

CABLE FRANCHISE AGREEMENT

BETWEEN

FREDERICK COUNTY, MARYLAND

AND

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

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CABLE FRANCHISE AGREEMENT

This Cable Franchise Agreement ("Franchise") is entered into this 31st day of July, 2007, by and between Frederick County, Maryland ("County"), and Comcast of California/Maryland/Pennsylvania/Virginia/West Virginia, LLC ("Grantee").

RECITALS

WHEREAS, the County is authorized to grant franchises for the installation, operation and maintenance of cable systems within 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 Board of County Commissioners hereby find 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, but not limited to:

a. "Educational Access" means Channels designated 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 for noncommercial use by the County for the purpose of showing governmental programming.

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 and accrued as revenues on the books of Grantee, 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 and Access programming.

1.6 “Broadcast Signal” means a television or radio 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 Internet Service” means any service offered by Grantee whereby Persons receive access to the Internet through the Cable System.

1.9 “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.

1.10 “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.

1.11 “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 federal 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. As used herein, the term Cable System shall mean Grantee’s cable communications facilities located in the

County (unless the context clearly indicates otherwise), including any wireless extensions thereof used to provide Cable Service.

1.12 “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).

1.13 “Commercial Subscribers” means any Subscribers other than Residential Subscribers.

1.14 “Complaint” means a Subscriber contact with the Grantee to express a grievance or dissatisfaction concerning Cable Service. Complaints do not include matters not within the regulatory control of the County. A Complaint may be verbal or in writing but need not include initial contacts where an issue is promptly resolved to the Subscriber’s satisfaction.

1.15 “Converter” means an electronic device that converts transmitted signals to a frequency that permits their reception on an ordinary television receiver.

1.16 “County” means Frederick County, a body politic and corporate under the laws of the State of Maryland.

1.17 “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.

1.18 “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.

1.19 “Downstream” means carrying a transmission from the Headend to remote points on the Cable System.

1.20 “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.

1.21 “Expanded Basic Service” means the Tier of optional video programming services, which is the level of Cable Service received by most Subscribers above Basic Service, and does not include, for example, Premium Services or digital services.

1.22 “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 and optronics located in the Rights-of-Way.

1.23 “FCC” means the Federal Communications Commission.

1.24 “Franchise” means the document in which this definition appears, i.e., the contractual agreement, executed between the County and Grantee, containing the specific provisions of the authorization granted, including references, specifications, requirements and other related matters.

1.25 “Franchise Area” means the unincorporated area within the jurisdictional boundaries of the County during the term of this Franchise, excluding Lake Linganore and Subscribers served by the Carlisle, Pennsylvania headend.

1.26 “Gross Revenues” means all revenue, as determined in accordance with generally accepted accounting principles, 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, Subscriber fees, late fees, installation and reconnection fees, advertising revenues (excluding reasonable advertising sales commissions), home shopping revenues, revenues from the rental or sale of equipment and 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 as of the effective date, that change shall automatically be included in the definition of Gross Revenues under this Franchise, 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 Advances and Capital Contributions referenced in subsections 9.5 and 9.6, 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.

1.27 “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.

1.28 “Leased Access Channel” means a Channel or portion of a Channel made available by Grantee for programming by others for a fee.

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

1.30 “Person” means any individual, sole proprietorship, partnership, association, or corporation, or any other form of entity or organization.

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

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

1.33 "Right-of-Way" or "Rights-of-Way" means each of the following which have been dedicated to the public or are hereafter dedicated to the public and maintained under public authority or by others and located within the County: streets, roadways, highways, avenues, lanes, alleys, bridges, sidewalks, easements and similar public property and areas.

1.34 "School" means all accredited public elementary, middle and secondary schools and Frederick Community College.

1.35 "State" means the State of Maryland.

1.36 "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.

1.37 "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(43)).

1.38 "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(46)).

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

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

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

SECTION 2. GRANT OF FRANCHISE

2.1 Grant

(A) The County hereby grants to Grantee a nonexclusive authorization 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, the provisions of this Franchise.

(B) The Grantee is granted the right to operate its Cable System using the County's Right-of-Way in compliance with all applicable County codes, ordinances, resolutions, standards, procedures and regulations, provided that in the event of a conflict between the provisions of the County codes, ordinances, resolutions, standards, procedures and regulations and this Franchise, the express provisions of this Franchise shall govern.

(C) Nothing in this Franchise shall be deemed to waive the lawful requirements of any generally applicable County law.

(D) Each and every provision or condition herein is subject to local, State and federal law and regulations enacted pursuant thereto.

(E) This Franchise shall not be interpreted to prevent the County from imposing additional lawful conditions, including additional compensation conditions for use of the Rights-of-Way to the extent these Rights-of-Way can be utilized, should Grantee provide service other than Cable Service.

(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; or

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

(H) This Franchise is intended to convey limited rights and interests 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 express authorization to provide Cable Services only. 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) that may be lawfully required.

2.2 Use of Rights-of-Way

(A) Subject to the County's regulatory authority, Grantee may erect, install, construct, repair, replace, reconstruct, upgrade and retain in, on, over, under, upon, across and along the Rights-of-Way 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, and must in any event 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, and charge Grantee for all the costs associated with removal; and may require Grantee to cooperate with others to minimize adverse impacts on the Rights-of-Way through joint trenching and other arrangements.

2.3 Term of Franchise

This Franchise and the rights, privileges and authority granted hereunder shall take effect on July 31, 2007 (the "Effective Date"), and shall terminate on July 30, 2017, unless terminated sooner as hereinafter provided.

2.4 Franchise Nonexclusive

This Franchise shall be nonexclusive, and subject to all prior rights, interests, easements or licenses granted by the 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 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 and resolutions necessary to the safety, health and welfare of the public, and Grantee agrees to comply with all laws, ordinances and resolutions 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 and resolutions as may be deemed necessary in the exercise of its police power.

Nothing in this Franchise shall be construed to limit 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 permit the Grantee to comply with such exercise of police power with as little adverse impact on the Grantee as possible.

2.6 Grant of Other Franchises/Competitive Equity

(A) In the event an application for a new cable franchise is filed with the County proposing to serve the Franchise Area, in whole or in part, the County shall provide a copy of the application and any proposed franchise agreement to the Grantee by registered or certified mail or via nationally recognized overnight courier service not later than 30 days before the Board of County Commissioners conducts a public hearing on the application.

(B) If the County grants a competitive franchise which, in the reasonable opinion of the Grantee, contains more favorable or less burdensome terms or conditions than this Franchise, the Grantee may notify the County that it wishes to renegotiate certain specified provisions of the Franchise. Within 30 days after the Grantee provides such notice, both parties must begin to negotiate in good faith, and either party to this Franchise may request changes to amend this Franchise so that neither the Grantee's Franchise nor that of the competitor contains terms that are more favorable or less burdensome than the other. For purposes of this section, the franchises must be viewed as a whole, not on a provision-by-provision basis, and the franchises must be compared with due regard for the circumstances existing at the time each franchise was granted.

(C) In the event that a multi-channel video programming distributor ("MVPD") provides cable service to residents in the County under a State or federal franchise that is unavailable to the Grantee, the Grantee shall have a right to request Franchise amendments that relieve the Grantee of regulatory burdens that create a competitive disadvantage to the Grantee. In requesting amendments, the Grantee shall file a petition seeking to amend the Franchise. Such petition shall: (1) indicate the presence of a competitor that has a State or federal franchise; (2) identify the basis for Grantee's belief that certain provisions of the Franchise place Grantee at a competitive disadvantage; and (3) identify the regulatory burdens to be amended or repealed in order to eliminate the competitive disadvantage. The County shall not unreasonably withhold its consent to the Grantee's petition.

Similarly, in the event that an MVPD provides cable service to residents in the County under a State or federal franchise that is more favorable to the County than this Franchise, the County shall have a right to request Franchise amendments that benefit the County. In requesting amendments, the County shall file a petition seeking to amend the Franchise. Such petition shall: (1) indicate the presence of an MVPD that has a State or federal franchise; (2) identify the basis for the County's belief that certain provisions of the Franchise place the County at a disadvantage; and (3) identify the provisions to be amended in order to benefit the County. The Grantee shall not unreasonably withhold its consent to the County's petition.

For purposes of this section, the franchises must be viewed as a whole, not on a provision-by-provision basis, and the franchises must be compared with due regard for the circumstances existing at the time each franchise was granted.

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 forty-five (45) days prior written notification from the County, a franchise fee to the County of up to five percent (5%) of Grantee's Gross Revenues including the Capital Advances and Capital Contributions described in subsections 9.5 and 9.6; provided, however, if the County elects not to institute a franchise fee for a period of two (2) years from the effective date of this Franchise, then any franchise fee after that two (2) year period may be up to five percent (5%) of Grantee's Gross Revenues, not including the Capital Advances or Capital Contributions described in subsections 9.5 and 9.6. The actual percentage shall be specified by the County. Accrual of such franchise fees shall commence forty-five (45) days after the date of the notification from the County to Grantee.

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.

3.5 Annual Reports

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. 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 and its Affiliates and to audit and recompute any amounts determined to be payable under this Franchise. The books and records necessary to determine the accuracy of the franchise fee payments and all other payments due the County shall be kept at a location within the County or may be made available at a location within the County upon request.

(B) 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 \$25,000 for the audit period. In no event shall the audit period or financial review extend back beyond the applicable statute of limitations as of the date the audit is commenced.

(C) The Grantee shall pay any amounts 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.

(D) Amounts recovered by the County shall be subject to the additional payment of interest as provided for in this Franchise.

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 maximum allowed rate as provided under State law, calculated from the date the underpayment was originally due until the date the County receives the payment.

3.9 Alternative Compensation

In the event the obligation of Grantee to compensate the County through franchise fee payments, Capital Advances or Capital Contributions is lawfully suspended or eliminated, in whole or part, then Grantee shall pay to the County such other compensation as is required by law.

3.10 Additional Commitments Not Franchise Fee Payments

No term or condition in this Franchise, including the funding required by Section 9, shall in any way modify or affect Grantee's obligation to pay franchise fees. 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 such other amounts against any franchise fee payments due to the County.

3.11 Tax Liability

The franchise fees, Capital Advances 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. Payment of the franchise fees under this Franchise shall not exempt Grantee from 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.

3.12 Financial Records

Grantee agrees to meet with a representative of the County upon reasonable notice to review Grantee's methodology of record-keeping, financial reporting, the computing of franchise fee obligations and other payment obligations procedures, the understanding of which the County deems necessary for reviewing reports and records.

3.13 Payment on Termination

If this Franchise terminates for any reason, the Grantee shall file with the County within thirty (30) days of the date of the termination, a financial statement, certified by an independent certified public accountant, showing the Gross Revenues received by the Grantee since the end of the previous calendar year. The County reserves the right to satisfy any remaining financial obligations of the Grantee to the County by utilizing the funds available in the letter of credit or other security provided by the Grantee.

3.14 Bundling of Cable Service and Non-Cable Service

If Grantee offers bundled Cable and non-Cable Services, any discount applied to a Cable Service under this Franchise shall not be applied in a manner so as to evade the payment of franchise fees.

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 agent in its sole discretion.

(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 of this Franchise. 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 Rates and Charges

The County reserves its right to regulate Grantee's cable rates and charges to the full extent authorized by applicable federal, State and local laws.

4.3 Filing of Rates and Charges

(A) Throughout the term of this Franchise, 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 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 County. 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.

4.4 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:

- (A) The temporary reduction or waiving of rates or charges in conjunction with valid promotional campaigns;
- (B) The offering of reasonable discounts to similarly situated Persons; or
- (C) The offering of bulk discounts for Multiple Dwelling Units.

4.5 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 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.

4.6 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 County without regard to the neighborhood or income level of the Subscriber and shall be in compliance with applicable laws.

4.7 Performance Evaluations

- (A) Performance evaluation sessions may be held at any time by the County during the term of this Franchise.
- (B) All evaluation sessions shall be open to the public. Grantee shall receive ninety (90) days prior written notice of an evaluation session.
- (C) 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.
- (D) During evaluations under this subsection, Grantee shall comply with the County's reasonable requests for information in a timely manner.

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 court costs and attorneys' fees and expenses, arising from the death of or injury to any Person, or casualty or accident to equipment or property 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 reason of any neglect or omission of Grantee, its agents or employees.

(B) Procedures and Defense. The County shall give the Grantee written notice of any claim or of the commencement of any action, suit or other proceeding covered by the indemnity in this subsection. 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 and, in any event, Grantee may not agree to any settlement of claims financially affecting the County without the County's prior written approval.

(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.

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 which in any way relate to, arise from or are connected with this Franchise, or involve Grantee, its agents, representatives, contractors, subcontractors and their employees.

(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.

(C) Endorsements.

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

(a) 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.

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

(2) The insurance provided herein shall not be canceled or the limits reduced so as to be out of compliance with the requirements of this subsection without thirty (30) days written notice first being given to the County. If the insurance is canceled or reduced in coverage, 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 certificate for each insurance policy is to be signed by a Person authorized by that insurer to bind coverage on its behalf.

(E) No Limitation. Grantee's maintenance of insurance policies required by this Franchise shall not be construed to limit the liability of Grantee to the coverage provided in the insurance policies, or otherwise limit the County's recourse to any other remedy available at law or in equity.

5.3 Letter of Credit

(A) Grantee shall provide a letter of credit from a financial institution with a location in the State in the amount of \$50,000. In the event of any transfer of this Franchise, the County may require the new franchisee to increase the amount of the letter of credit to \$100,000.

(B) The form of the letter of credit shall be subject to the approval of the County. In particular, but without limitation, such letter of credit may be drawn on in the case of any default or failure of Grantee to pay any amount due under the Franchise. Upon drawing on the letter of credit, 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 letter of credit to its original full amount.

(C) Within thirty (30) calendar days of the expiration of the Franchise, if Grantee is no longer operating the Cable System, then the County will return the original letter of credit and any amendments to the issuing bank for cancellation. If the Franchise is transferred to an unaffiliated entity, the original letter of credit shall be returned to Grantee when the new franchisee provides a

new letter of credit that is accepted by the County, which acceptance shall not be unreasonably withheld or delayed.

5.4 Bonds

(A) Grantee shall provide to the County a performance bond in the amount of \$50,000. Grantee shall also obtain other bonds in accordance with the County's ordinary practices applicable to users of the Rights-of-Way. The bond(s) shall be with a surety or sureties and in a form or forms acceptable to the County. Grantee shall pay all premiums or costs associated with maintaining the bond(s), and shall keep the same in full force and effect at all times.

(B) Grantee's maintenance of the bond(s) shall not limit the liability of the Grantee to the amount of the bond(s), or otherwise limit the County's recourse to any other remedy available at law or in equity. Any cancellation by the surety or sureties, whether for failure to pay a premium or otherwise, without thirty (30) days advance written notice mailed by the surety or sureties, or Grantee, to the County shall be a material violation of this Franchise.

SECTION 6. CUSTOMER SERVICE

6.1 Customer Service Standards

Grantee shall comply with the customer service standards as prescribed by federal and State law and as those may be amended from time to time. The handling and resolution of customer service matters, including, but not limited to, customer service requests and complaints, are the responsibility of the Grantee.

6.2 Subscriber Contracts

Grantee shall not enter into a contract with any Subscriber which is in any way inconsistent with the terms of this Franchise, or the requirements of any applicable customer service standard. Upon request, Grantee will provide to the County a sample of the Subscriber contractual terms and conditions.

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 in the County's best judgment, such books and records are necessary for the enforcement of this Franchise. The inspection shall take place during normal business hours, upon reasonable notice by the County of not less than five (5) business days, and at Grantee's local office. Subject to the provisions of federal and State public information statutes and regulations, 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 such by Grantee.

7.2 Maps and Records Required

Grantee shall provide to the County upon request:

(A) A route map that depicts the general location of the Cable System facilities placed in the Rights-of-Way. The route map 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. To the extent such information is available, the Grantee shall also provide in a compatible electronic format a description of the aerial/underground facilities in the Right-of-Way to allow the County to add this information to the County's GIS program;

(B) A copy of all FCC filings which relate specifically to and materially affect the operation of the Cable System in the Franchise Area; and

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

In addition to the above, the County may review Grantee's as-built maps for the Cable System at Grantee's local office upon the giving of ten (10) days prior written notice or without notice in the event of an emergency.

7.3 Reports of Regulatory Violations

Grantee shall provide to the County copies of any administrative decision, order, consent decree or other formal determination of any regulatory agency having jurisdiction over Grantee specifically relating to the Grantee's provision of Cable Service in the Franchise Area.

7.4 Reports on Digital Conversion

Subject to the confidentiality provisions of subsection 7.1 of this Franchise, Grantee shall annually provide reports to the County on its plans and progress for digital conversion, including the number of Channels to be converted, date, required equipment changes and formats to be used. In the case of Access Channels, the preceding information shall be furnished to the County upon request in order for the County, subject to subsection 9.7, to be able to plan an appropriate and potentially concurrent conversion of the Access Channels and facilities to a digital format.

7.5 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 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.

7.6 Annual Reports

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 passed, beginning and ending plant miles, any technological changes occurring in the Cable System and the number of Subscribers for each class of Cable Service (i.e., Basic, Expanded Basic Service, premium, etc.);

(C) A description of planned construction, if any, for the current year; and

(D) An executive summary of Subscriber Complaints received in the previous year.

7.7 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.

7.8 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.

SECTION 8. PROGRAMMING

8.1 Broad Programming Categories

Grantee shall offer broad categories of programming services designed to meet the needs and interests of its Subscribers. Grantee shall provide at least the following initial broad categories of programming:

(A) Educational programming;

(B) News, weather and information;

(C) Sports;

(D) General entertainment (including movies);

(E) Children/family-oriented;

(F) Local government access programming; and

(G) Local educational access programming (public K-12 Schools and Community College).

8.2 Deletion or Reduction of Broad Programming Categories

(A) Grantee shall not delete or so limit as to effectively delete any broad category of programming within its control.

(B) In the event of a modification proceeding under federal law, the mix and quality of Cable Services provided by Grantee on the Effective Date of this Franchise shall be deemed the mix and quality of Cable Services required under this Franchise throughout its term.

8.3 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 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.

8.4 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 terminate service for theft of service, damage to equipment or abusive conduct directed towards Grantee's employees or agents. The Grantee shall act to the best of its ability so as to ensure that all Subscribers receive continuous, uninterrupted Cable Service. For the purposes of this subsection, "uninterrupted" does not include short-term outages of the Cable System for repair, maintenance or testing.

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

(C) In the event Grantee willfully fails to operate the Cable System for three (3) consecutive days without just cause, the County may, at its option, operate the Cable System itself or designate another cable operator until such time as Grantee restores service under conditions acceptable to the County or a permanent cable operator is selected.

(D) For a reasonable time, in the period between expiration, revocation or termination of this Franchise and the transfer of the Cable System to a qualified Person approved by the County, the Grantee shall continue to provide technical and operational services including all programming services, including Access services, in accordance with the terms and conditions of this Franchise.

(E) In the event that the County must assume the operation of the Cable System due to Grantee's failure or refusal to continue operating the Cable System, the Grantee shall be liable for all costs of operating and maintaining the Cable System including the payments for a third party, hired by the County, to manage and operate the Cable System to the degree necessary to assure continuous services to the Subscribers. Revenues from operation of the Cable System shall be placed in an interest bearing account until such time as all proceedings by the County against the

Grantee shall have been adjudicated. During this period, liquidated damages against the Grantee, which may be applicable, shall be enforced and collected.

8.5 Services for the Disabled

Consistent with Federal, State and local law, Grantee's facilities and services shall be functionally accessible and useable by individuals with disabilities as may be readily achievable. It is the Subscriber's responsibility to notify the Grantee of the disability and special accommodation that is needed.

SECTION 9. ACCESS

9.1 Access Channels

(A) Grantee shall provide at least three (3) analog Downstream 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").

If programming that is primarily produced and locally oriented in the County is no longer available, then Grantee shall provide one (1) Downstream Public Access Channel within ninety (90) days of a written request by the County.

(B) 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.

(C) The existing channel positions for the Access Channels, namely Channel 18 (FCPS), Channel 19 (the County) and Channel 23 (the Community College) shall be changed by the Grantee only after discussion with the County. In any event, Grantee shall provide not less than sixty (60) days prior written notice to the County of such channel change. If it is ultimately determined to change the channel positions, the Access Channels shall be grouped together.

If one or more Access Channel positions are changed, Grantee will pay an amount not to exceed \$18,000 in total 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.

(D) Any Access Channels shall have at least the same transmission quality as is used to carry any of the commercial Channels that deliver programming on the Cable System. The Grantee shall provide Headend and hub equipment and routine maintenance and repair and replace, if necessary, any of Grantee's equipment required to carry the Access signals to and from the County's and any other Access origination points and the Grantee's Headend and hubs.

(E) All analog Access Channels shall remain in analog format until such time as all Channels on the Cable System are converted to a digital format.

9.2 Additional Access Channels

(A) Within ninety (90) days of a written request of the County, Grantee shall provide one (1) digital Access channel, beyond those analog Access channels described in subsection 9.1 (A) and the Encoded Channel described in Section 15. Viewing of a digital Access Channel may require use of a digital cable converter or cable card.

(B) At the time that Grantee migrates its Cable System to an all digital platform, the Grantee will provide up to two (2) additional digital channels dedicated for PEG Access use upon the written request of the County.

9.3 Management and Control of Access Channels

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 provided by Grantee under this Franchise, 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.

9.4 Cable Modem Service

(A) To the extent Grantee makes high speed Internet access service available to the public, Grantee shall provide such service through Grantee's Cable System ("Cable Modem Service") for all Schools and public libraries at no cost to those entities subject to the distance requirements set forth in Section 14 of this Franchise. Such Cable Modem Service will consist of one (1) service connection including a cable modem.

(B) The School or public library shall be responsible for the provision, maintenance, updating and replacing as necessary of any hardware, such as personal computers and related equipment, required for access to such service, as well as the cost of installing additional outlets if so requested.

9.5 Capital Advances

Grantee shall pay to the County, upon receiving one hundred and twenty (120) days prior written notification from the County, two (2) capital advances for Access in the amount of \$215,000 each. Each capital advance can be requested by the County at any time during the term of this Agreement, provided that the second advance payment cannot be requested sooner than one year after the first, and in no event will the first capital advance be payable by the Grantee prior to December 31, 2007.

These are advances of the monthly Capital Contribution set forth in subsection 9.6. These funds are to 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 advances as external costs and that Grantee may choose to include them as line items on Subscribers' bills.

9.6 Capital Contributions

Upon receiving ninety (90) days prior written notification from the County, Grantee shall collect from its Subscribers and provide to the County one percent (1%) of Grantee's gross revenues per month (the "Capital Contributions") for Access capital. Grantee shall be entitled to retain the Capital Contributions until it has recouped the capital advances referenced in subsection 9.5. Grantee shall not be responsible for collecting or paying the Capital Contributions with respect to gratis or bad debt accounts. As applicable, within ninety (90) days after the end of each year, Grantee shall provide a report to the County regarding such gratis and bad debt accounts.

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 advances 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 a capital advance or Capital Contributions, the County is entitled to apply the subsequent capital advance 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 Contributions as external costs and that Grantee may choose to include them as line items on Subscribers' bills.

9.7 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. For example, this provision shall apply if the Cable System is converted from an analog to a solely digital format, such that the Access Channels must also be converted to digital in order to be received by Subscribers.

9.8 Access Channels On Basic Service

All Access Channels provided to Subscribers under this Franchise shall be included by Grantee as part of Basic Service.

9.9 Access Channel Identification

The Grantee shall minimize the number of changes in Access Channel assignments. If an Access Channel is moved from its identified channel location, the Grantee shall provide thirty (30) days notice to the Subscribers. The Grantee shall use reasonable means of notification, including Cable System messages and announcements in a video program guide or in a published program guide should there be one, so that Subscribers are made aware of the change in channel assignment. In connection with the movement of any of the Access Channels to other channel numbers, Grantee shall also provide a bill message on Subscribers' bills.

9.10 PEG Access Origination Connections

Grantee shall continue to provide throughout the term of this Franchise fiber optic return lines to the headend and hubs from the locations listed in Exhibit A that are designated with Grantee's fiber in order to enable the distribution of Access programming to Residential Subscribers on the Access Channels. Where coaxial based connections exist today, the Grantee shall continue to provide those connections. 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 solely attributable to Access channel delivery shall be borne by the County or applicable Access channel programmer. Otherwise, the County or applicable Access channel programmer shall only be required to bear any proportionally allocable cost for such equipment.

9.11 Technical Assistance

Grantee shall provide to the County technical assistance for Access transport as necessary.

SECTION 10. MODIFICATION OF EXISTING COMMERCIAL SERVICES MASTER SERVICE AGREEMENTS

(A) The County has a separate Commercial Services Master Service Agreement ("MSA") with the Grantee or its Affiliates regarding the use of fiber optic network capacity dated June 8, 2006. Also, Frederick County Public Schools ("FCPS") has a separate Commercial Services Master Service Agreement ("the second MSA") with the Grantee or its Affiliates regarding the use of fiber optic network capacity dated June 12, 2006. As a requirement of this Franchise, certain modifications have been made to the MSA and second MSA. Those modifications are contained in documents entitled "Frederick County Master Service Agreement Amendment" and "Frederick County Public Schools Master Service Agreement Amendment".

(B) Upon the expiration or termination of the MSA or the second MSA, the County and FCPS shall respectively have an Indefeasible Right of Use ("IRU") in and to the fiber referenced in the MSA (and any amendments thereto) and the second MSA (and any amendments thereto) during the initial term of this Franchise and any extension or renewal thereof. The IRUs shall be at no cost or expense to the County or FCPS except for routine maintenance and repair costs, which shall be negotiated separately with the Grantee or its Affiliates and subject to mutual agreement at that time.

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

11.1 Right to Construct

Subject to the other provisions of this Franchise, Grantee may perform all construction in the Rights-of-Way for any facility needed for the maintenance, operation or extension of Grantee's Cable System.

11.2 General Standards

All work authorized and required hereunder shall be done in a safe, thorough and workmanlike manner. 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.

11.3 One Call

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

11.4 Permits

No construction, upgrade, rebuild, reconstruction, maintenance, or relocation of Grantee's Cable System, or any part thereof, within any Public Rights-of-Way or public land shall be commenced unless 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 Permits and Development Review ("DPDR"). The Grantee shall pay the County fees associated with such permits.

11.5 Notice to Private Property Owners

Except for emergency maintenance or repairs, the Grantee shall 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.

11.6 Use of the Rights-of-Way

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;

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

(C) Not to interfere with the proper use of the Rights-of-Way, places or 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.

11.7 Coordination

The Grantee shall cooperate with the Office of Highway Operations Utility Coordinator 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.

11.8 Joint Trenching

Grantee shall endeavor to limit the cutting of streets, sidewalks and other Rights-of-Way through joint trenching. Grantee shall contact the Division of Public Works 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. 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.

11.9 Permits Required for Construction

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. Grantee may initiate emergency repairs, and shall apply for appropriate permits on the next business day.

11.10 Compliance with Standards

Grantee shall construct, maintain, operate and repair its Cable System in accordance with the following most current editions and standards: Occupational Safety and Health Act, National Electrical Safety Code and National Electric Code, Federal Aviation Administration rules and regulations, FCC rules and regulations and the County Code.

11.11 Minimal Interference

Work in the Right-of-Way, on other public property, near public property or on or near private property shall be done in a manner that causes the least interference with the rights and reasonable convenience of property owners and residents. Grantee's Cable System shall be constructed and maintained in such manner as not to interfere with sewers, water pipes or any other property of the

County, or with any other pipes, wires, conduits, pedestals, structures or other equipment that may have been laid in the Rights-of-Way by, or under, the County's authority. The Grantee's Cable System shall be located, erected and maintained so as not to endanger or interfere with the lives of Persons, or to interfere with new improvements the County may deem proper to make or to unnecessarily 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.

11.12 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.

11.13 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.

11.14 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 and agrees to bear the additional cost in excess of aerial installation.
- (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. Related Cable System equipment, such as pedestals, must be placed in accordance with the County's applicable code requirements and rules.
- (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 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 notified the Grantee in some manner that it is interested in sharing the trenches or bores in the area where the Grantee's construction is occurring. The Grantee shall allow the County to lay County cables, conduits and fiber optics 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.

11.15 Use of Grantee's Facilities

At the reasonable request of the County, Grantee shall accommodate the needs of the County to place County emergency and public safety communications facilities and equipment, free of charge, upon Grantee's owned poles, towers and other facilities as long as such use by the County would not interfere with the operation of Grantee's Cable System.

11.16 Restoration of Property

Grantee is responsible for restoring, replacing or repairing 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 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 from the date of the damage. 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 or letter of credit provided by the Grantee.

11.17 Tree Trimming

The Grantee shall have the authority to conduct minimal pruning and trimming for access to Cable System facilities in the Rights-of-Way subject to compliance with the County Code. In situations involving tree trimming activities for construction activities in the Rights-of-Way, 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.

11.18 Discontinuing Use

Whenever Grantee intends to discontinue using any facility within the Rights-of-Way, Grantee shall notify the County of its intent regarding such discontinuance. Grantee may remove the facility or request that the County allow it to remain in place. Notwithstanding Grantee's request that any such facility remain in place, the County may require Grantee to remove the facility from the Right-of-Way or modify the facility to protect the public health, welfare, safety and convenience. The County may require Grantee to perform a combination of modification and removal of the facility. 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 facility as directed by the County, or until the rights to and responsibility for the facility are accepted by another Person having authority to construct and maintain such facility, Grantee shall be responsible for all necessary repairs and relocations of the facility, as well as maintenance of the Right-of-Way, in the same manner and degree as if the facility were in active use, and Grantee shall retain all liability for such facility. If Grantee abandons its facilities, the County may choose to use such facilities for any purpose whatsoever including, but not limited to, Access purposes.

11.19 Movement of Cable System Facilities for County Purposes

(A) The County has the right to require Grantee to relocate, remove, replace, modify or disconnect Grantee's facilities and equipment located in the 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 vacation, Right-of-Way construction, change or establishment of Right-of-Way grade, installation of sewers, drains, gas or water pipes, or any other types of structures or improvements by the County for public purposes). 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.

In the event of any capital improvement project exceeding \$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 the Rights-of-Way, the County shall make a reasonable effort to provide Grantee with an alternate location within the Rights-of-Way.

(B) 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 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.

11.20 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 bonds or letter of credit, for the County's actual costs and expenses in performing the work. 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.

11.21 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 shall, after at least thirty (30) days' advance written notice, take action to effect the necessary changes requested by the responsible entity. Grantee may require that the expense of such removal, replacement, modification or disconnection of the Cable System be paid by the benefited party, and Grantee may require a reasonable deposit of the estimated payment in advance.

11.22 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.

11.23 Right-of-Way Vacation

If any Right-of-Way or portion thereof used by the Grantee is vacated by the County during the term of this Franchise, 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.

11.24 Reservation of County Use of Right-of-Way

Nothing in this Franchise shall prevent the County from constructing sewers; grading, paving, repairing or altering any Right-of-Way; repairing or removing water mains; 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.

11.25 Inspection of Construction and Facilities

The County may inspect any of Grantee's facilities, equipment or construction at any time during normal business hours upon at least twenty-four (24) hours notice, or, in case of an emergency, at any time, upon demand without prior notice. Grantee is responsible for any applicable inspection fees as set by the Board of County Commissioners. If an unsafe condition is found to exist, the County, in addition to taking any other action permitted under applicable law, may order Grantee, in writing, to make the necessary repairs and alterations specified therein forthwith to correct the unsafe condition by a time the County establishes. The County has the right to correct, inspect, administer and repair the unsafe condition if Grantee fails to do so, and to charge Grantee therefor.

11.26 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;
- (4) Indicate the nature of the alleged violation or unsafe condition; and
- (5) Establish conditions under which work may be resumed.

11.27 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. A contractor or subcontractor shall carry insurance as required by the County.

SECTION 12. SYSTEM DESIGN AND UPGRADE

12.1 Cable System Design

(A) Grantee shall maintain and operate its Cable System throughout the Franchise Area to a minimum 750 MHz hybrid fiber coaxial ("HFC") fiber-to-the-node system architecture. The Cable System has been activated for bidirectional transmissions. New Cable System construction will consist of a minimum 860 MHz equipment; provided, however, that the Cable System will not be required to provide greater than 750 MHz of bandwidth.

(B) Each node shall be designed and constructed to provide for segmentation of homes and Subscribers passed to continually facilitate services desired by Subscribers without requiring substantial additional construction and with minimal disruption to the community.

(C) The Cable System shall be operated so that channel capacity can be expanded and additional programming delivered to Subscribers through digital video compression or similarly appropriate technologies without compromising signal or service quality, consistent with standard industry practices.

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 upgrade 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) The Cable System shall be constructed, installed, maintained and operated in a manner to meet the requirements of all FCC rules and regulations governing the technical performance and operating standards for cable systems, as well as the requirements of the NEC, NESC, OSHA and other applicable local, State and federal rules, regulations and laws.

(B) Except as otherwise provided herein, the Cable System shall be capable of providing continuous twenty-four (24) hour daily operation without serious material degradation of signal quality or loss of services except during conditions beyond the control of the Grantee, such as those outlined in subsection 19.18 of this Franchise.

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

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

12.3 Development of New Services

(A) In the event new Cable Services are being provided by Grantee or an Affiliate in Maryland in Grantee's Potomac Region that are not being provided in the Franchise Area, upon written notice from the County requesting such new Cable Services, or if the County receives repeated requests from some of its citizens, then the County and Grantee shall meet and confer in good faith regarding the delivery of the requested services. The determination whether to deliver the requested new Cable Services in the Franchise Area shall be made by the Grantee, based on information provided by the Grantee.

(B) Any new Cable Services except PEG Access Channels that are being provided by Grantee or an Affiliate in a City or Town in the Franchise Area shall also be provided throughout the Franchise Area, so long as they are transmitted from the same headend or hubs.

12.4 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 and shall also interconnect all of its other cable systems within the Franchise Area.

(C) Grantee shall work cooperatively with the County to develop and provide, in the most economically viable and technically feasible manner, interconnections to headends, or other locations mutually agreed upon between the County and Grantee, within Carroll, Howard, Montgomery and Washington Counties for sharing of security, public safety and other emergency information services. The foregoing requirement shall only apply at the time that the County and the neighboring or contiguous franchising authority have reached agreement to share these services and have so notified the Grantee.

For the interconnections described in this subsection 12.4 (C), Grantee shall design, construct and maintain these interconnections at the sole expense of the County except to the extent that Grantee may also utilize the interconnection(s), and then the County and Grantee shall share the cost of design, construction and maintenance based on usage by each.

SECTION 13. TECHNICAL STANDARDS AND TESTING

13.1 FCC Technical Standards

(A) 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. In the event that technical standards for Cable Internet Service now or in the future fall within the legal jurisdiction of the County, the County reserves the right to impose and enforce reasonable standards.

(B) Grantee will take prompt corrective action if it finds that any facilities or equipment on the Cable System are not operating as expected, or if it finds that the facilities and equipment do not comply with the requirements of this Franchise or applicable law.

13.2 Cable System Performance Testing

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

(B) The semi-annual proof-of-performance tests may be observed by representatives of the County. Grantee will provide reasonable notice to the County in advance of the scheduled testing date(s), and the County will then notify Grantee before such testing is scheduled to occur if it desires to observe such test(s).

(C) 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 other evidence which in the judgment of the County 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 test, 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 twelve (12) 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.

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

(A) 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.

(B) The Grantee also shall provide the County with override capability for delivery of emergency messages from the County at the County's cost. The specific parameters of operation of the override system will be developed by Grantee and the County within 90 days of the effective date of the Franchise, such that the system will be available for County use within 180 days of the effective date. Use of the override system shall be consistent with the State EAS Plan.

(C) The County shall designate, in writing, a person to direct coordination, testing and activation of such override system.

SECTION 14. SERVICE EXTENSION AND SERVICE TO PUBLIC BUILDINGS

14.1 Service Availability

(A) In General. Grantee shall provide 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. 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. Grantee shall provide such service:

(1) With no line extension charge except as specifically authorized elsewhere in this Franchise.

(2) At a non-discriminatory installation charge for a standard installation, consisting of a one hundred twenty-five (125) foot aerial drop connecting to the exterior demarcation point for Residential Subscribers and at no charge for facilities designated in subsection 14.2 hereof, with additional charges for non-standard installations computed according to a non-discriminatory methodology for such installations;

(3) At non-discriminatory monthly rates for Residential Subscribers.

(B) Non-discriminatory Service. Grantee shall not arbitrarily refuse to provide Cable Services to any Person within its Franchise Area. 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.

(C) Service to Multiple Dwelling Units. Unless the Grantee has entered into a bulk services agreement with the building owner, the Grantee shall offer 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 Grantee having legal access to said unit.

(D) Customer Charges for Extensions of Service. In those instances where potential subscribers request an extension where there are fewer than twenty-five (25) dwelling units per cable mile from the nearest active cable plant, the costs shall be divided as follows: the Grantee shall pay an amount equal to the total cost of construction, divided by the actual footage to be constructed, times the number of actual dwelling units passed by the new construction, times 211 feet. The potential subscriber(s) requesting service shall be responsible for the balance of the cost of construction. One-half of the subscriber contribution shall be paid prior to construction, and the remainder shall be paid prior to installation.

14.2 Connection of Public Facilities

For all existing County owned or leased buildings, fire stations, sheriff stations, Schools and public libraries in the Franchise Area passed by the Cable System, Grantee shall, without charge, provide a drop, any necessary converter and one outlet of Basic Service and Expanded Basic Service. In addition, Grantee shall provide, at no cost to the County or other entity, a drop, any necessary converter and one outlet of Basic and Expanded 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 one hundred twenty-five (125) 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 and Expanded 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.

SECTION 15. ENCODED CHANNEL

Within three (3) months of receipt of a written request from the County, Grantee shall make available a closed circuit, encoded digital channel (the "Encoded Channel") to be used for County

purposes. The Encoded Channel shall be made available by Grantee at the locations listed in Exhibit B, which is attached hereto and incorporated herein by reference, and also at twenty-five (25) additional sites as may from time to time be designated by the County. Each site shall receive one standard installation and converter (provided that the County shall be responsible for the cost of the converters at the twenty-five [25] additional sites). The cost of any new construction (excluding a standard installation), supplemental converters, additional wiring and video monitors or television sets shall be borne by the County.

The Encoded Channel shall be at a signal quality level consistent with other digital channels on Grantee's digital tier that carries the Encoded Channel. If the signal quality of the Encoded Channel does not appear to be of the same quality as other digital channels on Grantee's digital tier, Grantee shall use its best efforts to identify the cause of the problem, and promptly correct the signal quality problem if it resides within Grantee's control. The County shall be responsible for correcting any problem residing on its side of the termination panel at its programming origination site(s).

The converters themselves shall be digital, and the signal(s) shall be addressable and encoded such that residential and commercial Subscribers will not be able to see, hear or interpret the video or audio signal(s). Programming provided over the Encoded Channel shall be transported upstream over the pertinent fiber optic connections listed in Exhibit A to Grantee's headend or hub for subsequent distribution via the downstream Encoded Channel. These locations shall be capable of transmitting both Access and Training programming utilizing multiple fibers, dual channel transmitters or other technologies that will facilitate simultaneous transmission of multiple programs. The Grantee shall provide equipment to activate dual transmission capabilities at up to five (5) of the fiber optic locations at any time. This equipment shall be movable among all of the fiber optic locations listed in Exhibit A to allow for changing needs over the term of the Franchise.

SECTION 16. FRANCHISE VIOLATIONS

16.1 Non-Material Franchise Violations

(A) If the County believes that Grantee has failed to perform any non-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 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, the County shall order Grantee to correct or remedy the default or breach within thirty (30) days or within such other reasonable timeframe, beyond thirty (30) days as the County 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 non-material violation of this Franchise has occurred shall be within the discretion of the County.

16.2 Material Franchise Violations

(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;
- (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 or to practice any fraud or deceit upon the County or Subscribers; or
- (4) If Grantee fails to provide the insurance, letter of credit or other security required by this Franchise.

(B) Prior to pursuing legal or equitable remedies and forfeiture 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 termination of the Franchise in accordance with this subsection.

(C) The Board of County Commissioners shall conduct a public hearing.

(1) At least thirty (30) days prior to the public hearing, the County Clerk shall issue a public hearing notice that shall establish the issue(s) to be addressed in the public hearing; provide the time, date and location of the hearing; provide that the Board of County Commissioners 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 require the production of evidence, to be represented by counsel and to question witnesses.

(2) A verbatim transcript shall be made by a court reporter of such proceeding and the cost shall be paid by Grantee.

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

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

16.3 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:

(1) Require Grantee to maintain and operate its Cable System on a month-to-month basis until a new cable operator is selected; or

(2) Purchase Grantee's Cable System in accordance with federal law.

(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, bond(s) and letter of credit 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 16.3 (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) If the Grantee is using all or part of the aforementioned Cable System facilities, under separate agreement or authority, to provide telephony services to subscribers in the Franchise Area, the provisions of Section 16.3 (A-C) shall not apply.

16.4 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 in certain instances. 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 for one hundred eighty (180) days. 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.

(B) Prior to assessing any liquidated damages, the County shall give Grantee proper notice and a thirty (30) day right to cure.

(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) Four hundred dollars (\$400.00) per day for material departure from the FCC technical performance standards;

(2) Three hundred dollars (\$300.00) per day for failure to provide the Access Channels or any equipment related thereto or funding which is required;

(3) 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;

(4) 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

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

(6) Fifty dollars (\$50.00) per day for failure to comply with any non-material provision of this Agreement.

16.5 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 5% of Grantee's Gross Revenues in any 12-month period.

SECTION 17. ABANDONMENT

If the Grantee abandons its Cable System during the Franchise term, the County, at its option, may operate the Cable System; designate another entity to operate the Cable System temporarily until the Grantee restores service under conditions acceptable to the County, or until the Franchise is revoked and a new franchisee is selected by the County; or obtain an injunction requiring the Grantee to continue operations. If the County is required to operate or designate another entity to operate the Cable System, the Grantee shall reimburse the County or its designee for all reasonable costs, expenses and damages incurred.

SECTION 18. FRANCHISE RENEWAL AND TRANSFER

18.1 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 deemed to be preempted and superseded by the provisions of any subsequent provision of federal or State law.

18.2 Transfers

(A) 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.

(B) 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 owned or controlled Grantee, singularly or collectively on the Effective Date of the Franchise. The term "controlling interest" as used herein is not limited to majority stock ownership but includes actual working control in whatever manner exercised.

(C) 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.

(D) 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.

(E) 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.

(F) 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 \$15,000.

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

(H) 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 intra-company 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 19. MISCELLANEOUS PROVISIONS

19.1 Equal Employment and Non-discrimination

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

19.2 Localism

(A) Whenever practicable, Grantee shall make a reasonable effort to employ residents of the County to provide, install, sell, market and deliver its Cable Services.

(B) Whenever practicable, Grantee shall make a reasonable effort to buy goods and services from County businesses.

19.3 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. 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 of this Franchise:

The Grantee's address shall be:

Comcast of California/Maryland/Pennsylvania/Virginia/West Virginia, LLC
11800 Tech Road
Silver Spring, MD 20904
Attention: Area Vice President, Maryland Tri-County

With a copy to:

Comcast Cable Communications, Inc.
11800 Tech Road
Silver Spring, MD 20904
Attention: Vice President, Government Affairs, Eastern Division

The County's address shall be:

County Manager
Frederick County Government
12 E. Church Street
Frederick, MD 21701

With a copy to:

Director/CIO
Frederick County Government
117 E. Church Street
Frederick MD, 21701

19.4 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.

19.5 Fees, Costs and Expenses to be Borne by Grantee

Fees, costs and expenses to be borne by Grantee shall include all of the County's reasonable fees, costs and expenses that were incurred in drafting, negotiating, finalizing, adopting and publishing this Franchise (including consultants' and attorneys' fees) 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 fees, costs and expenses that were incurred by the County. Grantee shall submit payment to the County of such fees, costs and expenses no later than forty-five (45) days after Grantee receives from the County an invoice together with any reasonable documentation therefor.

19.6 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 addition to such other relief as the court may deem proper.

19.7 Binding Effect

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

19.8 Authority to Amend

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

19.9 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.

19.10 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.

19.11 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.

19.12 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.

19.13 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.

19.14 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).

19.15 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.

19.16 No Monetary Recourse

Grantee shall not have any monetary recourse against the County or its officers, officials, boards, commissions, agents or employees for any loss, costs, expenses or damages arising out of any provision or requirement of this Franchise or the enforcement thereof. Additionally, 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.

19.17 Time Is of the Essence

In determining whether a party has complied with this Franchise, the parties agree that time is of the essence.

19.18 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, but is not limited to, 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.

19.19 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.

19.20 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 negotiations between the parties.

19.21 Acceptance

Within sixty (60) days after the passage and approval of this Franchise by the Board of County Commissioners, this Franchise shall be accepted by Grantee by filing with the County its written acceptance of all of the terms, provisions and conditions of this Franchise. 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.

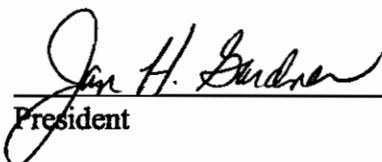
IN WITNESS WHEREOF, this Franchise is signed by the parties hereto as of the day and year first above written.

ATTEST:

BOARD OF COUNTY COMMISSIONERS
OF FREDERICK COUNTY, MARYLAND:



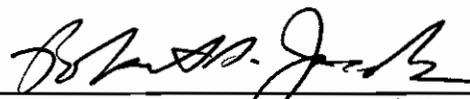
County Manager



President

ATTEST:

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



~~Secretary~~ VP, GOV'T. AFFAIRS



Title: VP, P.

EXHIBIT A

Access Origination Site List

GOVERNMENT FACILITIES	ADDRESS		
County Administration (IIT) Building	117 East Church Street	Frederick, MD 21701	County's fiber
Fire Training – Reichs Ford	8349 Reichs Ford Road	Frederick, MD 21704	Grantee's fiber
Courthouse/City Hall	101 N Court Street	Frederick, MD 21701	County's fiber
Winchester Hall	12 E Church Street	Frederick, MD 21702	Grantee's fiber
HIGH SCHOOLS	ADDRESS		
Brunswick High School	101 Cummings Drive	Brunswick, MD 21716	Grantee's fiber
Catoctin High School	14745 Sabillasville Rd	Thurmont, MD 21788	Grantee's fiber
Flexible Evening High School	44 Frederick St	Walkersville, MD 21793	Grantee's fiber
Frederick High School	650 Carroll Parkway	Frederick, MD 21701	Grantee's fiber
Governor Thomas Johnson High School	1501 North Market Street	Frederick, MD 21701	Grantee's fiber
Linganore High School	12013 Old Annapolis Road	Frederick, MD 21701	Grantee's fiber
Middletown High School	200 Schoolhouse Drive	Middletown, MD 21769	Grantee's fiber
Tuscarora High School	5312 Ballenger Creek Pike	Frederick, MD 21703	Grantee's fiber
Urbana High School	3471 Campus Drive	Ijamsville, MD 21754	Grantee's fiber
Walkersville High School	81 Frederick Street	Walkersville, MD 21793	Grantee's fiber
OTHER	ADDRESS		
FCPS – Hayward	7630 Hayward Road	Frederick, MD 21702	Grantee's fiber
FCPS – Administration Building	115 East Church Street	Frederick, MD 21701	Grantee's fiber
Career and Technology Center	7922 Opossumtown Pike	Frederick, MD 21702	County's fiber to Monocacy Elementary School. Grantee's fiber from Monocacy Elementary to FCPS Hayward

COLLEGE AND UNIVERSITIES	ADDRESS		
Frederick Community College	7932 Opossumtown Pike	Frederick, MD 21702	Grantee's fiber
LIBRARIES	ADDRESS		
Urbana Library	9020 Amelung St	Urbana, MD	Grantee's fiber
C Burr Artz Library	110 East Patrick Street	Frederick, MD 21701	Grantee's fiber

EXHIBIT B**Encoded Channel Reception Site List**

GOVERNMENT FACILITIES	ADDRESS	
County Administration Building	117 East Church Street	Frederick, MD 21701
Thurmont Police	10 Frederick Road	Thurmont, MD 21788
Adult Detention Center – Marcies Choice	7300 Marcies Choice	Frederick, MD 21702
Winchester Hall	12 East Church Street	Frederick, MD 21701
Brunswick Police	20 East A Street	Brunswick, MD 21716
Frederick County Police Department Range	6436 Plant Road	Frederick, MD 21702
Fire Training – Reichs Ford	8349 Reichs Ford Road	Frederick, MD 21704
Courthouse/City Hall	101 N Court Street	Frederick, MD 21701
Sheriff's Office; Law Enforcement Center; Citizens Advisory Committee	110 Airport Drive East	Frederick, MD 21701
Division of Fire & Rescue Services; Office of Emergency Management;	340 Montevue Lane	Frederick, MD 21702
FIRE STATIONS	ADDRESS	
Station 1 - Independent Hose Company No. 1	310 Baughman's Lane	Frederick, Md. 21702
Station 2 - Junior Fire Company No. 2	535 N. Market Street	Frederick, Md. 21701
Station 3 - United Steam Fire Engine Company No. 3	79 S. Market Street	Frederick, Md. 21701
Station 4 - Citizens Truck Company	9 S. Court Street	Frederick, Md. 21701
Station 5 - Brunswick Volunteer Fire Company	223 W. Potomac Street	Brunswick, Maryland 21716
Station 6 - Vigilant Hose Company	25 W. Main Street	Emmitsburg, MD 21727
Station 7 - Middletown Volunteer Fire Company	13 S. Church Street	Middletown, MD 21769
Station 8 - Myersville Volunteer Fire Company	301 Main Street	Myersville, MD 21773
Station 9 - New Midway Volunteer Fire Company	12045 Woodsboro Pike	New Midway, MD 21775
Station 10 - Guardian Hose Company	21 North Church Street	Thurmont, MD 21788

Station 11 - Walkersville Volunteer Fire Company	79 W. Frederick Street	Walkersville, MD 21793
Station 12 - Braddock Heights Volunteer Fire Company	6715 Jefferson Blvd.	Braddock Heights, MD 21714
Station 13 - Rocky Ridge Volunteer Fire Company	13516 Motter Station Road	Rocky Ridge, MD 21778-0154
Station 14 - Carroll Manor Volunteer Fire Company	2795 Adams Street	Adamstown, MD 21710
Station 15 - New Market District Volunteer Fire Company	76 W. Main Street	New Market, MD 21774
Station 16 - Woodsboro Volunteer Fire Company	2 South Third Street	Woodsboro, MD 21798
Station 17 - Libertytown Volunteer Fire Company	12027 S. Street	Libertytown, MD 21762
Station 18 - Graceham Volunteer Fire Company	14026 Graceham Road	Thurmont, MD 21788
Station 19 - Brunswick Volunteer Ambulance Company	200 W. Potomac Street	Brunswick, MD 21716
Station 20 - Jefferson Volunteer Fire Company	4603-A Lander Road	Jefferson, MD 21755
Station 21 - Wolfsville Volunteer Fire Company	12464 Wolfsville Road	Myersville, MD-21773
Station 22 - Lewistown District Volunteer Fire Company	11101 Hessong Bridge Road	Thurmont, MD 21788
Station 23 - Urbana Volunteer Fire Company	3602 Urbana Pike	Frederick, MD 21704
Station 24 - Walkersville Volunteer Rescue Company	73 Frederick Street	Walkersville, MD 21793
Station 25 - Frederick County Fire/Rescue; Green Valley Station (New Market District Volunteer Fire Company)	3939 Green Valley Road	Monrovia, MD 21770
Station 26 - Emmitsburg Volunteer Ambulance Company	300 South Seton Avenue	Emmitsburg, MD 21727
Station 28 - Carroll Manor Volunteer Fire Company	Point of Rocks Station; 1809 Ballenger Creek Pike	Point of Rocks, MD 21777
Thurmont Ambulance Company	27 North Church Street	Thurmont, MD 21788
Station 31 - Frederick County Fire/Rescue	5525 New Design Road	Frederick, MD 21701



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**AMENDMENT TO COMMERCIAL
SERVICES MASTER SERVICE AGREEMENT**

THIS AMENDMENT TO COMMERCIAL SERVICES MASTER SERVICE AGREEMENT (hereinafter the "Amendment") is made this 31 day of July, 2007, by and between COMCAST of California/Maryland/Pennsylvania/Virginia/West Virginia, LLC (hereafter "Comcast"), successor in interest to ACC Operations, Inc. (hereinafter "Adelphia") and the Board of County Commissioners of Frederick County, Maryland, a body politic and corporate of the State of Maryland (hereinafter "County").

WHEREAS, Adelphia and County entered into a Commercial Services Master Service Agreement (hereinafter the "MSA") on the 8th day of June, 2006; and

WHEREAS, under the MSA, Adelphia is to provide certain video, data and other communication services, infrastructure and products, as more fully described in the MSA, a copy of which is attached hereto as Exhibit 1 and incorporated by reference; and

WHEREAS, Comcast has succeeded to the rights, duties and obligations of Adelphia under the MSA; and

WHEREAS, Comcast and the County have agreed to enter into a Cable Franchise Agreement (hereinafter "Franchise"); and

WHEREAS, in negotiating the provisions of the Franchise, Comcast and the County have agreed to amend certain provisions and terms of the MSA; and

WHEREAS, Comcast and the County desire to amend the provisions and terms of the MSA as agreed.

NOW THEREFORE, for good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, Comcast and the County agree as follows:

1. The charge for each current connection as described in the MSA shall be reduced by ten percent (10%), such that the total charge for all County connections combined shall not exceed \$72,601.92 per year for the remaining term of the MSA.

2. The capacity used for any of the site connections currently existing or hereafter implemented will no longer be limited to the capacity indicated in the MSA, and may be increased to the full capabilities of the dedicated fiber optic strands provided. Regardless of how much capacity is used, the total charge for all connections shall not be above that specified in 1 above.

3. The County shall pay for the construction cost for all new connections during the term of the MSA and those will be solely at Grantee's or its Affiliate's direct cost for materials and labor. No transport (unlit capacity) charges will apply to such new connections.

4. At the expiration or termination of the MSA, all site connections will continue in effect. Also, upon the expiration or termination of the MSA, the County shall have an Indefeasible Right of Use ("IRU") in and to the fiber referenced in the MSA (and any amendments thereto) during the term of the

Franchise and any extension or renewal thereof. The IRU shall be at not cost or expense to the County except for routine maintenance and repair costs, which shall be negotiated separately with the Grantee or its Affiliates and subject to mutual agreement at that time.

To the extent not specifically modified by this Amendment, the terms of the MSA shall remain in full force and effect.

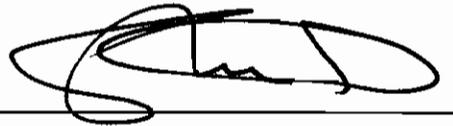
IN WITNESS THEREOF, the parties hereto have hereunto set their hands and seals, or caused these presents to be signed by the proper corporate or limited liability company officials and their proper corporate or other seals to be affixed hereto, on the date and year first above written.

ATTEST:

COMCAST of California/Maryland/
Pennsylvania/Virginia/West Virginia,
LLC

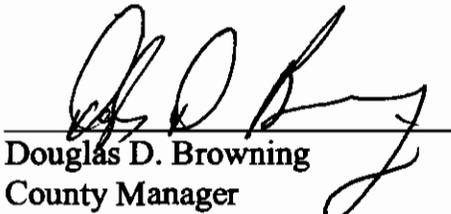


By: _____



ATTEST:

BOARD OF COUNTY COMMISSIONERS
OF FREDERICK COUNTY, MARYLAND


Douglas D. Browning
County Manager

By: _____


Jan H. Gardner, President



**AMENDMENT TO COMMERCIAL
SERVICES MASTER SERVICE AGREEMENT**

THIS AMENDMENT TO COMMERCIAL SERVICES MASTER SERVICE AGREEMENT (hereinafter the "Amendment") is made this 31 day of July, 2007, by and between COMCAST of California/Maryland/Pennsylvania/Virginia/West Virginia, LLC (hereafter "Comcast"), successor in interest to ACC Operations, Inc. (hereinafter "Adelphia") and the Board of County Commissioners of Frederick County, Maryland, a body politic and corporate of the State of Maryland (hereinafter "County") through Frederick County Public Schools (hereinafter "FCPS").

WHEREAS, Adelphia and FCPS entered into a Commercial Services Master Service Agreement (hereinafter the "MSA") on the 12th day of June, 2006; and

WHEREAS, under the MSA, Adelphia is to provide certain video, data and other communication services, infrastructure and products, as more fully described in the MSA, a copy of which is attached hereto as Exhibit 1 and incorporated by reference; and

WHEREAS, Comcast has succeeded to the rights, duties and obligations of Adelphia under the MSA; and

WHEREAS, Comcast and the County have agreed to enter into a Cable Franchise Agreement (hereinafter "Franchise"); and

WHEREAS, in negotiating the provisions of the Franchise, Comcast and the County have agreed to amend certain provisions and terms of the MSA; and

WHEREAS, Comcast and FCPS desire to amend the provisions and terms of the MSA as agreed.

NOW THEREFORE, for good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, Comcast and FCPS agree as follows:

1. The charge for each current connection as described in the MSA shall be reduced by ten percent (10%), such that the total charge for all FCPS connections combined shall not exceed \$544,712.04 per year for the remaining term of the MSA.
2. The capacity used for any of the site connections currently existing or hereafter implemented will no longer be limited to the capacity indicated in the MSA, and may be increased to the full capabilities of the dedicated fiber optic strands provided. Regardless of how much capacity is used, the total charge for all connections shall not be above that specified in 1 above.
3. FCPS shall pay for the construction cost for all new connections during the term of the MSA and those will be solely at Grantee's or its Affiliate's direct cost for materials and labor. No transport (unlit capacity) charges will apply to such new connections.
4. At the expiration or termination of the MSA, all site connections will continue in effect. Also, upon the expiration or termination of the MSA, FCPS shall have an Indefeasible Right of Use ("IRU") in and to the fiber referenced in the MSA (and any amendments thereto) during the term of the Franchise and any

extension or renewal thereof. The IRU shall be at not cost or expense to FCPS except for routine maintenance and repair costs, which shall be negotiated separately with the Grantee or its Affiliates and subject to mutual agreement at that time.

To the extent not specifically modified by this Amendment, the terms of the MSA shall remain in full force and effect.

IN WITNESS THEREOF, the parties hereto have hereunto set their hands and seals, or caused these presents to be signed by the proper corporate or limited liability company officials and their proper corporate or other seals to be affixed hereto, on the date and year first above written.

ATTEST:

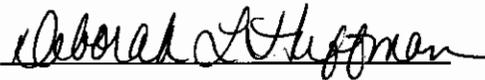


COMCAST of California/Maryland/
Pennsylvania/Virginia/West Virginia,
LLC

By: _____

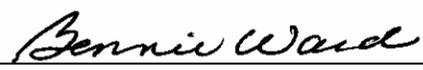


ATTEST:



FREDERICK COUNTY, MARYLAND
THROUGH ITS FREDERICK COUNTY
BOARD OF EDUCATION

By: _____


Bonnie Ward, Associate Superintendent

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