantee shall contact the other users and, where practicable, plan for joint trenching and boring. Compliance with Standards

11.10 Minimal Interference

Grantee's Cable System and facilities shall be located and constructed so as:

(A) Not to endanger or interfere with the health, safety, or lives of Persons or private or public property;

(B) Not to interfere with improvements the County or others may deem proper to make;

(C) Not to interfere with the proper use of the Rights-of-Way, public places, or public property except to the minimum extent possible during actual construction and/or repair;

(D) Not to interfere with the rights and reasonable convenience of private property owners, except to the minimum extent possible during actual construction and/or repair; and

(E) Not to obstruct, hinder, or interfere with any gas, electric, water, or telephone facilities or other utilities located within the County.

The Grantee's Cable System shall be located, erected, and maintained so as not to hinder or obstruct the free use of the Rights-of-Way or other public property, and shall not unduly interfere with the travel and use of public places by the public during the construction, repair, operation, or removal thereof. In the event of such interference, the County may require the removal or relocation of Grantee's lines, cables, equipment, and other appurtenances from the property in question at Grantee's expense.

11.11 Prevent Injury/Safety

Grantee shall provide and use any equipment and facilities necessary to control and carry Grantee's signals so as to prevent injury to the County's property or property belonging to any Person. Grantee shall repair, renew, change, and improve its facilities to keep them in

good repair, and safe and presentable condition.

11.12 Location of Facilities

Upon the County's reasonable request, in connection with the design of any County project, the Grantee will verify the location of its underground System within the Franchise Area by marking on the surface the location of its underground facilities. However, when necessary for the actual design of any County project, the County may request that the Grantee identify the location of its underground System by using available technology that is reasonably acceptable to the County at no expense to the County. Whenever Grantee or any agent, including any contractor or subcontractor, shall disturb any pavement, sidewalk, or other public property in order to perform any underground activity, it shall utilize the Maryland "Miss Utility" System prior to any such disturbance. Grantee shall adhere to any additional undergrounding requirements which the State may establish in the future. Grantee shall adhere to all requirements of the Maryland Underground Facilities Damage Protection Law.

11.13 Underground Construction and Use of Poles

(A) The Grantee shall utilize existing poles and conduit wherever possible.

(B) In areas where either electric or telephone utility wiring is aerial, the Grantee may install aerial cable, except when a property owner or resident requests underground installation, agrees to bear the additional cost in excess of aerial installation and underground installation is technically feasible.

(C) In areas where electric and telephone wires are installed underground at the time of Cable System construction, or when such wiring is subsequently placed underground, all Cable System lines shall also be placed underground at no expense to the County, provided that such underground locations are actually capable of accommodating the Grantee's cable and other equipment without technical degradation of the Cable System's signal quality. Nothing in this Franchise shall be construed to require the Grantee to construct, operate, or maintain underground any ground-mounted appurtenances such as customer taps, line extenders, system passive devices, amplifiers, power supplies, pedestals, or other related equipment, provided that such related equipment must be placed in accordance with the County's applicable code requirements and rules. Grantee shall be given reasonable notice at the time that such other facilities and equipment are placed underground and shall be entitled to its pro rata share of reimbursement of its relocation costs from public or private funds raised for the project and made available to other users of the Right-of-Way. In the event that public and/or private funds are not available or do not cover the entire direct and actual cost of the relocation, Grantee reserves the right to pass its costs, or in the case of partial reimbursement from public and/or private funds its incremental cost, through to its Subscribers to the extent allowed by applicable law.

(D) In the event Grantee cannot obtain the necessary poles and related facilities pursuant to a pole attachment agreement, and only in such event, then it shall be lawful for Grantee after obtaining all necessary easements from relevant property owners to make all needed excavations in the Rights-of-Way for the purpose of placing, erecting, laying,

maintaining, repairing and removing poles, supports for wires and conductors, and any other facility needed for the maintenance or extension of Grantee's Cable System. All poles of Grantee shall be located as designated by the proper County authorities.

(E) The Grantee and the County recognize that situations may occur in the future where the County may desire to place its own cable or conduit for fiber optic cable in trenches or bores opened by the Grantee. The Grantee agrees to cooperate with the County in any construction by the Grantee that involves trenching or boring, provided that the County has first reasonably notified the Grantee that it is interested in sharing the trenches or bores in the area where the Grantee's construction is occurring, and such cooperation will not significantly delay the Grantee's construction process. The Grantee shall allow the County to lay County cables, conduits, and fiber optics for use solely by the County for government non-competitive uses in the Grantee's trenches and bores, provided the County shares in the cost of the trenching and boring on a pro rata basis. The County shall be responsible for maintaining its respective cables, conduits and fiber optic facilities buried in the Grantee's trenches and bores under this paragraph.

11.14 Restoration of Property

(A) Grantee is responsible for restoring, replacing or repairing private property, public Rights-of-Way, private property in public Rights-of-Way, public land or any other public property, in accordance with County requirements (including, but not limited to, the Highway Manual), disturbed by Grantee's (or any agent's, contractor's or subcontractor's of Grantee) construction, reconstruction, maintenance, operation or other activity that causes a disturbance to property. Property shall be restored, replaced, or repaired at Grantee's sole cost and expense to a condition substantially similar to that prior to the circumstance which caused the disturbance, injury, or damage. If a safety issue is involved, temporary restoration shall occur immediately. Absent unusual or extraordinary circumstances, Grantee shall use its best efforts to permanently repair, restore or replace property as quickly as possible, but not later than thirty (30) days after the damage occurred. Subject to the County's providing written notice and a reasonable opportunity to cure, in the event Grantee fails to perform replacement, restoration or repair in a satisfactory manner in accordance with County requirements and this Franchise, the County shall have the right to make the correction at the sole expense of Grantee and may demand payment from Grantee, which payment shall be made within thirty (30) days after completion of the work. The County shall submit an itemized list of costs to the Grantee as well as any materials requested by the Grantee to verify such costs. If the Grantee fails to pay the costs, the County may recover such costs through the performance bond provided by the Grantee.

(B) Grantee's operation, construction, repair, and maintenance personnel, including all contractors and subcontractors, shall be trained in the use of all equipment and the safe operation of vehicles. Such personnel shall follow all safety procedures required by all applicable federal, state, and local laws and regulations. All areas of the Cable System shall be inspected in accordance with such applicable federal, state, and local laws and regulations so as to prevent hazardous conditions or risks to safety for the public and/or operating and maintenance personnel. Grantee shall install and maintain its wires,

cables, fixtures, and other equipment in such a manner as shall not interfere with any installations of the County or any public utility serving the County.

(C) Should a public safety emergency occur as a result of, incident to, or connected with operation, construction, repair, or maintenance activities by Grantee personnel, including all contractors and subcontractors, then such personnel shall immediately contact the applicable public safety emergency dispatcher (e.g., 9-1-1).

(D) Whenever Grantee or any agent, including any contractor or subcontractor, shall disturb any pavement, sidewalk, or other public property in order to perform any underground activity, it shall utilize the Miss Utility System (or equivalent) prior to any such disturbance. Grantee shall adhere to any additional undergrounding requirements which the Commonwealth may establish in the future. Grantee shall adhere to all requirements of the Maryland underground Utility Line Protection Act (or equivalent).

(E) All structures and all lines, equipment, and connections in, over, under, and upon streets, sidewalks, alleys, and public and private ways and places of the County, wherever situated or located, shall at all times be kept and maintained in a safe and suitable condition and in good order and repair in accordance with customary industry standards and practices.

11.15 Tree Trimming

To the extent allowed under Maryland law, the Grantee will have the ability to conduct minimal pruning and trimming within its easements for access to Cable System facilities or in the dedicated Rights-of-Way subject to compliance with the County Code. In situations involving tree trimming activities for construction activities, the Grantee shall coordinate the trimming with the County per the County Code. All such trimming shall be done at the Grantee's sole cost and expense. The Grantee shall be responsible for any damage caused by such trimming.

11.16 Discontinuing Use

Whenever Grantee determines any facility within or outside of the Rights-of-Way have no further use or value, Grantee shall notify the County of its intent regarding such discontinuance, and the County may inquire of Grantee its intent regarding such facility. The County may require Grantee to remove the facilities from the County maintained Rights-of-Way or modify the facilities to protect the public health, welfare, safety, and convenience. The County may require Grantee to perform a combination of modification and removal of the facilities. Grantee shall use its best efforts to complete such removal or modification in accordance with a schedule set by the County. Until such time as Grantee removes or modifies the facilities as directed by the County, or until the rights to and responsibility for the facilities are accepted by another Person having authority to construct and maintain such facilities, Grantee shall be responsible for all necessary repairs and relocations of the facilities in the same manner and degree as if the facilities were in active use, and Grantee shall retain all liability for such facilities. If Grantee and County agree that Grantee may abandon its facilities in place, the County may choose to use such

facilities for any purpose whatsoever including, but not limited to, Access purposes.

11.17 Movement of Cable System Facilities for County Purposes

(A) The County has and retains the right to require Grantee to relocate, remove, replace, modify or disconnect Grantee's facilities and equipment located in the County maintained or dedicated Rights-of-Way or on any other property of the County when reasonable public convenience requires such change (for example, without limitation, by reason of traffic conditions, public safety, Right-of-Way abandonment, construction in the Right-of-Way, change to or establishment of the grade of the Right-of-Way, installation of sewers, drains, gas or water pipes, or any other types of structures or improvements by the County for public benefit). Such work shall be performed at the Grantee's expense. Absent an emergency, the County shall provide reasonable notice to Grantee, not to be less than thirty (30) days and allow Grantee the opportunity to perform such action.

(B) In the event of any capital improvement project exceeding five hundred thousand dollars (\$500,000) in expenditures by the County which requires the removal, replacement, modification or disconnection of Grantee's facilities or equipment, the County shall provide at least sixty (60) days' written notice to Grantee. Following notice by the County, Grantee shall relocate, remove, replace, modify, or disconnect any of its facilities or equipment within any Right-of-Way, or on any other property of the County. If the County requires Grantee to relocate its facilities located within existing Rights-of-Way, the County shall make a reasonable effort to provide Grantee with an alternate location within the Rights-of- Way.

(C) If the Grantee fails to complete this work within the time prescribed and to the County's satisfaction, the County may cause such work to be done and bill the cost of the work to the Grantee, including all costs and expenses incurred by the County due to Grantee's delay. In such event, the County shall use reasonable efforts to minimize the impact on Grantee's facilities related to any work completed, but the County shall not be liable for any damage to any portion of Grantee's Cable System. Within thirty (30) days of receipt of an itemized list of those costs, the Grantee shall pay the County.

(D) If public funds are available to any other user of the Rights-of-Way for the purpose of defraying the cost of any of the foregoing, the County shall notify Grantee of such funding. In the event that funds are not available or do not cover the entire direct and actual cost incurred, Grantee reserves the right to pass its costs, or in the case of partial reimbursement its incremental cost, through to its Subscribers to the extent allowed by applicable law.

11.18 Emergencies

In the event of an emergency, or where the Cable System has been determined by the County to be constituting an imminent danger to health, safety, life or property, Grantee shall remove or relocate any or all parts of the Cable System at the request of the County. If Grantee refuses or fails to comply with the County's request, the County may remove or relocate any or all parts of the Cable System upon reasonable notice to Grantee. The

County shall bill the Grantee, or deduct the costs from the performance bond, for the County's actual costs and expenses in performing the work. The County shall use reasonable efforts to minimize the impact on Grantee's facilities related to any emergency removal, but the County shall not be liable to Grantee for any damages sustained by Grantee or its Subscribers or any other users of the Cable System. Grantee shall be entitled to compensation for expenses incurred for replacement or repair related to any emergency removal by the County to the extent that other users of the Rights-of-Way affected by the same emergency are so compensated.

11.19 Movement of Cable System Facilities for Other Franchise or Permit Holders

If any removal, replacement, modification, or disconnection of the Cable System is reasonably required to accommodate the construction, operation or repair of the cables or equipment of another County franchise or permit holder, Grantee may, after at least thirty (30) days' advance written notice, take action to implement the necessary changes requested by the responsible entity.

11.20 Temporary Movement of Cable

Upon not less than ten (10) business days written notice, Grantee shall temporarily raise and lower its aerial cable and associated structures upon a request by a person holding a valid permit from the County. The requesting party shall be responsible for all costs and expenses associated with the movement of the cables and structures. Grantee may require prepayment of the fees and expenses. A statement of fees for such temporary raising and lowering of cables and structures shall be provided to the requesting party at the time of the request.

11.21 Right-of-Way Vacation

If any Right-of-Way or portion thereof used by the Grantee is abandoned by the County during the term of this Franchise, upon 30 days' notice the Grantee shall, without delay or expense to the County, remove its facilities from such Right-of-Way, and restore, repair, or reconstruct the Right-of-Way where such removal has occurred. In the event of failure, neglect or refusal of the Grantee, after thirty (30) days' notice by the County, to restore, repair or reconstruct such Right-of-Way, the County may do such work or cause it to be done, and the reasonable cost thereof, as found and declared by the County, shall be paid by the Grantee within forty-five (45) days of receipt of an invoice and documentation. If public funds are available to any other user of the Rights-of-Way for the purpose of defraying the cost of any of the foregoing, the County shall notify Grantee of such funding. In the event that funds are not available or do not cover the entire cost incurred, Grantee reserves the right to pass its costs, or in the case of partial reimbursement its incremental costs, through to its Subscribers to the extent allowed by applicable law.

11.22 Reservation of County Use of Right-of-Way

Nothing in this Franchise shall prevent the County from constructing water or sewer lines; grading, paving, repairing, or altering any Right-of-Way; repairing or removing water or sewer lines; or constructing or establishing any other public work or improvement. All such

work shall be done, insofar as practicable, so as not to obstruct, injure or prevent the use and operation of Grantee's Cable System.

11.23 Inspection of Construction and Facilities

Upon timely prior notice to Grantee, the County or its designee(s) shall have the right to inspect all construction and installation work performed subject to the provisions of this Franchise in order to ensure compliance with the terms and conditions of this Franchise and all other applicable law. Any such inspection shall not interfere with the Grantee's operations, except in emergency situations. The Grantee shall have the right to have a representative present at any such inspection. Both parties shall make a good faith effort to work with each other to schedule any such inspections at a mutually convenient time.

11.24 Stop Work

(A) On notice from the County that any work is being performed contrary to the provisions of this Franchise, or in an unsafe or dangerous manner as determined by the County, or in violation of the terms of any applicable permit, laws, regulations, ordinances, or standards, the work may immediately be stopped by the County.

(B) The stop work order shall:

- (1) Be in writing;
- (2) Be given to the Person doing the work, or posted on the work site;
- (3) Be sent to Grantee by overnight delivery or electronic means;
- (4) Indicate the nature of the alleged violation or unsafe condition; and
- (5) When possible, establish conditions under which work may be resumed.

11.25 Contractors and Subcontractors

Any contractor or subcontractor used for work or construction, installation, operation, maintenance, upgrade, or repair of Grantee's Cable System must be properly licensed under the laws of the State and in accordance with all applicable local laws and regulations. Each contractor or subcontractor shall have the same obligations with respect to its work as Grantee would have if the work were performed by Grantee. Grantee shall employ contractors and subcontractors to perform work for it who are trained and experienced in their duties. Grantee shall be responsible and liable for ensuring that the work performed is consistent with the obligations of this Franchise and applicable laws, regulations, policies, and procedures, and shall be responsible for promptly correcting acts, as necessary, or omissions by any contractor or subcontractor. All contractors or subcontractors shall carry insurance as required by the County.

11.26 Emergency Removal of Equipment

(a) If, at any time, due to fire, other emergency, disaster, or for public safety, it becomes necessary, in the reasonable judgment of the County or its agent, to cut or move any of the wires, cable or equipment of the Cable System, the County shall have the right to do so without cost or liability, provided that, wherever possible, the County shall give Grantee notice and the ability to relocate wires, cable or other equipment.

(b) In cutting or moving any of the wires, cable, or equipment of the Cable System in the event of fire or other disaster or public safety the County shall treat Grantee the same as, and require no more of Grantee than, any other similarly situated entity.

SECTION 12. SYSTEM DESIGN

12.1 Cable System Design

Grantee shall maintain and operate its Cable System throughout the Franchise Area at a minimum as a 750 MHz hybrid fiber coaxial ("HFC") fiber-to-the-node system architecture. The Cable System has been activated for bidirectional transmissions.

Grantee shall construct and maintain its facility throughout the Franchise Area as 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 Franchise Area and designed in accordance with the International Telecommunication Union - Telecommunication Standardization Sector G.984 Standard for gigabit passive optical networks.

12.2 Cable System Characteristics

The Cable System shall include facilities and equipment that will deliver the services described herein and will be capable of delivering a variety of Cable Services during the term of this Franchise. The Cable System shall be designed to facilitate expansion of such services, and any upgrades shall not adversely impact the mix, quality, and level of existing services. The Cable System shall, at all times during the term of this Franchise, meet or exceed the following minimum requirements:

(A) Except as otherwise provided herein, the Cable System shall be capable of providing continuous twenty-four (24) hour daily operation without material degradation of signal quality or loss of services except during conditions beyond the control of the Grantee, such as those outlined in subsection 17.16 of this Franchise.

(B) The Grantee shall ensure that the Cable System complies with all applicable FCC rules and regulations pertaining to cable system leakage and to minimize outside signal ingress to ensure that there is no material degradation of picture quality delivered to Subscribers.

(C) The Cable System shall use equipment generally used in high-quality, reliable, modem cable systems of similar characteristics and design.

12.3 System Interconnections

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

(B) Grantee shall continue to maintain all existing interconnections of its cable systems within the Franchise Area.

SECTION 13. TECHNICAL STANDARDS AND TESTING

13.1 Technical Standards

The technical performance of the Cable System shall meet or exceed all applicable federal technical standards, as they may be amended from time to time, regardless of the transmission technology utilized. The County shall have the full authority permitted by applicable law to enforce compliance with the FCC technical standards. Grantee shall construct, maintain, operate, and repair its Cable System, up to and including the drops to homes and facilities, in accordance with all applicable sections and most current editions and standards of the Occupational Safety and Health Act, National Electrical Safety Code ("NESC") and National Electrical Code ("NEC"), FCC and State rules and regulations and applicable provisions of the County Code.

13.2 Cable System Performance Testing

(A) Grantee shall perform all applicable tests on its Cable System required to demonstrate that it meets FCC standards and shall maintain written records of its test results. Copies of such test results will be provided to the County upon written request.

(B) Grantee shall promptly take such corrective measures as are necessary to correct any performance deficiencies fully and to prevent their recurrence as far as possible. Grantee's failure to correct deficiencies identified through this testing process shall be a material violation of this Franchise. Sites shall be re-tested following correction.

13.3 Additional Tests

Where there exists significant evidence which in the judgment of the County reasonably casts doubt upon the reliability or technical quality of the Cable System, the County shall have the right and authority, upon thirty (30) days' prior written notice to require Grantee to perform additional applicable tests to show compliance with FCC standards, and to analyze and report on the performance of the Cable System. Grantee shall fully cooperate with the County in performing such testing and shall prepare a report, if requested, within thirty (30) days after testing. Such report shall include the following information:

- (A) the nature of the complaint or problem which precipitated the special tests;
- (B) the Cable System component tested;

- (C) the equipment used and procedures employed in testing;
- (D) the method, if any, in which such complaint or problem was resolved; and
- (E) any other information pertinent to said tests and analysis which may be required by the County.

13.4 Standby Power

Grantee shall provide standby power generating capacity at the Headend capable of providing at least twenty-four (24) hours of continuous emergency operation. Grantee shall maintain standby power system supplies, rated for at least four (4) hours duration, throughout the trunk and distribution networks. Grantee shall also deploy status monitoring equipment at strategic locations throughout its Cable System and in accordance with industry practice, make commercially reasonable efforts to maintain portable motorized generators to be deployed, prior to system failure, in the event that the duration of the power disruption is potentially going to exceed four (4) hours.

13.5 Spare Parts

Grantee shall have immediately available a sufficient supply of spare parts to effect repairs in accordance with the requirements of this Franchise.

13.6 Emergency Alert and Messaging System

Grantee shall comply with the Emergency Alert System ("EAS") requirements of the FCC in order that emergency messages may be distributed over the Cable 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 State EAS Plan. In accordance with the State EAS Plan, Grantee will override the audio and video on all channels, so long as it is consistent with Grantee's contractual commitments, to transmit EAS alerts received from the designated Local Primary Sources, including LP-1 and LP-2 Stations, assigned by the State EAS Plan to serve the County's Operational Area.

SECTION 14. SERVICE EXTENSION AND SERVICE TO PUBLIC BUILDINGS

14.1 Service Availability

(A) Subject to Grantee being granted all applicable Right-of-Way access agreements, permits and authorizations, and further subject to Force Majeure and geological conditions, Grantee shall build out its Cable System over the term of this Agreement to make Cable Service available to at least fifty-five percent (55%) of the residential Dwelling Units within the Franchise Area. Upon request, but no more than three times each calendar year, Grantee shall provide the County with information indicating the percentage of Dwelling Units to which Cable Services have been offered to date. Upon request, but no more than twice per year, Grantee shall meet with the County to discuss its existing and planned coverage areas and evaluate additional build areas that are of interest to the County. Grantee's buildout shall be subject to line extension requirements specified

in Section 14.1(G). Nothing contained herein shall be interpreted or construed to prevent the County from requesting informal project updates or from requesting regular updates for projects that have received local, State, or Federal money to cover unserved residents in the County.

(B) If another Cable Operator, in addition to those operating in the County as of the Effective Date, begins to provide Cable Service in the County such that it presents a material adverse change to Grantee resulting in the commercial impracticability of Grantee being able to complete its build-out as specified in Section 14(A) above, then Grantee shall notify the County of such development in writing. The County and Grantee shall, within thirty (30) days of the County receiving such notice, meet to determine whether such build-out requirements may be adjusted and, if so, decide on revised build-out requirements for Grantee. Such request by the Grantee for revised build-out requirements shall not be unreasonably denied.

(C) Any dwelling unit within two hundred fifty (250) feet aerial distance from the main distribution line shall be entitled to a standard installation rate. For any individual Dwelling Unit in excess of two hundred fifty (250) feet or that requires an underground installation, Grantee shall extend the Cable Service if the Subscriber pays Grantee the actual cost of installation from its main distribution system with such cost being only the incremental portion beyond two hundred fifty (250) feet for aerial installations.

(D) Under Normal Operating Conditions, Grantee shall provide a standard installation of Cable Service within seven (7) days of a request by any potential Residential Subscriber within the Franchise Area, except that this timeframe shall not apply where line extension construction is required to provide such service or where the potential Subscriber requests an installation date beyond seven (7) days. For purposes of this subsection, a request shall be deemed made on the date of signing a service agreement, receipt of funds by Grantee, receipt of a written request by Grantee or receipt by Grantee of a verified verbal request. This standard shall be met no less than ninety percent (90%) of the time under Normal Operating Conditions, measured on a quarterly basis.

(E) Non-Discriminatory Service. Grantee shall not arbitrarily refuse to provide Cable Services to any Person within its Franchise Area. Grantee reserves the right to refuse to provide Cable Service for good cause, including but not limited to non-payment, theft of service, damage to equipment or abusive conduct directed towards Grantee's employees or agents. All Dwelling Units passed by the Cable System in the Franchise Area shall have the same availability of Cable Services to the demarcation point from Grantee's Cable System. Notwithstanding the foregoing, Grantee may introduce new or expanded Cable Services on a geographically phased basis, where such services require an upgrade of the Cable System. Nothing contained herein shall prohibit the Grantee from offering promotions, discounts, or other marketing techniques.

(F) Service to Multiple Dwelling Units (MDUs). The parties hereto acknowledge and agree that installation and provision of Cable Service to MDUs are subject to a separate negotiation between the landlord, owner, or governing body of any such MDU and the Grantee. Unless the Grantee has entered into a bulk services agreement

with the building owner, landlord or governing body, the Grantee shall make available to the individual units of a Multiple Dwelling Unit building all Cable Services offered to other Subscribers in the Franchise Area and shall individually wire units upon request of the property owner or tenant who has been given written authorization by the owner; provided, however, that any such offering is conditioned upon the serviceability of the building in accordance with this Section and the Grantee having legal access to the building and individual units.

(G) Cost Sharing for Line Extensions. For cases where there is more than one Dwelling Unit beyond, but reasonably adjacent to, Grantee's existing distribution line either: (i) in excess of two hundred fifty (250) feet aerial distance from the nearest customer connection point or (ii) where there is an unserved road in close proximity to such connection point, service shall, upon written request and subject to underlying geological and technical conditions, be made available through a line extension on the basis of a capital contribution by Grantee in aid of construction, including the cost of material, labor and easements. For such line extensions, Grantee shall negotiate in good faith with the residents requesting service regarding the amount of Grantee's contribution. Grantee's contribution shall be no less than \$1,200 for every Dwelling Unit that will be serviceable as a result of the line extension. Any remaining construction costs beyond the Grantee's final negotiated contribution amount will be the responsibility of the residents requesting service. The Grantee may require that the payment of the capital contribution in aid of construction borne by such potential customers be paid prior to construction.

14.2 Connection of Public Facilities

For all existing County owned or leased County buildings, fire stations, sheriff stations, Schools and public libraries in the Franchise Area passed by the Cable System that are identified on Exhibit B, Grantee shall, without charge, provide one drop, any necessary converter, and one (1) outlet of Basic Service. In addition, upon request, Grantee shall provide, at no cost to the public facility requesting service, a drop, any necessary converter, and one (1) outlet of Basic Service to future owned or leased County buildings, fire stations, sheriff stations, Schools and public libraries which are in the Franchise Area and passed by the Cable System. Such future service shall be provided as long as the drop line to such building(s) does not exceed two hundred fifty (250) feet or if the County or other entity agrees to pay the incremental cost, including the cost of excess labor and materials. Outlets of Basic Service provided in accordance with this subsection may be used to distribute Cable Services throughout such buildings, provided such distribution can be accomplished without causing Cable System disruption and general technical standards are maintained. For non-County-owned (or leased) buildings, the requirement for Grantee to provide such service is contingent on the owner of the building granting reasonable access to the building. The public facility shall be responsible for internal building wiring beyond one (1) outlet.

SECTION 15. FRANCHISE VIOLATIONS

15.1 Material Franchise Violations

(A) If the County believes that Grantee has failed to perform any material obligation under this Franchise, the County shall notify Grantee in writing, stating with reasonable specificity the nature of the alleged default. Grantee shall have thirty (30) days from the receipt of such notice to:

(1) respond to the County, contesting the County's assertion that a default has occurred, and request a meeting in accordance with subsection (B), below; or

(2) cure the default; or

(3) notify the County that Grantee cannot cure the default within thirty (30) days, because of the nature of the default. In the event the default cannot be cured within thirty (30) days, Grantee shall promptly take all reasonable steps to cure the default and notify the County in writing and in detail as to the exact steps that will be taken and the projected completion date. In such case, the County may set a meeting in accordance with subsection (B) below to determine whether additional time beyond the thirty (30) days specified above is indeed needed, and whether Grantee's proposed completion schedule and steps are reasonable.

(B) If Grantee does not cure the alleged default within the cure period stated above or denies the default and requests a meeting in accordance with subsection (A)(1), or the County orders a meeting in accordance with subsection (A)(3), the County shall set a meeting to investigate said issues and the existence of the alleged default. The County shall notify Grantee of the meeting in writing and such meeting shall take place no less than fifteen (15) days and no more than thirty (30) days after Grantee's receipt of notice of the meeting. At the meeting, Grantee shall be provided an opportunity to be heard and to present evidence in its defense.

(C) If, after the meeting, the County determines that a default exists, Grantee and the County may agree on a plan and schedule to cure the default. Absent such agreement, Grantee shall correct or remedy the default or breach within thirty (30) days or within such other reasonable timeframe, beyond thirty (30) days as the County in its sole discretion shall determine. In the event Grantee does not cure the default within such time to the County's reasonable satisfaction, the County may pursue any legal or equitable remedy available under this Franchise or applicable law. The determination as to whether a material violation of this Franchise has occurred shall be within the discretion of the County.

15.2 Revocation

(A) In addition to pursuing any other legal or equitable remedy available under this Franchise or applicable law, the County may revoke this Franchise and rescind all rights and privileges associated with this Franchise in any of the following circumstances:

(1) If Grantee fails to perform any material obligation under this Franchise following notice and opportunity to cure under Section 15.1;

(2) If Grantee willfully fails for more than three (3) days to provide continuous and uninterrupted Cable Service;

(3) If Grantee attempts to evade any material provision of this Franchise, following notice and opportunity to cure under Section 15.1, or to practice any fraud or deceit upon the County or Subscribers; or

(4) If Grantee fails to provide the insurance, performance bond or other security required by this Franchise following notice and opportunity to cure under Section 15.1.

(B) Prior to pursuing legal or equitable remedies and forfeiture, revocation, or termination of the Franchise, the County shall give written notice to the Grantee. The notice shall set forth the exact nature of the noncompliance. Grantee shall have thirty (30) days from such notice to object in writing and to state its reasons for such objection and provide any explanation. In the event the County has not received a timely and satisfactory response from Grantee, it may then seek legal and equitable remedies and a revocation or termination of the Franchise in accordance with this subsection.

(C) The County Council shall conduct a public hearing.

(1) At least thirty (30) days prior to the public hearing, the County Council shall publish a public hearing notice that identifies the issue(s) to be addressed in the public hearing; provide the time, date and location of the hearing; provide that the County Council shall hear any Persons interested therein; and provide that the Grantee shall be afforded fair opportunity for full participation, including the right to introduce evidence, to call witnesses, to be represented by counsel and to cross examine witnesses.

(2) A recording of the hearing will be made, and a verbatim transcript may be made by a court reporter of the hearing with the cost of the transcript paid by Grantee.

(3) Within thirty (30) days after the close of the hearing, the County Council shall issue a written decision.

(D) Grantee shall be bound by the County's decision unless an appeal to a court of competent jurisdiction is filed within thirty (30) days of the date of the County's decision. Grantee and the County shall be entitled to such relief as the court may deem appropriate.

15.3 Termination

(A) If this Franchise expires without renewal and the federal renewal process has not been instituted, or the Franchise is otherwise lawfully terminated or revoked, the County may, subject to applicable law, require Grantee to maintain and operate its Cable System on a month- to-month basis, not to exceed six (6) months, until a new cable operator is selected.

(B) The County may order the removal of the above-ground Cable System facilities and such underground facilities from the Franchise Area at Grantee's sole expense within a reasonable period of time as determined by the County. In removing its plant, structures and equipment, Grantee shall refill, at its own expense, any excavation that is made by it and shall leave all Rights-of-Way, public places, and private property in as good a condition as that prevailing prior to Grantee's removal of its equipment and without affecting electrical or telephone wires or attachments. The indemnification, insurance provisions and performance bond shall remain in full force and effect during the period of removal, and Grantee shall not be entitled to, and agrees not to request, compensation of any sort therefor.

(C) If Grantee fails to complete any removal required by subsection 15.3 (B) to the County's satisfaction, after written notice to Grantee, the County may cause the work to be done and Grantee shall reimburse the County for the costs and expenses incurred within thirty (30) days after receipt of an itemized list of the costs and expenses, or the County may recover the costs and expenses through the Grantee's security instruments if Grantee has not paid such amount within the foregoing thirty (30) day time period. Any costs and expenses incurred by the County regarding such removal shall include reasonable attorneys' fees and costs and expenses for work conducted by the County staff or its agents.

(D) Notwithstanding the above, Grantee shall not be required to remove its Cable System, or to relocate the Cable System, or to sell the Cable System, or any portion thereof as a result of revocation, denial of renewal, or any other lawful action to forbid or disallow Grantee from providing Cable Services, if the Cable System is actively being used to facilitate any other services not governed by the Cable Act and any other lawful authorizations have been obtained.

15.4 Receivership

At the option of the County, subject to applicable law, this Franchise may be revoked after the appointment of a receiver or trustee to take over and conduct the business of Grantee whether in a receivership, reorganization, bankruptcy, or other action or proceeding, unless:

(B) The receivership or trusteeship is timely vacated; or

(C) The receiver or trustee has timely and fully complied with all the terms and provisions of this Franchise and has remedied all defaults under the Franchise. Additionally, the receiver or trustee shall have executed an agreement duly approved by the court having jurisdiction, by which the receiver or trustee assumes and agrees to be bound by each and every term, provision, and limitation of this Franchise.

15.5 Alternative Remedies

No provision of this Franchise shall be deemed to bar the County or Grantee from seeking appropriate judicial relief. Neither the existence of other remedies identified in this Franchise nor the exercise thereof shall be deemed to bar or otherwise limit the right of either party to recover monetary damages, as allowed under applicable law, or to seek and

obtain judicial enforcement by means of specific performance, injunctive relief or mandate, or any other remedy at law or in equity, although nothing herein is intended to allow duplicative recovery from or duplicative payments by Grantee or its surety(s). The County specifically does not, by any provision of this Franchise, waive any right, immunity, limitation, or protection otherwise available to the County under federal, State, or local law (including, for example, Section 635A of the Cable Act).

15.6 Assessment of Liquidated Damages

(A) Because it may be difficult to calculate the harm to the County in the event of a breach of this Franchise by Grantee, the parties agree to liquidated damages as a reasonable estimation of the actual damages. To the extent that the County elects to assess liquidated damages as provided in this Franchise and such liquidated damages have been paid, such damages shall be the County's sole and exclusive remedy for such breach or violation during the time that such liquidated damages are assessed. In no event may liquidated damages be assessed for a time period exceeding one hundred eighty (180) days in any calendar year. Nothing in this subsection is intended to preclude the County from exercising any other right or remedy with respect to a breach that continues past the time the County stops assessing liquidated damages for such breach. Nothing herein is intended to allow duplicative recovery from or duplicative payments by Grantee or its surety(s).

(B) Prior to assessing any liquidated damages, the County shall give Grantee proper notice and a right to cure under Section 15.1.

(C) The first day for which liquidated damages may be assessed, if there has been no cure after the end of the applicable cure period, shall be the day of receipt by Grantee of the violation notice via certified letter or hand delivery.

(D) Pursuant to the requirements outlined herein, liquidated damages shall not exceed the following amounts:

(1) Seven hundred fifty dollars (\$750.00) per day for failure to build out the Cable System or to make Cable Service available in accordance with the requirements of this Franchise.

(2) Three hundred dollars (\$300.00) per day for material departure from the FCC technical performance standards or the standards of the NEC or NESC.

(3) Two hundred dollars (\$200.00) per day for failure to provide the Access Channels or any equipment related thereto or funding which is required.

(4) Two hundred dollars (\$200.00) per day for each material violation of the Customer Service Standards, except for standards that are measured on a quarterly basis.

(5) For failure to meet customer service standards with regard to telephone answering time, time to transfer a call to a customer service

representative, or excessive busy signals; if such standards are not met according to federal standards, as such standards may be amended from time to time: one thousand dollars (\$1,000.00) for each quarter in which such standards were not met if the failure was by less than 5%; one thousand five hundred dollars (\$1,500.00) for each quarter in which such standards were not met if the failure was by 5% or more but less than 15%; and two thousand dollars (\$2,000.00) for each quarter in which such standards were not met if the failure was by 15% or more; and

(6) Fifty dollars (\$50.00) per day for failure to provide reports or notices as required by this Franchise.

(E) The amount of liquidated damages per annum shall not exceed thirty thousand dollars (\$30,000) in the aggregate. With respect to liquidated damages assessed herein, all similar violations or failures from the same factual events affecting multiple Subscribers shall be assessed as a single violation, and a violation or a failure may only be assessed under any one (1) of the above-referenced categories.

15.7 No Offset

No cost to Grantee arising from a breach or violation of the Franchise shall be recovered from Subscribers as a line item on Subscribers' bills or be offset against any sums due the County as a tax, franchise fee or otherwise regardless of whether the combination of franchise fees and said costs exceeds five percent (5%) of Grantee's Gross Revenues in any 12-month period.

SECTION 16. FRANCHISE RENEWAL AND TRANSFER

16.1 Renewal

The County and Grantee agree that any proceedings undertaken by the County that relate to the renewal of the Franchise shall be governed by and comply with the provisions of Section 626 of the Cable Act, unless the procedures or substantive protections set forth therein shall be preempted and superseded by any subsequent requirement of federal or State law.

16.2 Transfer

16.2.1 This Franchise and the Cable System shall not be assigned, transferred, sold, or disposed of, in whole or in part, by voluntary sale, sale and leaseback, merger, consolidation, exchange of stock, by provision of a management agreement, or otherwise, or by forced or involuntary sale, without the prior written consent of the County and then only under such conditions as the County may prescribe.

16.2.2 Prior written approval of the County shall also be required where a controlling interest in Grantee is to be acquired during the term of this Franchise in any transaction, or series of transactions, by a person or group of persons, none of whom controlled Grantee, singularly or collectively on the Effective Date. The term "controlling

interest" as used herein is not limited to majority stock ownership but includes actual working control in whatever manner exercised.

16.2.3 The approval of a sale, transfer or change in control in one instance shall not render unnecessary approval of any subsequent sale, transfer or change in control.

16.2.4 Approval of a sale, transfer or change in control by the County does not constitute a waiver or release by the County of its rights under this Franchise, whether arising before or after the date of the sale, transfer or change in control, nor does such approval constitute a waiver or release of the rights of the County in and to the Rights-of-Way or public property, or release of any police powers.

16.2.5 A transfer of this Franchise shall be conducted in accordance with the Cable Act and applicable federal rules and regulations, and the requirements set forth in this Franchise. The County may request any information it deems reasonable to evaluate the financial, technical, and legal qualifications of the transferee or new controlling party. Grantee, the transferee, and new controlling party shall provide the information requested by the County in a timely manner.

16.2.6 A transferee, new controlling party and the Grantee requesting a transfer of this Franchise shall be responsible for the County's reasonable direct and indirect costs, including consultant and attorneys' fees and other fees and expenses of the transfer process in an amount up to fifteen thousand dollars (\$15,000).

16.2.7 The County's consent to a sale, transfer or change in control shall not be unreasonably withheld.

16.2.8 Notwithstanding anything to the contrary in this subsection, the prior approval of the County shall not be required for any sale, assignment or transfer of the Franchise or Cable System to an Affiliate; provided that the proposed assignee or transferee must show financial responsibility as may be determined necessary by the County and must agree in writing to comply with all of the provisions of the Franchise. Further, Grantee may pledge the assets of the Cable System for the purpose of financing without the consent of the County; provided that such pledge of assets shall not impair or mitigate Grantee's responsibilities and capabilities to meet all of its obligations under the provisions of this Franchise.

SECTION 17. MISCELLANEOUS PROVISIONS

17.1 Equal Employment and Non-discrimination

Throughout the term of this Franchise, Grantee shall fully comply with all applicable equal employment and non-discrimination provisions and requirements of federal, State, and local laws.

17.2 Notices

Throughout the term of this Franchise, each party shall maintain and file with the other an address for the delivery of notices and communications by mail or via nationally recognized overnight courier service. All notices and communications shall be sent to such respective address(es), and such shall be effective upon the date of mailing. At the Effective Date:

The Grantee's address shall be:

Shenandoah Cable Television, LLC
500 Shentel Way
Edinburg, VA 22824
Attn: Chris Kyle

The County's address shall be:

County Executive
Frederick County, Maryland
12 E. Church Street
Frederick, MD 21701

With a copy to:

Director/CIO
Frederick County, Maryland
12 E. Church Street
Frederick, MD 21701

17.3 Captions and Headings

The captions and headings of the sections and subsections set forth herein are intended solely to facilitate the reading hereof. Such captions and headings shall not affect the meaning or interpretation of this Franchise.

17.4 Costs and Expenses to be Borne by Grantee

Costs and expenses to be borne by Grantee shall include all of the County's costs and expenses that were incurred in publishing this Franchise and any and all notices prior to any public hearing in connection with the issuance of this Franchise. The County will provide Grantee with reasonable documentation to support the costs and expenses that were incurred by the County. Grantee shall submit payment to the County of such costs and expenses no later than forty-five (45) days after Grantee receives from the County an invoice together with any reasonable documentation therefor.

17.5 Attorneys' Fees

If any action or suit arises in connection with this Franchise other than renewal proceedings, the prevailing party (either the County or Grantee, as the case may be) shall be entitled to recover all of its reasonable attorneys' fees, consultants' fees, costs, and expenses in connection therewith in accordance with applicable law, in addition to such other relief as the court may deem proper.

17.6 Binding Effect

This Franchise shall be binding upon the parties hereto, their permitted successors and assigns.

17.7 Authority to Amend

This Franchise may be amended at any time by written agreement between the parties.

17.8 Venue

Venue for any judicial dispute between the County and Grantee arising under or out of this Franchise shall be in Circuit Court in Frederick County, Maryland, or federal court in Maryland.

17.9 No Joint Venture

Nothing herein shall be deemed to create a joint venture or principal-agent relationship between the parties, and neither party is authorized to, nor shall either party act toward third Persons or the public in any manner which would indicate any such relationship with the other.

17.10 Non-Waiver

The failure of the County at any time to require performance by Grantee of any provision hereof shall in no way affect the right of the County hereafter to enforce the same. Nor shall the waiver by the County of any breach of any provision hereof be taken or held to be a waiver of any succeeding breach of such provision, or as a waiver of the provision itself or any other provision. The failure of the Grantee at any time to require performance by the County of any provision hereof shall in no way affect the right of the Grantee hereafter to enforce the same. Nor shall the waiver by the Grantee of any breach of any provision hereof be taken or held to be a waiver of any succeeding breach of such provision, or as a waiver of the provision itself or any other provision.

17.11 Cooperation

The parties recognize that it is in their mutual best interests for the Cable System to be operated as efficiently as possible. To achieve this, the parties agree to cooperate with each other in accordance with the terms and provisions of this Franchise.

17.12 Cumulative Rights

The rights and remedies reserved to the County by this Franchise are cumulative and shall be in addition to and not in derogation of any other rights or remedies which the County may have with respect to the subject matter of this Franchise.

17.13 Governing Law

This Franchise shall be governed, construed, and enforced in accordance with the laws of the State of Maryland (as amended), the Cable Act as amended, any applicable rules, regulations and orders of the FCC, and any other applicable local, State, and federal laws, rules, regulations, legislation, or orders (as such now exist, are later amended, or subsequently adopted).

17.14 Actions of the County or Grantee

In any action by the County or Grantee mandated or permitted under the terms hereof, it 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.

17.15 No Monetary Recourse

In accordance with Section 635A.(a) of the Cable Act, the Grantee shall have no recourse against the County or any of its officials, members, employees, or agents other than injunctive relief or declaratory relief, arising from the regulation of Cable Service or from a decision of approval or disapproval with respect to a grant, renewal, transfer, or amendment of the Franchise. The rights of the County under this Franchise are in addition to, and shall not be read to limit, any immunities the County may enjoy under federal, State, or local law.

17.16 Force Majeure

Notwithstanding any other provision of this Franchise, the Grantee shall not be liable for delay in performance of, or failure to perform, in whole or in part, its obligations pursuant to this Franchise due to an event or events reasonably beyond the ability of the Grantee to anticipate and control. "Force majeure" includes acts of God, incidences of terrorism, war or riots, labor strikes or civil disturbances, earthquakes, fire, explosions, epidemics, hurricanes, tornadoes, and work delays caused by waiting for utility providers to service or monitor or provide access to utility poles to which Grantee's facilities are attached or to be attached or conduits in which Grantee's facilities are located or to be located.

17.17 Severability

If any Section, subsection, paragraph, or provision of this Franchise is determined to be illegal, invalid, or unconstitutional by any court or agency of competent jurisdiction, such determination shall have no effect on the validity of any other Section, subsection, paragraph, or provision of this Franchise, all of which will remain in full force and effect for the term of the Franchise.

17.18 Entire Agreement

This Franchise and Exhibits represent the entire understanding and agreement between the parties hereto with respect to the subject matter hereof and supersede all prior oral and written agreements or proposals between the parties and cannot be changed orally but only by an instrument in writing executed by the parties. Notwithstanding the foregoing, the parties may enter into other agreements or arrangements in writing, duly executed by the County and Grantee, with respect to the subject matter hereof.

17.19 Third Party Beneficiaries

Except as expressly provided in this Franchise, this Franchise is not intended to, and does not create any rights or benefits on behalf of any Person other than the parties to this Franchise.

17.20 Acceptance

Within sixty (60) days after approval of this Franchise by the County, this Franchise shall be accepted by Grantee by signature below. The failure of Grantee to file such an acceptance shall be deemed a rejection by Grantee, and this Franchise shall then be voidable at the discretion of the County.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, this Franchise is signed by the parties hereto as of the day and year first above written.

ATTEST:

Joyce M. Grossnickle

FREDERICK COUNTY, MARYLAND

Jessica Fitzwater ps
County Executive
12/21/23
Date

ATTEST:

DocuSigned by:
Bryan Byrd
C4498F248D3149F...
11/16/2023

SHENANDOAH CABLE TELEVISION, LLC

Government and Community Affairs Specialist

DocuSigned by:
Chris Kyle
Name CC454FFA85AE4AD...

VP of Industry Affairs and Regulatory
Title

11/16/2023
Date

SECTION 18. EXHIBIT A**Access Origination Return Lines**

FACILITIES	ADDRESS	Service
Government		
Winchester Hall	12 E Church Street Frederick, MD 21702	Grantee's fiber
Other		
FCPS -Administration Building	191 S. East Street Frederick MD 21701	Grantee's fiber
College and Universities		
Frederick Community College	7932 Opossumtown Pike, Frederick, MD 21702	Grantee's fiber

SECTION 19. EXHIBIT B**Courtesy Service Locations**

Category	Facility	Street	City	State	Zip
Fire Stations	#02 Junior Fire Station	535 North Market Street	Frederick	MD	21701
Fire Stations	#03 United Steam Fire Engine Co.	79 South Market Street	Frederick	MD	21701
Fire Stations	#06 Vigilant Hose Co.	25 West Main Street	Emmitsburg	MD	21727
Fire Stations	#07 Middletown Volunteer Fire Co.	13 South Church Street	Middletown	MD	21769
Fire Stations	#10 Guardian Hose Co.	21 North Church Street	Thurmont	MD	21788
Fire Stations	#12 Braddock Heights Volunteer Fire Co.	6715 Jefferson Boulevard	Braddock Heights	MD	21725
Fire Stations	#14 Carroll Manor Volunteer Fire Co.	2795 Adams Street	Adamstown	MD	21710
Fire Stations	#15 New Market Dist Volunteer Fire Co.	76 West Main Street	New Market	MD	21774
Fire Stations	#18 Graceham Volunteer Fire Co.	14026 Graceham Road	Thurmont	MD	21788
Fire Stations	#20 Jefferson Volunteer Fire Co.	4603-A Lander Road	Jefferson	MD	21755
Fire Stations	#26 Emmitsburg Ambulance Co.	302 South Seton Avenue	Emmitsburg	MD	21727
Fire Stations	#30 Thurmont Comm. Ambulance Service	27 North Church Street	Thurmont	MD	21788
Fire Stations	#08 Myersville Volunteer Fire Co.	301 Main Street	Myersville	MD	21773
Fire Stations	#17 Libertytown Volunteer Fire Co.	12027 South Street	Libertytown	MD	21762
Fire Stations	#04 Citizens Truck Co.	15 South Court Street	Frederick	MD	21705
Fire Stations	#22 Lewistown Dist Volunteer Fire Co.	11101 Hessong Bridge Road	Frederick	MD	21701
Fire Stations	#31 United/Westview Fire Station	5525 New Design Road	Frederick	MD	21704
Fire Stations	#33 Spring Ridge Fire Station	6061 Spring Ridge Parkway	Frederick	MD	21701
Fire Stations	#01 Independent Hose Co.	310 Baughman's Lane	Frederick	MD	21701
Fire Stations	#29 North Gate Fire Station	37 Thomas Johnson Dr	Frederick	MD	21701
Fire Stations	#25 New Market/Green Valley Station	3939 Green Valley Road	Monrovia	MD	21770
Highway Sites	Highway Satellite - Johnsville	13216 Coppermine Road	Union Bridge	MD	21791
Highway Sites	Highway Satellite - Jefferson	3401 Burgee Drive	Jefferson	MD	21755
Libraries	Middletown Library	101 Prospect Street	Middletown	MD	21769
Libraries	Thurmont Library	Moser Rd	Thurmont	MD	21788
Libraries	Myersville Library	8 Harp Pl	Myersville	MD	21773
Parks & Rec	Parks Maintenance Shop Pine Ave (6 Strands)	430 Pine Ave	Frederick	MD	21701
Parks & Rec	Ballenger Creek Park Multi-Purpose Building	5420 Ballenger Creek Pike	Frederick	MD	21703
Parks & Rec	Rosehill Manor Park	1611 N Market Street	Frederick	MD	21701

Category	Facility	Street	City	State	Zip
Parks & Rec	Rosehill Manor Park Maintenance Shop	1611 N Market Street	Frederick	MD	21701
Sites	Emmitsburg Comm. Center	301 South Seton Ave	Emmitsburg	MD	21727
Sites	Police Department - Thurmont	800 E Main Street	Thurmont	MD	21758
Sites	Tourism (6 Pair)	151 South East St	Frederick	MD	21701
Sites	Frederick County Public Schools Admin	191 South East St	Frederick	MD	21701
Sites	Winchester Hall	12 E Church St	Frederick	MD	21701
Sites	Substance Abuse	300B Scholl's Ln	Frederick	MD	21701
Sites	East All Saint St Parking Deck	125 East All Saints St	Frederick	MD	21701
Sites	Citizen Services	401 Sagner Dr	Frederick	MD	21701
Sites	Department of Aging	1440 Taney Avenue	Frederick	MD	21701
Sites	Frederick Memorial Hospital	400 West 7th Street	Frederick	MD	21701
Sites	Tilco Dr Warehouse-Logistics	1501 Tilco Dr	Frederick	MD	21701
Sites	Work Force Services	200 Monroe Ave	Frederick	MD	21701
Sites	Frederick Community College	7932 Oppussumtown Pike	Frederick	MD	21701
Sites	Prospect Center	800 Oak St	Frederick	MD	21701
Sites	Frederick City Water Treatment Plant- Linganore	6436 Plant Rd	Frederick	MD	21701