Work Session

Agenda Item #	5
Meeting Date	April 13, 2016
Prepared By	Suzanne R. Ludlow City Manager

Discussion Item	Comcast Franchise Agreement and Agreement with Montgomery County regarding Franchise Fee Distribution and Cable Grant
Background	The City of Takoma Park has franchise agreements with three cable companies: Comcast, RCN and Verizon. The agreements are due to be renewed with Comcast and RCN. The Verizon franchise will be up for renegotiation in 2021. Montgomery County staff have recently negotiated cable franchise renewal agreements with Comcast and RCN on behalf of the County and most Montgomery County municipalities, including Takoma Park. The City has testified in favor of the agreements, with some additional recommendations, in County public hearings. The Montgomery County Council has voted to approve the Comcast Franchise Agreement. The agreement must also be voted on by each represented municipality. The RCN agreement has not yet been considered by the Montgomery County Council. The Comcast franchise agreement will be coming to you for approval. Our attorney for cable matters, Suellen Ferguson, will describe the franchise agreement and related settlement agreement at this Work Session. As part of the discussion with the County over the terms of the franchise agreements, discussion has also focused on amending the Memorandum of Understanding (MOU) between the County and each represented municipality regarding how cable franchise fees, operating grants and capital grant funds are distributed. A portion of the funds that would otherwise come to the municipalities goes to the County to maintain the overall system and handle consumer complaints about the cable companies. There has been interest by the County and most municipalities about changing the type of funds (operating or capital) going to each. Circumstances have changed substantially since the arrangement was originally negotiated in 2006. The amount of capital grant funds is much larger than it was originally so that Takoma Park now receives more capital grant funds than it can use within a reasonable time frame, while a greater amount of operating funds is needed. One proposal that is being offered to Takoma Park would provide a total of $457,734 in cable/fibernet operating funds and $217,228 in cable/fibernet capital funds. Past amounts were $124,677 and $930,976, respectively. Cable franchise fees, which can be used for any purpose, will remain about $245,000. The proposed amounts were used in the FY17 Proposed Budget. Rather than one MOU agreement, the County has prepared draft agreements between the City and the County in regard to the Verizon and Comcast franchises. We are waiting to learn about the agreement in regard to RCN. We are also waiting for a letter of agreement that provides that the attorneys that have represented the municipalities throughout the franchise and MOU negotiations will be paid by the

	County. This letter has been promised but we have not yet received it. Ms. Ferguson will also discuss the terms of these MOUs at the Work Session.
Policy	Council Priorities: A Financially Sustainable Government
Fiscal Impact	N/A
Attachments	Comcast Franchise Agreements County Staff Report on Comcast Franchise Agreements 2006 MOU Between Montgomery County and Takoma Park Draft MOU re Verizon Draft MOU re Comcast
Recommendation	Discuss information
Special Consideration	

Cable Franchise Agreement
by and between
Montgomery County, Maryland
and
Comcast of Potomac, LLC.

Approved on _____, 2015

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THIS CABLE FRANCHISE AGREEMENT (the "Franchise" or "Agreement") is entered into by and between Montgomery County, a charter county, duly organized under the applicable laws of the State of Maryland (the "County"), and Comcast of Potomac, LLC, a corporation duly organized under the applicable laws of the State of Delaware and qualified to do business in Maryland (the "Franchisee").

WHEREAS, the County is a "franchising authority" in accordance with Title VI of the Communications Act (see 47 U.S.C. §522(10)) and is authorized to grant one or more nonexclusive cable franchises pursuant to the Montgomery County Code Chapter 8A, as amended, and Section 10-312 of the Local Government Article of the Annotated Code of Maryland, as amended;

WHEREAS, certain municipalities located within the County and identified in Exhibit A hereto (the "Participating Municipalities") have requested that the County administer and enforce the terms of their cable franchises;

WHEREAS, Franchisee has asked the County to renew Franchisee's non-exclusive franchise which took effect July 1, 1998, and was subsequently transferred to Franchisee effective August 1, 2000 and amended, and under the terms of which the Franchisee has continued to operate after the franchise term expired on June 30, 2013 (the "Prior Franchise") to construct, install, maintain and operate a cable communications system in the County;

WHEREAS, the County has relied on Franchisee's representations regarding its financial, technical and legal qualifications and its plans for constructing, operating and maintaining its Cable System, and has considered the information that Franchisee has presented to it;

WHEREAS, the County and Franchisee have reached agreement on the terms and conditions set forth herein, and have entered into a Settlement Agreement attached as Exhibit D hereto with respect to certain claims in regard to Franchisee's Prior Franchise, and the Parties have agreed to be bound by those terms and conditions;

WHEREAS, the County and Participating Municipalities have provided for public comment as required by applicable law; and

WHEREAS, the County and Participating Municipalities made a finding that, subject to the terms and conditions set forth herein and in the Exhibits hereto and the provisions of Cable Law, the grant of a nonexclusive franchise to Franchisee will enhance the public welfare.

NOW, THEREFORE, in consideration of the County's grant of a franchise to Franchisee, Franchisee's promise to provide Cable Service within the County and the Participating Municipalities pursuant to and consistent with the Montgomery County Code pursuant to the terms and conditions set forth herein, the promises and undertakings herein, and other good and valuable consideration, the receipt and the adequacy of which are hereby acknowledged,

THE SIGNATORIES DO HEREBY AGREE AS FOLLOWS:

SECTION 1 DEFINITIONS

Except as otherwise provided herein, the definitions and word usages set forth in Title 47 of the United States Code, as amended, and, if not in conflict, the Cable Law, are incorporated herein and shall apply in this Agreement. The words "shall" and "will" are mandatory, and the word "should" expresses an expectation, but is not mandatory, and the word "may" is permissive. In addition, the following definitions shall apply:

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

1.2 Basic Service: Any service tier which includes the retransmission of local television broadcast signals as well as the PEG Channels required by this Franchise.

1.3 Cable Law: The Montgomery County Code, Chapter 8A, as amended.

1.4 Cable Service or Cable Services: Shall be defined herein as it is defined under Section 602 of the Communications Act, 47 U.S.C. § 522(6). If during the course of this Agreement any service is classified to be or not to be a "Cable Service" by a court of competent jurisdiction in a decision that constitutes a binding legal precedent on the County or Franchisee, or by the FCC in a decision that is binding on the County or Franchisee, then the term "Cable Service" as used in this Agreement shall be interpreted in accordance with such decision.

1.5 Cable System or System: Shall be defined herein as it is defined under Section 602 of the Communications Act, 47 U.S.C. § 522(7).

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

1.7 Communications Act: The Communications Act of 1934, as amended.

1.8 County: The County of Montgomery, Maryland.

1.9 Educational Access Channel: Any Channel required by this Agreement to be designated by the Franchisee for use by the County on the Cable System for educational purposes.

1.10 Effective Date: The Effective Date of this Franchise shall be the date it is approved by resolution by the County Council.

1.11 FCC: The Federal Communications Commission (which is the federal agency as presently constituted by the Communications Act), its designee, or any successor agency.

1.12 Force Majeure: An event or events reasonably beyond the ability of Franchisee to control. This includes, but is not limited to, severe or unusual weather conditions, strike, labor disturbance, lockout, war or act of war (whether an actual declaration of war is made or not), insurrection, riot, act of public enemy, fire, flood, or other act of God, and sabotage.

1.13 Franchise Area: The unincorporated area (entire existing territorial limits) of the County and incorporated areas of the Participating Municipalities and any area added thereto during the term of the Franchise that the Franchisee agrees to serve.

1.14 Franchisee: Comcast of Potomac, LLC and its lawful and permitted successors, assigns and transferees.

1.15 Government Access Channel: Any Channel required by this Agreement to be designated by the Franchisee for use by the County or Participating Municipalities on the Cable System for governmental purposes.

1.16 Gross Revenues: Any and all revenues, including cash, credits, property or other consideration of any kind or nature arising from, attributable to, or in any way derived directly or indirectly by the Franchisee, its Affiliates, or by any other entity that is a cable operator of the System, from the operation of the Franchisee's Cable System (including the studios and other facilities associated therewith) to provide Cable Services.

1.16.1 Gross Revenues include, by way of illustration and not limitation:

1.16.1.1 Monthly fees charged Subscribers for any basic, optional, premium, per-channel, per-program service, or other cable service;

1.16.1.2 Installation, disconnection, reconnection, and change-in-service fees;

1.16.1.3 Leased channel fees;

1.16.1.4 Late fees and administrative fees;

1.16.1.5 Fees, payments, or other consideration received from programmers for carriage of programming on the System;

1.16.1.6 Revenues from rentals or sales of converters or other equipment;

1.16.1.7 Any studio rental, production equipment, and personnel fees;

1.16.1.8 Advertising revenues, without offset or other adjustment whether for commissions, affiliate fees, expenses, rebates or otherwise where sales are made by or through an Affiliate advertising company, including but not limited to National Cable Communications LLC or a successor company;

1.16.1.9 Barter;

1.16.1.10 Revenues from program guides;

1.16.1.11 Revenues from the sale or carriage of other Cable Services; and

1.16.1.12 Revenues from home shopping channels and other revenue sharing arrangements.

1.16.1.13 Gross Revenues shall include revenues received by an entity other than the Franchisee, an Affiliate, or another entity that operates the System where necessary to prevent evasion or avoidance of the obligation under this Agreement to pay the franchise fee. The County acknowledges that Franchisee maintains its books in accordance with generally accepted accounting principles.

1.16.2 However, Gross Revenues shall not include:

1.16.2.1 Revenues received by any Affiliate or other Person from Franchisee in exchange for supplying goods or services used by Franchisee to provide Cable Service over the Cable System;

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

1.16.2.3 Revenues later refunded or rebated to Subscribers;

1.16.2.4 Revenues wholly generated by services that are defined herein as Non-Cable Services;

1.16.2.5 Third-party revenues derived from the sale of merchandise over home shopping channels carried on the Cable System, regardless of whether the revenues are collected by the third party or collected by the Franchisee on behalf of, and remitted back to, the third party; and revenue of the Franchisee from its sale of merchandise over home shopping channels carried on the Cable System if the merchandise is unrelated to the operation of Franchisee's Cable System to provide Cable Service in the Franchise Area;

1.16.2.6 Revenues from the sale of Cable Services on the Cable System to a reseller, when the reseller pays the cable Franchise fees on the resale of the Cable Services;

1.16.2.7 Any tax of general applicability imposed upon Franchisee or upon Subscribers by a city, state, federal or any other governmental entity and that Franchisee is required to collect and remit to the taxing entity (including, but not limited to, sales/use tax, gross receipts tax, excise tax, utility users tax, public service tax, and communication taxes). By way of example and not limitation, it is understood that the franchise fee payable under the Franchise is not a tax imposed on Subscribers and collected by Franchisee;

1.16.2.8 Any franchise fees for Non-Cable Services;

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

1.16.2.10 Revenues from sales of capital assets or sales of surplus equipment;

1.16.2.11 Program launch fees not paid directly to Franchisee; and

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

1.16.2.13 Agency commission fees for unaffiliated third party advertising sales agencies.

1.17 Information Services: Shall be defined herein as it is defined under Section 3 of the Communications Act, 47 U.S.C. § 153(20).

1.18 Non-Cable Services: Any service that does not constitute a Cable Service.

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

1.20 Normal Operating Conditions: Those service conditions which are within the control of the Franchisee. Those conditions that are not within the control of the Franchisee include, but are not limited to, Force Majeure events. Those conditions that are within the control of the Franchisee include, but are not limited to, special promotions, pay-per-view events, rate increases, regular peak or seasonal demand periods, and maintenance or rebuild of the Cable System. See 47 C.F.R. § 76.309(c)(4)(ii).

1.21 Participating Municipalities (and individually a "Participating Municipality"): Additional franchising authorities which have agreed to have the County administer and enforce this Agreement within their corporate limits, which have signed and entered into this Agreement with the consent of Franchisee, and which are identified in Exhibit A.

1.22 PEG: Public, Educational, and Governmental.

1.23 PEG Channels: Refers collectively to all Public Access Channels, Educational Access Channels, and Government Access Channels that Franchisee is required to provide under this Agreement.

1.24 Person: An individual, partnership, association, joint stock company, trust, or corporation, but such term does not include the County or a Participating Municipality.

1.25 Public Access Channel: Any Channel required by this Agreement to be designated by the Franchisee on the Cable System for use by the general public who are residents of the County, including groups and individuals, and which is available for such use on a nondiscriminatory basis for public access purposes.

1.26 Public Building: Any facility of the County or a Participating Municipality located in the County. The term also includes all facilities of the County, Participating

Municipalities, and non-profits where the Franchisee provides courtesy cable service as of the Effective Date.

1.27 Public Rights-of-Way: The surface and the area across, in, over, along, upon and below the surface of the public streets, roads, bridges, sidewalks, lanes, courts, ways, alleys, and boulevards, including public lands and waterways used as Public Rights-of-Way, as the same now or may hereafter exist, which, consistent with the purposes for which it was dedicated, may be used for the purpose of installing and maintaining a Cable System.

1.28 Service Interruption: The loss of picture or sound on one or more cable Channels.

1.29 Subscriber: Any Person who is lawfully receiving, for any purpose or reason, any Cable Service whether or not a fee is paid for that service.

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

1.31 Title II: Title II of the Communications Act.

1.32 Title VI: Title VI of the Communications Act.

1.33 User: Person or organization using a PEG Channel or equipment and facilities for purposes of producing or transmitting material, as contrasted with the receipt thereof in the capacity of a Subscriber.

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

SECTION 2 GRANT OF AUTHORITY; LIMITS AND RESERVATIONS

2.1 Grant of Authority:

2.1.1 Subject to the terms and conditions of this Agreement and the Cable Law, the County and the Participating Municipalities hereby grant the Franchisee the right to own, construct, operate and maintain the Cable System in the Public Rights-of-Way within the Franchise Area for the sole purpose of providing Cable Service. This franchise grants no authority for Franchisee to use the County's or Participating Municipalities' Public Rights-of-Way for any other purpose unless otherwise expressly provided herein. However, nothing in this Agreement shall be construed to prohibit Franchisee from offering any service over the Cable System that is not prohibited by Federal or State law provided any requirements for County or Participating Municipalities' authorization or registration not inconsistent with federal and state law are satisfied. The County and Participating Municipalities make no representation or guarantee that their interest in or right to control any Public Rights-of-Way is sufficient to permit Franchisee's use, and Franchisee shall gain only those rights to use that are within the County's and Participating Municipalities' power to convey. No privilege or power of eminent domain is bestowed by this grant; nor is such a privilege or power bestowed by this Agreement.

2.1.2 The Participating Municipalities, having adopted Chapter 8A of the Montgomery County Code by ordinance ("Chapter 8A"), each have requested that the County administer and enforce such ordinance within the corporate limits of the Participating Municipality through one or more County-municipality agreements. The County has agreed to administer and enforce Chapter 8A and the comparable municipal ordinance within the corporate limits of each Participating Municipality. Therefore, the County has the authority to administer and enforce Chapter 8A and the comparable municipal ordinance along with this Agreement within the corporate limits of each Participating Municipality. Termination of any County-municipality agreement shall not result in termination of this Agreement for either the County or the Participating Municipality. Upon termination of any County-municipality agreement, the Participating Municipality shall become responsible for the administration and enforcement of this Agreement within its corporate limits, and shall be entitled to collect and retain only that part of the franchise fee due to it for the franchise within its corporate boundaries. After notice to Franchisee that the County-municipality agreement has been terminated, Franchisee shall communicate directly with the Participating Municipality.

2.2 County's and Participating Municipalities' Regulatory Authority: The Parties acknowledge that the Franchisee intends to provide Non-Cable Services by means of the Cable System. The Parties acknowledge that this Franchise does not encompass or reflect the full extent of the County's or Participating Municipalities' authority over the Franchisee and, notwithstanding any provision hereof, the Parties reserve all of their rights under state and federal law regarding the scope of such authority. The Franchisee also acknowledges that, subject to state and federal law, the County and Participating Municipalities have the authority to regulate the placement, construction, repair, and maintenance of physical facilities located in the Public Rights-of-Way, including the Cable System. Finally, nothing in this Franchise shall be deemed a waiver of any right or authority the County or Participating Municipalities may have now or in the future to regulate information services or telecommunications services, or the use of the Cable System to provide such services.

2.3 Term: The term of this Franchise shall be from the Effective Date to December 31, 2021 unless the Franchise is earlier revoked as provided herein, or unless the Franchise is renewed or extended by mutual agreement.

2.4 Grant Not Exclusive: The Franchise and the right it grants to use and occupy the Public Rights-of-Way to provide Cable Services shall not be exclusive, and the County or Participating Municipalities reserve the right to grant other franchises for similar uses or for other uses of the Public Rights-of-Way, or any portions thereof, to any Person, or to make any such use itself, at any time during the term of this Franchise.

2.5 Competitive Equity:

2.5.1 The County Council has the authority to grant franchises that allow entities to construct and operate facilities in the County Public Rights-of-Way that may be used to provide video programming services to County residences that compete with Comcast's services. If the County Council grants such a franchise to an entity that provides competitive video programming services to County residences that contains material terms and conditions that differ from Comcast's material obligations under this Franchise, then the Parties agree that

they will, pursuant to the processes set forth in this Section 2.5, either negotiate the terms of this Franchise to include any material terms or conditions that the County imposes upon the new entrant, or negotiate amendments to the Franchise to insure that the regulatory and financial burdens on each franchisee are materially equivalent. "Material terms and conditions" include franchise provisions related to: Franchise fees and Gross Revenues; system design; number of Public, Education and Government Access Channels and their funding; customer service standards; required reports and related record keeping; and notice and opportunity to cure breaches. The Parties agree that this provision shall not require an identical franchise or authorization for a competitive entity so long as the regulatory and financial burdens in their entirety on each entity are materially equivalent.

2.5.2 The following are exempt from this Section 2.5:

2.5.2.1 video programming services delivered over wireless networks;

2.5.2.2 video programming services delivered via means or over systems that are not subject to the County's franchising authority or upon which the County may not impose similar requirements, under state or federal law, including a system described in 47 U.S.C. Section 651(a)(2);

2.5.2.3 entities that occupy the County Public Rights-of-Way as of the date of this Franchise;

2.5.2.4 telecommunications services;

2.5.2.5 interstate information services.

2.5.3 The Parties agree that:

2.5.3.1 Comcast may not withhold, delay or enjoin any performance or otherwise refuse to comply with its obligations whether or not it believes it is entitled to relief under this Section;

2.5.3.2 Any relief shall be prospective only, and limited to the relief agreed upon, or the modifications obtained through any renewal of this franchise;

2.5.3.3 The County will not be liable for any damages to Comcast for any breach of this provision; and

2.5.3.4 Comcast may not obtain any relief from obligations it may have under settlements or other contracts with the County via this provision.

2.5.4 The modification process provided for herein shall only be initiated by written notice provided by Comcast to the County regarding specified franchise obligations within thirty (30) days after the County's grant of the franchise or authorization to the new entrant takes effect. Comcast's notice must : (1) identify the specific terms or conditions in the competitive cable services franchise which are materially different from Comcast's obligations under this Franchise; (2) identify the Franchise terms and conditions for which Comcast is seeking amendments; (3) provide text for any proposed Franchise amendments to the County,

with a written explanation of why the proposed amendments are necessary and consistent; and (4) confirm whether Comcast is willing to accept any additional obligations that may be contained within the new franchise that are not contained within its franchise.

2.5.5 Upon receipt of Comcast's written notice as provided in Section 2.5.4, the County and Comcast agree that they will use best efforts in good faith to negotiate the proposed Franchise modifications to achieve competitive equity of regulatory and financial burdens, and that such negotiation will proceed and conclude within a one hundred eighty (180) day time period, unless that time period is reduced or extended by mutual agreement of the Parties. If the County and Comcast reach agreement on the Franchise modifications pursuant to such negotiations, then the County shall amend this Franchise to include the modifications insofar as permitted under County law.

2.5.6 If the County and Comcast fail to reach agreement in such negotiations, Comcast may elect to shorten the remaining term of this Franchise to not more than 36 months and shall be deemed to have timely invoked the formal renewal rights and procedures set forth in §626 of the Federal Cable Act.

2.5.7 Comcast acknowledges that it is not entitled to any modification of this Franchise based on franchises that are now in effect in the County, or for any new franchise that is issued for less than 10% of the unincorporated area of the County; or that may be issued by any incorporated authority within the County that is not a participant in this Franchise (otherwise this provision shall be applicable to the incorporated authority at issue).

2.5.8 Notwithstanding anything contained herein to the contrary, the County shall not be obligated to amend this Franchise unless the new entrant is actually providing video programming services under a franchise granted by the County Council.

2.6 Franchise Subject to State and Federal Law:

2.6.1 Notwithstanding any provision to the contrary herein, this Franchise is subject to and shall be governed by all applicable provisions of state and federal law, including but not limited to the Communications Act.

2.6.2 Should any change to state and federal law after the Effective Date have the lawful effect of materially altering the terms and conditions of this Franchise to the detriment of one or both Parties, then the Parties shall modify this Franchise to ameliorate such adverse effects on and preserve the affected benefits of the Franchisee and/or the County or Participating Municipalities to the extent possible which is not inconsistent with the change in law. If the Parties cannot reach agreement on the above-referenced modification to the Franchise, then, at either Party's option, the Parties agree to submit the matter to mediation. In the event mediation does not result in an agreement, then, at either Party's option, the Parties agree to submit the matter to non-binding arbitration in accordance with the commercial arbitration rules of the American Arbitration Association. The non-binding arbitration and mediation shall take place in the County, unless the Parties' representatives agree otherwise. In any negotiations, mediation, and arbitration under this provision, the Parties will be guided by the purpose as set forth below. In reviewing the claims of the Parties, the mediators and arbitrators shall be guided by the purpose of the Parties in submitting the matter for guidance.

The Parties agree that their purpose is to modify the Franchise so as to preserve intact, to the greatest extent possible, the benefits that each Party has bargained for in entering into this Agreement and ameliorate the adverse effects of the change of law in a manner not inconsistent with the change in law. Should the Parties not reach agreement, including not mutually agreeing to accept the guidance of the mediator or arbitrator, this subsection 2.6.2 shall have no further force or effect.

2.7 No Waiver:

2.7.1 The failure of the County or any Participating Municipality on one or more occasions to exercise a right or to require compliance or performance under this Franchise, the Cable Law or any other applicable law shall not be deemed to constitute a waiver of such right or a waiver of compliance or performance by the County or any Participating Municipality, nor to excuse Franchisee from complying or performing, unless the County or any Participating Municipality has specifically waived, in writing, such right or such compliance or performance.

2.7.2 The failure of the Franchisee on one or more occasions to exercise a right under this Franchise or applicable law, or to require performance under this Franchise, shall not be deemed to constitute a waiver of such right or of performance of this Agreement, nor shall it excuse the County or any Participating Municipality from performance, unless the Franchisee has specifically waived, in writing, such right or performance.

2.7.3 Neither this Franchise nor any action by the County or any Participating Municipality hereunder shall constitute a waiver of or a bar to the exercise of any police right or power of the County or any Participating Municipality, including without limitation, the right of eminent domain. This Agreement shall not limit any authority of the County or any Participating Municipality in accordance with Maryland law to condemn, in whole or in part, any property of the Franchisee, provided that the Franchisee shall receive whatever condemnation award the Franchisee would normally be entitled to recover as a matter of Maryland law. Partial condemnation of the Franchisee's property shall not terminate this Agreement except in accordance with the terms of this Agreement.

2.8 Construction of Agreement:

2.8.1 By accepting the Franchise and executing this Agreement, Franchisee, relying upon its own investigation and understanding of the power and authority of the County and Participating Municipalities to grant this Franchise, accepts and agrees to comply with this Agreement and the Cable Law, to the extent not contrary to federal or state law. Franchisee retains all rights to challenge the County's application of the Cable Law to Franchisee. Subject to Section 2.9, in the event of a conflict between the Cable Law and this Agreement, the Cable Law shall prevail, subject to applicable law. Further, the Parties recognize that 47 U.S.C. §541(b)(3) prohibits the County from imposing any requirement that has the purpose or effect of prohibiting, limiting, restricting, or conditioning the provision of a telecommunications service by Franchisee. Accordingly, the County shall not invoke any provision of the Cable Law against Franchisee in a manner that is inconsistent with federal law.

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

2.9 Police Powers:

2.9.1 Nothing in the Agreement shall be construed to prohibit the lawful exercise of the police powers of the County or any Participating Municipality. If the exercise of the County's or any Participating Municipality's police power results in any material alteration of the terms and conditions of this Franchise, then the Parties shall modify the Franchise so as to ameliorate the adverse effects of the material alteration and preserve intact, to the greatest extent possible, the benefits and obligations that Franchisee has bargained for in entering into this Agreement. If the Parties cannot reach agreement on the above-referenced modification to the Franchise, then, at either Party's option, the Parties agree to submit the matter to mediation. In addition, if the Parties cannot reach agreement on such a modification, either on their own or through mediation, the Parties may pursue whatever remedies are available at law or equity to enforce their rights under this Agreement.

2.10 Effect of Acceptance: By accepting the Franchise and executing this Agreement, Franchisee, relying upon its own investigation and understanding of the power and authority of the County and Participating Municipalities to grant this Franchise, acknowledges and accepts the County's and Participating Municipalities' legal right to grant the Franchise, to enter into this Agreement, and to enact and enforce ordinances and regulations related to the Franchise subject to the provisions of this Agreement; agrees that the Franchise was granted pursuant to processes and procedures consistent with applicable law; and agrees that the County retains the absolute right to terminate this Agreement for any material violation by Franchisee pursuant to Section 13 of this Agreement, and a Participating Municipality may also so terminate this Agreement within its boundaries.

2.11 Participating Municipalities: If after the Effective Date of this Agreement, a municipality adopts Chapter 8A of the Montgomery County Code by ordinance and enters into a County-municipal agreement requesting the County to administer and enforce such ordinance within the corporate limits of the municipality, and signs and enters into this Franchise Agreement, such municipality shall then be considered a Participating Municipality. The Franchisee agrees that it shall take any actions the County deems necessary to allow the municipality to become a signatory to this Agreement, including entering into an amendment to this Agreement on mutually agreeable terms. After the municipality has signed and entered into the Franchise Agreement, the Franchisee agrees that it shall provide Service to the entire area of the municipality under the same terms and conditions of this Agreement as applicable to the County and other Participating Municipalities.

SECTION 3 PROVISION OF CABLE SERVICE

3.1 Franchise Area: Subject to the provisions of this Section 3, Franchisee shall make Cable Service available to all residences in the Franchise Area. Franchisee may make Cable Service available to businesses in the Franchise Area at its discretion.

3.2 Timely Performance: The Franchisee shall not be excused from the timely performance of its obligation as set forth in Section 3.1, except for the following occurrences:

(A) for periods of Force Majeure; (B) for periods of delay caused by the County or any Participating Municipality; (C) for periods of delay resulting from Franchisee's inability to obtain authority to access rights-of-way in the Franchise Area; and (D) unlawful action or inaction of any government instrumentality including condemnation or the unlawful failure to issue any necessary permits, action or inaction of any public utility, accidents for which the Franchisee is not responsible, work delays because utility providers denied or delayed the Franchisee access to utility poles to which Franchisee's Cable System is attached, and unavailability of materials and/or qualified labor to perform the work necessary if such acquisition of qualified labor would be commercially impracticable as defined in 47 U.S.C. § 545(f).

3.2.1 The Franchisee may refuse to provide Cable Service: (A) in developments or buildings that are subject to exclusive arrangements with other providers; (B) when it is unable pursuant to normal industry practice to obtain necessary real property or other physical access rights; (C) in developments or buildings that Franchisee is unable to provide Cable Service for technical reasons or which require non-standard facilities which are not available on a commercially reasonable basis, provided, however, that subject to subsection 9.3, upon request Franchisee will provide the County with semi-annual reports that identify such developments or buildings and contain information that reasonably demonstrates why the Franchisee is unable to do so; (D) when its prior service, payment or theft of service history with a Person has been unfavorable; and (E) in areas where the occupied residential household density does not meet the density requirement set forth in subsection 3.2.2.

3.2.2 Density Requirement: Franchisee shall make Cable Services available to residential dwelling units, including multiple dwelling units, in all areas of the Franchise Area where the average density is equal to or greater than fifteen (15) occupied residential dwelling units per mile as measured in strand footage from the nearest technically feasible point on the active Cable System trunk or feeder line. Should, through new construction, an area within the Franchise Area meet the density requirement, Franchisee shall provide Cable Service to such area within six (6) months of receiving notice and verification that the density requirement has been met.

3.2.3 Cost Sharing: The Cable System shall be further extended to areas in the County that do not meet the requirements of subsection 3.2.2 (Density Requirement) above upon the request from a residential dwelling unit owner in such area and based upon the following:

3.2.3.1 "Total Construction Costs." The Franchisee shall first determine the total construction costs of the extension. The "total construction costs" ("TCC") are defined as the actual turnkey cost to construct the entire extension from the existing trunk and distribution system that is required to serve the person or persons requesting service including electronics, pole make-ready charges, labor and reasonable associated overhead, but not the cost of the house drop.

3.2.3.2 "Franchisee Contribution." The Franchisee shall then determine its contribution toward the construction costs per participating dwelling unit by dividing the Franchisee's average construction costs ("ACC") per mile in the Franchise Area by 15, which is the density specified in section 3.2.2. For illustration, if the average construction cost in the

Franchise Area is $50,000, the Franchisee Contribution is $3,333.33 per participating dwelling unit.

3.2.3.3 "Participating Dwelling Unit" is a residential dwelling unit owner who pays a contribution in aid of construction. The Franchisee may require that one half of the payment be made prior to commencing final design, engineering, or construction of the project with the balance due upon completion of the project.

3.2.3.4 Persons requesting service shall bear the total construction costs on a pro rata basis less the Franchisee Contribution. For illustration, a service extension with a TCC of $35,000 and 10 Participating Dwelling Units would result in a contribution in aid of construction of $165.67 per Participating Dwelling Unit.

3.2.3.5 The County may require Franchisee to provide it proof of the estimated and the actual cost of the extension.

3.2.4 There will be no customer contribution for plant extension in the Public Rights-of-Way of four hundred feet (400') or less as measured in strand footage from the nearest technically feasible point on the active Cable System trunk or feeder line.

3.2.5 The costs of the service drops to each of the residential dwelling units requesting service pursuant to Section 3.2.3 shall not be included in the cost calculation in Section 3.2.3. In addition to the cost sharing under Section 3.2.3, the Franchisee shall not assess a Subscriber any cost other than a standard installation charge for service drops that meet the definition of Standard Installation in Exhibit C. Where a drop exceeds the Standard Installation, the Franchisee may charge a Subscriber an additional charge, pursuant to the Franchisee's "long drop" policy. Upon written request, the Franchisee shall provide the technical specifications required to be met for the dwelling unit owner to dig the trench and/or install appropriate conduit, consistent with the technical specifications of the Franchisee. If the owner elects to conduct trenching and/or install appropriate conduit at the owner's expense, the Franchisee's cost estimate shall be modified to take into account any cost savings or increases that may result. Franchisee may require that the owner shall not install other facilities in the conduit, or permit any third party to do so, without first notifying Franchisee in writing, and ensuring at all times that the presence of such facilities in the conduit complies with all applicable safety and technical code requirements. This Franchise does not require Franchisee to be responsible for the maintenance, repair, or replacement of such conduit after installation of the drop. Subscriber shall retain ownership of such conduit.

3.3 Cable Service to Public Buildings:

3.3.1 Franchisee shall continue to provide Basic Service and the most commonly subscribed to tier other than Basic Service, and same number of converters to each Public Building currently served by the Franchisee as of the Effective Date of this Agreement (including moving service provided to these currently served Public Buildings to new facilities, located in the Franchise Area, if requested) without charge. Franchisee shall also provide the following without charge to no more than three (3) additional Public Buildings located in the Franchise Area per year, over the term of the Franchise (provided, however, that if it is necessary to extend Franchisee's trunk or feeder lines more than three hundred (300) feet from

the serving terminal, or the edge of the property, whichever is less, solely to provide Service to any such Public Building, the County, or a Participating Municipality shall pay for such extension in excess of three hundred (300) feet, shall release Franchisee from the obligation, or postpone Franchisee's obligation to provide Service to such Public Building):

3.3.1.1 The first service drop for each site.

3.3.1.2 One service outlet activated for Basic Service and the most commonly subscribed to tier other than Basic Service. The Parties recognize that this only pertains to the flat rate digital tier offered by Franchisee and does not include any pay per view services or similar services.

3.3.1.3 Three converters that enable viewing of the activated service.

3.3.2 The County and the Participating Municipalities shall be responsible for the cost of any "terminal equipment," including TV monitors, VCRs, or computers.

3.3.3 The Franchisee shall be permitted to recover, from any building owner entitled to free service, the direct cost of installing, when requested to do so, more than one outlet, or concealed inside wiring, or a service outlet requiring more than three hundred (300) feet of drop cable; provided, however, that Franchisee shall not charge for the provision of Basic Service and the most commonly subscribed to digital tier other than Basic Service to the additional service outlets once installed.

3.3.4 The cost of inside wiring, additional drops or outlets and additional converters requested by the County or a Participating Municipality within these specified Public Buildings, including those drops or outlets in excess of those currently installed are the responsibility of the County or the Participating Municipality. If the County or a Participating Municipality requests the Franchisee to provide such Services or equipment, the County or the Participating Municipality will pay the Franchisee for those costs.

3.3.5 If there is a change in the Franchisee's technology that affects the ability of the County's or a Participating Municipality's Public Buildings to receive the most commonly subscribed to digital tier, the Franchisee shall be required to replace, at the Franchisee's expense, all the digital converters provided to the County's or a Participating Municipality's Public Buildings as required in sub-subsection 3.3.1 in order to ensure that these Public Buildings receive the most commonly subscribed to digital tier.

SECTION 4 SYSTEM OPERATION

4.1 Cable System Tests and Inspections:

4.1.1 The Franchisee shall perform all tests necessary to demonstrate compliance with the requirements of the Franchise, and to ensure that the Cable System components are operating as required. All tests shall be conducted in accordance with applicable FCC rules, and any applicable Society of Cable Telecommunications Engineers Recommended Practices for measurement and testing.

4.1.2 The Franchisee shall conduct tests as follows:

4.1.2.1 Proof of performance tests on the Cable System at least once every six months or as required by FCC rules, whichever is more often, except as federal law otherwise limits the Franchisee's obligation. In consultation with the County, the Cable System monitor test points shall be established in accordance with good engineering practices and consistent with FCC guidelines; and

4.1.2.2 Special proof of performance tests, as limited by the County, of the Cable System or a segment thereof when Subscriber or User complaints indicate tests are warranted.

4.1.3 Tests shall be supervised by the Franchisee's senior engineer, who shall sign all records of tests provided to the County.

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

4.1.5 The Franchisee shall provide the County with copies of written reports on all tests performed pursuant to Section 4.1.

4.1.6 If any test indicates that any part or component of the Cable System fails to meet applicable requirements, the Franchisee, without requirement of additional notice or request from the County, shall take corrective action, retest the locations and advise the County of the action taken and results achieved, and supply the County with a copy of the results within thirty days from the date corrective action was completed.

4.1.7 The County may, for good cause shown, waive or limit the system test and inspection provisions in this Section.

SECTION 5 SYSTEM FACILITIES

5.1 Cable System Characteristics: The Cable System shall have at least the following characteristics:

5.1.1 Designed with an initial digital carrier passband between 50 MHz and 750 MHz , and at least 1 GHz for all new or replaced passive components.

5.1.2 Designed to be an active two-way plant for Subscriber interaction, if any, required for selection or use of Cable Service.

5.1.3 Modern design when built, utilizing an architecture that will permit additional improvements necessary for high quality and reliable Service throughout the Franchise Term. The Cable System shall meet or exceed the applicable technical standards set forth in 47 C.F.R. § 76.601, and any other applicable FCC rules and regulations, industry standards, and manufacturers performance specifications.

5.1.4 Protection against outages due to power failures, so that back-up power is available at a minimum for at least 24 hours at each headend and at all hubs, and conforming to

industry standards, but in no event rated for less than two hours consistent with manufacturer's specifications, at each power supply site other than headend and hubs. Franchisee will conduct ongoing monitoring of power supplies.

5.1.5 Facilities and equipment of good and durable quality, generally used in high-quality, reliable, systems of similar design.

5.1.6 Facilities and equipment sufficient to cure violations of any applicable FCC technical standards and to ensure that the Cable System remains in compliance with the standards specified in subsection 5.1.17.

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

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

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

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

5.1.11 Sufficient trucks, tools, testing equipment, monitoring devices and other equipment and facilities and trained and skilled personnel required to enable the Franchisee to substantially comply with applicable law, including applicable customer service standards and including requirements for responding to system outages.

5.1.12 All facilities and equipment required to properly test the Cable System and conduct an ongoing and active program of preventive maintenance and quality control and to be able to quickly respond to customer complaints and resolve system problems.

5.1.13 Design capable of interconnecting with other cable systems in the Franchise Area as set forth in Section 5.3 of this Agreement.

5.1.14 If applicable, antenna supporting structures (towers) designed in accordance with Chapter 8 ("Buildings") of the Montgomery County Code, 2004, as amended, and, within Participating Municipalities, applicable provisions of their respective codes, painted, lighted, erected and maintained in accordance with all applicable rules and regulations of the Federal Aviation Administration, the Federal Communications Commission, and all other applicable codes and regulations.

5.1.15 Facilities and equipment at the headend shall allow the Franchisee to transmit or cablecast signals in substantially the form received, without substantial alteration or deterioration. For example, the headend should include equipment that will transmit color video signals received at the headend in color, stereo audio signals received at the headend in

stereo, and a signal received with a secondary audio track with both audio tracks. Similarly, all closed-captioned programming retransmitted over the Cable System shall include the closed-captioned signal in a manner that renders that signal available to Subscriber equipment used to decode the captioning.

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

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

5.1.17.1 Occupational Safety and Health Administration (OSHA) Safety and Health Standards;

5.1.17.2 National Electrical Code;

5.1.17.3 National Electrical Safety Code (NESC);

5.1.17.4 Obstruction Marking and Lighting, AC 7017460 i.e., Federal Aviation Administration;

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

5.1.17.6 Chapter 8 ("Buildings") of the Montgomery County Code, 2004, as amended.

5.1.17.7 Any applicable Participating Municipality building code.

5.2 Status Monitoring: Status monitoring capability shall be a feature of the electronics at the Subscriber premises in the Cable System and of the backup power in the Cable System set forth in Section 5.1.4. of this Agreement.

5.3 Interconnection:

5.3.1 The Franchisee shall design its Cable System so that it may be interconnected with other cable systems in the Franchise Area at suitable locations as determined by the Franchisee. Interconnection of systems may be made by direct cable connection, microwave link, satellite, or other appropriate methods.

5.3.2 At the request of the County and any Participating Municipality, the Franchisee shall, to the extent permitted by applicable law and its contractual obligations to third parties, use every reasonable effort to negotiate an interconnection agreement with any other franchised cable system in the County or any Participating Municipality for the PEG Channels on the Cable System.

5.3.3 The Franchisee shall notify the County and any Participating Municipality prior to any interconnection of the Cable System.

5.3.4 The Franchisee shall in good faith cooperate with the County and any Participating Municipality in implementing interconnection of the PEG Cable Service with communications systems beyond the boundaries of the County and any Participating Municipality.

5.4 Emergency Alert System:

5.4.1 The Franchisee shall install and thereafter maintain for use by the County an Emergency Alert System ("EAS").

5.4.2 This EAS shall at all times be operated in compliance with FCC requirements in order that emergency messages may be distributed over the System. In the event of a state or local civil emergency, the EAS shall be activated by equipment or other acceptable means as set forth in the Maryland State EAS Plan. Franchisee will override the audio and video on all channels, so long as it is consistent with Franchisee's contractual commitments, to transmit EAS alerts received from the designated Local Primary Sources, including LP-l, LP-2, and other stations, assigned by the Maryland State EAS Plan to serve the Montgomery County Operational Area.

5.5 Home Wiring: The Franchisee shall comply with all applicable FCC requirements, including any notice requirements, with respect to home wiring. Prior to a Subscriber's termination of Cable Service, the Franchisee will not restrict the ability of the Subscriber to remove, replace, rearrange or maintain any cable wiring located within the interior space of the Subscriber's dwelling unit, so long as such actions are consistent with FCC standards. The Franchisee may require a reasonable indemnity and release of liability in favor of the Franchisee from a Subscriber for wiring that is installed by such Subscriber.

5.6 Contractors: Any contractor or subcontractor used by Franchisee to meet its obligations under the Franchise or the Cable Law must be properly licensed under laws of the State and all applicable local ordinances, and each such contractor or subcontractor shall have the same obligations with respect to its work as the Franchisee would have if the work were performed by the Franchisee. Franchisee shall be responsible for the omissions and negligent actions of persons contracting or subcontracting or representing the Franchisee in the course of providing Cable Service to any Subscriber. Franchisee is responsible for and shall address complaints made against its contractors, subcontractors, representatives or agents. All contractors, subcontractors, representatives or agents of the Franchisee shall be properly trained and supervised in accordance with Franchisee's customer service standards for Cable Service.

5.7 Services for the Disabled: Franchisee shall comply in all material respects with all applicable requirements of the Americans with Disabilities Act. Franchisee shall comply in all material respects with FCC rules regarding accessibility of video services, including but not limited to closed captioning for the hearing impaired. For hearing-impaired Subscribers, upon request Franchisee shall provide information concerning the cost and availability of equipment to allow the reception of all basic services for the hearing-impaired.

5.8 Uniform Capabilities: Franchisee's System shall have the same activated capabilities throughout the County; and in planning upgrades, Franchisee must ensure that the upgrade proceeds in a manner that does not effectively result in low-income, low-density or rural areas of the County being discriminated against in terms of the quality of the Services offered.

SECTION 6 PEG SERVICES

6.1 PEG Set Aside:

6.1.1 Subject to the other provisions of this Section, Franchisee will provide to each Subscriber in the County up to fourteen (14) PEG Channels, of which up to five (5) will be high definition (HD) channels activated as provided in Section 6.7.5. Subscribers in Gaithersburg need not be provided the Takoma Park Government Access Channel. Franchisee may use for its own purposes any PEG Channel that is not being utilized pursuant to rules adopted by the County or (for channels managed by Participating Municipalities) the Municipalities. Provided that, as of the Effective Date hereof, Franchisee is providing eleven (11) PEG channels (none of which are HD) to Subscribers in the County and Franchisee may utilize the remaining three (3) channels until County provides notice that it wishes to use the channels. Franchisee must cease use by a time specified by the County, or within one hundred and twenty (120) days, whichever is later. As provided in Section 6.7.5, Franchisee will activate HD channels that count against the 14-PEG Channel limit within one hundred and eighty (180) days of a request therefore; if the request would result in provision of more than 14 PEG Channels, the notice must also identify the PEG Channel that will be replaced or converted to HD.

6.1.1.1 Each PEG Channel shall be transmitted on the Cable System so that every Subscriber can access, receive and view the PEG signals, and access information about the signals, using the same converters and signal equipment used for other Basic Service Channels (or, in the case of a Subscriber who receives commercial services utilizing different equipment, accessible, receivable and viewable by that Subscriber with that equipment), so that Subscribers pay no additional charges to access, receive or view PEG channels, except as provided in Section 6.1.5. Franchisee will carry signal-related information that is delivered to it as well as secondary audio and multi-lingual audio, closed captioning, video description and other program-related information subject to such information being provided in a format or manner compatible with the Cable System.

6.1.1.2 Each PEG Channel shall be delivered to Subscribers without material degradation so that each PEG Channel is as accessible, recordable, viewable and available in the same resolutions and at a quality equal to the quality of the twenty most popular commercial cable channels; provided, Franchisee is not required to deliver a signal in a higher

quality format than is delivered to the Franchisee, or to deliver an HD signal except as required to comply with Section 6.7.5 or 6.7.6.

6.1.2 The Franchisee shall carry the programming on each of the respective PEG Channels on the channel numbers as indicated in Exhibit B.

6.1.2.1 The Parties shall mutually agree to the assignment of specific channel numbers for PEG programming not listed on Exhibit B, and if the Parties cannot agree, channel numbers will be assigned as provided in Section 6.1.2.2. Franchisee shall notify the County of channel assignments for the PEG Channels prior to commencing carriage and/or simulcast in the Franchise Area.

6.1.2.2 The Franchisee shall not arbitrarily or capriciously change such PEG Channel assignments, and the Franchisee shall minimize the number of such changes; provided, however, that, subject to the foregoing, the Franchisee may change such channel assignments so long as the PEG Channel is assigned a number near the other local broadcast stations in a similar format if such channel positions are not already taken, or if that is not possible, near news/public affairs programming channels in a similar format, or such other location as is reasonably agreeable to County. Franchisee must give the PEG Channel programmer ninety (90) days' notice of such change (if commercially practicable) but in no event less than forty-five (45) days. If Franchisee changes PEG Channel assignments, it shall pay to the County ten thousand dollars ($10,000) for each individual PEG Channel assignment changed to defray the costs incurred for making logo changes necessitated by the channel designation change and public education of the new channel numbers, provided that, if more than seven channel assignments are changed at the same time, the Franchisee's payments for logo changes will be limited to $70,000. Franchisee remains responsible for other costs (equipment additions and replacements, for example) caused by the channel changes.

6.1.3 PEG Interconnection: Franchisee is responsible for providing and maintaining the connections, and providing the equipment so that it may receive PEG signals at points designated by the County, and simultaneously transmit those signals as received to an appropriate point for redistribution to subscribers on the appropriate PEG channels. The County shall provide Franchisee with the ability to interconnect its Cable System to receive PEG Channels at the County's PEG facilities in Rockville, Maryland. The Franchisee shall continue to provide a dedicated, bi-directional fiber optic link between the County's PEG facilities in Rockville, Maryland, and the University of Maryland and the University of Maryland University College for the transmission of PEG Channel programming to the County's PEG facilities in Rockville, Maryland. The County may continue to use that link for delivery of PEG programming from the University of Maryland and the University of Maryland University College if the PEG Channel signals are not carried on the Cable System. If the County is unable to provide for a point of interconnection at the County's PEG facilities in Rockville, Maryland, Franchisee shall make arrangements, through interconnection or otherwise, to obtain PEG programming directly from each PEG access origination point.

6.1.3.1 Franchisee shall continue to make available equipment at its headend to enable the Franchisee to receive the PEG Channels from the University of Maryland and University of Maryland University College in a digital format and transmit such signals in

digital format to the County's PEG facilities in Rockville, Maryland. This obligation on the Franchisee to make equipment available at its headend shall continue even if the individual PEG Channel signals are no longer carried on the Cable System, so long as the County continues to use the above-referenced link for delivery of PEG programming from the University of Maryland and the University of Maryland University College to the County's PEG facilities in Rockville, Maryland for carriage on other PEG Channels on the Cable System. The Franchisee shall not be obligated to purchase the equipment located at the University of Maryland and University of Maryland University College necessary to transmit a digital signal to the Franchisee's headend, but shall work cooperatively to enable those entities to select equipment compatible with equipment at the Franchisee's headend.

6.1.4 Pursuant to Section 8A-27 of the Montgomery County Code, as amended, the County has provided for certain cable communications plans which govern the expenditure of all access and institutional grants required by the Franchise Agreement. Franchisee agrees that where an approved item of such plan involves implementation by use of agreements with a third party contractor, then Franchisee shall execute such agreements and make payments thereunder at the direction of the County or its designee(s).

6.1.5 All PEG Channels shall be available on the tier of service to which all subscribers must subscribe (currently the Basic Service tier), or if there is no such tier, the channels will be provided to every Subscriber without charge beyond the charge the subscriber pays for the cable services and equipment the subscriber receives. County acknowledges that HD programming may require the viewer to have special viewer equipment (such as an HDTV and an HD-capable digital device/receiver), but any Subscriber who can view an HD signal delivered via the cable system at a receiver shall also be able to view the HD PEG channels at that receiver, without additional charges or equipment. County acknowledges that not every customer may be able to view HD PEG programming (for example, because they do not have an HDTV in their home or have chosen not to take an HD-capable receiving device from Franchisee or other equipment provider) or on every television in the home.

6.1.6 Management of Channels: The County may designate one (1) or more entities, including a non-profit access management corporation, to perform any or all of the following functions:

6.1.6.1 manage any necessary scheduling or allocation of time on the PEG Channels; or

6.1.6.2 on the County's behalf, program any PEG Channel.

6.1.7 The County shall require all local producers and Users of any of the PEG facilities or Channels to agree in writing to authorize Franchisee to transmit programming consistent with this Agreement and to defend and hold harmless Franchisee, the County and the Participating Municipalities, from and against any and all liability or other injury, including the reasonable cost of defending claims or litigation, arising from or in connection with claims for failure to comply with applicable federal laws, rules, regulations or other requirements of local, state or federal authorities; for claims of libel, slander, invasion of privacy, or the infringement of common law or statutory copyright; for unauthorized use of any trademark, trade name or

service mark; for breach of contractual or other obligations owing to third parties by the producer or User; and for any other injury or damage in law or equity, which result from the use of a PEG facility or Channel.

6.1.8 Onscreen Menus and Programming Guides. The Franchisee shall carry on its onscreen menus and programming guides the channel names, individual program names, individual program descriptions, accessibility information (availability of closed captioning and video description) and other information for the PEG Channels in the same manner and level of detail as carried for local broadcast channels, provided that Franchisee will be responsible for providing the designations and instructions necessary to ensure the channels will appear on the programming guides throughout the County and any necessary headend costs and any third party programming guide vendor costs associated therewith, and the County shall be responsible for providing programming information to the Franchisee, or if the Franchisee uses a third party programming guide vendor, to that vendor.

6.2 PEG Capital Grants:

6.2.1 Franchisee shall provide grants to the County, for the benefit of the County and the Participating Municipalities, to be used for PEG and institutional network capital expenses as determined by the County (the "PEG Grants"). These grants will be used for PEG and institutional network purposes. This includes, but is not limited to, studio facilities, studio and portable production equipment, editing equipment and program playback equipment and other similar costs. It also includes, but is not limited to, equipment, capacity, computers, dark fiber, and other similar expenses for the institutional network.

6.2.2 The PEG Grants shall consist of three (3%) percent of the Franchisee's Gross Revenues for that quarter and shall be paid at the same time and in the same manner as franchise fees. The first payment shall be due on the same date as the first franchise fee payment made by Franchisee under this Agreement.

6.3 Subscriber Recoveries: To the extent permitted by federal law, the Franchisee shall be allowed to recover from Subscribers the costs of the PEG Grants or any other costs arising from the provision of PEG services and to include such costs as a separately billed line item on each Subscriber's bill. Without limiting the forgoing, if allowed under state and federal laws, Franchisee may externalize, line-item, or otherwise pass-through interconnection costs to Subscribers.

6.4 Changes to System: If the Franchisee makes changes to the Cable System that require modifications to access facilities and equipment, Franchisee shall make any necessary changes to the Franchisee's headend and distribution facilities or equipment within thirty (30) days so that PEG facilities and equipment may be used as intended in this Agreement.

6.5 Backup Facilities and Equipment: The Franchisee shall design, build, and maintain all PEG upstream feeds, interconnection, and distribution facilities so that such feeds function as reliably as Franchisee's Cable System as a whole within the County, and are no more likely to fail than is Franchisee's Cable System as a whole within the County.

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

6.7 Use of PEG Channels, Facilities and Equipment:

6.7.1 The County and any Participating Municipality, or the entity that manages a PEG Channel, may establish and enforce rules and procedures for use of the PEG Channels pursuant to Section 611(d) of the Communications Act, 47 U.S.C. § 531(d). The County shall resolve any disputes among Users regarding allocation of PEG Channels.

6.7.2 The Franchisee will provide upstream and downstream transmission of the PEG Channels on its Cable System at no charge to the County or other PEG Channel programmers.

6.7.3 The County or its licensees, assigns, or agents shall not transmit on the PEG Channels commercial programming or commercial advertisements to the extent that they would constitute competition with the Franchisee for such commercial programming or commercial advertisements, subject to the following: For purposes of this subsection, "Commercial Programming or Commercial Advertisements" shall mean programming or advertisements for which the County or any Participating Municipality receives payment from a third party (a party other than the County, a Participating Municipality or the Franchisee), but shall not include announcements indicating that programming is underwritten by a commercial entity, such as the underwriting announcements typically displayed by the public broadcasting system.

6.7.4 Costs and Payments Not Franchise Fees: The grants and other support provided pursuant to Section 6 do not constitute Franchise fee payments within the meaning of 47 U.S.C. § 542, but may be passed through to Subscribers as a separate line item on their monthly bills pursuant to 47 U.S.C. § 542(c)(2).

6.7.5 High Definition PEG Channels:

6.7.5.1 Subject to the aggregate fourteen (14) PEG Channel limit, the Franchisee shall activate and make available up to four (4) HD PEG Channels at the request of the County. Activation of one or more HD PEG Channels shall occur within one hundred eighty (180) days of a written request from the County for such HD PEG Channel(s). If the request would result in provision of more than 14 PEG Channels, the notice must also identify the channel that will be replaced or converted to HD. An HD PEG Channel provided under this section may be a simulcast of a SD PEG channel; or may be original programming or a compilation of programming; in any case, the channel will count as one channel against the total number of PEG Channels Franchisee is obligated to provide.

6.7.5.2 After the conclusion of the third year of this Agreement, the County may require the Franchisee to launch a fifth HD PEG Channel conditioned upon the termination of an existing SD PEG Channel, such that the total number of PEG Channels shall not exceed nine (9) SD PEG Channels and five (5) HD PEG Channels. Franchisee shall have up to one hundred and eighty (180) days from receipt of the County's written notice to launch the additional HD PEG Channel.

6.7.5.3 HD PEG Channels will be assigned channel numbers near other local HD channels, and if that is not possible, channel numbers in the lowest available HD channel sequence or as otherwise agreed by the Parties. If an HD PEG Channel is a simulcast of the programming on an SD PEG Channel, the programming may be delivered to Franchisee in an HD format, and Franchisee will downconvert the signal to SD for purposes of the simulcast.

6.7.6 Notwithstanding any other provisions in this Section:

6.7.6.1 All PEG Channels shall have at a minimum the same characteristics as applicable federal or state law may from time to time require for PEG channels, or the class of channels to which PEG channels belong.

6.7.6.2 Franchisee shall deliver each HD PEG signal to Subscribers so that it is viewable without material degradation of the signal provided to Comcast, provided that Comcast is not required to deliver a PEG Channel in HD at a resolution higher than the highest resolution used in connection with the delivery of the twenty most popular non-premium commercial channels to Subscribers. Franchisee may implement HD carriage of the PEG Channel in any manner (including selection of compression, utilization of IP, and other processing characteristics) that produces a signal as accessible, functional, useable and of a quality equivalent from the perspective of the viewer to other HD channels of the same resolution carried on the cable system.

SECTION 7 FRANCHISE FEES

7.1 Payment to the County: The Franchisee shall pay to the County a Franchise fee of five (5%) percent of annual Gross Revenues derived from the operation of the Cable System to provide Cable Service in the Franchise Area. If the Communications Act is amended to increase the five (5%) percent cap, the County may, upon not less than sixty (60) days prior written notice to Franchisee, increase the amount of the percentage up to the maximum amount permitted by federal law so long as other cable operators are also required to pay the increased fee. If the five (5%) percent cap is eliminated by changes to federal law such that there is no maximum, any increase in the amount of the percentage shall be subject to the mutual agreement of the County and Franchisee in the form of an amendment to this Agreement. In accordance with Title VI of the Communications Act, the twelve (12) month period applicable under the Franchise for the computation of the Franchise fee shall be made on a calendar year basis. Such payments shall be made no later than thirty (30) days following the end of each calendar quarter. If the Franchisee is unable to compute the Franchise fee payment within the foregoing time frame, the Franchisee may make an estimated Franchise fee payment based on the payment for the previous quarter. Estimated payments must be trued up within thirty (30) days after the date of the estimated payment. If any Franchise fee payment, including any estimated Franchise fee payment, due and owing is not made on or before the required date, the Franchisee shall pay any applicable penalties and interest charges computed from such due date, as provided for in the Cable Law under Section 8A-12(t).

7.2 Supporting Information: Subject to Section 9.3, each Franchise fee payment shall be submitted with supporting detail in a form similar to that included in Exhibit F and a

statement certified by the Franchisee's authorized financial agent or an independent certified public accountant, reflecting the total amount of monthly Gross Revenues for the payment period. Franchisee shall also indicate the number of subscribers within the corporate limits of each Participating Municipality. The County shall have the right to reasonably require further supporting information.

7.3 Bundled Services: If the Franchisee bundles Cable Service with Non-Cable Service, the Franchisee agrees that it will not intentionally or unlawfully allocate such revenue for the purpose of evading the Franchise fee payments under this Agreement. In the event that the Franchisee or any Affiliate shall bundle, tie, or combine Cable Services (which are subject to the franchise fee) with Non-Cable Services (which are not subject to the Franchise fee), so that Subscribers pay a single fee for more than one class of service or receive a discount on Cable Services, a pro rata share of the revenue received for the bundled, tied, or combined services shall, to the extent reasonable, be allocated to Gross Revenues for purposes of computing the franchise fee. To the extent there are published charges and it is reasonable, the pro rata share shall be computed on the basis of the published charge for each of the bundled, tied, or combined services and equipment charges, when purchased separately.

7.4 No Limitation on Taxing Authority: Nothing in this Agreement shall be construed to limit any authority of the County or the Participating Municipalities to impose any tax, fee, or assessment of general applicability. The Franchise fee payments required by this Section shall be in addition to any and all taxes of a general nature or other fees or charges which Franchisee shall be required to pay to the County or the Participating Municipalities or to any state or federal agency or authority, as required herein or by law, all of which shall be separate and distinct obligations of Franchisee. Franchisee may designate the Franchise fee(s) as a separate item in any bill to a Subscriber of Franchisee's Cable System, but shall not designate or characterize it as a tax.

7.5 No Offset: Franchisee agrees that it will not offset or otherwise reduce the Franchise fee paid to the County by the value or cost of any grant, service or facility it provides pursuant to this Agreement, or any agreement with the County, as under the circumstances the same are not franchise fees within the meaning of federal law.

7.6 Advertising Revenues: Franchisee shall attribute a portion of any national and regional advertising revenues to the Franchise Area based on the ratio of Franchisee's Subscribers in the Franchise Area to the cable subscribers of Franchisee and an Affiliate in the relevant advertising region.

SECTION 8 CUSTOMER SERVICE

Customer service requirements are set forth in Exhibit C.

SECTION 9 REPORTS AND RECORDS

9.1 Open Books and Records: Subject to applicable law, upon reasonable written notice to the Franchisee, which shall be no less than thirty (30) days, the County shall have the right to inspect and copy at any time during Normal Business Hours at a mutually agreed location in the County, all books and records, including all documents in whatever form maintained, including electronic media ("books and records") to the extent that such books and

records relate to the Cable System or to the Franchisee's provision of Cable Service and are reasonably necessary to ensure compliance with the terms of this Agreement and so long as the review does not disrupt the Franchisee's operations. Such notice shall specify the purpose of the review, so that Franchisee may organize the necessary books and records for appropriate access by the County. Franchisee shall not be required to disclose any of its or an Affiliate's books and records not relating to the provision of Cable Service in the County.

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

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

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

9.5 Copying of Books and Records: The County shall have the right to copy any such books and records, except to the extent that such books and records are proprietary and/or confidential pursuant to the Maryland Uniform Trade Secrets Act or other applicable law.

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

9.7 Record Retention: Unless otherwise provided in this Section, all materials and information specified in this Section shall be maintained for a period of five (5) years.

9.8 Communication with Regulatory Agencies: Within fifteen (15) days, the Franchisee shall file with the County a copy of any document filed by the Franchisee with a

regulatory agency or received by the Franchisee from a regulatory agency that pertains to and references the County with respect to the provision of Cable Service or any document filed by the Franchisee with the FCC in a formal cable proceeding.

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

9.10 Annual Report: Unless this requirement is waived in whole or in part by the County, no later than April 30th of each year during the term of this Agreement, the Franchisee shall submit a written report to the County, in a form reasonably satisfactory to the County, which shall include:

9.10.1 A summary of the previous calendar year's activities in development of the Cable System, including but not limited to descriptions of services begun or dropped;

9.10.2 A summary of complaints, identifying both the number and nature of the complaints received and an explanation of their dispositions, as such records are kept by the Franchisee. Where the Franchisee has identified recurrent Cable System problems, the nature of any such problems and the corrective measures taken or to be taken shall be identified;

9.10.3 A copy of the Franchisee's rules, regulations and policies available to Subscribers of the Cable System, including but not limited to (i) all Subscriber rates, fees and charges; (ii) copies of the Franchisee's contract or application forms for Cable Services; and (iii) a detailed summary of the Franchisee's policies concerning the processing of Subscriber complaints; delinquent Subscriber disconnect and reconnect policies; Subscriber privacy and any other terms and conditions adopted by the Franchisee in connection with the provision of Cable Service to Subscribers;

9.10.4 A statement of Gross Revenues for the previous calendar or fiscal year, certified by the Franchisee's financial agent, including a year-end balance sheet and an income statement showing Subscriber revenue and every material category of non-Subscriber revenue; and operating expenses by category, at whatever operating level such records are kept; which obligation may be satisfied by submitting the Franchisee's certified and audited financial statements prepared for the Franchisee's bondholders or equivalent financial document acceptable to the County;

9.10.5 A list of Persons holding five percent (5%) or more of the voting stock or interests of Franchisee;

9.10.6 A list of officers and members of the Board of Directors of Franchisee and its parents and Franchisee's subsidiaries, if any, or similar officers if the Franchisee is not a corporation;

9.10.7 A copy of stockholders' annual reports issued by Franchisee and its parents; and

9.10.8 The results of any annual opinion surveys the Franchisee conducts, but if the Franchisee considers such results to be proprietary, the Franchisee shall make such results available for the County's review.

9.11 Quarterly Report: The Franchisee shall submit a written report to the County no later than thirty (30) days after the end of each calendar quarter during the term of this Agreement, which report shall be in a form reasonably satisfactory to the County, that shall include:

9.11.1 A report showing the number of service calls received sorted by a descriptive code indicating the actual service calls that were resolved during that quarter, including any property damage to the extent such information is available to the Franchisee, and any line extension requests received during that quarter;

9.11.2 A report showing the number of outages for that quarter, and identifying separately each planned Subscriber outage for more than one hour at a time (excluding the maintenance window from 12:00 a.m. to 6:00 a.m.), the time it occurred, its cause, its duration, and the impacted streets and a range of affected addresses in the Franchise Area (or a map area using the most recent edition of the ADC map or its equivalent, as specified by the County) and, when available to the Franchisee, number of homes affected; and, when the Franchisee can reasonably determine that at least five hundred (500) homes were affected, each unplanned outage affecting more than five hundred (500) homes for more than one hour, the time it occurred, the reason for the disruption and its causes, its estimated duration and, when available to the Franchisee, the number of homes affected;

9.11.3 A report showing the Franchisee's performance with respect to all applicable customer service standards in this Agreement, signed and certified by an officer or agent. If the Franchisee is unable to certify full compliance for any calendar quarter, it must indicate in its filing each standard with which it is in compliance and in noncompliance, the reason for the noncompliance and a remedial plan. The Franchisee's failure to file a compliance certificate or noncompliance statement as required herein shall subject the Franchisee to the liquidated damages specified in this Agreement for violation of customer service standards. The Franchisee shall keep such records as are reasonably required to enable the County to determine whether the Franchisee is substantially complying with all such customer service standards, and shall maintain adequate procedures to demonstrate substantial compliance; and

9.11.4 A report that includes the number of homes in the County where Cable Service was provided during that quarter.

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

9.12.1 A copy and full explanation of any notice of deficiency, forfeiture, or other document relating to the Franchisee issued by any state or federal agency if such notice or other document would require Securities and Exchange Commission Form 8(k) disclosure or would require footnote disclosure in the annual financial statements of the Franchisee or a parent.

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

9.13 Books and Records Required: The Franchisee shall at all times maintain and make available to the County upon reasonable prior notice by the County:

9.13.1 Complete and accurate books of account and records of its business and operations under and in connection with this Agreement. At a minimum, the Franchisee's financial books and records shall be maintained in accordance with generally accepted accounting principles, and shall identify:

9.13.1.1 Gross revenues, by service category;

9.13.1.2 Operating expenses, at whatever operating level such records are kept, categorized by general and administrative expenses, technical expenses, programming expenses, and overhead, if any;

9.13.1.3 Capital expenditures, including capitalized interest and overhead, if any; and

9.13.1.4 Depreciation expenses, by category, at whatever operating level records thereof are kept.

9.13.2 Records of all written complaints received. The term "complaints" as used herein and throughout the Agreement refers to complaints about any aspect of the Cable System or the Franchisee's cable operations, including, without limitation, complaints about employee courtesy. Complaints recorded may not be limited to complaints requiring an employee service call.

9.13.3 Records of outages, indicating date, estimated duration, estimated area, and the estimated number of Subscribers affected, type of outage, and cause;

9.13.4 Records of service calls for repair and maintenance, indicating the date and time service was requested, the date of acknowledgment and date and time service was scheduled (if it was scheduled), and the date and time service was provided, and (if different) the date and time the problem was solved;

9.13.5 Records of installation/reconnection and requests for service extension, indicating date of request, date of acknowledgment, and the date and time service was extended;

9.13.6 Copies of all promotional offers made in writing to potential or current Subscribers;

9.13.7 Upon written notice, the County may require additional information, records, and documents pursuant to this Agreement as may be reasonably necessary for the performance of any duties by the County staff as it pertains to the Franchise;

9.13.8 The Franchisee shall maintain a file of records open to public inspection in accordance with applicable FCC rules and regulations; and

9.13.9 The Franchisee shall maintain accurate maps and improvement plans which show the location, size and a general description of all facilities installed in the public ways and any power supply sources, including voltages and connections. The Franchisee shall make these maps and plans available for inspection by the County upon reasonable prior notice at mutually convenient locations including in the field.

9.13.10 A public file showing the area of coverage for the provisioning of Cable Services.

9.14 Waiver of Reporting Requirements: The County may, for good cause shown, waive the reporting provisions in this Section.

9.15 Certain Cable Law Reporting Requirements:

9.15.1 Franchisee's financial statements must be provided to the County pursuant to Section 8A-12(d) of the Cable Law.

9.15.2 The summary to be provided to the County pursuant to Section 8A-14(f) of the Cable Law will be submitted as required by the Cable Office.

SECTION 10 INSURANCE AND INDEMNIFICATION

10.1 Insurance:

10.1.1 Franchisee shall maintain in full force and effect, at its own cost and expense, throughout the entire Franchise Term, the following insurance coverage:

10.1.1.1 Commercial General Liability Insurance insuring the County, the Participating Municipalities, and the Franchisee with respect to the construction, operation and maintenance of the Cable System, and the conduct of the Cable Service business in the County in the minimum amounts of five million dollars ($5,000,000), per occurrence; and in the aggregate. Such commercial general liability insurance must include coverage for all of the following:, premises-operations, explosion and collapse hazard, underground hazard, products/completed operations hazard, contractual liability, broad form property damage, independent contractors and personal injury.

10.1.1.2 Automobile Liability Coverage, with a minimum limit of liability of two million dollars ($2,000,000), per occurrence, combined single limit for bodily injury and property damage coverage. Policy must include coverage for owned automobiles, leased or hired automobiles and non-owned automobiles.

10.1.1.3 Broadcaster's Liability Coverage, covering errors and omissions and negligent acts and other operations of the Franchisee, committed during the term of the Franchise period with the County and the Participating Municipalities, with a limit of liability of at least two million dollars ($2,000,000) per claim and aggregate. Franchisee agrees to provide a one-year discovery period under this policy.

10.1.1.4 Workers' Compensation Coverage meeting statutory requirements of Maryland Law and Employers' Liability Coverage with the following minimum limits: Bodily Injury by Accident - $100,000 each accident, Bodily Injury by Disease - $500,000 policy limits and Bodily Injury Disease - $100,000 each employee.

10.1.1.5 Copyright infringement insurance insuring the County, the Participating Municipalities and the Franchisee in the minimum amount of $2,000,000 for copyright infringement occasioned by the operation of the Cable System.

10.1.2 All insurance policies and certificates maintained pursuant to this Agreement shall provide the following unless the County approves other language:

> "It is hereby understood and agreed that this insurance coverage may not be materially changed or canceled by the insurance company nor the intention not to renew be stated by the insurance company until at least sixty (60) days after receipt by the County of a written notice of such intention to cancel or not to renew."

10.1.3 Each of the required insurance policies shall be with insurers qualified to do business in the State of Maryland, with an A- or better rating by Best's Key Rating Guide, Property/Casualty Edition.

10.1.4 The Franchisee shall provide the County with a certificate of insurance evidencing all coverage required of this Agreement upon execution of this Agreement, following a material change or any time the Franchisee obtains new insurance policies.

10.1.5 The County may review the amounts of any insurance policies under the Agreement and shall have the right to require reasonable adjustments to such insurance policies consistent with the public interest. The County shall provide the Franchisee written notice at least sixty (60) days in advance of any reasonable adjustments.

10.1.6 All Commercial General and Automobile Liability Insurance policies shall name the County, Participating Municipalities, their elected and appointed officials, officers, boards, commissions, commissioners, agents, and employees as additional insureds. Such additional insured requirement shall be noted on the original certificate of insurance provided to the County.

10.1.7 Failure to comply with the insurance requirements set forth in this Section shall constitute a material violation of the Franchise.

10.2 Indemnification:

10.2.1 Subject to the provisions below, the Franchisee shall, at its sole cost and expense, indemnify, hold harmless, and defend the County and the Participating Municipalities, their elected and appointed officials, officers, boards, commissions, commissioners, agents, and employees, against any and all claims, suits, causes of action, proceedings, and judgments, whether for damages or otherwise arising out of or alleged to arise out of the installation, construction, operation, or maintenance of the Cable System, including, but not limited to, any claim against the Franchisee for invasion of the right of privacy, defamation of any Person, firm

or corporation, or the violation or infringement of any copyright, trademark, trade name, service mark, or patent, or of any other intellectual property right of any Person, firm, or corporation.

10.2.2 This indemnity does not apply to programming carried on any Channel set aside for PEG use, or Channels leased pursuant to 47 U.S.C. § 532, or to operations of the PEG Channels to the extent such operations are carried out by a person other than the Franchisee or its agents. Further, the Franchisee shall not be required to indemnify the County for acts of the County which constitute willful misconduct or negligence, on the part of the County, its officers, employees, agents, attorneys, consultants, independent contractors or third parties, or for any activity or function conducted by any Person, other than Franchisee, in connection with PEG Access, or EAS.

10.2.3 The County or the applicable Participating Municipality shall give the Franchisee written notice of its obligation to indemnify the County or a Participating Municipality under Section 10.2 within thirty (30) days of receipt of a claim, suit, cause of action, or proceeding for which the Franchisee is obligated to indemnify the County or a Participating Municipality. The County shall take action necessary to avoid entry of a default judgment if such action is needed before the County provides the Franchisee notice; provided, however, that no such action shall in any way prejudice or harm the Franchisee.

10.2.4 With respect to Franchisee's indemnity obligations set forth in Section 10.2, Franchisee shall provide the defense of any claims, suits, causes of action, or proceedings brought against the County and any Participating Municipality by selecting counsel of Franchisee's choice to defend the claim, subject to the consent of the County, which shall not unreasonably be withheld. Nothing herein shall be deemed to prevent the County from cooperating with the Franchisee and participating in the defense of any litigation by its own counsel at its own cost and expense, provided however, that after consultation with the County, Franchisee shall have the right to defend, settle or compromise any claim, suit, cause of action, or proceeding arising hereunder, so long as the settlement includes a full release of the County, and Franchisee shall have the authority to decide the appropriateness and the amount of any such settlement. If the County does not consent to the terms of any such settlement or compromise, Franchisee shall not settle the claim or action but its obligation to indemnify the County shall in no event exceed the amount of such settlement. If Franchisee fails, after notice pursuant to subsection 10.2.4, to undertake the County's defense of any claims encompassed within this Section 10.2, Franchisee's indemnification shall include, but is not limited to, the County's reasonable attorneys' fees, including fees for outside counsel hired to defend the County, incurred in defending against any such claim, suit, cause of action, or proceeding, any interest charges arising from any claim, suit, cause of action, or proceeding arising under this Agreement or the Cable Law, the County's out-of-pocket expenses, and the reasonable value of any services rendered by the County's Attorney or the County's staff or their employees. The Participating Municipalities shall have the same rights as the County hereunder with respect to any claim or action asserted against them.

10.2.5 Neither the provisions of this Section nor any damages recovered by the County or Participating Municipalities shall be construed to limit the liability of the Franchisee or its subcontractors for damages under the Agreement or the Cable Law or to excuse the faithful performance of obligations required by the Agreement, except to the extent that any

monetary damages suffered by the County or Participating Municipalities have been satisfied by a financial recovery under this Section or other provisions of the Agreement or the Cable Law.

10.2.6 The County and Participating Municipalities shall at no time be liable for any injury or damage occurring to any Person or property from any acts or omissions of Franchisee in the construction, maintenance, use, operation or condition of the Cable System. It is a condition of this Agreement that the County and Participating Municipalities shall not and does not by reason of this Agreement assume any liability whatsoever of the Franchisee for injury to Persons or damage to property.

10.2.7 Nothing in this Agreement shall be construed to waive the County's or Participating Municipalities' governmental immunity.

SECTION 11 TRANSFER OF FRANCHISE

11.1 Cable Law Controls: The Cable Law shall control the respective rights of Franchisee and County in the event of any franchise transfer.

11.2 Transferee's Agreement: No application for a Transfer of the Franchise shall be granted unless the transferee agrees in writing that it will abide by and accept all terms of this Agreement and the Cable Law, and that it will assume the obligations, liabilities, and responsibility for all acts and omissions, known and unknown, of the previous Franchisee under this Agreement and the Cable Law for all purposes, including renewal, unless the County and Participating Municipalities, in their sole discretion, expressly waive this requirement in whole or in part.

SECTION 12 RENEWAL OF FRANCHISE

12.1 Relation to Federal Law: The County, any Participating Municipalities and Franchisee agree that any proceedings undertaken by the County or Participating Municipalities that relate to the renewal of this Franchise shall be governed by and comply with the provisions of Section 626 of the Communications Act, 47 U.S.C. §546 and Section 8A-22 of the Cable Law, to the extent that it is not inconsistent with federal law.

12.2 Notification of Needs Assessments: In addition to the procedures set forth in said Section 626 of the Communications Act and if the County or any Participating Municipality engages in a formal renewal of the Franchise, the County and any Participating Municipality agree to notify Franchisee of any assessments of their future cable-related community needs and interests or of the past performance of Franchisee under the then current Franchise term upon which the County or the Participating Municipality intends to rely during formal renewal proceedings. The County and any Participating Municipality further agree that if they issue any request for a proposal under 47 U.S.C. §546(b), such assessments shall be provided to Franchisee promptly so that Franchisee has adequate time to submit a proposal under Section 626 and complete renewal of the Franchise prior to expiration of its term.

SECTION 13 ENFORCEMENT AND TERMINATION OF FRANCHISE

13.1 Audits and Actions Regarding Fee Payments; Limitations: The County shall have the right to inspect books and records relating to the Cable System and to audit and recompute any amounts determined to be payable under this Agreement, whether the records are held by Franchisee, an Affiliate, or any other agent of Franchisee.

13.1.1 Franchisee shall be responsible for making available to the County all records necessary to confirm the accurate payment of Franchise fees and PEG Grants, without regard to by whom they are held. Such records shall be made available pursuant to the requirements of Section 9 herein. Franchisee shall maintain such records in accordance with its normal record retention policy, which Franchisee shall provide to the County within thirty (30) days of the execution of this Agreement and shall provide again whenever Franchisee changes that policy over the course of the Franchise term.

13.1.2 The County's audit expenses shall be borne by the County unless the audit discloses an undisputed underpayment of more than five (5%) percent of any quarterly payment, in which case the County's reasonable and verifiable out-of-pocket costs of the audit shall be borne by Franchisee as a cost incidental to the enforcement of the Franchise, provided, however that the Franchisee's obligation to pay or reimburse the County's verified audit expenses shall not exceed in the aggregate fifty thousand dollars ($50,000) per audit, adjusted annually for inflation based on the annual average of the Consumer Price Index for all urban consumers for the Washington-Baltimore MSA, as published by the Bureau of Labor Statistics. Any additional undisputed amounts due to the County as a result of the audit shall be paid within thirty (30) days following written notice to Franchisee by the County of the underpayment, which notice shall include a copy of the audit report. If recomputation from an undisputed amount results in additional revenue to be paid to the County, Franchisee shall pay any applicable penalties and interest charges computed from such due date, as provided for in the Cable Law. Any audit fees paid by the County shall not be determined based on a percentage of audit findings basis.

13.1.3 In the event the Franchisee disputes any underpayment discovered as the result of an audit conducted by the County, the Franchisee and the County shall work together in good faith to promptly resolve such dispute. Both Parties shall maintain all rights and remedies available at law regarding any disputed amounts.

13.2 End of Franchise Term: Upon completion of the term of the Franchise granted under this Agreement or if Franchise is revoked pursuant to Section 13.3 below, if a new, extended, or renewed Franchise is not granted to the Franchisee by the County or a Participating Municipality, the Franchisee's right, granted pursuant to Section 2.1.1, to own, construct, operate and maintain the Cable System in the Public Rights-of-Way within the Franchise Area for the sole purpose of providing Cable Service shall terminate as applicable, subject to applicable federal law.

13.3 Revocation for Material Violation: The County Council shall have the right to revoke the Franchise for the Franchisee's material violation of this Agreement pursuant to Section 8A-24 of the Cable Law.

13.4 Rights and Remedies:

13.4.1 The rights and remedies reserved to both parties herein are cumulative and shall be in addition to all other rights and remedies which either Party may have with respect to the subject matter of this Agreement, whether reserved herein or authorized by applicable law.

13.4.2 The following violations by the Franchisee of this Agreement are material violations of this Agreement for purposes of this Section:

13.4.2.1 Transfer of the Franchise without approval pursuant to Section 11, or failure to notify pursuant to Cable Law, Section 8A-3, definition of "Transfer" paragraph (3)(A)(iv);

13.4.2.2 Habitual or persistent failure to provide Cable Service as specified in Section 3 or to comply with the Indefeasible Right of Use Agreement in Exhibit E;

13.4.2.3 Failure to make Cable Service available to the Franchise Area under the terms and conditions established in Section 3;

13.4.2.4 Habitual or persistent failure to meet FCC technical standards;

13.4.2.5 Failure to maintain the EAS pursuant to Section 5.4 in the event of an emergency;

13.4.2.6 Habitual or persistent failure to provide PEG Grants pursuant to Section 6.2;

13.4.2.7 Habitual or persistent failure to provide the PEG Channels pursuant to Section 6;

13.4.2.8 Habitual or persistent failure to provide Cable Service to public buildings pursuant to Section 3.3;

13.4.2.9 Habitual or persistent failure to pay Franchise fees pursuant to Section 7;

13.4.2.10 Habitual or persistent failure to meet reports and records requirements in a timely manner pursuant to Section 9;

13.4.2.11 Habitual or persistent failure to satisfy insurance requirements pursuant to Section 10.1;

13.4.2.12 Habitual or persistent failure to maintain Performance Sureties pursuant to Sections 13.5;

13.4.2.13 Habitual or persistent violation of consumer protection requirements pursuant to applicable law;

13.4.2.14 Habitual or persistent violation of Subscriber privacy requirements pursuant to 47 U.S.C. § 551;

13.4.2.15 Habitual or persistent discrimination among Subscribers in violation of 47 U.S.C. § 541(a)(3); and

13.4.2.16 Habitual or persistent material customer service standard violations other than those for which liquidated damages have been assessed and paid.

13.5 Performance Sureties:

13.5.1 Except as provided below, the Franchisee shall obtain and maintain during the entire Franchise Term, including any extensions thereof, Performance Sureties in the County's and Participating Municipalities' favor in the amount of two hundred fifty thousand dollars ($250,000) as a performance bond ("Performance Bond") and in the amount of one hundred thousand dollars ($100,000) as a letter of credit ("Letter of Credit") in order to ensure the Franchisee's faithful performance of its obligations under this Agreement. The Performance Bond and the Letter of Credit shall each be in substantially the forms as attached as Exhibit E to this Agreement. The Letter of Credit shall be provided by a third party agent ("Third Party Agent") approved by the County. The Franchisee shall maintain such Letter of Credit at all times throughout the term of the Agreement and for a period of one year following the expiration or termination of the Agreement.

13.5.2 There shall be recoverable by the County or by the County on behalf of any Participating Municipality from Franchisee and the Performance Sureties, any and all amounts due to the County or any Participating Municipality and any and all damages, losses, costs, and expenses incurred by the County or any Participating Municipality resulting from the failure of the Franchisee to comply with the material provisions of this Agreement, to comply with all orders, permits and directives of any County agency or body having jurisdiction over its acts or defaults, to pay fees or penalties due to the County or any Participating Municipality, to pay any claims, taxes or liens due to the County or any Participating Municipality related to activities arising under this Agreement or to pay liquidated damages to the County. Such losses, costs and expenses shall include but not be limited to reasonable attorney's fees and other associated expenses.

13.5.3 The total amount of the Performance Sureties required by this Agreement shall be forfeited in favor of the County or to the County on behalf of any Participating Municipality if:

13.5.3.1 The Franchisee abandons the Cable System at any time during the Franchise Term or any extension thereto; or

13.5.3.2 The Franchisee carries out a Transfer requiring County and Participating Municipality approval as stated in Section 11 of this Agreement without obtaining County and Participating Municipality approval.

13.5.4 The Franchisee shall not permit the Performance Sureties to expire or approach less than thirty (30) days prior to expiration without securing and delivering to the

County substitute, renewal or replacement Performance Sureties in conformance with the provisions of this Agreement.

13.5.5 The following Letter of Credit Procedures shall apply:

13.5.5.1 If the County notifies the Franchisee of any amounts due to the County or a Participating Municipality pursuant to this Agreement or applicable law, and the Franchisee does not make such payment within thirty (30) days, the County may withdraw the amount in question, with any applicable interest and penalties, from the Letter of Credit by notice to the Franchisee and the Third Party Agent specifying the amount and purpose of such withdrawal. However, if within this thirty (30) day time frame, Franchisee gives written notice it disputes entitlement to payments from Franchisee for which it has refused to make payment, the Parties shall promptly meet to attempt to resolve the dispute in good faith amongst themselves.

13.5.5.2 If at the time of a withdrawal from the Letter of Credit by the County, the amount available with the Third Party Agent is insufficient to provide the total payment of the claim asserted in the County's notice of withdrawal, the balance of such claim shall not be discharged or waived, but the County may continue to assert the same as an obligation of the Franchisee to the County or any Participating Municipality.

13.5.5.3 No later than thirty (30) days after mailing of notification to the Franchisee by certified mail, return receipt requested, of a withdrawal under the Letter of Credit, the Franchisee shall restore the amount of the Letter of Credit to $100,000.

13.5.5.4 In the event the Third Party Agent serves notice to the County that it elects not to renew the Letter of Credit, the County may withdraw the entire amount of the Letter of Credit unless the Franchisee provides a substitute Letter of Credit, in substantially the same form, from a Third Party Agent approved by the County, before the effective Letter of Credit expires.

13.5.6 The following Performance Bond requirements and procedures shall apply:

13.5.6.1 The Performance bond shall be issued by a surety qualified to do business in Maryland and with an A+9 or better rating for financial condition and financial performance in Best's Key Rating Guide, Property/Casualty Edition; shall be in a form approved by the County; and shall contain the following endorsement:

> This bond may not be canceled, or allowed to lapse, until sixty (60) days after receipt by the County, by certified mail, return receipt requested, of a written notice from the issuer of the bond of intent to cancel or not to renew."

13.5.6.2 Upon written application by the Franchisee, the County may, at its sole option, in writing, permit the amount of the bond to be reduced or waive the requirements for a performance bond. Reductions granted or denied upon application by the Franchisee shall be without prejudice to the Franchisee's subsequent applications or to the

County's right to require the full bond at any time thereafter. However, no application shall be made by the Franchisee within one (1) year of any prior application.

13.5.6.3 The County may not attempt to collect under this Performance Bond unless thirty (30) days have passed since the County provided the Franchisee with written notice of its intent to collect under the Performance Bond. If within this thirty (30) day time frame, Franchisee gives written notice it disputes entitlement to payments from Franchisee for which it has refused to make payment, the Parties shall promptly meet to attempt to resolve the dispute in good faith amongst themselves.

13.5.7 If the Franchisee is unable to secure a Performance Sureties as required under this Agreement, the Franchisee shall be able to provide either a cashier's check or other security acceptable to the County.

13.5.8 Nothing in this Agreement shall prohibit the Franchisee from submitting the Performance Sureties as an element of Montgomery County permitting application.

13.6 Liquidated Damages:

13.6.1 Because the Franchisee's failure to comply with provisions of this Agreement will result in injury to the County and/or Participating Municipalities, and because it will be difficult to estimate the extent of such injury, the County and the Franchisee agree to the liquidated damages provided for in this Section, with such liquidated damages representing both Parties' best estimate of the damages resulting from the specified violations. Such damages shall not be a substitute for actual performance by the Franchisee of a financial payment, but shall be in addition to any such actual performance. The failure of a Franchisee to hire sufficient staff or to properly train its staff shall not preclude the application of the provisions in this Section.

13.6.2 The County, or its designee, shall have the authority to waive or reduce the liquidated damage amounts herein for good cause.

13.6.3 Cure periods listed below shall begin to run at the time the Franchisee is notified in writing of a violation by the County, unless otherwise specified below. Should the County elect to receive liquidated damages for any of the violations enumerated herein, such liquidated damages shall be the County's sole remedy for the violations occurring during the period of time to which the liquidated damages apply.

13.6.4 On an annual basis from the Effective Date, the Franchisee shall be liable for liquidated damages up to one hundred thousand ($100,000) (the "Liquidated Damages Cap"); provided, however, the Franchisee may pay any amount in excess of the Liquidated Damages Cap. The liquidated damages may be assessed only by the County and any assessments shall be made in the following manner:

13.6.4.1 For failure to substantially comply with requirements for PEG use of the Cable System pursuant to Sections 3.3, 6.1, 6.4, 6.5 and 6.6 and subsections 6.7.2, and 6.7.5, $1,000 per day for each day compliance is delayed beyond a fourteen (14) day cure period, if the Franchisee has not undertaken substantial corrective action to cure the violation within that fourteen (14) day cure period;

13.6.4.2 For failure to provide complete and accurate information, reports, or filings lawfully required under this Agreement: $200 per day for each day that each such filing is delayed beyond a thirty (30) day cure period;

13.6.4.3 For each day during which the County determines that the Franchisee has violated customer service standards pursuant to Exhibit C, except for those standards set forth in sub-subsections 13.6.4.4 and 13.6.4.5 below: $200, per violation, treating each failure to comply as a separate violation, following a seven (7) day cure period, except that such cure period does not apply to customer service standards that themselves provide a time to act or a specific cure period;

13.6.4.3.1 A separate violation under sub-subsection 13.6.4.3 shall be deemed to occur whenever the County reasonably determines that a separate customer service standard violation has occurred on one day. Thus, for example, if the Franchisee fails to provide Cable Service to one subscriber for two days pursuant to Exhibit C, there would be two violations; if the Franchisee fails to keep an appointment pursuant to Exhibit C with one Subscriber on one day and on that same day, independent of the missed appointment, the Franchisee fails to disclose price terms to that same Subscriber, then there would be two violations. However, the Franchisee shall not be charged with multiple violations for a single act or event affecting a single Subscriber or for a single act or event affecting multiple Subscribers on the same day. For example, the failure of the Franchisee to send out its annual notice to multiple Subscribers would constitute a single violation.

13.6.4.4 For failure to issue an undisputed refund or credit pursuant to Exhibit C after being directed by the County to do so: $200 per violation, treating each failure to comply as a separate violation, following a seven (7) day cure period;

13.6.4.5 For failure to meet customer service standards with regard to telephone answering time, time to transfer a call to a customer service representative, or excessive busy signals: if such standards are not met according to the terms in which such standards are established in Exhibit C: $500 for each quarter in which such standards were not met if the failure was by less than five (5%) percent; $1,000 for each quarter in which such standards were not met if the failure was by five (5%) percent or more but less than fifteen (15%) percent; and $2,000 for each quarter in which such standards were not met if the failure was by fifteen (15%) percent or more;

13.6.4.6 For failure to render payment for Audit Fees pursuant to Section 13.1, or failure to pay capital grants or expenditures, or liquidated damages up to the Liquidated Damages Cap: $100, for each day each such payment is delayed, following a seven (7) day cure period;

13.6.4.7 For failure to file, obtain or maintain the required Performance Sureties or other securities as specified in Section 13.5 in a timely fashion: $200 per day, following a fourteen (14) day cure period;

13.6.4.8 For violation of applicable technical standards established by the FCC or other lawful authority: $100 per day for each day the violation continues after a thirty (30) day cure period;

13.6.4.9 For failure, unless such failure is beyond the Franchisee's control, of the Emergency Alert System to perform in the event of a public emergency or vital information situation: $250 per occurrence;

13.6.4.10 For a Transfer without approval: $2,000 per day for each day the violation continues;

13.6.4.11 For failure to restore damaged property: $50 per day in addition to the cost of restoration as required elsewhere herein;

13.6.4.12 For any other material violations of this Agreement or the Cable Law (if applicable): $50 per day for each violation for each day the violation is not remedied beyond a thirty (30) day cure period;

13.7 Franchise Termination: Subject to federal law, the Cable Law shall control the respective rights of Franchisee and County in the event of franchise termination.

SECTION 14 MISCELLANEOUS PROVISIONS

14.1 Actions of Parties: In any action by the County or Franchisee that is mandated or permitted under the terms hereof, such Party shall act in a reasonable, expeditious, and timely manner.

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

14.3 Preemption: In the event that federal or state law, rules, or regulations preempt a provision or limit the enforceability of a provision of this Agreement, the provision shall be read to be preempted to the extent, and for the time, but only to the extent and for the time, required by law. In that event, the Parties shall negotiate in good faith to reconstitute this Agreement in a form that, to the maximum extent possible, is consistent with the Parties' original intent and preserves the benefits bargained for by each Party. In the event such federal or state law, rule or regulation is subsequently repealed, rescinded, amended or otherwise changed so that the provision hereof that had been preempted is no longer preempted, such provision shall return to full force and effect, and shall thereafter be binding on the Parties hereto, without the requirement of further action on the part of the County.

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

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

14.5.1 Notices to Franchisee shall be mailed to:

Comcast of Potomac, LLC
442 W. Patrick Street
Frederick, Maryland 21701
Attn: Government Affairs Department

with a copy to:

Comcast Cable
1301 McCormick Drive, 4th Floor
Largo, Maryland 20774
Attn: Government Affairs Department

and to:

Comcast Cable Northeast Division
676 Island Pond Road
Manchester, New Hampshire 03109
Attn: Government Affairs Department

14.5.2 Notices to the County shall be mailed to:

County Executive
Office of the County Executive
101 Monroe Street
Rockville, Maryland 20850

with a copy to:

Cable and Broadband Administrator
Office of Cable and Broadband Services
100 Maryland Avenue, Suite 250
Rockville, Maryland 20850

14.6 Entire Agreement: This Agreement embodies the entire understanding and agreement of the County, any Participating Municipalities and the Franchisee with respect to the subject matter hereof and merges and supersedes all prior representations, agreements, settlement agreements, transfer agreements and understandings, whether oral or written, between the County, any Participating Municipalities and the Franchisee with respect to the subject matter hereof, including, without limitation, any and all written or oral statement or representations by any official, employee, agent, attorney, consultant, or independent contractor of the County, a Participating Municipality or the Franchisee.

14.7 Exhibits: The exhibits to this Agreement (the "Exhibits"), attached hereto, and all portions thereof, are, except as otherwise specified in such Exhibits, incorporated herein by reference and expressly made a part of this Agreement. The procedures for approval of any

subsequent amendment or modification to said Exhibits shall be the same as those applicable to any amendment or modification hereof, except as specified in such Exhibit or elsewhere in this Agreement.

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

14.9 Severability: If any section, subsection, sentence, paragraph, term, or provision of this Agreement shall, to any extent, be held to be illegal, invalid, or unenforceable, the remainder hereof shall be valid in all other respects and continue to be effective.

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

14.11 No Oral Modifications: This Agreement shall not be modified except by written instrument executed by the County (and the relevant Participating Municipality as appropriate) and the Franchisee.

14.12 Prohibition Against Discrimination: The Franchisee shall adhere to the Equal Employment Opportunity regulations of the FCC and to all federal, state and local laws, and executive orders pertaining to discrimination, equal employment opportunity and affirmative action that are applicable to the Franchisee.

14.13 Connections to the Cable System; Use of Antennas:

14.13.1 To the extent consistent with federal law, Subscribers shall have the right to attach devices to the Cable System to allow them to transmit signals or service to video cassette recorders, receivers and other terminal equipment, and to use their own remote control devices and converters, and other similar equipment, so long as such devices do not interfere with the operation of the Cable System, or the reception of any cable Subscriber, nor serve to circumvent the Franchisee's security procedures, nor for any purpose to obtain services illegally. The Franchisee shall provide information to consumers which will allow them to adjust such devices so that they may be used with the Cable System.

14.13.2 The Franchisee shall not, as a condition to providing Cable Service, require a Subscriber to remove any existing antenna or disconnect an antenna, or prohibit or discourage a Subscriber from installing an antenna switch, provided that such equipment and installations are consistent with applicable law and technically able to shield the Cable System from any interference.

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

14.15 County Bears Its Own Costs: Unless otherwise expressly provided in this Agreement, all acts that the County and any Participating Municipality are required to perform must be performed at their own expense.

14.16 Rights of Third Parties: Nothing herein shall be construed to give any Person other than the Franchisee or the County or any Participating Municipality a right to assert any claim or cause of action against the Franchisee, the County or a Participating Municipalities, its employees, elected or appointed officials, officers, commissions, commissioners, boards or agents.

14.17 Rate Regulation: The County and Participating Municipalities reserve all of their rights to regulate Franchisee's rates to the maximum extent permitted by law.

14.18 Governing Law: This Franchise Agreement shall be governed in all respects by the laws of the State of Maryland, the County, and applicable federal law.

14.19 Jurisdiction and Venue: Franchisee consents to venue and jurisdiction in the U.S. District Court for the District of Maryland and the Circuit Court for Montgomery County, Maryland.

14.20 Employment, Training, And Contracting Requirements:

14.20.1 Employment:

14.20.1.1 Franchisee shall, in accordance with Federal, State, County and local laws and ordinances and regulations, afford equal opportunity and nondiscrimination in employment to all individuals, regardless of their race, color, religion, age, sex, national origin, sexual orientation or handicap. Franchisee shall comply with all applicable requirements of the Americans with Disabilities Act.

14.20.1.2 Franchisee agrees that it shall give documentary evidence as to the steps it took to ensure that a good faith effort was made by it to comply with subsection 14.20.1 above.

14.20.2 Training: Franchisee shall provide training on an ongoing basis for its employees to maintain and upgrade skills and to prepare for promotional opportunities.

14.20.3 Contracting:

14.20.3.1 Franchisee shall establish and maintain a program to purchase goods and services from minority, female, and disabled-owned ("MFD") businesses consistent with the purposes of the County's MFD program.

14.20.3.2 Franchisee shall file with the County a copy of Franchisee's Annual Report which Franchisee files with the Maryland Public Service Commission detailing total procurement, MFD procurement by MFD category, procurement type, and dollar value within the State of Maryland.

14.20.4 Performance: Performance in employment and MFD procurement shall be considered in any request for renewal of this Franchise.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties have set their hands and seals effective as of the date written above.

MONTGOMERY COUNTY, MARYLAND

By _____
Isiah Leggett
County Executive

Approved as to Form and Legality

By: _____
Clifford L. Royalty
Office of the County Attorney

COMCAST OF POTOMAC, LLC

By: Thomas S. Coughlin
Thomas S. Coughlin
Senior Regional Vice-President

EXHIBIT A

PARTICIPATING MUNICIPALITIES

Barnesville (1 public building)
Brookeville (1 public building)
Chevy Chase Village (1 public building)
Chevy Chase Section 3 (1 public building)
Town of Chevy Chase (1 public building)
Chevy Chase Section 5(1 public building)
Chevy Chase View (1 public building)
Garrett Park (1 public building)
Glen Echo (1 public building)
Kensington (2 public buildings)
Laytonsville (1 public building)
North Chevy Chase (1 public building)
Poolesville (1 public building)
Rockville (5 public buildings)
Somerset (1 public building)
Takoma Park (5 public buildings)
Washington Grove (1 public building)
Village of Martin's Additions (1 public building)

EXHIBIT B

STANDARD DEFINITION PEG CHANNELS

Subject to the County's rights regarding allocation of channels, and Section 6 of the Franchise Agreement, Franchisee shall carry at least the following PEG Channels currently being provided in the County:

	Current SD Channel Position
Public Access Montgomery	19
Public Access Montgomery	21
Montgomery College TV	10
MCPS Instructional TV	33
MCPS Instructional TV	34
University of MD (UMTV)	2
University of MD (UMUC-TV)	18
County Cable Montgomery	6
Montgomery Municipal Cable	16
Rockville 11	11
Takoma Park	13

EXHIBIT C

CUSTOMER SERVICE STANDARDS

This Exhibit sets forth the minimum customer service standards that the Franchisee must satisfy. In addition, and subject to the provisions of this Agreement, the Franchisee shall at all times satisfy any additional requirements established by applicable federal and state law or regulation, as the same may be amended from time to time, including, without limitation, consumer protection laws.

I. DEFINITIONS

The County and the Franchisee agree that the following definitions shall govern the County's enforcement of and the Franchisee's obligations under the customer service standard requirements under this Exhibit C:

As Soon As Possible: As used in 47 C.F.R. § 76.1603(b), a minimum of thirty (30) days in advance of such change.

Next Billing Cycle: As used in 47 C.F.R. § 76.309(c)(3)(i)-(ii) and in this Agreement, means the Subscriber's next available billing cycle.

Resolution of the Request: As used in 47 C.F.R. § 76.309(c)(3)(i)(A), means the Subscriber's Next Billing Cycle following determination by the Franchisee of the Subscriber's right to a refund.

Standard Installation: Installations where the customer's premises are within two hundred (200) feet of the trunk and distribution system, or the edge of the property, whichever is less.

System Malfunctions: Service impacting event originating at the Franchisee's video hub offices, headend or a major fiber cut that would require the report of an unplanned outage in subsection 9.11.2.

System Outage: A Service Interruption affecting more than 10 Subscribers.

II. CUSTOMER SERVICE STANDARDS

A. Except as modified by a specific provision of this Exhibit, the Franchisee shall comply with the customer service standards set forth by the FCC in 47 C.F.R. §§ 76.309(c), 76.1602, 76.1603, and 76.1619, as such standards may be amended.

B. Measurement of the standard in 47 C.F.R. § 76.309(c)(I)(ii) may include all calls received by the Franchisee at all call centers receiving calls from Subscribers, whether they are answered by a live representative or by an automated attendant.

C. In addition, no increase in rates or charges shall be implemented unless each Subscriber subject to the increase in rates and charges has been notified of the change at least thirty (30) days in advance of the change. In addition, the Franchisee shall provide oral or written notification of any pending increases to rates and charges to any Person who requests Cable Service or becomes a Subscriber after any approval of increases to rates and charges but before the rate increase becomes effective.

D. The Franchisee shall employ an operator or maintain a telephone answering device twenty-four hours per day, each day of the year, to receive Subscriber complaints. During normal business hours, Franchisee representatives must be available to respond to customer inquiries. After normal business hours, Franchisee may use an answering service or machine so long as calls are answered the next business day. The Franchisee must hire sufficient staff so that it can adequately respond to customer inquiries, complaints, and requests for service in its office, over the phone, and at the Subscriber's residence.

E. There shall be a location within the Franchise Area that shall be open and accessible to the public to make payments and to pick up or drop off equipment. A location in the Franchise Area shall be open during normal business hours to allow Subscribers to request service, pay bills and conduct other business with Franchisee. Any physical location required under this paragraph shall be accessible to persons with disabilities and shall be in compliance with the Americans with Disabilities Act and any applicable laws of the State of Maryland.

F. In order to allow the Franchisee to efficiently pick up equipment and for Subscribers to easily drop off the Franchisee's equipment, in addition to Subsection E, at no charge to Subscribers, the Franchisee shall offer to have a Franchisee representative pick up or drop off equipment at the Subscriber's residence, and within one (1) year of the Effective Date of this Agreement, offer subscribers a prepaid mailer to receive or return equipment.

G. The Franchisee shall establish maintenance service capable of promptly locating and correcting System Malfunctions and System Outages.

H. The Franchisee shall maintain a publicly-listed, local toll-free telephone number that shall be available to Subscribers to request service calls, twenty-four hours per day, each day of the year. Franchisee shall have TDD/TTY (or equivalent) equipment, and a publicly listed telephone number for such equipment, that will allow hearing impaired customers to contact the Franchisee. Under Normal Operating Conditions, Cable System calls must be answered by a customer service representative or by an automated attendant, including the time a caller is put on hold, within 30 seconds after the connection is made. If the call is transferred to a customer service representative, the transfer may not exceed 30 seconds. Under Normal Operating Conditions, a Subscriber may receive a busy signal no more than three percent (3%) of the time. Although no special equipment is required to measure telephone answering and hold times, Franchisee should use its best efforts to document compliance. These requirements must be met ninety percent (90%) of the time, measured quarterly.

I. The Franchisee shall keep an emergency system maintenance and repair staff, capable of responding to and repairing System Malfunctions, System Outages, or Service Interruptions, on a twenty-four (24) hour basis at all times, and under Normal Operating Conditions shall Respond twenty-four (24) hours a day, seven (7) days a week.

J. Under Normal Operating Conditions, billing inquiries and requests for service, repair, and maintenance not involving Service Interruptions must be acknowledged by a trained customer service representative within twenty-four (24) hours, or prior to the end of the next business day, whichever is earlier. The Franchisee shall respond to all other inquiries within five (5) business days of receipt of the inquiry or complaint. Final resolution shall not be unreasonably delayed.

K. To the extent consistent with federal law, no charge shall be made to the Subscriber for repairs or maintenance of Franchisee-owned equipment or facilities, except for the cost of repairs to the Franchisee's equipment or facilities where it can be shown that the equipment or facility was damaged by a Subscriber.

L. If requested by a mobility-limited customer, the Franchisee shall arrange, at no charge to the Subscriber, for pickup and/or replacement of converters or other Franchisee equipment at the Subscriber's address or by a satisfactory equivalent.

M. Under Normal Operating Conditions, the Franchisee must Respond to a call from a Subscriber regarding a Service Interruption or other service problems within the following time frames:

(1) Franchisee must begin work on Service Interruptions within twenty-four (24) hours, including weekends, of receiving a Subscriber's call reporting a Service Interruption or the need for repairs otherwise become known to Franchisee.

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

N. The Franchisee's service representatives will have the ability to issue service credits to address customer complaints related to missed appointments and Service Interruptions.

O. In the event of a Service Interruption of one or more channels to any Subscriber, the Franchisee shall repair the Service Interruption as soon as possible. This obligation is satisfied if the Franchisee offers the Subscriber the next available repair appointment within the 24-hour period following the Service Interruption, or at the request of the Subscriber, to a mutually convenient later time for the repair call, and successfully repairs the Service Interruption during the agreed appointment. Under Normal Operating Conditions, if the Service Interruption is not repaired at the time of the scheduled appointment, the Subscriber will receive a credit of 10% of the Subscriber's normal monthly bill for each 24-hour period, or segment thereof, that the Service Interruption continues beyond the scheduled repair call.

P. The Franchisee shall provide the following materials to each Subscriber at the time Cable Service is installed, at least annually thereafter, and at any time upon request. Copies of all such materials provided to Subscribers shall also be provided to the County and posted on the Franchisee's website:

(1) a written description of products and services offered, including a schedule of rates and charges, a list of channel positions, and a description of programming services, options, and conditions;

(2) a written description of the Franchisee's installation and service maintenance policies, and any other of its policies applicable to its subscribers;

(3) written instructions on how to use the Cable Service;

(4) written instructions for placing a service call;

(5) a written description of the Franchisee's billing and complaint procedures, including the address and telephone number of the County office responsible for receiving Subscriber complaints;

(6) a copy of the service contract, if any;

(7) notice regarding Subscribers' privacy rights pursuant to 47 U.S.C. § 551;

(8) notice of the availability of universal remote controls and other compatible equipment (a list of which, specifying brands and models, shall be provided to any Subscriber upon request); and

(9) The provision of information regarding delinquent subscriber disconnect and reconnect procedures under Section 8A-14 (d) of the Cable Law will be accomplished by Franchisee posting such information on its website.

Q. Subscribers and the County will be notified of any changes in programming services or channel positions, and any significant changes in any other information required to be provided by this section in writing. Notice must be given to subscribers and the County a minimum of thirty (30) days in advance of such changes and other significant changes if the change is within the control of the cable operator.

R. All Franchisee promotional materials, announcements, and advertising of residential Cable Service to Subscribers and the general public, where price information is listed in any manner, shall clearly and accurately disclose price terms. In the case of pay-per-view or pay-per-event programming, all promotional materials must clearly and accurately disclose price terms and in the case of telephone orders, the Operator shall take appropriate steps to ensure that price terms are clearly and accurately disclosed to potential customers before the order is accepted.

S. The Franchisee shall maintain a public file containing all notices provided to Subscribers under these customer service standards. Copies of all such notices provided to Subscribers shall also be provided to the County. The notices shall be placed promptly in the public file and maintained for at least one year from the date of the notice.

T. The Franchisee shall establish a clear procedure for resolving complaints filed by Subscribers. Complaints may be made orally, in writing (including by e-mail), at the complainant's option.

U. Subject to Section 2.2 and subsection 2.8.1, the customer service standards set forth herein shall be in addition to the rights and remedies provided by Title 13 of the Maryland Commercial Law Article (the Maryland Consumer Protection Act), as amended, and Chapter 11 (Consumer Protection) of the Montgomery County Code, 2004, as amended. This subsection does not evidence any consent or recognition by Franchisee of the legality of any provision of Title 13 of the Maryland Commercial Law Article (the Maryland Consumer Protection Act), as amended, or Chapter 11 (Consumer Protection) of the Montgomery County Code, 2004, as amended.

V. Section 8A-14(e) of the Cable Law shall be implemented in the following manner. The Franchisee shall schedule and conduct maintenance on the Cable System so that interruption of Service is minimized and occurs during periods of minimum Subscriber use of the Cable System. The Franchisee shall provide reasonable prior notice to Subscribers and the County before interrupting Service for planned maintenance or construction, except where such interruption is expected to be two hours or less in duration. Such notice shall be provided by methods reasonably calculated to give Subscribers actual notice of the planned interruption.

W. The Subscriber's preference as to the point of entry into the residence shall be observed whenever feasible. Runs in building interiors shall be as unobtrusive as possible. The Franchisee shall use due care in the process of installation and shall restore the subscriber's property to its prior condition. Such restoration shall be undertaken and completed promptly if an unsafe condition exists, or if not, as soon as possible after the damage is incurred and shall be completed within no more than thirty (30) days after the damage is incurred.

X. In locations where the Franchisee's System must be underground, drops must be placed underground as well. Except as federal law may otherwise require, in any area where the Franchisee would be entitled to install a drop above-ground, the Franchisee will provide the homeowner the option to have the drop installed underground if requested, but may charge the homeowner the difference between the actual cost of the above-ground installation and the actual cost of the underground installation.

Y. The Franchisee shall use its best efforts to collect on delinquent Subscriber accounts before terminating Service. In all cases, the Franchisee shall provide the Subscriber with at least ten (10) working days written notice, with the telephone number to call to arrange payment or to resolve disputes, prior to disconnection.

Z. Under Normal Operating Conditions, each of the following standards shall be met by Franchisee at least 95% of the time, as measured on a quarterly basis:

(1) Prompt Service. The Standard Installation shall be performed within seven (7) business days after an order is placed subject to Section 3 of the Agreement.

(2) Repairs and Maintenance. Repairs and maintenance for Service Interruptions and other repairs not requiring work within a Subscriber's premises must be completed within 24-hours of the time the Subscriber reports the problem to the Franchisee or its representative or the interruption or need for repairs otherwise becomes known to the Franchisee. Work on all other requests for Service shall be scheduled for the next available

appointment, or at a later time mutually agreeable to the Franchisee and the Subscriber. Franchisee shall exercise its best efforts to complete such work within three (3) days from the date of the initial request, except installation requests, provided that the Franchisee shall complete the work in the shortest time possible where, for reasons beyond the Franchisee's control, the work could not be completed in those time periods even with the exercise of all due diligence; the failure of the Franchisee to hire sufficient staff or to properly train its staff shall not justify the Franchisee's failure to comply with this provision.

(3) Service Times. The Franchisee shall perform service calls, installations, and disconnects at least during normal business hours. The Franchisee will offer Subscribers "appointment window" alternatives for arrival to perform installations, service calls and other activities of a maximum four (4) hours scheduled time block. At the Franchisee's discretion, the Franchisee may offer Subscribers appointment arrival times other than these four (4) hour time blocks, if agreeable to the Subscriber.

(4) Cancellation. The Franchisee may not cancel an appointment with a Subscriber after the close of business on the business day preceding the appointment. If the Franchisee's representative is running late for an appointment with a Subscriber and will not be able to keep the appointment as scheduled, the Subscriber will be contacted, and the appointment rescheduled as necessary, at a time which is convenient for the Subscriber.

EXHIBIT D

SETTLEMENT AGREEMENT BETWEEN MONTGOMERY COUNTY, MD AND COMCAST OF POTOMAC, LLC

WHEREAS, this Agreement is between Comcast of Potomac, LLC ("Comcast" or "Franchisee") and Montgomery County, MD ("the County"). Comcast and the County may be individually referred to hereafter as a "Party" or jointly as the "Parties;"

WHEREAS, the County entered into a renewal franchise agreement with SBC Media Ventures, L.P. effective July 1, 1998 ("1998 Franchise Agreement"), and a Settlement Agreement dated June 10, 1998 ("1998 Settlement Agreement") with SBC Media Ventures, L.P. and Prime Communications, LLC, Comcast's predecessors in interest and which agreements were subsequently transferred to Comcast effective August 1, 2000 as amended;

WHEREAS, Comcast and the County have negotiated the terms of a renewal Cable Television Franchise Agreement ("the 2015 Franchise Agreement"), under which Comcast will be authorized by the County to continue to offer cable television services ("Cable Service") to residents in the County;

WHEREAS, during franchise renewal negotiations the County has alleged certain non-compliance issues on a variety of obligations including certain obligations related to the Institutional Network, customer service, and build-out;

WHEREAS, Comcast disputes the allegations of non-compliance;

WHEREAS, the County and Comcast have also determined that Comcast wishes to be relieved of certain obligations that the County believes may be otherwise required under the franchise, and the County is willing to relieve Comcast of those obligations in exchange for the benefits herein; and the parties further wish to enter into arrangements that will enhance and provide for the efficient public, educational and government use of the system;

WHEREAS, the County and Comcast desire to resolve certain non-compliance issues, and to otherwise address the matters described above;

NOW THEREFORE, in exchange for the mutual benefits and undertakings described herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

1. Terms in this Agreement shall have the same meaning as in the Indefeasible Right of Use Agreement, Attachment 1 hereto, and if not defined there, the 2015 Franchise Agreement.

2. Upon execution of this Agreement, Comcast shall pay $200,000 to the County in settlement of Comcast's alleged failure to construct fibers to certain locations as required by the 1998 Franchise Agreement, subject to paragraph 3.

3. Comcast and the County confirm that there are C-Net sites where fiber had been installed but not yet been patched into patch panels as part of the work required for that site. Comcast will patch that fiber into patch panels at the sites upon request.

4. Comcast releases any and all claims it may have against the County for reimbursement for the costs of constructing any C-Net sites at the County's request prior to the date of this Agreement, or for the provision of courtesy drops prior to the effective date of the 2015 Franchise Agreement.

5. County releases Comcast from any and all claims it may have against Comcast for the construction of any fiber required to be constructed by Comcast for the County prior to the date of this Agreement, subject to the completion of the work described in paragraph 3.

6. Comcast agrees that it will provide the courtesy drops provided for in Section 3 of the 2015 Franchise Agreement voluntarily and without offset against Franchise fees.

7. The Parties shall contemporaneously with the execution of this Agreement execute the Indefeasible Right of Use Agreement, attached hereto as Attachment 1. Comcast wishes to be relieved of any obligation that might otherwise be imposed upon it in a franchise to construct additional C-Net facilities to any additional locations, and in lieu of that obligation, and except as otherwise provided in the 2015 Franchise Agreement, the County is willing to construct connections to additional locations which Institutional Network connections will be owned and maintained by the County, and which will be connected to the C-Net either directly or via the FiberNet. To that end, and as part of this settlement, the Parties agree that the connections also will be treated as an "institutional network" within the meaning of 47 U.S.C. Section 531, and the PEG Grants described in the 2015 Franchise Agreement, and below, may be used to support the Institutional Network as defined in the Indefeasible Right of Use Agreement. The Parties recognize that the Institutional Network is used in the transmission of PEG programming.

8. Subject only to the condition described in the remainder of this paragraph, the Parties agree that the 3 % PEG Grants identified in Section 6.2.2 of the 2015 Franchise Agreement may be used for capital and non-capital support for PEG purposes, including expenditures on PEG and FiberNet. The County may use one third of the 3% PEG Grants for non-capital support without any matching conditions or requirements. As of the effective date of this Settlement Agreement, the County may use another two-thirds of the 3% PEG Grants for non-capital support equal to the amount that the County and entities that manage or program PEG channels (the "PEG Managers") expend for PEG purposes in the prior fiscal year excluding the PEG Grants. For the purposes of this Section, any and all appropriations for non-capital support for PEG purposes made for each PEG Channel in the County shall be considered in calculating the amount appropriated by the County for non-capital support for PEG purposes in a given fiscal year, including but not limited to appropriations by the County, the Participating Municipalities, the Montgomery County Public Schools, Montgomery College, and any other operating or funding authority of one or more PEG Channels in the County. If an expenditure is a capital expenditure, the expenditure may be amortized over the useful life of the capital asset.

9. This Agreement shall inure to the benefit of, and shall be binding on the Parties' respective successors and assigns.

10. This Agreement may not be modified or amended, nor any of its terms waived, except by a writing signed by duly authorized representatives of the Parties.

11. This Agreement shall be construed and enforced in accordance with the laws of the State of Maryland without regard to conflicts of law principles. All actions or suits brought hereunder or arising out of this Agreement shall be brought in the appropriate State or Federal courts in Maryland.

12. This Agreement has been negotiated by the County as agent for the Participating Municipalities. The Participating Municipalities shall be deemed third-party beneficiaries of this Agreement and shall be entitled to enforce the same with regard to their respective interests.

13. This Agreement is freely and voluntarily entered into by the Parties, without any duress or coercion, and after each Party has consulted with its counsel. Each Party hereto has carefully and completely read all of the terms and provisions of this Agreement. Each Party acknowledges that this is a full, complete and final mutual release as set forth previously herein.

14. Neither Party, nor any of its Affiliates nor the County, will take any action to challenge any provision of this Agreement as contrary to federal or state or County law or FCC regulations; nor will they participate with any other person or entity in such challenge. If any provision of this Agreement is found to be unenforceable in a final judicial or administrative proceeding, the parties shall enter into good-faith negotiations with the intent of reaching an agreement that would place the Parties substantially in the same position as if this Agreement were fully enforceable. If the negotiations do not result in agreement between the parties within sixty days from the date of the final decision referred to in the preceding sentence, then either Party may call for binding arbitration within thirty days. Such arbitration shall have the goal of placing the Parties in the same positions they would occupy if this Agreement had been fully enforceable. The Parties shall select an independent, mutually acceptable arbitrator, who shall have available the full range of appropriate remedies. The arbitrator's decision shall be final and binding on both parties. The parties will each pay their own costs to appear before the arbitrator and will share the arbitrator's costs equally.

15. This Agreement may be executed in counterparts, each of which when so executed shall be deemed to be an original copy, and all of which together shall constitute one agreement binding on all parties hereto,

16. The parties agree that any costs to Comcast associated with the fulfillment of its obligations in this Agreement, including without limitation any payments made to the County do not constitute and are not part of a franchise fee and fall within one or more of the exceptions to 47 U.S.C. § 542.

17. This Agreement shall be effective upon the effective date of the 2015 Franchise Agreement, or if later, the date when it is executed on behalf of the Parties.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by duly authorized representatives of each Party as follows:

Montgomery County, MD

By: _____
Name: ISIAH LEGGETT
Its: County Executive
Dated: May 27, 2015

Comcast of Potomac, LLC

By: Thomas S. Coughlin
Name: THOMAS S. COUGHLIN
Its: REGIONAL SENIOR VICE-PRESIDENT
Dated: APRIL 14, 2015

APPROVED AS TO FORM AND LEGALITY
OFFICE OF THE COUNTY ATTORNEY
BY: _____
DATE: 5/12/15

ATTACHMENT 1

AGREEMENT BETWEEN MONTGOMERY COUNTY, MD AND COMCAST OF POTOMAC, LLC FOR INDEFEASIBLE RIGHT OF USE OF CERTAIN FACILITIES, AND PROVISION OF CABLE MODEM SERVICES

This Agreement is entered into this __ day of ____ 2015 ("Effective Date") by and between Comcast of Potomac, LLC ("Comcast"), and Montgomery County, Maryland ("County").

WHEREAS, pursuant to the 1998 Franchise Agreement between Comcast and the County, Comcast paid for and constructed certain fiber optic strands within Montgomery County and the Participating Municipalities; and

WHEREAS, pursuant to the 1998 Franchise Agreement between Comcast and the County, the County paid for and Comcast constructed certain fiber optic strands within Montgomery County and the Participating Municipalities; and

WHEREAS, the County has also constructed and owns a two-way optical fiber system linking educational and governmental facilities in the County which is owned by the County and operated by or on behalf of the County and the Participating Municipalities; and

WHEREAS, as to certain locations within the County, Comcast has provided cable modem service rather than providing fiber optic strands that it has provided to other locations.

WHEREAS, the facilities above comprise an Institutional Network; and

WHEREAS, the purpose of this Agreement is to ensure that the County has a functioning and expandable Institutional Network that it can ensure is adequately maintained and upgraded to provide continuous paths for communications between and among sites, without Comcast providing any communications services to the County.

NOW THEREFORE, in exchange for the mutual benefits and undertakings described herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

1. Definitions

(a) "Actual Cost" means the incremental cost to Comcast of materials and labor necessary to perform installation, construction, or maintenance of Institutional Network facilities, as further described in Exhibit B.

(b) "C-Net" means the fiber and associated facilities comprised of the Comcast-Paid C-Net and the County-Paid C-Net.

(c) "Comcast-Paid C-Net" means those portions of the C-Net directly constructed by Comcast at its sole cost and expense pursuant to the 1998 Franchise Agreement, as more particularly identified in Exhibit A hereto. The Comcast-Paid C-Net is comprised of those

portions of the Institutional Network facilities running from the institutional network sites identified on the "Comcast-Paid C-Net" list included in Exh. A, and running from OTN to OTN as identified on the "Comcast-Paid C-Net" list included in Exh. A.

(d) "County-Paid C-Net" means the portions of the C-Net directly constructed by Comcast at the County's sole cost and expense pursuant to the 1998 Franchise Agreement or pursuant to this Agreement as more particularly identified in Exhibit A hereto, as may be amended from time to time to add any additional facilities constructed by Comcast at the County's expense as contemplated in Section 2(b). The County-Paid C-Net is comprised of those Institutional Network facilities running from the institutional network sites identified on the "County-Paid C-Net" list on Exh. A, and from OTNs to demarcation points near FiberNet Hubs as identified on the "County-Paid C-Net" list included in Exh. A.

(e) "FiberNet" means the two-way optical fiber system linking public, educational and governmental facilities in the County which is owned by the County and operated by or on behalf of the County and the Participating Municipalities. The FiberNet facilities are not C-Net facilities.

(f) "Fiber Specifications" means all fiber is single mode with a .05 to .1 dbm loss per km. Fiber routes may have splice points along the route. Each splice point will have a loss characteristic up to 0.3 dB per splice.

(g) "Institutional Network" or "I-Net" refers collectively to the interrelated networks linking educational and governmental facilities in the County, comprised of two-way optical fiber and associated equipment, and certain other facilities provided under cable franchises and settlement agreements related to the same, and includes the C-Net and FiberNet.

2. Indefeasible Right of Use

(a) Comcast grants to the County an exclusive, irrevocable, and indefeasible right to use the C-Net (the "IRU") subject to the terms and conditions of this Agreement. The IRU includes (a) unrestricted access to the C-Net, including entering splice locations and County-designated splice trays without prior notice to Comcast; (b) the right to attach County equipment to the C-Net; (c) the non-exclusive right to use and benefit from the Required Rights (as defined below); and (d) a non-exclusive right to use and occupy all conduits, strand, pole attachments, sheaths and other property to the extent used by the C-Net now or in the future (including but not limited to replacement conduits, strand, pole attachments, sheaths and other property). The rights granted herein are expressly made subject to each and every limitation, restriction or reservation affecting the Required Rights. Provided that, at any location that includes both Comcast's and the County's fiber, County personnel shall notify Comcast's technicians in the event of an emergency involving the County's fiber, and reasonable prior notice shall be provided to Comcast when routine maintenance of the County's fiber is required, or when the County wishes to attach devices to the C-Net. County may enter splice locations and County-designated splice trays with prior notice to Comcast. Equipment may not be attached if it would cause Comcast to violate applicable safety codes or cause Comcast to be in violation of the terms and conditions of any pole attachment agreement, conduit, easement or other required authorization. If an attachment by the County directly to Comcast fiber on a pole is treated as a

Comcast attachment by the pole owner, and the pole owner charges Comcast additional pole attachment fees for the attachment, the County will pay the additional fees. The fee and cost obligations of the County are subject to the County appropriations process.

(b) Comcast represents and warrants that it has obtained all required regulatory authorizations, construction permits, and appropriate agreements for installation and use of the Comcast-Paid C-Net installed in ducts, on poles, or in trenches on public or private property as of the Effective Date of this Agreement, and that the same will be maintained in full force and effect (the "Required Rights").

(c) The IRU granted herein does not convey to the County any legal title to any real or personal property; provided that, to the fullest extent permitted by law, the IRU grants to the County all beneficial title and interest in the C-Net, and the County shall be the beneficial owner of the C-Net during the term of this Agreement, possessing equitable title thereto, and shall have the exclusive and irrevocable right of use of the C-Net as if the County were the absolute owner thereof. Notwithstanding anything herein to the contrary, upon the Effective Date, the grant of the IRU in the C-Net shall be deemed fully performed, shall vest in the County, and shall be deemed severable and non-executory. Comcast covenants and warrants on behalf of itself, and its successors in interest that neither it nor its successors in interest will take any action that is inconsistent with the County's interest in the C-Net as provided herein.

(d) Comcast shall maintain the C-Net in accordance with the standards set forth in Exhibit B. The County shall, subject to the appropriation of funds, reimburse Comcast for the Actual Cost incurred by Comcast to maintain, pursuant to the standards set forth in Exhibit B.

(e) Other than as set forth herein, Comcast shall bear no responsibility whatsoever for any installation, construction, maintenance or operation of FiberNet facilities.

(f) Other than construction related to fulfillment of its maintenance obligations in Exhibit B with respect to the C-Net as it exists as of the Effective Date of this Agreement, Comcast shall have no obligation to construct any additional facilities for the Institutional Network, but may do so at its option, subject to written agreement with the County.

(g) The C-Net is intended to be used for public, governmental, educational and other noncommercial purposes only. The County shall not sublease, barter, sell, or give away capacity on the C-Net to any private entity to use for a commercial purpose without Comcast's prior written consent during the period that the IRU is in effect. The limitations in this Section apply only to the C-Net. The limitations shall not prevent the County from subleasing, bartering, selling, or giving away capacity on the C-Net to any public or nonprofit entity for noncommercial purposes. In this Section, "commercial purpose" means any paid commercial cable service that competes with any cable service Comcast is permitted to provide under the 2015 Franchise Agreement, and Internet access service offered on a paid commercial basis that competes with any Internet access service Comcast may be authorized to provide.

(h) The County may, at the County's cost, interconnect the Institutional Network with any similar network, allowing exchange of the full range of signals that may be carried on the Institutional Network. The County may request that interconnection to the C-Net be permitted at

any location, including Comcast's headend and hubsites, and major Comcast fiber runs passing near County facilities. Permission by Comcast shall not be unreasonably denied except that Comcast shall not be required to allow outside third party personnel access to its headend or other such sensitive, secure facilities.

3. Term of Indefeasible Right of Use

(a) The County's indefeasible right of use shall continue with respect to the County Paid C-Net until legal title to the County Paid C-Net reverts to the County and the documents described in 3(b)(i) are executed. The County's indefeasible right to use the Comcast-Paid C-Net shall continue until the County has either completed acquisition of the Comcast-Paid C-Net pursuant to its purchase option described in paragraph 3(b), or decided not to purchase the Comcast-Paid C-Net.

(b) Upon termination of the 2015 Franchise Agreement for any reason (including, but not limited to, expiration of the Franchise term without extension or the parties having entered into a new franchise, and conditioned on Comcast no longer having authority to maintain its facilities in the public rights-of-way); or, if later, the IRU Expiration Date:

(i) Legal title to the County Paid C-Net shall automatically revert to the County in its "as is" condition without any warranties and without the need for any further action or documentation from either Party; provided, however, that the Parties agree to execute any additional documents that may be reasonably necessary to effectuate the transfer of legal title to the County-Paid C-Net to the County.

(ii) The County shall have the option (at its sole discretion) to purchase from Comcast at book cost (original cost less depreciation) the Comcast-Paid C-Net as provided for in this paragraph. Within ninety (90) days after a termination of the 2015 Franchise Agreement described in subsection (b), or the IRU Expiration Date (whichever is applicable), if requested in writing by the County, Comcast shall in good faith determine and provide in writing to the County its calculation of the book cost of the Comcast-Paid C-Net together with supporting information ("Option Exercise Price") If Comcast does not provide the Option Exercise Price to the County within such period unless an extension is agreed upon, the Comcast-Paid C-Net shall automatically revert to the County in the same manner described in (i) above for the County-Paid C-Net. The County shall have ninety (90) days following receipt of the Option Exercise Price in which to exercise its option by paying to Comcast the Option Exercise Price. Upon payment by the County, the Parties shall execute any mutually agreeable additional documents reasonably necessary to effectuate the transfer of legal title to the Comcast-Paid C-Net to the County. If the County does not pay Comcast the Option Exercise Price within said period, the option shall expire and Comcast shall retain ownership of the Comcast-Paid C-Net.

(iii) The "IRU Expiration Date" is October 1, 2030, provided that Comcast may extend the IRU Expiration Date through and including October 1, 2035 if it exercises its option to extend by providing written notice to the County of the extension no later than September 30, 2029.

4. Courtesy Cable Modems

(a) Comcast shall continue to provide on a courtesy basis at no expense to the County up to fifty (50) cable modems and Internet service, currently installed and in use by County agencies at the most commonly subscribed to Internet service level (currently the Performance level). Comcast will maintain and replace these modems as necessary so that the service is fully functional. These modems shall remain the property of Comcast and shall be returned to Comcast at the earlier of (i) the date on which the 2015 Franchise Agreement is no longer in full force and effect, or (ii) the date when no longer required by the County to provide connections to the Institutional Network.

(b) If the County seeks to move or relocate one of the fifty (50) modems provided under this Agreement, the County shall bear any related installation cost. If the County seeks to add additional modems beyond the fifty (50) provided by Comcast under this Agreement, the County shall pay any costs associated with the modem or internet service and any related installation costs. While the County may connect its own cable modems to the Comcast System for provision of the courtesy service, the modems must be modems approved by or in use on the Comcast System. Cost obligations of the County are subject to the County appropriations process, and Comcast shall not be obligated to perform work for which there is no appropriated funding.

5. Additional Transmission Capacity

The County may negotiate for the use of transmission capacity on the Cable System beyond that described in this Agreement. Charges for such use shall be determined in accordance with Comcast Business Service rates and charges.

6. Notices

Notices shall be provided by the Parties hereunder in the same manner and to the same persons as provided in the 2015 Franchise Agreement, except as specified below.

(a) Payments made to Comcast hereunder shall be made by check or otherwise to the address specified on the invoice.

(b) Comcast and the County shall exchange escalation contact lists, as may be updated from time to time, to facilitate cooperation and coordination in meeting C-Net maintenance objectives and with regard to other aspects of their respective operations, and to provide notices required in connection with Section 2(a) and Exhibit B.

7. Liens and Encumbrances

Neither Party, directly or indirectly, shall create or impose any lien on the property of the other Party, or on the rights or title relating thereto, or any interest therein, or in this Agreement. Each Party will promptly, at its own expense, take such action as may be necessary to duly discharge any lien created by it on the property of the other. However, nothing in this

Agreement shall be so construed as to prohibit Comcast from permitting the creation or imposition of a lien or security interest on facilities that it owns, provided that the same is subject to the rights of the County under this Agreement.

8. Indemnification: Warranties

(a) Comcast agrees to indemnify and hold the County harmless against any and all loss, liability, damage and expense (including reasonable attorneys' fees) arising out of any demand, claim, suit or judgment for damages to any property or bodily injury to any persons, including, without limitation, the agents and employees of either Party hereto which may arise out of or be caused by such Party, its employees, servants, contractors, and/or agents in connection with the construction and maintenance of the Institutional Network under the terms of this Agreement, subject to any and all defenses and limitations of liability provided by law.

(b) The County shall be responsible for its own acts of willful misconduct or negligence, or breach of obligation committed by the County for which the County is legally responsible, with respect to any activity or function conducted by any Person other than Comcast pursuant to this Agreement, subject to any and all defenses and limitations of liability provided by law.

9. Damages Limitation

Neither Party shall be liable to the other for consequential or punitive damages.

10. Miscellaneous

(a) This Agreement shall inure to the benefit of, and shall be binding on the Parties' respective successors and permitted assigns. This Agreement may not be assigned by Comcast without the prior written consent of the County, but that consent will not be unreasonably refused so long as the successor in interest will be the owner of Comcast's Cable System and a party to a franchise agreement with the County.

(b) This Agreement may not be modified or amended, nor any of its terms waived, except by a writing signed by duly authorized representatives of the Parties.

(c) This Agreement shall be construed and enforced in accordance with the laws of the State of Maryland without regard to conflicts of law principles. All actions or suits brought hereunder or arising out of this Agreement shall be brought in the appropriate State or Federal courts in Maryland.

(d) This Agreement has been negotiated by the County as agent for the Participating Municipalities. The Participating Municipalities shall be deemed third-party beneficiaries of this Agreement and shall be entitled to enforce the same with regard to their respective interests.

(e) This Agreement is freely and voluntarily entered into by the Parties, without any duress or coercion, and after each Party has consulted with its counsel. Each Party hereto has carefully and completely read all of the terms and provisions of this Agreement. Each Party acknowledges that this is a full, complete and final mutual release as set forth previously herein.

(f) Neither Party, nor any of its Affiliates, will take any action to challenge any provision of this Agreement as contrary to federal or state law or FCC regulations; nor will they participate with any other person or entity in such challenge. If any provision of this Agreement is found to be unenforceable in a final judicial or administrative proceeding, the Parties shall enter into good-faith negotiations with the intent of reaching an agreement that would place the Parties and Participating Municipalities in substantially the same position as if this Agreement were fully enforceable. If the negotiations do not result in agreement between the Parties within sixty days from the date of the final decision referred to in the preceding sentence, then either Party may call for binding arbitration within thirty days. Such arbitration shall have the goal of placing the Parties in the same positions they would occupy if this Agreement had been fully enforceable. The Parties shall select an independent, mutually acceptable arbitrator, who shall have available the full range of appropriate remedies. The arbitrator's decision shall be final and binding on both Parties. The Parties will each pay their own costs to appear before the arbitrator and will share the arbitrator's costs equally.

(g) This Agreement may be executed in counterparts, each of which when so executed shall be deemed to be an original copy, and all of which together shall constitute one agreement binding on all parties hereto,

(h) Capitalized terms not defined herein have the same meaning as those terms in the 2015 Franchise Agreement or the Settlement Agreement.

(i) The parties agree that any costs to Comcast associated with the fulfillment of its obligations in this Agreement, including without limitation any payments made to the County do not constitute and are not part of a franchise fee and fall within one or more of the exceptions to 47 U.S.C. § 542.

(j) This Agreement shall be effective upon the date when it is executed on behalf of the Parties.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by duly authorized representatives of each Party as follows:

Montgomery County, MD	Comcast of Potomac, LLC
By: [signature]	By: [signature]
Name: ISIAH LEGGETT	Name: THOMAS S. COUGHLIN
Its: County Executive	Its: REGIONAL SENIOR VICE-PRESIDENT
Dated: May 8, 2015	Dated: APRIL 14, 2015

APPROVED AS TO FORM AND LEGALITY
OFFICE OF THE COUNTY ATTORNEY
BY: [signature]
DATE: 5/12/15

Exhibit A to IRU

Overview of Comcast-Paid and County-Paid C-Net

The fiber associated with the Comcast-Paid C-Net consists of the following:
(a) Generally, a bundle of six(6) fibers running from an OTN to an institutional network location.
(b) However, in some cases, fiber from an OTN to a site terminates at a splice point or patch panel outside the institutional network site, and a lateral fiber connects to institutional network site. This lateral fiber is dedicated to the site, and is part of the Comcast-Paid C-Net, and will be at least six fibers, but may be more.
(c) A bundle of six (6) fibers running from OTNs to certain other OTNs (with the headend counted as an OTN for this purpose).
The fiber associated the County-Paid C-Net consists of the following:
(a) direct connections from the institutional network site to the OTN. These direct connections have at least 6 fibers.
(b) laterals running from the institutional network site to a splice point on the Comcast-aid C-Net. This lateral fiber is dedicated to the site, and is part of the County-Paid C-Net, and will be at least six fibers, but may be more. These sites are described on the attached list.
(c) laterals running from the institutional network site to a splice point where it connects to existing Comcast fiber that was not part of the Comcast-Paid C-Net. This lateral fiber is also dedicated to the site, and is part of the County-Paid C-Net, and will be at least six fibers, but may be more. However, the fiber from the splice point to the OTN may be fewer than six fibers. The number of fibers that are part of County-Paid C-Net from the splice point to the OTN are shown in the attached list.
(d) connections from the OTNs to the demarcation points near FiberNet hubs as described in the attached list. The number of fibers for these connections varies and is shown on the chart.

Comcast-Paid C-Net

Agency	Department	Location Name	Street Address	City	Zip Code	Franchise Classification	
HOC	Business Office	HOC Kensington	10400 Detrick Ave.	Kensington	20895	Comcast Paid C-Net	I
MCG	DPL	Kensington Park Library	4201 Knowles Avenue	Kensington	20895	Comcast Paid C-Net	I
MCG	DPL	Little Falls Library	5501 Massachusetts Avenue	Bethesda	20816	Comcast Paid C-Net	I
MCG	DPL	Noyes Childrens' Library	10237 Carroll Place	Kensington	20895	Comcast Paid C-Net	I
MCG	Fire & Rescue Service	Station 6 - Bethesda	6600 Wisconsin Ave	Bethesda	20815	Comcast Paid C-Net	I
MCG	Fire & Rescue Service	Station 11 - Glen Echo	5920 Massachusetts Avenue	Bethesda	20816	Comcast Paid C-Net	I
MCG	Fire & Rescue Service	Station 7 - Chevy Chase	8001 Connecticut Avenue	Chevy Chase	20815	Comcast Paid C-Net	I
MCPS	Middle School	Westland Middle School	5511 Massachusetts Avenue	Bethesda	20816	Comcast Paid C-Net	I
MCG	DPL	Davis/Special Needs Library	6400 Democracy Boulevard	Bethesda	20817	Comcast Paid C-Net	I
MCG	Fire & Rescue Service	Rescue Squad #1	5020 Battery Lane	Bethesda	20814	Comcast Paid C-Net	I
MCPS	High School	Whitman High School	7100 Whittier Boulevard	Bethesda	20817	Comcast Paid C-Net	I
MCPS	Middle School	Pyle Thomas W. Middle School	6311 Wilson Lane	Bethesda	20817	Comcast Paid C-Net	I
MCPS	Middle School	Tilden MS	11211 Old Georgetown Road	Rockville	20852	Comcast Paid C-Net	I
MCG	DPL	Damascus Library	9701 Main Street	Damascus	20872	Comcast Paid C-Net	
MCG	Fire & Rescue Service	Station 13 - Damascus	26334 Ridge Road	Damascus	20872	Comcast Paid C-Net	
MCG	Fire & Rescue Service	Station 9 - Hyattstown	25801 Frederick Road	Clarksburg	20871	Comcast Paid C-Net	
MCPS	High School	Damascus High School	25921 Ridge Road	Damascus	20872	Comcast Paid C-Net	
MCPS	Operations	Clarksburg Maintenance Center	13100 Shawnee Lane	Clarksburg	20871	Comcast Paid C-Net	
MCG	DOCR	MCCF- Backup Fiber Path	22880 Whelan Lane	Boyds	20841	Comcast Paid C-Net	Gai
HOC	Business Office	HOC Gaithersburg	231 East Deer Park Drive	Gaithersburg	20877	Comcast Paid C-Net	(
MCG	Fire & Rescue Service	Station 17 - Laytonsville	21400 Laytonsville Road	Laytonsville	20882	Comcast Paid C-Net	(
MCG	Fire & Rescue Service	Station 31 - Rockville	12100 Darnestown Road	North Potomac	20878	Comcast Paid C-Net	(
MCPS	High School	Quince Orchard High School	15800 Quince Orchard Road	Gaithersburg	20878	Comcast Paid C-Net	(
MCPS	Middle School	Forest Oaks MS	651 Saybrooke Oaks Boulevard	Gaithersburg	20877	Comcast Paid C-Net	(
MCPS	Middle School	Gaithersburg MS	2 Teachers' Way	Gaithersburg	20877	Comcast Paid C-Net	(
MCPS	Middle School	Ridgeview Middle School	16600 Raven Rock Drive	Gaithersburg	20878	Comcast Paid C-Net	(
MCG	DPL	Gaithersburg Regional Library	18330 Montgomery Village Avenue	Gaithersburg	20879	Comcast Paid C-Net	Ge
MCG	Fire & Rescue Service	Station 8 - Wash Grove	801 Russell Ave.	Gaithersburg	20879	Comcast Paid C-Net	Ge
MCPS	High School	Watkins Mill High School	10301 Apple Ridge Road	Gaithersburg	20886	Comcast Paid C-Net	Ge
MCPS	Middle School	Montgomery Village MS	19300 Watkins Mill Road	Montgomery Village	20886	Comcast Paid C-Net	Ge
MCPS	Middle School	Neelsville Middle School	11700 Neelsville Church Road	Germantown	20876	Comcast Paid C-Net	Ge
MCG	Fire & Rescue Service	Station 29 - Germantown	20001 Crystal Rock Drive	Germantown	20874	Comcast Paid C-Net	Ge
MCPS	High School	Northwest High School	13501 Richter Farm Road	Germantown	20874	Comcast Paid C-Net	Ge
MCPS	High School	Seneca Valley High School	19401 Crystal Rock Dr.	Germantown	20874	Comcast Paid C-Net	Ge
MCPS	Middle School	M.L. King MS	13737 Wisteria Drive	Germantown	20874	Comcast Paid C-Net	Ge
MCPS	Middle School	Roberto Clemente Middle School	18808 Waring Station Road	Germantown	20874	Comcast Paid C-Net	Ge
MCPS	Operations	Edward Taylor Learning Center	19501 White Ground Road	Boyds	20841	Comcast Paid C-Net	Ge
MCG	DPL	Olney Library	3500 Olney-Laytonsville Road	Olney	20832	Comcast Paid C-Net	
MCG	Fire & Rescue Service	Station 4 - Sandy Spring	816 Olney-Sandy Spring Road	Sandy Spring	20860	Comcast Paid C-Net	
MCG	Fire & Rescue Service	Station 40 - Sandy Spring	16911 Georgia Avenue	Olney	20832	Comcast Paid C-Net	
MCPS	High School	Sherwood High School	300 Olney Sandy Spring Road	Sandy Spring	20860	Comcast Paid C-Net	
MCPS	Middle School	William Farquhar MS	16915 Batchelors Forest Road	Olney	20832	Comcast Paid C-Net	
MCPS	Middle School	Rosa Parks MS	19200 Olney Mill Road	Olney	20832	Comcast Paid C-Net	
MCG	DPL	Poolesville Library	19633 Fisher Avenue	Poolesville	20837	Comcast Paid C-Net	
MCG	Fire & Rescue Service	Station 14 - Upper Montgomery	19801 Beallsville Road	Beallsville	20839	Comcast Paid C-Net	
MCPS	Middle School	John Poole Middle School	17501 W. Willard Road	Poolesville	20837	Comcast Paid C-Net	
MCG	DPL	Potomac Library	10101 Glenolden Drive	Potomac	20854	Comcast Paid C-Net	
MCG	Fire & Rescue Service	Station 30 - Cabin John	9404 Falls Road	Potomac	20854	Comcast Paid C-Net	
M-NCPPC	Operations	Brookside Visitor Center	1800 Glenallan Ave	Wheaton	20902	Comcast Paid C-Net	F
MCG	DPL	Aspen Hill Library	4407 Aspen Hill Road	Rockville	20853	Comcast Paid C-Net	F
MCG	Fire & Rescue Service	Station 21 - Kensington	12500 Veirs Mill Road	Rockville	20853	Comcast Paid C-Net	F
MCG	Fire & Rescue Service	Station 23 - Rockville	121 Rollins Ave.	Rockville	20852	Comcast Paid C-Net	F
MCPS	Elementary School	Sargent Shriver ES formerly Conn Park Ctr	12518 Greenly Drive	Silver Spring	20906	Comcast Paid C-Net	F
MCPS	Middle School	Parkland Middle School	4610 W. Frankfort Dr	Rockville	20853	Comcast Paid C-Net	F
MCPS	Operations	Rocking Horse Road Center	44910 4910 Macon Road	Rockville	20852	Comcast Paid C-Net	F
MCG	DEP	SWS Transfer Facility	16101 Frederick Avenue	Derwood	20855	Comcast Paid C-Net	R
MCG	Fire & Rescue Service	Station 25 - Kensington	14401 Connecticut Ave.	Silver Spring	20906	Comcast Paid C-Net	R
MCG	Fire & Rescue Service	Station 3 - Rockville	380 Hungerford Drive	Rockville	20850	Comcast Paid C-Net	R
MCPS	Middle School	Argyle Middle School	2400 Bell Bel Pre Road	Silver Spring	20906	Comcast Paid C-Net	R
MCPS	Middle School	Earle B Wood MS	14615 Bauer Drive	Rockville	20853	Comcast Paid C-Net	R
MCPS	Operations	Lincoln Park Center	570 N. Stone Street	Rockville	20850	Comcast Paid C-Net	R
MCG	DED	William Hanna Innovations Center	9700 Great Seneca Hgwy	Rockville	20850	Comcast Paid C-Net	R
MCG	Fire & Rescue Service	Station 33 - Rockville	11430 Falls Road	Potomac	20854	Comcast Paid C-Net	R
MCPS	High School	Thomas S. Wootton High School	2100 Wootton Parkway	Rockville	20850	Comcast Paid C-Net	R
MCPS	High School	Winston Churchill High School	11300 Gainsborough Road	Potomac	20854	Comcast Paid C-Net	R
MCPS	Middle School	Cabin John MS	10701 Gainsborough Road	Potomac	20854	Comcast Paid C-Net	R
MCPS	Middle School	Herbert Hoover MS	8810 Post Oak Road	Potomac	20854	Comcast Paid C-Net	R
MCPS	Middle School	Julius West Middle School	651 Great Falls Road	Rockville	20850	Comcast Paid C-Net	R
MCPS	Middle School	Robert Frost	9201 Scott Drive	Rockville	20850	Comcast Paid C-Net	R
MCPS	Operations	Bethesda Maintenance Depot	10901 Westlake Drive	Rockville	20852	Comcast Paid C-Net	R
M-NCPPC	Police Dept	Saddlebrook Park Police Headquarters	12751 Layhill Road	Silver Spring	20906	Comcast Paid C-Net	W

Comcast-Paid C-Net

MCG	DPL	Praisner (Fairland) Library	14910 Old Comumbia Pike	Burtonsville	20866	Comcast Paid C-Net	W
MCG	Fire & Rescue Service	Station 15 - Burtonsville	13900 Old Columbia Pike	Silver Spring	20904	Comcast Paid C-Net	W
MCG	Fire & Rescue Service	Station 24 - Hillandale	13216 New Hampshire Avenue	Silver Spring	20910	Comcast Paid C-Net	W
MCPS	High School	James Hubert Blake High School	300 Norwood Road	Silver Spring	20905	Comcast Paid C-Net	W
MCPS	High School	Paint Branch High School	14121 Old Columbia Pike	Burtonsville	20866	Comcast Paid C-Net	W
MCPS	Middle School	Banneker Benjamin Middle School	14800 Perrywood Drive	Burtonsville	20866	Comcast Paid C-Net	W
MCPS	Middle School	Briggs Chaney Middle School	1901 Rainbow Drive	Silver Spring	20905	Comcast Paid C-Net	W
WSSC	WSSC	Sweitzer Lane HQ	14501 Sweitzer Lane	Laurel	20707	Comcast Paid C-Net	W
MCG	Municipality	Takoma Park City Hall	7500 Maple Ave	Takoma Park	20912	Comcast Paid C-Net	W
MCG	DPL	Long Branch Library	8800 Garland Avenue	Silver Spring	20901	Comcast Paid C-Net	W
MCG	Fire & Rescue Service	Station 12 - Hillandale	10617 New Hampshire Ave.	Silver Spring	20903	Comcast Paid C-Net	W
MCG	Fire & Rescue Service	Station 16 - Silver Spring	111 University Boulevard East	Silver Spring	20901	Comcast Paid C-Net	W
MCG	Fire & Rescue Service	Station 19 - Silver Spring	1945 Seminary Road	Silver Spring	20910	Comcast Paid C-Net	W
MCG	Fire & Rescue Service	Station 2 - Takoma Park	7201 Carroll Avenue	Takoma Park	20912	Comcast Paid C-Net	W
MCG	Other	AFI Silver Theater	8641 Colesville Road	Silver Spring	20910	Comcast Paid C-Net	W
MCPS	High School	Springbrook High School	201 Valleybrook Drive	Silver Spring	20904	Comcast Paid C-Net	W
MCPS	Middle School	Eastern	300 University Boulevard E	Silver Spring	20901	Comcast Paid C-Net	W
MCPS	Middle School	Francis Scott Key	910 Schindler Drive	Silver Spring	20903	Comcast Paid C-Net	W
MCPS	Middle School	Lee Col. E. Brooke Middle School	4610 11800 Monticello Avenue	Rockville	20902	Comcast Paid C-Net	W
MCPS	Middle School	Sligo Middle School	1401 Dennis Avenue	Silver Spring	20902	Comcast Paid C-Net	W
MCPS	Middle School	Takoma Park MS	7611 Piney Branch Road	Silver Spring	20902	Comcast Paid C-Net	W
MCPS	Operations	Field Office Spring Mill Center	11721 Kemp Mill Road	Silver Spring	20902	Comcast Paid C-Net	W

OTN TO OTN FIBER

OTN	OTN	Fiber Count
Poolesville	Germantown West	6
Poolesville	Potomac	6
Germantown East	Germantown West	6
Germantown East	Damascus	6
Germantown East	Rockville North	6
Damascus	Guithersburg/Laytonville	6
Olney	Rockville North	6
Olney	Gaithersburg/Laytonville	6
Olney	White Oak North	6
Rockville North	Gaithersburg/Laytonville	6
Rockville North	Rockville West	6
Rockville North	Rockville East	6
Rockville West	Potomac	6
Rockville West	Betheda West	6
Rockville East	Betheda West	6
Betheda East	Betheda West	6
Betheda East	Potomac	6
Betheda East	White Oak South	6
White Oak South	Rockville East	6
White Oak South	White Oak North	6
White Oak North	Rockville East	6
White Oak North	Olney	6
Headend	Rockville North	6

County-Paid C-Net

Agency	Department	Location Name	Street Address	City	Zip Code	Franchise Classifficatio
MCG	Other	Montgomery Municipal Cable	3710 Mitchell Street	Kensington	20895	County Paid C-Net
MCG	Other	Imagination Station (BAPA) - Not In Use	4908 Auburn Ave	Bethhesda	20814	County Paid C-Net
MCPS	Middle School	North Bethesda Middle School	8935 Bradmoor Drive	Bethesda	20817	County Paid C-Net
MCG	Recreation	Damascus Community Rec Center	25520 Oak Drive	Damascus	20872	County Paid C-Net
MCPS	Elementary School	Cedar Grove Elementary School	24001 Ridge Rd	Germantown	20876	County Paid C-Net
MCPS	Elementary School	Little Bennett ES	23930 Burdette Forest Rd	Clarksburg	20871	County Paid C-Net
MCPS	Elementary School	Woodfield ES	24200 Woodfield Rd	Gaithersburg	20882	County Paid C-Net
MCPS	Middle School	Baker MS	25400 Oak Drive	Damascus	20872	County Paid C-Net
MCPS	Elementary	Clear Springs	9930 Moyer Rd	Damascus	20872	County Paid C-Net
MCPS	Elementary	Rockwell	24555 Cutsail Dr	Damascus	20872	County Paid C-Net
MCPS	Elementary	Damascus	10210 Bethesda Church Rd	Damascus	20872	County Paid C-Net
DOT	TSSM/ATMS	Damascus	26334 Ridge Rd	Damascus	20872	County Paid C-Net
DOT	Highway	Damascus Depot	26149 Ridge Rd	Damascus	20872	County Paid C-Net
MCG	DPL	Quince Orchard Library	15831 Quince Orchard Road	Gaithersburg	20878	County Paid C-Net
MCG	DEP	Oaks Landfill	6001 Olney-Laytonsville Road	Laytonsville	20882	County Paid C-Net
MCPS	Elementary School	Laytonsville ES	21401 Laytonsville Rd.	Gaithersburg	20882	County Paid C-Net
MCPS	Elementary School	Resnik ES	7301 Hadley Farms Dr.	Gaithersburg	20879	County Paid C-Net
MCPS	Elementary School	Thurgood Marshall	12260 McDonald Chapel Dr.	Gaithersburg	20878	County Paid C-Net
MCPS	Middle School	Lakelands Park Middle School	1200 Main St.	Gaithersburg	20878	County Paid C-Net
DOT	TSSM	TSSM Cabinet	Snouffer School & Goshen Rd	Gaithersburg	20877	County Paid C-Net
MCPS	Elementary School	South Lakes ES	18201 Contour Rd	Gaithersburg	20877	County Paid C-Net
M-NCPPC	Park	Germantown South Park Splash Park	18056 Central Park Cir	Boyds	20841	County Paid C-Net
MCG	Recreation	Germantown Indoor Swim Center	18000 Central Park Cir	Boyds	20841	County Paid C-Net
MCPS	Elementary School	Lake Seneca Elementary School	13600 Wanegarden Dr.	Germantown	20874	County Paid C-Net
MCPS	Elementary School	Ronald Mcnair ES	13881 Hopkins Rd	Germantown	20874	County Paid C-Net
MCPS	Elementary School	Waters Landing Elementary School	13100 Waters Landing Drive	Germantown	20874	County Paid C-Net
MCPS	Elementary School	Clopper Mill ES	18501 Cinnamon Dr.	Germantown	20878	County Paid C-Net
DOT	Operations	Facilities	101 Orchard Ridge	Gaithersburg	20878	County Paid C-Net
MCG	Other	Olney Dinner Theatre	2001 Olney/Sandy Spring Rd	Olney	20832	County Paid C-Net
MCPS	Elementary School	Monocacy ES	18801 Barnesville Rd.	Dickerson	20842	County Paid C-Net
MCPS	Elementary School	Poolesville ES	19565 Fisher Ave	Poolesville	20837	County Paid C-Net
MCPS	High School	Poolesville High School	17501 West Willard Road	Poolesville	20837	County Paid C-Net
MCG	Municipality	City Of Rockville, River Road Water Treatment Plant	River Road	Potomac	20854	County Paid C-Net
MCPS	Elementary School	Jones Ln ES	15110 Jones Lane	Gaithersburg	20878	County Paid C-Net
DOT	TSSM	TSSM Cabinet	9404 Falls Rd	Potomac	20854	County Paid C-Net
WSSC	WSSC	WSSC River Rd	12200 River Rd	Potomac	20854	County Paid C-Net
MCPS	Elementary School	Darnestown ES	15030 Turkey Foot Rd	Gaithersburg	20878	County Paid C-Net
MCG	DoT	DOT, Rideon Garage	4925/4935 Nicholson Ct	Rockville	20852	County Paid C-Net
MCG	Other	Strathmore Arts Center	10701 Rockville Pike	Rockville	20852	County Paid C-Net
MCPS	Elementary School	Brookhaven ES	4610 Renn Street	Rockville	20853	County Paid C-Net
MCPS	Elementary School	Wheaton Woods Elementary School	4510 Faroe Place	Rockville	20853	County Paid C-Net
HOC	Business Office	HOC Lakeforest	101 Lakeforest Blvd	Gaithersburg	20877	County Paid C-Net
MCG	DTS	L3 Helpdesk & Office	7361 Calhoun Pl	Rockville	20855	County Paid C-Net
MCG	Municipality	City Of Gaithersburg	31 South Summit Avenue	Gaithersburg	20877	County Paid C-Net
MCG	Other	Montgomery County Television	7548 Standish Place	Rockville	20855	County Paid C-Net
MCG	Recreation	Bauer Dr Community Center	14625 Bauer Drive	Rockville	20853	County Paid C-Net
MCPS	Elementary School	Lakewood ES	2534 Lindley Terrace	Rockville	20850	County Paid C-Net
MCPS	Elementary School	Lucy Barnsley ES	14516 Nadine Dr	Rockville	20853	County Paid C-Net
MCPS	Elementary School	Maryvale ES	1000 First Street	Rockville	20850	County Paid C-Net
MCPS	Elementary School	Rock Creek Valley	5121 Russett Rd.	Rockville	20853	County Paid C-Net
MCPS	High Scholl	Blair G. Ewing Center	14501 Avery Rd	Rockville	20851	County Paid C-Net
MC	Operations	Montgomery College OTIB	15400 Calhoun Dr	Rockville	20855	County Paid C-Net
MCG	HHS	Juvenile Assessment Center (JAC)	7300 Calhoun Dr	Derwood	20855	County Paid C-Net
MC	College	Montgomery College CPOD	40 West Gude Dr	Rockville	20850	County Paid C-Net
MCG	Recreaton	Mid County Rec	2004 Queensguard Rd	Silver Spring	20906	County Paid C-Net
MCG	DEP	Recycle Center	16105 Frederick Rd	Rockville	20855	County Paid C-Net
MCG	Recreation	Potomac Community Center	11315 Falls Road	Potomac	20854	County Paid C-Net
MCPS	Elementary School	Bells Mill ES	8225 Bells Mill Rd	Rockville	20854	County Paid C-Net
MCG	Recreation	Fairland Rec Center	14906 Old Columbia Pike	Burtonsville	20866	County Paid C-Net
MCPS	Elementary School	Burtonsville ES	15516 Old Columbia Pike	Burtonsville	20866	County Paid C-Net
MCPS	Elementary School	Fairland ES	14315 Fairdale Rd	Silver Spring	20905	County Paid C-Net
MCPS	Elementary School	Galway ES	12612 Galway Dr.	Silver Spring	20904	County Paid C-Net
DOT	TSSM	TSSM Cabinet	MD 29 & MD 198	Burtonsville	20866	County Paid C-Net
HOC	Business Office	Silver Spring Office	8241 Georgia Ave	Silver Spring	20910	County Paid C-Net
MCG	DoT	Silver Spring Meter Shop	8118 Fenton Street	Silver Spring	20910	County Paid C-Net
MCG	Recreation	White Oak Community Rec Center	1700 April Lane	Silver Spring	20904	County Paid C-Net
M-NCPPC	Park	MNCPPC- Hillandale Park	10615 New Hampshire Avenue	White Oak	20904	County Paid C-Net

County-Paid C-Net

		OTN's				
Comcast	OTN TIE	Olney OTN to Hub K				
Comcast	OTN TIE	Potomac OTN to Hub B				
Comcast	OTN TIE	Rockville North OTN to Hub H				
Comcast	OTN TIE	Gaith/Laytonsville OTN to Hub H				
Comcast	OTN TIE	White Oak North OTN to Hub J				
Comcast	OTN TIE	White Oak South OTN to Hub J				
Comcast	OTN TIE	Poolesville OTN to Hub L				
Comcast	OTN TIE	Rockville East OTN to Hub D				
Comcast	OTN TIE	Rockville West OTN to Hub B				
Comcast	OTN TIE	Damascus OTN to Hub G				
Comcast	OTN TIE	Germantown West OTN to Hub G				
Comcast	OTN TIE	Germantown East OTN to Hub G				
Comcast	OTN TIE	Bethesda West OTN to Hub E				
Comcast	OTN TIE	Bethesda East OTN to Hub F				

Exhibit B to IRU

Maintenance Standards

County personnel shall notify the Comcast's technicians in the event of an emergency involving the C- Net, or when routine maintenance of the C- Net is required. Comcast shall maintain the C- Net as follows:

1. Within two (2) hours of receiving notice of a maintenance or repair problem, the Comcast's technicians shall arrive on-site to begin troubleshooting problems. The rate for assuring technicians two hour response time shall be an amount not to exceed $13,520/yr., adjusted annually by the consumer price index for the Baltimore-Washington Metropolitan Area (CPI).
The rate for technicians to provide emergency maintenance/repair service shall be $65.00/hour per person. This rate shall apply from the time of notification until service is restored and may be adjusted annually by the CPI.

2. All work provided by technicians beyond the time service is restored shall be at the rate of $50.00/hour per person. This rate may be adjusted annually by the CPI.

3. The technician rates specified in ¶¶ 2 and 3 above do not apply to construction necessary to repair or maintain the C- Net, the charges for which are governed by paragraph 5. Material charges shall be applied whenever Comcast uses its own materials for maintenance or repair. The County will be charged Comcast's Material Cost.

4. General. In performing maintenance and repairs the following shall also apply:

(a) The County shall pay the Actual Costs for maintenance and repair of its facilities which are commonly located with those of Comcast.

(b) Comcast recognizes that restoration of County services is equally as important as restoration of Cable Service to Subscribers.

(c) The County shall be responsible for absorbing all associated make ready and/or permit costs for work done solely to benefit the County. For joint use construction between the County and Comcast, Comcast shall absorb all make ready costs.

(d) In the event that any portion of the C-Net needs to be relocated, replaced or rebuilt for any reason, Comcast shall notify the County as soon as is practical. Comcast shall further notify the County of the reason(s) for the relocation, replacement or rebuilding and the impact said relocation, replacement or rebuilding is expected to have on the C-Net and the FiberNet.

(e) Replacement Fibers. At any time following the Effective Date, if any of the fibers constituting the C-Net do not operate within the Fiber Specifications, and Comcast has determined in its reasonable business judgment that it is technically or economically infeasible to restore one or more of the affected C-Net fibers to proper operation, Comcast may in its discretion elect to

provide substitute equivalent fibers along the route that shall comply with the Fiber Specifications ("Replacement Fibers"). To the extent Comcast elects to provide the County any Replacement Fibers in lieu of any C-Net fibers, the County shall have an IRU in such Replacement Fibers, and such fibers shall be deemed included within and part of the C-Net hereunder, and shall be subject to the terms and conditions of this Agreement applicable to the C-Net and the IRU herein.

(f) Notwithstanding any provisions or implications to the contrary in this Agreement, the Parties recognize that the precise route of the C-Net (including the location of County C-Net sites) may change from time to time. However:

(i) No construction that alters the fiber routes or pathways, fiber terminations or operation of the County's FiberNet may commence without Comcast providing the County prior notice of at least ninety (90) days.

(ii) Changes made must provide the County with substantially the same quality of service and approximately the same route as existed before the C-Net was moved. In no event may the number of fibers that the County is authorized to use pursuant to this Agreement be reduced, nor may any change prevent the County from exercising its rights pursuant to this Agreement.

(iii) The costs of any changes to or relocations of the C-Net that are made in Comcast's discretion or for any cause other than those specified in (iv) below, including any costs incurred by the County in moving its equipment and extending FiberNet to the new location of the C-Net, shall be borne by Comcast and shall not be borne by the County.

(iv) The County shall be solely responsible for the cost of any relocation work, required at any given time, for cable provided solely for County use.

EXHIBIT E

PERFORMANCE SURETIES

CABLE FRANCHISE BOND

Bond

KNOW ALL BY THESE PRESENTS: That _____

_____, as Principal,

and _____, as Surety, are

held and firmly bound unto _____

_____, as Obligee,

in the sum of _____,

DOLLARS ($ _____), to the payment whereof well and truly to be made to the Obligee, we bind ourselves, our successors and assigns, firmly by these presents. Sealed with our seals and dated this _____ day of

_____, _____.

THE CONDITION OF THE ABOVE OBLIGATION IS SUCH, That whereas the Obligee has granted unto the Principal, a franchise beginning _____, _____, and whereas the said Principal is required to execute a bond in the penal sum of _____

($ _____) in favor of the Obligee, conditioned upon its performance of the obligations of the grantee under said franchise;

NOW, THEREFORE, if the above bounden Principal shall perform the obligations of the grantee under said franchise, then this obligation to be void otherwise to remain in full force and virtue. This bond may be canceled by the Surety upon thirty days notice to the Obligee by registered mail.

ATTEST:

_____
(Principal)

BY: _____

_____

_____
Attorney-in-Fact

JPMorgan Chase Bank, N.A.
Global Trade Services
131 South Dearborn, 5th Floor
Mail Code: IL1-0236
Chicago, IL 60603-5506

SPECIMEN

-VALUE DATE-
OUR L/C NO.: 799410

TO:
MONTGOMERY COUNTY, MARYLAND
C/O OFFICE OF CABLE COMMUNICATION
100 MARYLAND VENUE, SUITE 200
ROCKVILLE, MD 20850

APPLICANT:
COMCAST OF POTOMAC, LLC.
8029 CORPORATE DRIVE
BALTIMORE, MD 21236

WE HAVE ESTABLISHED OUR IRREVOCABLE STANDBY LETTER OF CREDIT IN YOUR FAVOR AS DETAILED HEREIN SUBJECT TO ISP98

DOCUMENTARY CREDIT NUMBER:	TFTS-799410
FURTHER IDENTIFICATION:	ISSUE
DATE OF ISSUE:	-VALUE DATE-
BENEFICIARY:	MONTGOMERY COUNTY, MARYLAND C/O OFFICE OF CABLE COMMUNICATION 100 MARYLAND VENUE, SUITE 200 ROCKVILLE, MD 20850
APPLICANT:	COMCAST OF POTOMAC, LLC. 8029 CORPORATE DRIVE BALTIMORE, MD 21236
DATE AND PLACE OF EXPIRY:	APRIL 14, 2016 AT OUR COUNTER
DOCUMENTARY CREDIT AMOUNT:	USD100,000.00
AVAILABLE WITH:	JPMORGAN CHASE BANK, N.A. TAMPA, FLORIDA BY PAYMENT

IT IS A CONDITION OF THIS LETTER OF CREDIT THAT IT SHALL BE AUTOMATICALLY EXTENDED WITHOUT AMENDMENT FOR ADDITIONAL 12 MONTH PERIODS FROM THE

DRAFT

*********DRAFT APRIL 14, 2015 02:42 PM*********

JPMorgan Chase Bank, N.A.
Global Trade Services
131 South Dearborn, 5th Floor
Mail Code: IL1-0236
Chicago, IL 60603-5506

SPECIMEN

-VALUE DATE-
OUR L/C NO.: ·799410

PRESENT OR EACH FUTURE EXPIRATION DATE, UNLESS AT LEAST 60 DAYS PRIOR TO THE CURRENT EXPIRY DATE WE SEND NOTICE IN WRITING TO YOU VIA SWIFT, OR HAND DELIVERY AT THE ABOVE ADDRESS, THAT WE ELECT NOT TO AUTOMATICALLY EXTEND THIS LETTER OF CREDIT FOR ANY ADDITIONAL PERIOD. UPON SUCH NOTICE TO YOU, YOU MAY DRAW ON US AT SIGHT FOR AN AMOUNT NOT TO EXCEED THE BALANCE REMAINING IN THIS LETTER OF CREDIT WITHIN THE THEN-APPLICABLE EXPIRY DATE, BY YOUR SWIFT OR PRESENTATION OF YOUR DRAFT AND DATED STATEMENT PURPORTEDLY SIGNED BY ONE OF YOUR OFFICIALS READING AS FOLLOWS:
QUOTE
THE AMOUNT OF THIS DRAWING USD ..... UNDER JPMORGAN CHASE BANK, N.A. LETTER OF CREDIT NUMBER -799410 REPRESENTS FUNDS DUE US AS WE HAVE RECEIVED NOTICE FROM JPMORGAN CHASE BANK, N.A. OF THEIR DECISION NOT TO AUTOMATICALLY EXTEND LETTER OF CREDIT NUMBER -799410 AND THE UNDERLYING OBLIGATION REMAINS OUTSTANDING.
UNQUOTE

IN THE EVENT THIS LETTER OF CREDIT IS SUBSEQUENTLY AMENDED BY US TO RESCIND A NOTICE OF NON-EXTENSION AND TO EXTEND THE EXPIRY DATE HEREOF TO A FUTURE DATE, SUCH EXTENSION SHALL BE FOR THAT SINGLE PERIOD ONLY AND THIS LETTER OF CREDIT WILL NOT BE SUBJECT TO ANY FUTURE AUTOMATIC EXTENSIONS UNLESS OTHERWISE STATED.

ADDITIONAL DETAILS:
WE HEREBY ISSUE OUR IRREVOCABLE LETTER OF CREDIT AT THE REQUEST OF COMCAST CORPORATION AND ON BEHALF OF COMCAST OF POTOMAC, LLC.

THIS LETTER OF CREDIT IS AVAILABLE WITH JPMORGAN CHASE BANK, N.A. AGAINST PRESENTATION OF YOUR DRAFT AT SIGHT DRAWN ON JPMORGAN CHASE BANK, N.A., WHEN ACCOMPANIED BY THE DOCUMENTS INDICATED HEREIN.

BENEFICIARY'S DATED STATEMENT REFERENCING JPMORGAN CHASE BANK, N.A. LETTER OF CREDIT INDICATING AMOUNT OF DEMAND/CLAIM AND PURPORTEDLY SIGNED BY AN AUTHORIZED PERSON READING AS FOLLOWS:

''THE AMOUNT OF THIS DRAWING USD. . . . . , UNDER JPMORGAN CHASE BANK, N.A., LETTER OF CREDIT NUMBER 799410 REPRESENTS FUNDS DUE US AS COMCAST OF POTOMAC, LLC HAS FAILED TO PERFORM ITS DUTIES PURSUANT TO THE CABLE FRANCHISE AGREEMENT BY AND BETWEEN MONTGOMERY COUNTY, MARYLAND AND

JPMorgan Chase Bank, N.A.
Global Trade Services
131 South Dearborn, 5th Floor
Mail Code: IL1-0236
Chicago, IL 60603-5506

SPECIMEN

-VALUE DATE-
OUR L/C NO.: -799410

COMCAST OF POTOMAC, LLC.''

MULTIPLE DRAWINGS ARE PROHIBITTED.

PLEASE ADDRESS ALL CORRESPONDENCE AND ANY DRAWINGS HEREUNDER TO THE ATTENTION OF THE STANDBY LETTER OF CREDIT DEPARTMENT, 10420 HIGHLAND MANOR DR. 4TH FL., TAMPA, FL 33610, BEING SURE TO REFERENCE THE ABOVE MENTIONED LETTER OF CREDIT NUMBER. FOR ASSISTANCE, PLEASE CONTACT THE STANDBY CLIENT SERVICE UNIT AT 1-800-634-1969, SELECT OPTION 1, OR E-MAIL AT GTS.CLIENT.SERVICES@JPMCHASE.COM. PLEASE HAVE OUR REFERENCE NUMBER AVAILABLE WHEN YOU CONTACT US.

WE HEREBY AGREE WITH YOU THAT DRAFTS DRAWN UNDER AND IN COMPLIANCE WITH THE TERMS AND CONDITIONS OF THIS LETTER OF CREDIT WILL BE DULY HONORED.

THE NUMBER AND THE DATE OF OUR CREDIT AND THE NAME OF OUR BANK MUST BE QUOTED ON ALL DRAFTS REQUIRED.

EXCEPT AS OTHERWISE SPECIFIED HEREIN, THE LETTER OF CREDIT IS SUBJECT TO THE INTERNATIONAL STANDBY PRACTICES (1998), INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION NO. 590.

THIS LETTER OF CREDIT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAWS.

Comcast Corporation
COMPANY NAME

AGREES TO THE WORDING OF THIS STANDBY LETTER OF CREDIT

SPECIMEN

AUTHORIZED SIGNATURE

AUTHORIZED SIGNATURE

*********DRAFT APRIL 14, 2015 02:42 PM*********

EXHIBIT F

FRANCHISE FEE REPORT FORM

	Montgomery County Revenue	
	Basic	
	Pay	
	.Digital Service	
	PPV	
	Digital Equipment	
	Installation	
	Net Ad Sales	
	Shopping	
	Franchise Fee	
	Other	
	Gross Revenues	-
Less:	Bad Debt Expenses, net (Montgomery County only)	
	Adjusted Gross Revenue	-
	5% Franchise Fee	-
	Gaithersburg Revenue	
	Less: Bad Debt (Gaithersburg)	
	Adjusted Gaithersburg Revenue	-
	30% of 5% Franchise Fee	-
	Total Franchise Fee Payment	$ -

Location	***No. of Subscribers***
Barnesville	
Brookville	
Chevy Chase Sec III	
Chevy Chase Sec IV	
Chevy Chase Sec V	
Chevy Chase View	
Chevy Chase Village	
County	
Garret Park	
Glen Echo	
Kensington	
Laytonsville	
Poolesville	
Rockville	
Somerset	
Takoma Park	
Village of Martinsburg Addition	
Village of North Chevy Chase	
Washington Grove	
TOTAL	0

Report to the County Executive

Regarding the Proposed Grant

of a Cable Television Franchise Renewal

to

Comcast of Potomac, LLC

by

The Office of Cable and Broadband Services,

Montgomery County Department

Of Technology Services

15 May 2015

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I. EXECUTIVE SUMMARY

This report addresses the proposed Renewal Franchise Agreement ("Franchise Agreement") between Montgomery County and Comcast of Potomac, LLC. ("Comcast"), and two related proposed agreements between the County and Comcast: a Settlement Agreement, and an Agreement for Indefeasible Right of Use of Certain Facilities, and Provision of Cable Modem Services ("IRU").

Comcast submitted the proposed Franchise Agreement and related agreements to the County pursuant to Section 8A-22(f) of the Montgomery County Code. The proposed agreements are the products of extended negotiations with the County through the Office of Cable and Broadband Services, Montgomery County Department Of Technology Services ("Cable Office"). The Franchise Agreement renews Comcast's cable franchise, which authorizes Comcast to use County rights-of-way to provide cable services. The Settlement resolves certain issues with respect to Comcast's past performance. The IRU effectively preserves the County's right to continue to use portions of Comcast's system which comprise part of the existing "institutional network" or "I-Net" connecting major County facilities for video and data communications. The Cable Office recommends that the County Executive approve the proposed Franchise Agreement and related agreements because the proposed agreements will serve the interests of cable subscribers and the County.

II. THE PROPOSED FRANCHISE AGREEMENT.

A. Overview.

The Cable Office, with the assistance of the Office of the County Attorney negotiated the terms of the proposed Franchise Agreement with representatives of Comcast. The Cable Office

has considered the interests of all the affected parties - including County residents, cable subscribers, the municipalities within the County, the Montgomery County Public Schools, Montgomery College, County government, and outside agencies - in an effort to achieve an equitable balance among all of those interests. We have also considered the effects of the proposed Franchise Agreement on the County's agreements with other cable operators, Verizon Maryland Inc. and RCN.

B. Summary of the Proposed Franchise Agreement.

The proposed Franchise Agreement requires Comcast to serve all parts of the County, although customers may be required to share in the cost of system extension where population density is below certain levels. The Franchise Agreement also provides the County and participating municipalities with capital grants for PEG uses of the system (which include the I-Net). The value of these commitments is enhanced by the separate Settlement Agreement and IRU. Through the Settlement Agreement, the County and participating municipalities will be able to use PEG grants for operating support. Through the separate IRU agreement, the County secures the availability of the Comcast facilities which are part of the I-Net for at least 15 years, and obtains a right to purchase the Comcast facilities which are part of the I-Net at the end of the IRU term. In addition, the Franchise Agreement and the Settlement Agreement continue the current obligations of Comcast with respect to the provision of courtesy services to schools and other public institutions.

The general terms of the proposed Franchise Agreement related to police powers, use of rights of way, bonding and the like are modeled on the existing Verizon franchise except where differences between the systems justified a different treatment. Many of the terms, including

the customer service provisions, are either identical to, or virtually identical to the Verizon franchise terms.

The principle terms of the proposed Franchise Agreement are as follows:

1). *Term.* The Franchise Agreement expires in 2021, the same year as the Verizon franchise. Having both franchises expire at the same time should permit the County to address renewal for both franchisees more cost-effectively.

2). *Service Territory.* Comcast must serve all residences in the County where the density is equal or greater than 15 occupied dwelling units per mile. In addition, and unlike the Verizon franchise, the Franchise Agreement requires Comcast to extend service where density is less than 15 occupied dwelling units per mile if the customers requesting service share the costs. The cost sharing formula is designed to lower costs if neighbors order service together.

3). *Franchise Fee.* Comcast must pay a 5% franchise fee on gross revenues derived from the operation of the cable system to provide cable service. This is the same as the fee Verizon has been paying, and the same as Comcast is paying under its existing franchise.

4). *PEG Support.*

(a). Comcast will pay 3% of its gross revenues to the County for PEG capital grants. These funds can be used for the PEG access channels and for the I-Net (see discussion below). Verizon also pays 3%. Under its existing franchise, Comcast makes lump sum payments which were once *less* than 3% of gross revenues but today are more than 3% (due to declines in customers and revenues). The Cable Office believes it makes sense to move Comcast to a gross revenues-based PEG fee.

(b). Comcast will provide courtesy cable service to the same number of buildings to which it now provides courtesy service and must extend service to up to three new public buildings per year. Comcast will also provide, maintain and replace converters needed to receive service in place now, and provide up to three additional converters for each new site. The County would pay for additional equipment if needed. Combined with obligations in franchises or proposed franchises with other providers related to courtesy cable services, this should satisfy the County's needs for the renewal term.

5). *PEG Channels.*

(a). Comcast now provides 11 PEG channels in standard definition, or SD. Under the proposed Franchise Agreement, Comcast will provide up to 14 PEG channels, of

which 5 may be high definition or HD. Up to four HD channels may be activated within the first three years of the renewal franchise. In order to activate all four HD channels, the County will need to drop one or combine existing SD channels. The four HD channels can have original content, or "simulcast" other PEG channels programming (just as broadcast channels simulcast today in HD and SD). After the third year of the Agreement, the County can convert one other SD PEG channel into a fifth HD channel.

(b). The proposed Franchise Agreement requires Comcast to treat the PEG channels the same way it treats the most popular commercial channels it carries. The channels must be accessible from program guides, recordable in the same way, and be equivalent in quality from the perspective of the viewer.

6). *I-Net.* The County relies on an I-Net for critical data and video communications. Comcast proposes to move its I-Net obligations from the franchise into a separate agreement – the IRU agreement. The Cable Office agreed with this approach. Having a separate agreement can be advantageous for the County: where franchising has shifted from localities to the state level, companies have continued to provide I-Nets required by separate agreements. Placing obligations in a separate agreement also resolves an argument raised by Comcast in negotiations – that when the local franchise terminates, the I-Net obligations also terminate. The proposed Franchise Agreement permits PEG grants to be used for I-Net purposes, and a failure to comply with the IRU is a material franchise violation.

7). *Competitive Equity.* The proposed Franchise Agreement includes a "competitive equity" clause not included in the Verizon franchise and unlike the one in the current Comcast franchise. Under the proposed clause, if County Council grants a franchise that contains material terms and conditions that differ from Comcast's material obligations under the Franchise Agreement to an entity that provides competitive video programming services to County residences, at Comcast's request, the County and Comcast must enter into negotiations to ensure regulatory and financial burdens on each franchisee are materially equivalent. If no agreement is reached, Comcast may shorten the franchise term and require the County to commence renewal proceedings. The clause does not apply to entities occupying the County right of way as of the effective date of the proposed Franchise Agreement. I-Net obligations were omitted from the list of obligations that trigger the "equity" clause.

III. THE SETTLEMENT AGREEMENT AND IRU.

A. <u>Summary of the Proposed Settlement Agreement.</u>

The proposed Settlement Agreement resolves certain disputes regarding Comcast's performance under its existing franchise, provides a release to Comcast in connection with the

settlement of those disputes and relieves Comcast of certain obligations the County believes could otherwise be imposed upon Comcast through the renewal process (primarily, the I-Net obligations discussed above). In return, Comcast agrees:

1). to pay the County $200,000;

2). to release claims it may have against the County for reimbursement of certain I-Net expenses, or for the provision of courtesy drops under the existing franchise, and to provide courtesy drops without offset during the Franchise Agreement term;

3). to enter into the IRU and to allow the County to use PEG grants for the IRU facilities, and for expansion of the I-Net by the County; and

4). to permit the County to use the PEG grants for non-capital purposes under a matching formula. One third of the PEG support Comcast provides (1% of gross revenues) can be used for non-capital purposes. For each dollar the County, the participating municipalities, or the schools and colleges spend on PEG in a fiscal year, an additional dollar of the Comcast PEG grant may be used for non-capital purposes in the following fiscal year. Thus, if those entities spent $200,000 for PEG in FY 2015, in FY 2016 an additional $200,000 of the Comcast PEG grant could be used for non-capital support. With enough matching funds, the entire 3% Comcast PEG grant could be used for non-capital support.

B. <u>Summary of the Agreement for Indefeasible Right of Use (IRU).</u>

1). *Overview.* What the County calls the I-Net is comprised of fiber (including associated facilities) built, paid for, and owned by the County (FiberNet); fiber installed, paid for and owned by Comcast (the Comcast-Paid C-Net); and fiber installed by Comcast and paid for by the County (the County-Paid C-Net). The proposed IRU is a separate agreement that replaces the Comcast I-Net obligations under the existing franchise. Under the IRU, Comcast will no longer have any obligation to build any additions to the I-Net. It effectively delegates that responsibility to the County (as described in the Settlement Agreement). The IRU requires Comcast to allow the County to access and use Comcast fiber (both the Comcast-Paid C-Net and the County-Paid C-Net), and requires Comcast to maintain this fiber to certain specified standards. In most other respects, the IRU simply preserves the status quo. As under the current arrangement, there is no charge for use of the fibers, but Attachment 1 to the IRU agreement requires the County to pay Comcast's actual costs for maintaining facilities provided under the IRU.

2). *Term.* The IRU terminates if the proposed Franchise Agreement terminates, and if Comcast no longer has authority to maintain its facilities in the rights of way. If Comcast maintains its authority to occupy the rights of way (whether under a new franchise or some other authorization), the IRU remains in effect through October 1, 2030, although Comcast may extend the IRU to October 1, 2035.

3). *Right to Purchase/Reversion.* When the IRU expires, title to the County-Paid C-Net will revert to the County automatically. The County will have the right to purchase the Comcast-Paid C-Net at original cost less depreciation. A similar purchase arrangement is in the existing franchise.

4). *Use Restrictions*. Like the existing Comcast franchise, the IRU prohibits sale, lease sublease, bartering or giving away capacity on the Comcast-Paid C-Net or the County-Paid C-Net to a private entity to use to provide a competing cable service or an Internet access service offered on a paid commercial basis that competes with any Internet access service Comcast may be authorized to provide. The limitations would cease to apply if the County purchases the facilities. The restrictions do not apply to the FiberNet.

5). *Other.* Because Comcast will no longer be required to build out the I-Net to new or moved locations, Comcast agreed to continue to provide cable modem service to certain locations that are not served now by the I-Net on a paid basis.

IV. RECOMMENDATION.

Overall, the Cable Office believes that the agreements in combination represent a reasonable compromise that serves what were the County's major goals going into renewal, including preservation of PEG channels and grants, preservation of the I-Net, and development of an agreed formula for cost-sharing in low-density areas. There could be substantial risks associated with rejecting the proposed Franchise Agreement, and a loss of the significant benefits provided under the Settlement Agreement with respect to use of grants for non-capital support, and under the IRU with respect to the I-Net. Therefore, the Cable Office recommends approval of all three agreements.

AGREEMENT BETWEEN MONTGOMERY COUNTY, MARYLAND

AND

The City of Takoma Park, Maryland

THIS AGREEMENT is entered into as of the 12th day of December, 2006, by and between Montgomery County, Maryland, a body corporate and politic (hereinafter referred to as the "County"), and the City of Takoma Park, Maryland, a municipal corporation organized pursuant to Article XI-E of the Maryland Constitution, (hereinafter referred to as the "Municipality").

WITNESSETH:

WHEREAS, the County enacted Chapter 8A of the Montgomery County Code (2004), as amended, entitled "Cable Communications" in order to provide for the grant of one or more franchises for the construction and operation of a cable communications system in the County, and to provide for the administration and regulation of the cable communications system by the County during the franchise term; and

WHEREAS, the County, pursuant to the provisions of Chapter 8A, has awarded a cable communications franchise within the County to Verizon Maryland, Inc. (hereinafter referred to as "Verizon"); and

WHEREAS, the Municipality has the express authority to grant one or more exclusive or nonexclusive franchises for a community antenna system or other cable television system within its

corporate boundaries, pursuant to Article 23A, Section 2(b)(13) of the Annotated Code of Maryland; and

WHEREAS, the Municipality finds that it is in the best interest of its citizens for cable communications systems to be constructed and operated within its corporate limits; and

WHEREAS, the Municipality finds that it is in the best interest of its citizens that the administration and regulation of the Verizon system, within the boundaries of the Municipality be undertaken by the County and to this end has enacted an Ordinance, which adopts, with certain amendments, Chapter 8A so that its provisions shall be effective within the Municipality, and

WHEREAS, the Municipality's Cable Communications Ordinance provides that the County is requested and authorized to administer and enforce said Ordinance within the Municipality; and

WHEREAS, by this Agreement, the parties desire to set forth the terms and conditions upon which the County will administer and enforce the Municipality's Cable Communications Ordinance.

NOW THEREFORE, in consideration of the mutual promises and covenants hereinafter contained, the County and the Municipality agree as follows:

1. The Municipality, having previously adopted, by municipal ordinance, Chapter 8A of the Montgomery County Code, requests that the County administer and enforce such Ordinance

within the corporate limits of the Municipality, and authorizes the County to act as agent of the Municipality in connection with the negotiation for the award of a cable communications franchise(s) to be effective within the corporate limits of the Municipality. The County agrees to administer such franchise within the Municipality's corporate boundaries as agent of the Municipality.

2. The County shall submit any proposed franchise agreement which is to be effective within the Municipality to the Municipality for its review and approval. The Municipality shall execute any franchise agreement which it has approved within thirty (30) days of the County's request.

3. The County agrees that it shall, to the full extent permitted by law and by the franchise agreement, impose upon any franchisee, either as a condition of the franchise agreement or as a duty resulting from appropriate amendments to Chapter 8A, or both, or to undertake as a County responsibility, the following obligations which shall be enforced by the County and enforceable by the Municipality:

(a) The Cable Communications System shall be completely constructed within the Municipality's boundaries as soon as it is constructed in any adjacent area. The cable communications system shall be constructed to serve the entire Municipality.

(b) The Municipality shall not be discriminated against in the array of channels and services offered by the franchisee, or in the rates charged to customers in the Municipality. This provision applies only insofar as the County is authorized to regulate the franchisee's channels, services, and rates.

(c) The following minimum access channel capacity shall be available for programming by the Municipalities on the lowest-cost tier of service provided by the franchisee:

(i) Rockville and Takoma Park shall each have a system-wide analog access channel, pursuant to Section 6.1.1 of the franchise agreement. If the capacity set aside for PEG use is subdivided or compressed, Rockville and Takoma Park will each receive an additional channel, pursuant to Section 6.7.5 of the franchise agreement.

(ii) The other municipalities in Montgomery County, shall have at least one common system-wide analog access channel, pursuant to Section 6.1.1 of the franchise agreement. If the capacity set aside for PEG use is subdivided or compressed, the other municipalities will receive an additional channel, pursuant to Section 6.7.5 of the franchise agreement. Allocation of use of the municipal channel(s) shall be determined by the Montgomery County Chapter of the Maryland Municipal League. The municipalities shall have the opportunity to utilize the public access channel.

(d) The County will require the franchisee to design, provide, and maintain, at no cost to the municipalities, a system with appropriate architecture, equipment and interconnections to the Comcast and RCN systems so that the municipal channels will suffer no noticeable signal degradation and that the municipal channel signals are transmitted to the subscriber at the same level of quality as they are transmitted over the Comcast and RCN systems.

(e) The County will promptly notify municipal PEG operators how and when their channels will be connected to Verizon, and the County will consider any comments from municipalities regarding the interconnection in the County's review of the interconnection design.

(f) The County shall require that if there are to be changes in the channel designation of any municipal channel, the franchisee shall give the access channel programmer ninety (90) days notice of such change (if commercially practicable) but in no event less than forty-five (45) days.

(g) If the franchisee changes the channel designations for any municipal channel, the County will divide the cost reimbursement provided for in Section 6.1.2 of the franchise agreement equally among the affected PEG channels without any withholding by the County for administration or other reasons.

(h) All waivers and indemnifications obtained by the County from the franchisee shall inure to the benefit of the Municipality.

(i) The County shall require in the franchise agreement that the franchisee shall comply with all applicable construction permit requirements and fees of the Municipality and all facilities and equipment of the franchisee related to the system located within the Municipality shall be subject to all applicable ordinances and regulations of the Municipality.

4. Section 8A-30 of the Montgomery County Code provides that any cable advisory committee or board created by the County that is concerned with franchises or cable operations in which the below entities are participating municipalities, must include one voting representative designated by

(a) the Montgomery County Chapter of the Maryland Municipal League;

(b) the City of Rockville; and,

(c) the City of Takoma Park.

If the County deletes the foregoing representation requirement from the Montgomery County Code, the Municipality may terminate this Agreement upon thirty (30) days written notice to the County.

5. The County agrees to indemnify, defend, and hold the Municipality harmless from the County's actions in connection with the County's award of the franchise(s), and the County's

administration and enforcement of Chapter 8A of the County Code, the Municipality's Ordinance, and the franchise agreement. Any obligation or liability of the County arising in any way from this Agreement is subject to, limited by and contingent upon the appropriation and availability of funds, as well as the types of liabilities, damage caps and notice requirements stated in the Maryland Local Government Tort Claims Act, currently found at Maryland Code Annotated, Courts & Judicial Proceedings, Section 5-301, et seq., ("LGTCA"). Any indemnification given by the County in this Agreement is not intended to create any rights in any third parties. The County shall not be responsible, nor required to indemnify the Municipality, for the negligence of the Municipality, its employees, or agents in any matter covered by this Agreement.

6. Franchise fees thereon shall be distributed to the Municipality in accordance with Section 8A-30 of the Montgomery County Code. If, at any time, Section 8A-30 provides for the County to retain more than 30 percent of the Municipality's franchise fees as compensation for the administration of the franchise within the Municipality, the Municipality may terminate this agreement upon thirty (30) days written notice. The distribution shall be made within thirty (30) days after receipt by the County of the franchise fees from the franchisee.

7. The County shall distribute the total capital grant from the franchisee, upon the terms and conditions set forth in

section 6.2 of the franchise agreement, as follows: one-seventh (1/7) to the City of Rockville; one-seventh (1/7) to the City of Takoma Park; and one-seventh (1/7) to the Montgomery County Chapter of the Maryland Municipal League or its successor(s) in interest, in a manner directed by the Montgomery County Chapter of the Maryland Municipal League. The County shall not withhold or otherwise collect any fee or charge with respect to the capital grant, it being the intention that each of the parties described above shall receive a net of 1/7 of the total grant paid by the franchisee. The distribution of each installment of the capital grant shall be made by the County within thirty (30) days after receipt of such installment by the County. If the franchisee provides any additional monetary compensation to the franchising authorities or increases the capital grant, the municipalities shall receive a proportionate share of such increases.

The County's obligation to distribute the capital grant as described above shall not be extinguished if any of the Participating Municipalities terminate this Agreement in accordance with its terms.

8. Each participating municipality shall be entitled to a free "drop" on the terms set forth in Section 3.3 of the franchise agreement regarding cable service for public buildings, except that the Cities of Rockville and Takoma Park each shall be entitled to five (5) free drops and the Town of Kensington shall be entitled to two (2) free drops. Each Municipality shall make

its request through the County, and the County shall make the request on behalf of the Municipality to the franchisee within five (5) days of receiving the request from the Municipality.

9. If requested by the Municipality, the County will notify the Municipality when it receives design, construction, "as-built" and other required drawings, reports and documents relating to construction and/or operation of the franchise in the Municipality and, upon request, require the franchisee to provide the Municipality with a copy of each requested drawing, report or other document within five (5) days of such request or the delivery to the County, whichever occurs last.

10. With respect to the statement described in Section 9.10.4 of the franchise agreement, the County will require that gross revenues be broken down by participating municipality (or as close as is practicable) and that this information be provided to the applicable participating municipality.

11. Because the franchisee's failure to comply with the provisions of the franchise agreement will result in injury to the Municipality, the extent of which will be difficult to determine, and because the franchise agreement provides for liquidated damages for certain breaches of the franchise agreement, the County will collect, on behalf of the affected Participating Municipality, liquidated damages in accordance with Section 13.9 of the franchise agreement and shall distribute the Municipality's proportionate share to the Municipality. The foregoing shall apply to liquidated damages payable pursuant to

Section 13.9 if the breach directly affects the Municipality. Further, the Performance Bond described in Section 13.7 of the franchise agreement is for the protection of the Municipality as well as the County. Accordingly, as agent of the Municipality, the County will withdraw an appropriate amount, including interest and penalties, from the security deposit and pay the same to the Municipality if the franchisee is in default to the Municipality and fails to cure such default in accordance with the franchise agreement.

12. With the exception of paragraphs 5, 7, and 8 hereof, this Agreement shall expire and be of no further force and effect upon revocation of the franchise by the County or the Municipality, or expiration of the franchise effective within the Municipality; provided, however, that either party shall continue to have the right to assert any claims with respect to any obligation or arising out of any breach of this Agreement occurring prior to the revocation or expiration hereof. The franchise within the Municipality shall not be renewed or extended by the County without the approval of the Municipality.

13. In the event of a material breach of this Agreement by either party, the party not in default shall give the defaulting party notice of such breach and an opportunity to cure the same for a period of thirty (30) days following the giving of such notice. In the event that the defaulting party does not cure the material breach within thirty (30) days of the date of such notice, this Agreement may be terminated by the non-defaulting

party upon ten (10) days' written notice to the party committing a material breach hereof. Any notice pursuant to this paragraph of the Agreement shall be hand delivered, with receipt acknowledged, or mailed by certified mail, restricted delivery, addressed in the case of the County, to: Isiah Leggett, County Executive (or successor), Executive Office Building, 101 Monroe Street, Rockville, Maryland 20850, in the case of the Municipality, to: Barbara B. Matthews, City Manager (or successor), City of Takoma Park, 7500 Maple Ave., Takoma Park MD 20912. Termination of this Agreement under the provisions of this paragraph shall not result in the termination of the franchise agreement. In the event of termination of this Agreement (and any franchise agreement shall so provide), the Municipality shall become responsible for the administration and enforcement of the franchise agreement within its corporate limits and shall be entitled to collect and retain the franchise fee on all revenues derived from subscribers within the Municipality.

IN WITNESS WHEREOF, the County and the Municipality have executed this Agreement as of the day and year first written above.

WITNESS:

Cindy Arlu

MONTGOMERY COUNTY, MARYLAND

By: Isiah Leggett

Isiah Leggett
County Executive

Date: Feb 8, 2007

WITNESS:

City of Takoma Park, MD

Barbara B. Matthews

Barbara B. Matthews
City Manager

Date: 12-14-06

APPROVED AS TO FORM AND LEGALITY
OFFICE OF THE COUNTY ATTORNEY

BY Clifford L. Royalty

DATE: 2/5/07

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AMENDED AGREEMENT TO IMPLEMENT THE VERIZON CABLE FRANCHISE BETWEEN

MONTGOMERY COUNTY, MARYLAND

and

MUNICIPALITY (other than Rockville)

THIS AMENDED AGREEMENT is entered into as of the ____ day of _____, 2016, by and between Montgomery County, Maryland, a body corporate and politic (hereinafter referred to as the "County"), and _____, a municipal corporation organized pursuant to Article XI-E of the Maryland Constitution (hereinafter referred to as the "Municipality") (collectively referred to as "the Parties").

WITNESSETH:

WHEREAS, the County enacted Chapter 8A of the Montgomery County Code (2014), as amended, entitled "Cable Communications," which allows for the grant of one or more franchises for the construction and operation of a cable communications system in the County, and for the administration and regulation of the cable communications system by the County during the franchise term; and

WHEREAS, on or about October 30, 2006, the County awarded a cable franchise within the County to Verizon Maryland, Inc. (hereinafter referred to as "Verizon") and approved Verizon's franchise agreement, pursuant to the provisions of Chapter 8A; and

WHEREAS, the Municipality has the express authority to grant one or more exclusive or nonexclusive franchises for a cable television system within its corporate boundaries, pursuant to Sections 1-708 and 5-204(d) of the Local Government Article; and

WHEREAS, the Municipality finds that it is in the best interest of its residents for cable systems to be constructed and operated within its corporate limits; and

WHEREAS, the Municipality finds that it is in the best interest of its residents that the awarding or renewing a cable communications franchise and administration and regulation of the Verizon cable system, within the boundaries of the Municipality, be undertaken by the County and to this end has either (i) enacted an Ordinance, which adopts, with certain amendments, Chapter 8A so that its provisions shall be effective within the Municipality, or (ii) not exempted itself by ordinance from Chapter 8A and therefore Chapter 8A applies in the Municipality pursuant to Section 4-111 of the Local Government Article; and

WHEREAS, the Municipality's Cable Communications Ordinance, if any, provides that the County is requested and authorized to administer and enforce said Ordinance within the Municipality; and

WHEREAS, the Parties previously entered into an Agreement in 2006 allowing the County to administer the Ordinance and otherwise addressing the implementation of the franchise granted to Verizon; and

WHEREAS, the Parties desire to amend that prior agreement and replace it with this Amended Agreement; and

WHEREAS, by this Amended Agreement, the Parties have set forth the terms and conditions upon which the County will administer and enforce the Municipality's Cable Communications Ordinance, if any, and implement Chapter 8A and the Verizon cable franchise.

NOW THEREFORE, in consideration of the mutual promises and covenants contained herein, the County and the Municipality agree as follows:

1. The Municipality requests that the County administer and enforce Chapter 8A within the corporate limits of the Municipality, and authorizes the County to act as the agent of the Municipality in connection with the negotiation, administration and enforcement of the approved cable franchise agreement to be effective within the corporate limits of the Municipality. The County agrees to administer such franchise within the Municipality's corporate boundaries as an agent of the Municipality.

2. To the extent permitted by law and by the franchise agreement, the following obligations shall be enforced by the County and enforceable by the Municipality:

(a) The cable communications system shall be constructed to serve the entire Municipality.

(b) The Municipality shall not be discriminated against in the array of channels and services offered by the franchisee, or in the rates charged to customers in the Municipality. This provision applies only insofar as the County is authorized to regulate the franchisee's channels, services, and rates.

(c) The following minimum access channel capacity shall be available for programming by the Municipality and the other Participating Municipalities on the lowest-cost tier of service provided by the franchisee:

(i) Rockville and Takoma Park shall each have one digital access channel, pursuant to Section 6.1.1 of the franchise agreement.

(ii) The other Participating Municipalities in Montgomery County shall share one common digital access channel, pursuant to Section 6.1.1 of the franchise agreement.

(d) If the franchisee changes the channel designations for any municipal channel, the County will divide the cost reimbursement provided for in Section 6.1.2.2 of the franchise agreement equally among the affected Participating Municipalities without any withholding by the County for administration or other reasons.

(e) All waivers and indemnifications obtained by the County from the franchisee shall inure to the benefit of the Municipality.

3. Franchise fees shall be distributed to the Municipality in accordance with Section 8A-29 of the Montgomery County Code. If Section 8A-29 is amended to allow the County to retain more than thirty (30) percent of the Municipality's franchise fees as compensation for the administration of the franchise within the Municipality, the Municipality may terminate this agreement upon thirty (30) days written notice to the County. The distribution shall be made within thirty (30) days after receipt by the County of the franchise fees from the franchisee.

4. Upon the terms and conditions set forth in section 6.2 of the franchise agreement, the County shall distribute a portion of the capital grant from the franchisee as follows: one-seventh (1/7) to the City of Rockville; one-thirtieth (1/30) to the City of Takoma Park; and one-thirtieth (1/30) to the Montgomery County Chapter of the Maryland Municipal League, or its successor in interest, in a manner directed by the Montgomery County Chapter of the Maryland Municipal League. The distribution of each installment of the capital grant shall be made by the County within thirty (30) days after the County receives the grant. The County's obligation to distribute the capital grant as described above shall not be extinguished as to the signatory of this

Agreement if any of the other Participating Municipalities terminates this Agreement. Any portion of the capital grant that is not distributed by the County will be retained by the County for its use.

5. Each Participating Municipality shall be entitled to a free "drop" on the terms set forth in Section 3.3 of the franchise agreement regarding cable service for public buildings, except that the cities of Rockville and Takoma Park each shall be entitled to five (5) free drops and the Town of Kensington and Chevy Chase Village shall be entitled to two (2) free drops. Each Municipality shall make its request through the County, and the County shall make the request on behalf of the Municipality to the franchisee within five (5) days of receiving the request from the Municipality.

6. Because the franchisee's failure to comply with the provisions of the franchise agreement will result in injury to the Municipality, the extent of which will be difficult to determine, and because the franchise agreement provides for liquidated damages for certain breaches of the franchise agreement, the County will collect, on behalf of the affected Participating Municipality, liquidated damages in accordance with Section 13.6 of the franchise agreement and shall distribute the Municipality's proportionate share to the Municipality as permitted by law, Council appropriation, and the franchise agreement. The foregoing shall apply to liquidated damages payable pursuant to Section 13.6 if the breach directly harms the Municipality.

7. With the exception of paragraph 9, this Agreement shall expire and be of no further force and effect upon revocation of the franchise by the County or the Municipality, or expiration of the franchise effective within the Municipality, subject to any extension of, or continued performance under, the said franchise; provided, however, that either party shall

continue to have the right to assert any claims with respect to any obligation or arising out of any breach of this Agreement occurring prior to the revocation or expiration hereof. The franchise within the Municipality shall not be renewed or extended by the County without the approval of the Municipality.

8. In the event of a material breach of this Agreement by either party, the party not in default shall give the defaulting party notice of such breach and an opportunity to cure the same for a period of thirty (30) days following the giving of such notice. If the defaulting party does not cure the material breach within thirty (30) days of the date of such notice, this Agreement may be terminated by the non-defaulting party upon ten (10) days' written notice to the party committing a material breach hereof. Any notice pursuant to this paragraph of the Agreement shall be hand delivered, with receipt acknowledged, or mailed by certified mail, restricted delivery, addressed in the case of the County, to: Isiah Leggett, County Executive (or successor), Executive Office Building, 101 Monroe Street, Maryland 20850, in the case of the Municipality, to: _____. Termination of this Agreement shall not result in the termination of the franchise agreement. If this Agreement is terminated, the Municipality shall become responsible for the administration and enforcement of the franchise agreement within its corporate limits and shall be entitled to collect and retain the franchise fee and PEG Capital Grant on all revenues derived from subscribers within the Municipality.

9. The County agrees to indemnify, defend, and hold the Municipality harmless from the County's actions in connection with the County's award of the franchise, and the County's administration and enforcement of Chapter 8A of the County Code, and the franchise agreement. Any obligation or liability of the County arising in any way from this Agreement is subject to,

limited by and contingent upon the appropriation and availability of funds, as well as the types of liabilities, damage caps and notice requirements stated in the Maryland Local Government Tort Claims Act, currently found at Maryland Code Annotated, Courts & Judicial Proceedings, Section 5-301, *et seq*. Any indemnification given by the County in this Agreement is not intended to create any rights in any third parties. The County shall neither be responsible, nor required to indemnify the Municipality, for the negligence, misconduct or inaction of third parties or the Municipality, its employees, or agents regarding any matter covered by this Agreement.

10. This Agreement supersedes and replaces all prior agreements between the Parties related to the enforcement of the Ordinance and the implementation of the Verizon franchise.

IN WITNESS WHEREOF, the County and the Municipality have executed this Agreement as of the day and year first written above.

WITNESS: MONTGOMERY COUNTY, MARYLAND

_____ By:_____
Isiah Leggett
County Executive

Date:_____

APPROVED AS TO FORM AND LEGALITY
OFFICE OF THE COUNTY ATTORNEY

BY_____

DATE:_____

WITNESS: MUNICIPALITY

_____ By_____

Date: _____

AGREEMENT TO IMPLEMENT THE COMCAST CABLE FRANCHISE BETWEEN

MONTGOMERY COUNTY, MARYLAND

and

PARTICIPATING MUNICIPALITIES (excluding Rockville)

THIS AGREEMENT is entered into as of the ____ day of _____, 2016, by and between Montgomery County, Maryland, a body corporate and politic (hereinafter referred to as the "County"), and _____, a municipal corporation organized pursuant to Article XI-E of the Maryland Constitution (hereinafter referred to as "the Municipality") (collectively referred to as "the Parties").

WITNESSETH:

WHEREAS, the County enacted Chapter 8A of the Montgomery County Code (2014), as amended, entitled "Cable Communications," which allows for the grant of one or more franchises for the construction and operation of a cable communications system in the County, and for the administration and regulation of the cable communications system by the County during the franchise term; and

WHEREAS, the County awarded a cable franchise to Comcast of Potomac, LLC (hereinafter referred to as "Comcast") and approved Comcast's cable franchise agreement, pursuant to the provisions of Chapter 8A; and

WHEREAS, the Municipality has the express authority to grant one or more exclusive or nonexclusive franchises for a cable television system within its corporate boundaries, pursuant to Section 1-708 of the Local Government Article; and

WHEREAS, the Municipality finds that it is in the best interest of its residents for cable systems to be constructed and operated within its corporate limits; and

WHEREAS, the Municipality finds that it is in the best interest of its residents that the awarding or renewing a cable communications franchise and administration and regulation of the Comcast cable system, within the boundaries of the Municipality, be undertaken by the County and to this end has either (i) enacted an Ordinance, which adopts, with certain amendments, Chapter 8A so that its provisions shall be effective within the Municipality, or (ii) not exempted itself by ordinance from Chapter 8A and therefore Chapter 8A applies in the Municipality pursuant to Section 4-111 of the Local Government Article; and

WHEREAS, the Municipality's Cable Communications Ordinance, if any, provides that the County is requested and authorized to administer and enforce said Ordinance within the Municipality; and

WHEREAS, by this Agreement, the Parties have set forth the terms and conditions upon which the County will administer and enforce the Municipality's Cable Communications Ordinance, if any, and implement Chapter 8A and the Comcast cable franchise.

NOW THEREFORE, in consideration of the mutual promises and covenants contained herein, the County and the Municipality agree as follows:

1. The Municipality requests that the County administer and enforce Chapter 8A within the corporate limits of the Municipality, and authorizes the County to act as the agent of the Municipality in connection with the negotiation, administration and enforcement of the approved cable franchise agreement to be effective within the corporate limits of the

Municipality. The County agrees to administer such franchise within the Municipality's corporate boundaries as an agent of the Municipality.

2. To the extent permitted by law and by the franchise agreement, the following obligations shall be enforced by the County and enforceable by the Municipality:

(a) The cable communications system shall be constructed to serve the entire Municipality.

(b) The Municipality shall not be discriminated against in the array of channels and services offered by the franchisee, or in the rates charged to customers in the Municipality. This provision applies only insofar as the County is authorized to regulate the franchisee's channels, services, and rates.

(c) The following minimum access channel capacity shall be available for programming by the Municipality and the other Participating Municipalities on the lowest-cost tier of service provided by the franchisee:

(i) Rockville and Takoma Park shall each have one digital access channel, pursuant to Section 6.1.1 of the franchise agreement.

(ii) The other Participating Municipalities in Montgomery County shall share one common digital access channel, pursuant to Section 6.1.1 of the franchise agreement.

(d) If the franchisee changes the channel designations for any municipal channel, the County will divide the cost reimbursement provided for in Section 6.1.2.2 of the franchise agreement equally among the affected Participating Municipalities without any withholding by the County for administration or other reasons.

(e) All waivers and indemnifications obtained by the County from the franchisee shall inure to the benefit of the Municipality.

3. In addition to the digital channels, Section 6.7.5 of the franchise agreement requires Comcast to provide the County with four (4) high definition ("HD") channels. The Municipality and the other Participating Municipalities, including Rockville, will be permitted to program, and will share, one of the HD channels.

4. Franchise fees shall be distributed to the Municipality in accordance with Section 8A-29 of the Montgomery County Code. If Section 8A-29 is amended to allow the County to retain more than thirty (30) percent of the Municipality's franchise fees as compensation for the administration of the franchise within the Municipality, the Municipality may terminate this agreement upon thirty (30) days written notice to the County. The distribution shall be made within thirty (30) days after receipt by the County of the franchise fees from the franchisee.

5. Upon the terms and conditions set forth in Section 6.2 of the franchise agreement and the settlement agreement attached as Exhibit D to the franchise agreement, the County shall distribute one ninth (1/9th) of the 3% PEG Capital Grant ("grant") from the franchisee to Takoma Park and one ninth (1/9th) of the grant to the Montgomery County Chapter of the Maryland Municipal League, or its successor in interest, in a manner directed by the Montgomery County Chapter of the Maryland Municipal League. Pursuant to the settlement agreement, the funds distributed by the County pursuant to this paragraph are not restricted to capital use only, and are eligible and may be used for operating and/or capital cable, PEG and Institutional Network related expenditures. The distribution of each installment shall be made by the County within thirty (30) days after the County receives the grant from Comcast. The County's

obligation to distribute the funds as described above shall not be extinguished as to the signatory of this Agreement if any of the other Participating Municipalities terminates this Agreement in accordance with its terms. Any portion of the capital grant that is not distributed by the County will be retained by the County for its use.

6. Because the franchisee's failure to comply with the provisions of the franchise agreement will result in injury to the Municipality, the extent of which will be difficult to determine, and because the franchise agreement provides for liquidated damages for certain breaches of the franchise agreement, the County will collect, on behalf of the affected Participating Municipality, liquidated damages in accordance with Section 13.6 of the franchise agreement and shall distribute the Municipality's proportionate share to the Municipality as permitted by law, Council appropriation, and the franchise agreement. The foregoing shall apply to liquidated damages payable pursuant to Section 13.6 if the breach directly harms the Municipality.

7. With the exception of paragraph 9, this Agreement shall expire and be of no further force and effect upon revocation of the franchise by the County or the Municipality, or expiration of the franchise effective within the Municipality, subject to any extension of, or continued performance under, the said franchise; provided, however, that either party shall continue to have the right to assert any claims with respect to any obligation or arising out of any breach of this Agreement occurring prior to the revocation or expiration hereof. The franchise within the Municipality shall not be renewed or extended by the County without the approval of the Municipality.

8. In the event of a material breach of this Agreement by either party, the party not in default shall give the defaulting party notice of such breach and an opportunity to cure the same

for a period of thirty (30) days following the giving of such notice. If the defaulting party does not cure the material breach within thirty (30) days of the date of such notice, this Agreement may be terminated by the non-defaulting party upon ten (10) days' written notice to the party committing a material breach hereof. Any notice pursuant to this paragraph of the Agreement shall be hand delivered, with receipt acknowledged, or mailed by certified mail, restricted delivery, addressed in the case of the County, to: Isiah Leggett, County Executive (or successor), Executive Office Building, 101 Monroe Street, Maryland 20850, in the case of the Municipality, to: _____. Termination of this Agreement shall not result in the termination of the franchise agreement. If this Agreement is terminated, the Municipality shall become responsible for the administration and enforcement of the franchise agreement within its corporate limits and shall be entitled to collect and retain the franchise fee and PEG Capital Grant on all revenues derived from subscribers within the Municipality.

9. The County agrees to indemnify, defend, and hold the Municipality harmless from the County's actions in connection with the County's award of the franchise, and the County's administration and enforcement of Chapter 8A of the County Code, and the franchise agreement. Any obligation or liability of the County arising in any way from this Agreement is subject to, limited by and contingent upon the appropriation and availability of funds, as well as the types of liabilities, damage caps and notice requirements stated in the Maryland Local Government Tort Claims Act, currently found at Maryland Code Annotated, Courts & Judicial Proceedings, Section 5-301, *et seq*. Any indemnification given by the County in this Agreement is not intended to create any rights in any third parties. The County shall neither be responsible, nor required to indemnify the Municipality, for the negligence, misconduct or inaction of third

parties or the Municipality, its employees, or agents regarding any matter covered by this Agreement.

10. The Parties agree that the Participating Municipalities are authorized to connect to the Institutional Network as defined in the Comcast franchise agreement, including Exhibit D, under reasonable terms and conditions for security and network management.

11. This Agreement supersedes and replaces all prior agreements between the Parties related to the enforcement of the Ordinance and the implementation of the Comcast franchise.

IN WITNESS WHEREOF, the County and the Municipality have executed this Agreement as of the day and year first written above.

WITNESS: MONTGOMERY COUNTY, MARYLAND

_____ By:_____
Isiah Leggett
County Executive

Date:_____

WITNESS: Municipality

_____ By_____

Date: _____

APPROVED AS TO FORM AND LEGALITY
OFFICE OF THE COUNTY ATTORNEY

BY_____

DATE:_____