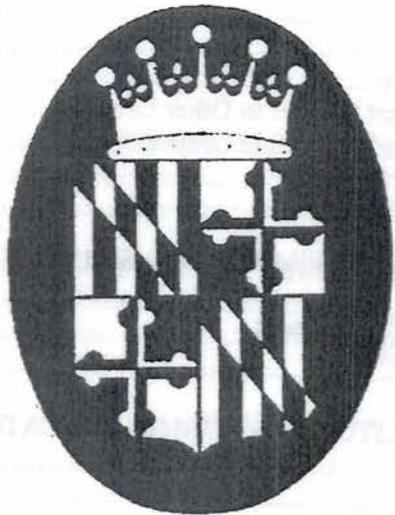


CHARLES COUNTY, MARYLAND
CABLE FRANCHISE AGREEMENT

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A CABLE FRANCHISE AGREEMENT
BETWEEN THE COUNTY COMMISSIONERS OF
CHARLES COUNTY, MARYLAND
AND COMCAST CABLEVISION OF MARYLAND, INC.



June, 2002

CABLE FRANCHISE AGREEMENT
CHARLES COUNTY, MARYLAND

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**CABLE TELEVISION FRANCHISE AGREEMENT
BETWEEN THE COUNTY COMMISSIONERS OF
CHARLES COUNTY, MARYLAND
AND COMCAST CABLEVISION OF MARYLAND, INC.**

THIS CABLE FRANCHISE AGREEMENT (the "Franchise Agreement") is entered into by and between the County Commissioners of Charles County, Maryland ("County"), a body politic and corporate, and Comcast Cablevision of Maryland, Inc., a Colorado corporation ("Franchisee").

WHEREAS, Franchisee currently operates a cable system in the County; and

WHEREAS, the construction, installation, maintenance and operation of such a system involves the occupation of and placement of private commercial facilities in the Public Rights-of-Way within the County; and

NOW, THEREFORE, in consideration of the County's grant of a franchise to Franchisee; Franchisee's promise to provide Cable Service to residents of the County pursuant to and consistent with the Cable Ordinance; 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 is hereby acknowledged;

THE SIGNATORIES DO HEREBY AGREE AS FOLLOWS:

1. DEFINITIONS

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

(a) *Cable Ordinance*: The County Cable Communications Regulatory Code [insert legislative reference].

(b) *Effective Date*: "Effective Date" shall have the meaning indicated in Section 2(g).

(c) *Franchise*: The franchise granted pursuant to this Agreement.

(d) *Franchise Agreement or Agreement*: This contract and any amendments, exhibits or appendices hereto.

(e) *Franchise Area*: The entire present territorial limits of the County and any area annexed thereto during the term of the Franchise.

(f) *Franchisee*: Comcast Cablevision of Maryland, Inc., a Colorado corporation, and its lawful and permitted successors, assigns, and transferees.

(g) *Gross Revenues*. Any and all cash or other consideration of any kind that constitute revenue in accordance with generally accepted accounting principles derived from the operation of the franchisee's cable system to provide cable services in the franchise area by the franchisee or any other entity that receives such revenue. Gross revenues, to the extent derived from the operation of the franchisee's cable system to provide cable services in the franchise area, include, by way of illustration and not limitation, monthly fees charged subscribers for any basic, optional, premium, per-channel, per-program service, or cable programming service;

1: DEFINITIONS
1(h): Upgrade Option

installation, disconnection, reconnection, and change-in-service fees; revenues from Internet services that are considered to be cable services under applicable law; leased channel fees; administrative fees; revenues from rentals or sales of converters or other equipment; to the extent directly connected to the cable system facilities, studio and production equipment rental and related personnel fees; advertising revenues; revenues from program guides; revenues from the sale or carriage of other cable services; and revenues from home shopping and bank-at-home channels. Gross revenues shall not include any taxes on services furnished by the franchisee which are imposed directly on any subscriber or user by the state, County, or other governmental unit and which are collected by the franchisee on behalf of said governmental unit. A franchise fee is not such a tax.

Gross Revenues shall not include (i) any compensation awarded to Franchisee based on the County's condemnation of property of the Franchisee; (ii) any consideration paid by the County to the Franchisee for the Institutional Network as set forth in Section 4(g), or any expense reimbursement paid by the County or its agents, or by PEG users, to the Franchisee under that Section; or (iii) any uncollected receipts (*i.e.*, "bad debt"), provided, however, that (A) all or any part of such actual bad debt that is written off but subsequently collected, and (B) any late fees offset against such bad debt, shall be included in Gross Revenues in the period collected or offset.

(h) *Upgrade Option*: This term shall have the meaning given to it in Section 3(c)(3) herein.

2. GRANT OF AUTHORITY; LIMITS AND RESERVATIONS

(a) *Grant of Authority.* Upon passage by the Board of County Commissioners of an ordinance granting a franchise to Comcast, Comcast will be granted a franchise subject to the terms and conditions of this Franchise Agreement, and subject to the Cable Ordinance and all other applicable law. The franchise will be for the period specified in Section 2(c) below, during which time Comcast will receive the franchise, authority, right and privilege to construct, reconstruct, operate and maintain a cable television system within the public rights-of-way in those areas of the County specified in Section 2(b) for the sole purpose of providing cable service. If for any reason whatsoever the Board of County Commissioners does not pass such an ordinance, this Franchise Agreement will be of no further force and effect.

(b) *Area Served*

(1) The Franchise is granted for the Franchise Area defined herein.

(2) The Franchisee shall build its system so that it is able to provide service to all areas located within the County limits as they existed on the Effective Date, subject to the line extension conditions of its Franchise Agreement.

(c) *Term of Franchise.* The Franchise and this Franchise Agreement shall extend for a term of fifteen years, commencing on the date executed below by the Franchisee, unless the Franchise is earlier revoked as provided herein or in the Cable Ordinance.

(d) *Grant Not Exclusive.* This franchise shall not be construed as any limitation upon the right of the County to grant to other persons or entities rights, privileges and authority similar to or different from the rights, privileges and authority granted to Franchisee, provided, however, that if after the Effective Date the County grants a franchise for an area of the County

2: GRANT OF AUTHORITY; LIMITS AND RESERVATIONS
2(e): Franchise Agreement Subject to Other Laws

overlapping the area served by the Franchisee on different terms and conditions, the Franchisee and the County shall enter into good-faith negotiations to ensure that the franchise granted pursuant hereto and such new franchise do not on the whole impose more than a minor competitive disadvantage on either operator.

(e) *Franchise Agreement Subject to Other Laws.* The Franchisee shall comply at all times with the requirements of this Franchise Agreement and with the Cable Ordinance, as well as with all applicable federal, state and local law. The franchise granted under this Franchise Agreement shall be subject to regulation by the County in accordance with the provisions of the Cable Ordinance and this Franchise Agreement.

(f) *Franchise Agreement and Cable Ordinance.* In the event of any conflict between the provisions or meanings of the terms of this Franchise Agreement and the Cable Ordinance, the latter shall prevail, unless specifically provided to the contrary in this Franchise Agreement or any written amendment thereto. However, subject to the County's lawful police powers, the County may not alter any of the Franchisee's material rights, benefits, obligations, or duties specified in this Franchise Agreement. The County shall provide the Franchisee with notice and opportunity to comment prior to any change in the Cable Ordinance and shall notify the Franchisee promptly after it makes any such change.

(g) *Approval and Effective Date.* This Franchise Agreement shall become effective upon its approval by the Board of County Commissioners and execution by the Franchisee.

(h) *Effect of Acceptance:* The Franchisee explicitly acknowledges and accepts the right of the County to issue and renew this franchise, and the Franchisee agrees it shall not now or at any time hereafter challenge this right in any way, or in any court of competent jurisdiction.

3. **SYSTEM FACILITIES, EQUIPMENT AND SERVICES**

(a) *Cable System.* The Franchisee's Cable System shall have at least the following capabilities:

(1) The System shall have a minimum bandwidth of 860 MHz on all active components and at least 1 GHz for all passive components.

(2) Fiber-optic node size shall be no more than 1,200 homes per node. Within thirty days after the Effective Date, the Franchisee shall provide the County with a report indicating the actual sizes, in homes per node, of each node serving the County.. The System shall be designed and constructed so that each node may be reduced in size, as demand warrants, to half the number of homes per node indicated in such report, without significant further construction.

(3) There shall be no more than seven active components in a cascade from any node on the System.

(4) The System shall be two-way activated.

(b) *Line Extension Requirements.*

(1) The Franchisee must extend its cable system upon request to provide service to any residence in the County upon request, without charging such person more than the standard installation charges, subject to the provisions of paragraphs 3(b)(2) and 3(b)(3), unless

3: SYSTEM FACILITIES, EQUIPMENT AND SERVICES
3(b): Line Extension Requirements.

the Franchisee demonstrates to the County's satisfaction that extraordinary circumstances justify a waiver of this requirement.

(2) For areas within the County that are unserved on the effective date of its franchise, the Franchisee shall extend its cable system within a reasonable time (but not to exceed ninety (90) days) to provide service to any residence upon request at no charge other than any applicable installation fees for the individual Subscriber's drop, as long as the following conditions are satisfied, unless the Franchisee demonstrates to the County's satisfaction that extraordinary circumstances justify a waiver of this requirement:

- (A) the new Subscriber requesting service is located 225 feet or less from the subscriber network distribution plant, and
- (B) the number of potential Subscribers to be passed by the extension necessary to serve such subscriber is equal to or greater than twenty homes per mile measured from the subscriber network distribution plant.

(3) Cost sharing. In the event that the requirements set forth in Section 3(b)(2) are not met, the Franchisee shall extend its cable television system to serve a Subscriber if the Subscriber (who may recruit other affected Subscribers to help bear the cost) is willing to share the cost of the extension, according to the following formula: The percentage by which the actual number of homes per mile on the extension falls short of the twenty homes per mile specified in Section 3(b)(2)(B) is the percentage of the total construction costs that must be borne by the Subscriber.

- (A) The "total construction costs" are defined as the actual turnkey cost to construct the entire extension including electronics, pole make-ready charges, and labor, but not the cost of the house drop.
- (B) Thus, for example: To reach a requesting Subscriber requires an extension of two miles. That extension contains twelve homes. Because the proposed extension contains only 30% of the total number of homes specified in Section 3(b)(2)(B) for required service (20 homes per mile or 40 homes over two miles), the Subscriber, with any other affected Subscribers who wish to contribute, must pay the remaining 70% of the cost.
- (C) If the Franchisee proposes to require a person requesting extension to make a contribution in aid of extension, it must (1) notify the County in advance; (2) provide a detailed cost quotation to all potentially affected persons; (3) send the County an invoice showing the amount actually charged each person requesting extension; and (4) within 30 days of completion of the extension, furnish proof of the total cost of the extension.

(c) *Mid-Term Review*

- (1) In addition to any periodic performance evaluations conducted pursuant to Section 5(m) of the Cable Ordinance, the County may also conduct a mid-term technical review of a franchisee's cable system once during the franchise term. The Franchisee shall fully cooperate and assist the County in conducting such review.

3: SYSTEM FACILITIES, EQUIPMENT AND SERVICES
3(c): Mid-Term Review

(2) The County may commence the mid-term review process at any time after the beginning of the tenth year of the Franchise term. The County may issue an Upgrade Order, as defined herein, at any time after the end of the tenth year of the Franchise term.

(3) Purpose: The purpose of the mid-term technical review shall be to evaluate the technical performance and capabilities of the Franchisee's system to determine whether to require a system upgrade to conform with technical improvements then commonly in use in the industry and available on systems in communities similar to the County. Subject to the provisions of this Section 3(b), the County may amend this Agreement to require the Franchisee to upgrade its system to incorporate technical improvements (the "Upgrade Option").

(4) County's Initial Review: To determine whether to invoke the Upgrade Option, the County shall first commence a review of the cable system. Such review shall be conducted to enable the County to determine whether the cable system should be upgraded or rebuilt. This determination shall be based upon the reasonable cable-related needs and interests of the community, considering the costs to the Franchisee of meeting those needs and interests.

(5) Franchisee's Report: To assist in the County's initial review, the Franchisee shall, at the County's request, promptly submit a report to the County describing advances in cable technology nationwide, the potential benefits and disadvantages of those advances for consumers, and any plans or timetables the Franchisee may have for instituting such changes in technology.

(6) Public Hearings: If, after conducting its initial review, the County determines that a system upgrade may be warranted, it shall hold at least two public hearings to enable the general public and the Franchisee to comment and to present additional information.

(7) Upgrade Order: Following such hearings, the County shall determine whether the exercise of the Upgrade Option is warranted, based upon the reasonable cable-related needs and interests of the community, considering the costs to the Franchisee of meeting those needs and interests. The County shall issue a written order ("Upgrade Order") stating whether an upgrade is required, describing any upgrade to be implemented, and setting forth the basis for its decision. If an upgrade is required, the County shall set forth any relevant conditions.

(8) Franchisee's Response. Within sixty (60) days after the County issues the Upgrade Order, the Franchisee shall notify the County in writing whether it will comply with the Order. If the Franchisee does not so notify the County within sixty (60) days, the Franchisee will be deemed to have agreed to comply with the Upgrade Order.

(9) Amendment of the Franchise Agreement. If the Franchisee agrees to comply with the Upgrade Order, the parties shall amend this Agreement accordingly.

(10) Rejection of the Upgrade Option. If, however, the Franchisee is unwilling to comply with the Upgrade Order, the Franchisee shall, as its sole remedy, notify the County in writing as part of the response specified in Section 3(c)(8), pursuant to Section 626 of the Cable Act, that it wishes to commence proceedings to renew the Franchise. If, at the time of such notice, more than three (3) years remain in the term of the Franchise, such notice shall be

4: CHANNELS AND FACILITIES FOR PUBLIC, EDUCATIONAL AND GOVERNMENTAL USE
4(a): Access Channels

deemed, by mutual agreement, to shorten the term of the Franchise and this Agreement so that the Franchise and the Agreement shall terminate thirty-six months from the date of the notice.

4. CHANNELS AND FACILITIES FOR PUBLIC, EDUCATIONAL AND GOVERNMENTAL USE

(a) Access Channels

(1) The Franchisee shall make available to all Subscribers on its system four (4) video channels for public, educational and governmental use, as determined by the County, which channels shall be in addition to any capacity provided on the Institutional Network.

(2) The franchisee will provide any access channels on the basic tier throughout the life of the Franchise, or if there is no basic tier, shall provide the access channels as part of the lowest-cost package it offers to Subscribers. If channels are selected through a menu system, the access channels shall be displayed.

(3) Access channel assignments shall be the same throughout the system. The Franchisee shall use its best efforts to cooperate with any other cable operators to ensure that Access Channel assignments are the same for all cable systems in the County. Access channel assignments should not be changed unless there is good cause. Any such reassignment must be to a channel of technical quality at least equivalent to that of other channels on the system. In the event of such a reassignment, the Franchisee shall pay the reasonable costs of all equipment, advertising, and promotional materials required due to the reassignment, including the need to educate viewers as to the reassignment.

4: CHANNELS AND FACILITIES FOR PUBLIC, EDUCATIONAL AND GOVERNMENTAL USE

4(a): Access Channels

(4) A Public Access Channel shall be for the display of public, educational and governmental programming produced or sponsored locally by residents, organizations and institutions within the County. The production and scheduling of such programming shall be on a first-come-first-served basis, according to reasonable rules governing the use of studio facilities and the Public Access Channel by the entities managing such facilities and Channel, and according to the provisions herein.

(5) An Educational Access Channel shall be for the use of the educational community of the County. The County may adopt reasonable rules regarding the use of this Channel.

(6) A Governmental Access Channel shall be for the use of the County. The County may adopt reasonable rules regarding the use of this Channel.

(7) If capacity dedicated for PEG use pursuant to Section 4(a)(1) of this Agreement is subdivided or compressed resulting in multiple transmission paths, the Franchisee may reclaim for its own use 50% of the initial PEG capacity. For purposes of this subsection, the capacity dedicated to a PEG Channel prior to such subdivision or compression refers to a 6 MHz channel.

(8) The County agrees that its designated Public, Educational and Governmental access Channels or other facilities and its I-Net facilities are not to be used for commercial purposes. Use of the I-Net is not "commercial" solely because a County entity or agency has more revenues than expenses, or because the activity in which it is engaged is provided on a for-profit basis by private entities in other communities or the County. Nothing

4: CHANNELS AND FACILITIES FOR PUBLIC, EDUCATIONAL AND GOVERNMENTAL USE

4(b): Training Channels

prevents the County from authorizing charges to users or viewers to pay for such non-commercial services such as fees for video class instruction or charges to recover the cost of special use equipment, or the cost of the I-Net, or as they may be required to charge under applicable law.

(b) *Training Channels*

(1) By December 31, 2002, the Franchisee shall provide, in addition to the four access channels required by the Ordinance, two digital Access Channels for purposes of training.

(2) Such channels shall be encoded or encrypted in such a way that the programming can only be viewed at authorized addresses.

(3) The Franchisee shall provide all necessary video compression, scrambling, and other equipment at the headend necessary to provide the two digital Access Channels to all the sites that the Franchisee provides with cable service pursuant to Section 4(e) herein.

(4) The Franchisee shall also provide any decoding, unscrambling, or other equipment necessary to view such channels at all the sites that the Franchisee provides with cable service pursuant to Section 4(e) herein.

(5) The channels and equipment provided under this Section 4(b) shall be without cost to the County or any user.

(c) *Capital Grants for Access Equipment and Facilities.* The Franchisee shall provide capital grants to the County of one percent (1%) of its gross revenues, payable at the same time as the Franchise Fee. Such capital grants shall be used by the County, in its sole discretion, for PEG access facilities and equipment (including, but not limited to, studio and

portable production equipment, editing equipment and program playback equipment, I-Net equipment, and PEG-related facilities construction and/or renovation).

(d) Access Studio

(1) In addition to the capital grants specified in Section 4(c), the Franchisee shall provide a one-time capital grant of \$250,000 toward the cost of an access studio.

(2) The Franchisee shall provide this grant within thirty days after notice from the County, which notice the County may give once funding for the access studio appears in the County's capital budget and the design process has been initiated.

(3) The access studio shall incorporate prominent signage recognizing the Franchisee's contribution.

(4) The County and the Franchisee shall cooperate in announcements and/or public relations event(s) announcing the construction and commencement of operation of the access studio.

(5) The Franchisee shall have the option of using the public access studio one day each month, at the mutual convenience of the Franchisee and the public access channel manager, for production of public service announcements and similar brief programs. The Franchisee shall make appropriate efforts to provide educational opportunities for students and/or access channel personnel to observe production activities in the course of such use.

(e) Cable Service to Certain Facilities

(1) Upon the request of the County, the Franchisee shall install one activated outlet at each public school and other public educational facility, each library, each County office and agency and other governmental facility within the County, and each County-owned and

4: CHANNELS AND FACILITIES FOR PUBLIC, EDUCATIONAL AND GOVERNMENTAL USE

4(f): Harm to Equipment

County-leased facility designated by the County within the franchise area. The Franchisee shall deliver all signals to each such activated outlet at 15 dBmV or better, measured at the demarcation point.

(2) Such connections will be made free of charge and as promptly as possible to all such locations requesting connections. The Franchisee shall charge only its time and material costs for any additional service outlets to such facilities. However, where the site is more than two thousand (2000) feet from the Franchisee's Subscriber distribution network, the Franchisee may charge the County or other facility owner the actual incremental cost of construction for that site to the extent it exceeds the cost of construction of the first two thousand feet.

(3) The Franchisee shall provide basic and expanded basic cable service, and any equipment necessary to receive such service, free of charge to those facilities specified in subsection 4(e)(1) herein. At its sole discretion, the Franchisee may also provide higher levels of service to such facilities free of charge.

(f) Harm to Equipment. If any customer premises equipment provided by the Franchisee under this Section 4 is lost, stolen, or damaged through the fault of the County, then the County rather than the Franchisee shall be responsible for the reasonable cost of replacement or repair of such equipment.

(g) Institutional Network

(1) **Definitions.** For purposes of this Section 4(e):

(A) "Actual Cost" shall include all reasonable direct costs reasonably allocable to a task, but no indirect costs.

4: CHANNELS AND FACILITIES FOR PUBLIC, EDUCATIONAL AND GOVERNMENTAL USE

4(g): Institutional Network

(B) "Dark Fiber" means fiber optic strands that are capable of carrying voice, video, and data transmissions but that have not yet been activated.

(C) "Institutional Network" or "I-Net" means a fiber-optic network related to the Franchisee's cable system; such network is to be designed and constructed by the Franchisee and is not generally available to subscribers of the Franchisee's cable system; together with any data-over-cable services that may be supplied to certain sites, as provided in Section 4(g)(3), allowing seamless interconnection with the fiber-optic sites.

(D) "Work" means whatever is required of the Franchisee to perform and complete its duties under this Section. The term does not refer to activities of the Franchisee required to perform and complete its duties under other Sections of this Franchise Agreement, including but not limited to construction of subscriber network facilities.

(2) Fiber Construction

(A) The Franchisee will construct the I-Net at the Franchisee's expense, linking public, educational and governmental facilities in Charles County, in accordance with the conditions set forth in this Franchise Agreement.

4: CHANNELS AND FACILITIES FOR PUBLIC, EDUCATIONAL AND GOVERNMENTAL USE

4(g): Institutional Network

(B) The I-Net shall be a bidirectional, fully fiber-optic network designed and constructed with single-mode fiber, in a design so that each of the designated service locations can originate and receive fully interactive video, data and voice signals.

(C) The Franchisee shall install I-Net fiber to specified sites as designated and described in Appendix 1.

(D) The Franchisee shall collocate I-Net fiber with subscriber network fiber whenever reasonably feasible based on cable industry practices. The I-Net fibers shall be separate from any fibers utilized for the subscriber network, and the County shall have only such rights in the I-Net fibers as are set forth in Section 4(g)(7).

(E) At the headend, I-Net fibers shall be terminated and labeled using industry standard connectors in an area within the headend facility (the "Headend I-Net Service Area"). The Headend I-Net Service Area shall have space for four standard nineteen-inch racks for the I-Net Users' use in a secure building, sufficient heating and air conditioning. 48 V DC and 120 V AC power shall be available for the Headend I-Net Service Area, including backup power as specified for the system generally.

(F) At each aggregation site for I-Net traffic ("Aggregation Site"), I-Net fibers shall be terminated and labeled using industry standard

connectors in an area within the Aggregation Site (an "Aggregation Site I-Net Service Area").

(G) The Franchisee shall have personnel available to provide County and other User personnel with immediate access to its Headend I-Net Service Area from 8 a.m. to 6 p.m. each business day, and at all other times shall have personnel available by pager to provide County and other User personnel with access within forty-five minutes of a call.

(H) If the Franchisee and the County conclude that sites other than the Headend and Aggregation I-Net Service Areas would be preferable for termination of I-Net fibers, they may establish such sites by mutual agreement.

(I) The Franchisee shall make all reasonable efforts to configure the assigned space in the Headend I-Net Service Area so that all equipment required by the County and other I-Net Users can readily be accommodated. The Users shall identify their reasonable power and HVAC requirements for the Headend I-Net Service Area, and the Franchisee shall cooperate with the Users in satisfying such reasonable requirements.

(J) Single-mode fibers each will be built to each I-Net site as designated in Appendix 1. At each I-Net site, at the County's

4: CHANNELS AND FACILITIES FOR PUBLIC, EDUCATIONAL AND GOVERNMENTAL USE
4(g): Institutional Network

option, either (i) fibers shall be terminated using industry standard connectors at a demarcation point to be agreed upon by the Franchisee and the User up to fifteen feet inside the building entry wall and consistent with the Franchisee's direction of approach to the building, consistent with the FCC's rules as amended from time to time (the "Demarcation Point"), or (ii) the Franchisee shall provide a coil of fiber-optic cable, without termination or connector, of a length reasonably requested by the User to permit the User or the facility owner to bring the connection further inside the building beyond that Demarcation Point in accordance with normal industry practice. Any I-Net fiber starting at the Demarcation Point and extending outward from the building shall be deemed to be on the Franchisee's side of the Demarcation Point, and any I-Net fiber starting at the Demarcation Point and extending further inside the building shall be deemed to be on the user's side of the Demarcation Point..

- (K) The fiber-optic plant shall be installed to industry standards. The maximum fiber attenuation shall be 0.7 dB/km. at 1310 nm, plus a maximum of 0.2 dB loss for each splice. The average loss shall not exceed 0.3 dB per connector. The maximum allowed loss shall be 0.75 dB per connector. Maximum signal loss for any link shall

not exceed the manufacturer's passive cable attenuation specifications, adjusted for cable lengths, splice loss and connector loss. The Franchisee shall provide documentation of acceptance testing.

(L) Franchisee shall maintain the I-Net fiber plant at a high level of reliability and will ensure that such I-Net fiber plant does not have an unreasonable number of outages as compared with other fiber-based institutional networks provided by cable operators pursuant to cable franchises.

(i) The fiber I-net shall be considered as experiencing an "outage" for a user when that user cannot, because of a problem resulting from the failure of any Franchisee-provided fiber optic network component or Franchisee-provided interconnect, transmit video, voice and/or data communications to from and/or on the I-net.

(ii) "Outage" conditions shall not include (A) infrequent scheduled preventive maintenance as long as fiber optic I-net users are notified at least five business days in advance; or (B) *force majeure*.

(M) Aerial cable for the I-Net may be installed free-standing or overlashed to existing strand. New underground fiber optic cable

4: CHANNELS AND FACILITIES FOR PUBLIC, EDUCATIONAL AND GOVERNMENTAL USE
4(g): Institutional Network

shall be buried in conduit composed of concrete or in PVC pipe or polyethylene pipe.

(N) The Franchisee shall begin construction of the I-Net within three months after the Effective Date. Half of the I-Net shall be completed by one year after that date. The I-Net shall be completed within two years after the Effective Date.

(O) All I-Net wiring on the User's side of the Demarcation Point and all I-Net Headend electronics, Aggregation Site electronics, and I-Net site electronics, and I-Net wiring inside building Demarcation Points are the sole responsibility and property of the User. All costs associated with locating or repairing any failure which is reported to the Franchisee but which subsequently is determined to have occurred on the User's side of the Demarcation Point shall be paid for by the User, except to the extent that the Franchisee's negligence or willful action may adversely affect such equipment or facilities.

(3) Cable Modem Service

(A) The Franchisee shall offer to provide, at the County's option, data-over-cable services through its business-oriented cable modem service to the locations so designated in Appendix 1.

4: CHANNELS AND FACILITIES FOR PUBLIC, EDUCATIONAL AND GOVERNMENTAL USE
4(g): Institutional Network

(B) The Franchisee shall initially offer to provide a minimum downstream transfer rate of 256 Kbps and an upstream transfer rate of between 128 Kbps and 256 Kbps to each location connected to the cable modem service. The County may request and obtain a higher transfer rate service from the Franchisee up to the maximum transfer rates provided by the Franchisee at any time during the term of the Franchise.

(C) The cable modem service shall meet the following parameters at each site connected:

(i) Noise, Distortion and Other Performance Parameters (Downstream) – Under worst-case channel loading (including both analog and digital signals) the performance for the downstream connections shall always meet or exceed FCC performance specifications as contained in 47 CFR, Part 76, for noise, distortion and other applicable parameters.

(ii) Noise, Distortion and Other Performance Parameters (Upstream) – Under worst-case channel loading (including both analog and digital signals) the performance of the upstream connections shall always meet or be better than manufacturer's recommended specifications for cable

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modems, cable modem termination systems and other equipment employed by the Franchisee and the County to successfully provide data-over-cable services for the County's use.

(iii) Signal Levels (Downstream) – The minimum signal level received at any institution shall always meet or exceed FCC requirements for downstream cable system operation.

(iv) Signal Levels (Upstream) – The input signal level received upstream at the Franchisee hub or headend shall never fall below, nor the maximum level exceed, manufacturer's recommended specifications for any equipment required by the County to successfully transmit data communications as envisioned in the Franchise.

(D) The Franchisee shall offer to provide the data-over-cable services described herein in a virtual private network (VPN) environment between each location and an interconnect point at the headend where data communications from each site shall be securely interconnected with the fiber I-Net.

(E) Service response, cost rebates and other data-over-cable service characteristics not specified in this Agreement shall be controlled by the terms and conditions of a Service Level Agreement

negotiated between the County and Comcast Business Communications, or its successor.

(F) The Franchisee shall charge no more than its direct cost on a monthly basis for the provision of cable modem services as described herein.

(4) Coordination of Design and Construction of I-Net

(A) The Franchisee shall activate I-Net segments in phases as construction is completed.

(B) The Franchisee shall submit detailed site plans for design and construction of each I-Net segment consistent with Appendix 1 at least forty-five days prior to the anticipated start of construction on that segment. The County shall review and approve such detailed site plans before the Franchisee begins construction of the segment.

(C) The Franchisee shall coordinate its design and construction planning with the County so that, in addition to the notice provided to the County pursuant to the system design submission process generally, the County shall have as much notice as reasonably possible so that it can plan for activation and use of the I-Net as the Franchisee builds out the I-Net fiber.

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(D) If the Franchisee extends fiber beyond the scope of its original system design, it shall provide at least ninety days' notice to the County so that the County and the Franchisee may, if the County elects, enter into an agreement for design and construction of new I-Net sites to be served by such extended fiber routings at the actual incremental cost to Comcast of design and construction.

(5) **Acceptance.** Construction standards shall be as specified in the Ordinance. The acceptance procedure for each I-Net site is as follows: ten (10) days in advance of testing, the Franchisee shall inform the County of an activation test. The County shall have the option to be present at the test. The Franchisee shall perform the test after terminating the fibers on both ends and will conduct the test from the connector output at both 1310 nm and 1550 nm using an optical time-domain reflectometer (OTDR) from both ends of the fiber (at the user site and at the headend or aggregation site). The Franchisee shall submit the test results to the County; the County may require re-testing of the segment if it is not satisfied with the results of the Franchisee's tests; if the County does not object to the performance of a segment within thirty days from the date the Franchisee submits its test results to the County, the County shall be deemed to have accepted that segment.

(6) **Warranty.** The fiber installed by the franchisee pursuant to this Section shall be warranted against defects in materials and workmanship for 12 months after acceptance. Franchisee's warranty excludes any remedy for change or defect caused by abuse, modifications not executed by franchisee, improper maintenance not performed by Franchisee, improper

operation, or normal wear and tear under normal usage. This warranty is in addition to, and does not relieve the Franchisee from, its maintenance responsibilities pursuant to Section 4(g)(8).

(7) Indefeasible Right of User

(A) The County shall possess the indefeasible right to use fiber optic plant dedicated to the I-Net and any extensions or replacements thereof installed by the Franchisee, subject only to such mechanic's or other liens as Franchisee may have pursuant to state law (the "Indefeasible Rights of Use"). The Indefeasible Rights of Use shall be perpetual and shall survive any termination of the franchise agreement.

(B) In order to protect the County's right to continue using the Institutional Network pursuant to this Franchise Agreement, the Franchisee shall cooperate with the County in recording its indefeasible right of use interest in the fibers with the State Department of Assessments and Taxation, the County Clerk, or such other office as may be appropriate.

(8) Maintenance. The Franchisee shall maintain, repair and, as necessary, replace I-Net plant on the Franchisee's side of the Demarcation Point in accordance with the following procedures and conditions:

(A) *Preventive and Routine Maintenance.* Where I-Net and subscriber network fiber optic sheaths or coaxial cable are bundled together,

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the Franchisee shall perform routine and preventive maintenance on I-Net plant in the same time and in the same fashion as routine and preventive maintenance are performed for the subscriber network, without charge to the County or other Users. In the course of performing routine and preventive maintenance, the Franchisee shall use its best efforts to identify potential trouble conditions warranting repair or replacement of I-Net plant not bundled together with subscriber network plant. The Franchisee shall as promptly as practicable report potential trouble conditions to the County, but where the County is responsible for the cost of maintenance, the Franchisee shall not replace or repair I-Net plant having only potential problems unless and until it has received a notice to proceed from the County.

(B) *Service Outages; Outage Categories.* For purposes of this Section 4(e), the term "Service Outage" shall mean any condition or damage affecting the I-Net plant that precludes or substantially impairs the transmission of information on the I-Net or a portion thereof. Response and restoration times are determined by the category of service outage as follows:

(i) *Critical Outage:* Loss of service to one of the fiber routes feeding a critical facility. A maximum of twenty-five such

critical fiber routes will be designated by the County by written notice to the Franchisee after the Effective Date and before completion of the I-Net. The County may subsequently change which fiber routes are designated critical, as long as the total number does not exceed the maximum of twenty-five specified above. Any such change shall be provided by the County to the Franchisee in writing.

(ii) Major Outage: Total loss of service to an I-Net site other than one listed as critical pursuant to Section 4(g)(8)(B)(i).

(iii) Minor Outage: Loss of service on a single fiber to any I-Net site where any traffic can be placed immediately on another fiber at that site. If it is not possible to reroute traffic in this way immediately, the outage is a Major Outage.

(C) *Response to Outages.* The response time (the point at which the Franchisee is engaged in restoration of service) for all Service Outages, whether reported to the Franchisee by the User or independently identified by the Franchisee, shall be as specified in Section 4(g)(8)(F). Upon identification of a Service Outage, the Franchisee shall, within such response time, have qualified

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personnel on site to investigate the outage, assess the cause and commence necessary repairs. To the extent that necessary repairs resulting in restoration of connectivity on the I-Net can be immediately accomplished, the Franchisee shall effect such repairs in connection with its investigation of the cause of the Service Outage. To the extent that repairs cannot be immediately effected, the Franchisee shall, within the response time, inform the County and any other affected User of the apparent cause of the Service Outage, the anticipated time for restoration of connectivity and, in cases where the County bears the cost of maintenance, the estimated cost of restoring connectivity. If the cost of restoring connectivity exceeds \$2,000, the County may defer a decision as to such repairs, in which case any time limits for repair or restoration of connectivity shall be suspended until the County requests the Franchisee to undertake such work.

(D) Restoration of Service.

- (i) The Franchisee shall, to the maximum extent practicable, effect restoration of connectivity of any category of service involving I-Net plant that is bundled together with subscriber network plant at the same time as restoration of co-located subscriber network plant.

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(ii) The Franchisee shall effect restoration of connectivity of I-Net plant that is not bundled together with subscriber network plant as promptly as practicable within the estimated restoration times reported to the County pursuant to Section 4(g)(8)(F) and shall use its best efforts to effect such restoration within the service objectives set forth in Section 4(g)(8)(F); provided, however, that in the case of any Service Outage affecting I-Net plant that is not bundled together with subscriber network plant, the County may, pursuant to a work order issued to the Franchisee ("Work Order"), require the Franchisee to engage the services of one or more subcontractors to effect such restoration.

(iii) In the case of a Service Outage involving more than one category of Service Outage or multiple service outages involving more than one category of Service Outage, the Franchisee shall restore connectivity in the order specified in Section 4(g)(8)(B), or such other order of priority as the County reasonably requires. In all cases involving Service Outages resulting from I-Net plant that is bundled together with subscriber network plant, the Franchisee shall effect restoration of connectivity of any category of service

involving I-Net plant that is bundled together with subscriber network plant at the same time as restoration of co-located subscriber network plant.

(E) *Cost of Maintenance.* Where I-Net and subscriber network plant are bundled together, the Franchisee shall provide maintenance without any charge to the County or any other User. Where such plants are not bundled together, the County shall bear the actual cost of maintenance related to such I-Net plant. The franchisee shall submit monthly statements to the County for any such actual cost of maintenance related to such I-Net plant, and the County shall pay these statements within sixty days from the date the County receives them, subject to the County's reasonable audit rights.

(F) *Response and Restoration Times.* The standards for response and restoration of service as specified in Sections 4(g)(8)(C) and 4(g)(8)(D) are:

- (i) *Critical Outage:* Response on site within sixty minutes between 8 a.m. and 6 p.m. on business days and two hours otherwise, minimum temporary repair (fully operational connectivity, end to end) completed within four hours,

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permanent repair (conforming to all applicable standards as provided herein) within twenty-four hours.

(ii) Major Outage: Response within two hours between 8 a.m. and 6 p.m. on business days and three hours otherwise; temporary repair completed within six hours, permanent repair within two business days.

(iii) Minor Outage: Response within two hours between 8 a.m. and 6 p.m. on business days, four hours otherwise; permanent repair within three business days.

Where, for reasons beyond the Franchisee's control, restoration of service cannot be completed in the above time periods even with the exercise of all due diligence (for example, where the Franchisee is delayed in obtaining access to poles or conduits), the Franchisee shall complete the restoration of service in the shortest time possible.

(G) For purposes of this Section 4(e), the term "Maintenance" shall mean any action required to restore physical fiber optic connectivity on the Franchisee's side of the Demarcation Point to the performance standards specified in Section 4(g)(2).

(H) If any fiber optic cable in which the County has an Indefeasible Right of Use should be cut or damaged, and the responsible party

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is identified, then the County shall support the Franchisee's claims for damages against the responsible party.

(9) Use

(A) The parties authorized to use the I-Net ("Authorized Users") shall be, to the extent approved by the County:

(i) those entities for which I-Net sites will be constructed pursuant to Appendix 1;

(ii) public, educational, and governmental entities in the County of the same sorts as those specified in Section 4(g)(9)(A)(i); and

(iii) all political subdivisions of the State located within the external boundaries of the County, and their agencies and subdivisions.

(B) The County shall not use, or permit any third party to use, the I-Net for resale or for the transmission of third party traffic.

(C) For purposes of this subsection 4(g)(9), "third party traffic" shall mean communications not involving at least one Authorized User.

(D) The Franchisee shall have no control, responsibility or liability for the signals distributed over the fiber optic components of the I-Net by the County or other Authorized Users or for their benefit.

(E) The I-Net obligations included in this Agreement do not create any rights in or enforceable by any Authorized Users, or other Users, other than the County.

(10) **Liability.** The Franchisee shall not be liable for special, consequential, exemplary, or punitive damages, or damages claimed by third parties, based on failure of performance of the I-Net, provided, however, that the Franchisee shall indemnify the County, pursuant to the procedures in Section 12(b) of the Cable Ordinance, against any third-party action against the County arising out of the Franchisee's negligence, up to the maximum potential liability provided by the Limited Waiver of Governmental Immunity, Local Government Tort Claims Act. This provision shall not be construed to grant a right of action to any third party, nor to require any indemnification of the Franchisee by the County.

(11) **Security.** The Franchisee shall not in any way compromise the physical, optical, electronic, or signal transmission security of User communications transmitted over the I-net.

(12) **Subcontractors**

(A) A subcontractor is an entity which has a direct contract with the Franchisee to perform a portion of the Work.

(B) The Franchisee shall not enter into a subcontract with a proposed subcontractor with reference to whom the County has made timely and reasonable objection. The Franchisee shall not be required to subcontract with any party to whom the Franchisee has objection.

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(C) All subcontracts shall afford the Franchisee rights against the subcontractor which correspond to those rights afforded to the County against the Franchisee herein.

(13) Other Provisions

(A) If the Franchisee performs any of the Work knowing it involves a recognized and material error, inconsistency or omission in this Section without notice to and approval of the County, the Franchisee shall bear the cost of correction. If the County permits the Franchisee to perform any of the Work knowing it involves a recognized and material error, inconsistency or omission in this Section without notice to and approval of the Franchisee, the County shall bear the cost of correction. The Franchisee's provision of its plans to the County shall not be construed to render the County responsible for the Franchisee's planning or execution of the Work or for detecting any errors, inconsistencies, or omissions therein, except to the extent specifically set forth herein.

(B) The Franchisee shall obey and pay for all permits, fees and licenses necessary and ordinary for all actions required under this Franchise Agreement. The Franchisee shall comply with all lawful requirements applicable to the Work and shall give and maintain

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any and all notices required by applicable law pertaining to the Work.

(C) The Franchisee shall supervise and direct the Work, using the Franchisee's skill and attention in accordance with accepted construction industry practices. The Franchisee shall be solely responsible for and have control over design and construction means, methods, techniques, sequences and procedures and for coordinating all portions of the Work under this Section, unless this Section provides for other specific instructions concerning these matters.

(D) The Franchisee shall keep the work areas related to the Work reasonably clean of debris generated by the Franchisee during performance of the Work. Upon final completion of Work, the Franchisee shall clean its work areas and remove all waste generated by the Franchisee therefrom.

(E) The County shall have access to the Work at all times from commencement of the Work through its completion pursuant to applicable law. The Franchisee shall take all reasonable steps to provide access when requested, provided, however, that such access shall not unreasonably impede efforts of the Franchisee, its subcontractors or others engaged in the Work.

(F) The indemnification, insurance, and other right-of-way management provisions of the Ordinance and this Franchise Agreement shall apply to the Work carried out by the Franchisee under this Section (as distinct from the performance of the I-Net).

(h) *Costs and Payments Not Franchise Fees:* The parties agree that any costs to the Franchisee associated with the provision of support for PEG access pursuant to this Agreement do not constitute and are not part of a franchise fee, and fall within one or more of the exceptions to 47 U.S.C. § 542.

5. **FRANCHISE FEE**

(a) *Payment to County*

(1) Beginning on January 1, 2003, the Franchisee shall pay a Franchise Fee of five percent (5%) of Gross Revenues.

(2) Each Franchise fee payment shall be submitted with supporting detail and a statement certified by the Franchisee's chief financial officer or an independent certified public accountant, reflecting the total amount of monthly Gross Revenues for the payment period and a breakdown by major revenue categories (such as basic service, cable programming service, premium service, etc.). The County shall have the right to require further supporting information.

(3) Franchise fee payments shall be made no later than thirty days following the end of each calendar quarter.

(4) If a payment is not made on or before the due date, the Franchisee shall pay as additional compensation:

(A) An interest charge, computed from the due date, at an annual rate equal to the average rate of return on invested funds of the county during the period for which the payment was due; and

(B) If the payment is late by 45 days or more, an amount equal to five percent of the amount due as a charge incidental to the enforcing of the franchise.

(5) In the event that a Franchise is revoked prior to its expiration date, the Franchisee shall file with the County, within thirty days after the date of revocation, a financial statement certified by the Franchisee's chief financial officer or an independent certified public accountant clearly showing the gross revenues received by the Franchisee since the previous Franchise fee payment period and shall pay at that time any Franchise fees accrued as of the date of revocation.

(b) Not a Tax or in Lieu of Any Other Tax or Fee

(1) Payment of a Franchise fee may not be considered in the nature of a tax or in lieu of other taxes or fees imposed by the County, except to the extent that federal law includes those taxes or fees in the Franchise fee.

(2) The Franchisee may not designate the franchise fee as a tax in any communication to a Subscriber.

(c) No Accord or Satisfaction. The acceptance of any payment by the County is not a release or an accord and satisfaction of any claim the County has for further and additional sums

payable as a Franchise fee under this title or for the performance of any other obligation of the Franchisee.

(d) Audit

(1) After providing 10 days' prior written notice, the County may conduct an independent audit of the Franchisee's records for the year for which the annual financial statement has been provided. The audit shall be performed in accordance with generally accepted auditing standards. If the audit indicates a Franchise fee underpayment of five percent or more, the Franchisee shall assume all reasonable costs of the audit. The County may perform only one audit on a Franchisee during the Franchisee's fiscal year.

(2) A Franchisee shall be responsible for providing to the County all records reasonably necessary to confirm the accurate payment of franchise fees, without regard to by whom they are held. Such records shall be made available pursuant to the requirements of Sections 11(a) and 11(j) of the Cable Ordinance. A Franchisee shall maintain such records for five years (plus the duration of any audit in progress at the end of that five-year period).

6. PERFORMANCE GUARANTEES AND REMEDIES

(a) Performance Bond and Letter of Credit

(1) Franchisee shall obtain and maintain during the entire term of the Franchise, and any extensions thereof, except as provided in the Cable Ordinance, a performance bond in the County's favor in the amount of \$1,000,000, to ensure the Franchisee's faithful performance of its obligations. The Franchisee shall restore the bond to its original level within thirty (30) days after any amount has been paid to the County from the bond.

(2) Upon acceptance by the County of all I-Net sites as specified in Section 4(g)(5) herein, the bond specified in Section 6(a)(1) shall be reduced to \$500,000.

(3) The Franchisee shall file and maintain with the County an irrevocable letter of credit from a financial institution licensed to do business in Maryland in the amount of twenty thousand dollars (\$20,000) to ensure the Franchisee's faithful performance of its obligations. The form and content of the letter of credit shall be approved by the County. The County may recover from the letter of credit any and all fines and penalties due to the County and any and all damages, losses, costs, and expenses suffered or incurred by the County resulting from the failure of the Franchisee to faithfully comply with the material provisions of this Agreement, the Cable Ordinance, and other applicable law; comply with all orders, permits and directives of any County agency or body having jurisdiction over its acts or defaults; pay fees due to the County; or pay any claims or liens due the County. Franchisee agrees to restore the letter of credit to its original level within thirty (30) days after any amount has been paid to the County from the letter of credit.

(b) *Remedies:* In addition to any other remedies available at law or equity, the County may, to the extent consistent with federal or state remedy law, apply any one or a combination of the following remedies in the event the Franchisee violates the Cable Ordinance, this Franchise Agreement, or applicable state or federal law:

- (1) Apply any remedy provided for in this Agreement.
- (2) Revoke the Franchise pursuant to the procedures specified in this Agreement.

6: PERFORMANCE GUARANTEES AND REMEDIES

6(c): Liquidated Damages

(3) Impose penalties available under the Cable Ordinance or other applicable state and local laws for violation of County ordinances.

(4) In addition to or instead of any other remedy, seek legal or equitable relief from any court of competent jurisdiction.

(c) *Liquidated Damages*

(1) The parties explicitly represent that it will be impractical to ascertain the amount of damages which may be incurred by the County as a result of any failure by Franchisee to complete reconstruction and provide upgraded service within the time period specified in this Franchise Agreement, or as a result of certain other breaches of the Cable Ordinance or this Franchise Agreement. Therefore, the County and Franchisee agree that the liquidated damages set forth in Section 6(c) are reasonable damages for the franchise breaches enumerated.

(2) Payment by Franchisee of the liquidated damages shall be due thirty (30) days after the date of the County's notice assessing such damages pursuant to Section 13(c)(1)(A) of the Cable Ordinance. If the Franchisee does not make payment within that period, the County may withdraw from the Franchisee's bond or letter of credit the amount assessed.

(3) Any action, proceeding or exercise of a right by the County under this Section does not constitute an election of remedies or a waiver of any other right the County may have, including the right to seek specific performance of a franchise obligation, except that the County's election of liquidated damages shall take the place of any right to obtain actual damages over and above the payment of any amounts otherwise due.

(d) *Amount of Liquidated Damages*

6: PERFORMANCE GUARANTEES AND REMEDIES

6(d): Amount of Liquidated Damages

(1) Because the Franchisee's failure to comply with provisions of the Franchise and this Franchise Agreement will result in injury to the County, and because it will be difficult to estimate the extent of such injury, the County and the Franchisee agree to the following liquidated damages for the following violations of the Franchise and of this Agreement, which represent both parties' best estimate of the damages resulting from the specified violation. To maintain that estimate, the parties agree that the liquidated damage amounts are in 2000 dollars and shall be increased each year by the increase in the Federal Bureau of Labor Statistics Consumer Price Index (CPI-U) for the Washington-Baltimore, District of Columbia, Maryland, Virginia, West Virginia area.

<u>Breach</u>	<u>Liquidated Damages</u>
I-Net Construction Delays	Two Hundred Dollars (\$200) per day.
Failure to Obtain Permits Required for Construction	Fifty Dollars (\$50) per occurrence, in addition to any normal cost of permits. If a generally applicable standard for such failure is specified in the County Code, such general standard shall apply in place of the amount set forth herein.
Violation of Construction Standards (including but not limited to standards regarding burial of cable)	Two Hundred Dollars (\$200) per day.
Violation of Consumer Service Standards	One Hundred Dollars (\$100) per day or per occurrence, as applicable.

6: PERFORMANCE GUARANTEES AND REMEDIES
6(d): Amount of Liquidated Damages

<u>Breach</u>	<u>Liquidated Damages</u>
Failure to Comply With PEG Access Requirements	One Hundred Twenty-five Dollars (\$125) per day, in addition to any monetary payment due.
Failure to Meet I-Net Technical Performance Standards	Five Hundred Dollars (\$500) per day.
Failure to Meet Requirements for Response to I-Net Outages	Two Hundred Fifty Dollars (\$250) per occurrence.
Failure to Supply Information, Reports, or Filings Lawfully Required	Two Hundred Dollars (\$200) per day.
Failure to Render Payments Due to the County, Including but Not Limited To Franchise Fees or Liquidated Damages	One Hundred Dollars (\$100) per day, in addition to any monetary payment due.
Failure to File, Obtain or Maintain Bond or Letter of Credit in a Timely Fashion	Fifty Dollars (\$50) per day.
Failure to Restore Damaged Property	Fifty Dollars (\$50) per day, in addition to the cost of the restoration.
Violation of FCC Technical Standards	One Hundred Dollars (\$100) per day.

Breaches affecting multiple subscribers shall be assessed as a single breach and a breach may be assessed under any one of the above-referenced categories.

(2) The following procedure shall apply, in place of the amount specified in Section 6(d)(1) above for violation of customer service standards, in assessing liquidated damages for customer service standards that are measured on a quarterly basis:

6: PERFORMANCE GUARANTEES AND REMEDIES
6(d): Amount of Liquidated Damages

- (A) For each calendar year, if the Franchisee does not meet the prescribed standard in a given calendar quarter (a “noncompliant quarter”), the Franchisee will be subject to liquidated damages for any subsequent noncompliant quarters during that same calendar year.
- (B) If the Franchisee has a second noncompliant quarter in the same calendar year, the Franchisee shall be subject to liquidated damages in the amount of \$2,000. If the Franchisee has a third noncompliant quarter in the same calendar year, the Franchisee shall be subject to liquidated damages in the amount of \$3,000. If a Franchisee has a fourth noncompliant quarter in the same calendar year, the Franchisee shall be subject to liquidated damages in the amount of \$6,000.
- (C) Each calendar year begins a new measurement period for the liquidated damage schedule set forth in Section 6(d)(2)(B). However, if the fourth quarter of the prior year was a noncompliant quarter and the first quarter of the next year is a noncompliant quarter, the Franchisee shall be subject to liquidated damages in the amount of \$2,000 for the first quarter of the new year. If, in those circumstances, a second quarter is noncompliant, the Franchisee shall be subject to liquidated damages in the amount of

7: MISCELLANEOUS PROVISIONS

7(a): Binding Acceptance

\$3,000. If, in those circumstances, a third quarter is noncompliant, the Franchisee shall be subject to \$6,000 in liquidated damages. If, in those circumstances, the fourth quarter is noncompliant, the Franchisee will again be subject to \$6,000 in liquidated damages.

(3) In determining which remedy or remedies for Franchisee's breach would be most appropriate, the County shall take into consideration the nature of the breach, the person or persons bearing the impact of the breach, the nature of the remedy required in order to prevent further such breaches, and such other matters as the County may deem appropriate.

7. MISCELLANEOUS PROVISIONS

(a) *Binding Acceptance.* This Agreement shall bind and benefit the parties hereto and their respective heirs, beneficiaries, administrators, executors, receivers, trustees, successors and assigns, and the promises and obligations herein shall survive as long as the franchise granted in accordance herewith continues.

(b) *Severability*

(1) If any term, condition, or provision of this Agreement shall, to any extent, be held to be invalid or unenforceable, the remainder hereof shall be valid in all other respects and continue to be effective. In the event of a subsequent change in applicable law so that the provision which had been held invalid is no longer invalid, said provision shall thereupon return to full force and effect without further action by the County and shall thereafter be binding on the Franchisee and the County.

7: MISCELLANEOUS PROVISIONS
7(c): Compliance With Federal and State Laws

(2) If the terms of this Agreement are materially altered due to changes in governing law (other than County law), then the parties shall negotiate in good faith to reconstitute this Agreement in a form that, to the maximum extent possible consistent with applicable law, enables the Franchisee and the County to perform in a manner equivalent to that required immediately prior to such alteration, is consistent with the original intent of the Franchisee and the County, and preserves the benefits bargained for by each party. The parties recognize that in such a case legal circumstances may be such that the Franchisee or the County cannot perform in a manner equivalent to that required immediately prior to such alteration.

(c) *Compliance With Federal and State Laws.* The Franchisee shall comply with all applicable federal, state, and local laws and regulations.

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

(e) *Governing Law.* Unless otherwise specifically provided by applicable law, this Franchise Agreement shall be governed in all respects by the law of the State of Maryland.

(f) *Comcast-AT&T Merger.* The County is aware that Franchisee's parent corporation, Comcast Corporation, and AT&T Corp. have entered into an Agreement and Plan of Merger dated December 19, 2001. As part of this Agreement, the County agrees that any change of control of the Franchisee that results from this transaction as described in the Agreement and Plan of Merger is approved so long as the Franchisee remains bound by all terms of this Agreement, and the Franchisee need file no application for that transaction. This approval shall

7: MISCELLANEOUS PROVISIONS

7(g): Notices

not in any way affect the County's authority to review and approve future transactions as set forth in the Cable Ordinance.

(g) *Notices.* Unless otherwise expressly stated herein, notices required under this Franchise Agreement shall be mailed first class, postage prepaid, to the addressees below. Each party may change its designee by providing written notice to the other party, but each party may only designate one entity to receive notice.

- (1) Notices to the Franchisee shall be mailed to:

General Manager
336 Post Office Road
Waldorf, MD 20602

- (2) Notices to the County shall be mailed to:

Deputy County Administrator
Charles County, Maryland
County Government Building
P.O. Box B
La Plata, MD 20646

(3) The Franchisee shall at all times keep the County advised as to which individual(s) are authorized to act on behalf of the Franchisee and whose acts will be considered to bind the Franchisee.

(h) *Captions and References*

(1) The captions and headings of 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.

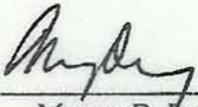
7: MISCELLANEOUS PROVISIONS
7(h): Captions and References

- (2) When any provision of the Cable Ordinance is expressly mentioned herein, such reference shall not be construed to limit the applicability of any other provision of the Cable Ordinance or County law that may also govern the particular matter in question.

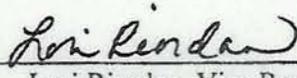
WITNESS THE HANDS AND SEALS OF THE PARTIES HERETO

THIS 5th DAY OF June, 2002.

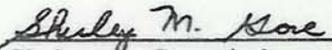
COUNTY COMMISSIONERS OF
CHARLES COUNTY, MARYLAND

By: 
Murray D. Levy, President

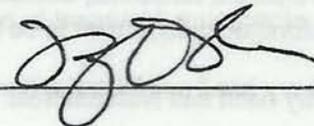
COMCAST CABLEVISION OF MD, INC.
A Colorado corporation

By: 
Lori Riordan, Vice President
Government Relations

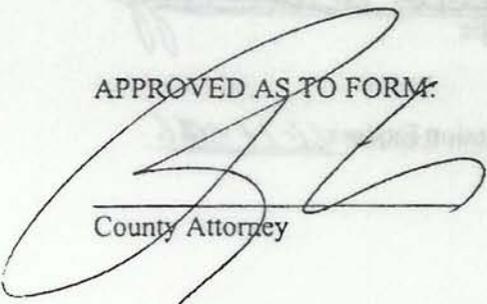
ATTEST:


Clerk to the Commissioners

ATTEST:



APPROVED AS TO FORM:


County Attorney

STATE OF MARYLAND, CHARLES COUNTY, TO WIT:

I HEREBY CERTIFY, that on this 14 day of May, 2002 before me, the subscriber, a Notary Public for the State and County aforesaid, personally appeared Murray D. Levy, President, County Commissioners of Charles County, and duly acknowledged the foregoing document to be the act of said body corporate and politic.

WITNESS my hand and Notarial Seal.

Carolyn M. Schoonover
Notary Public
Carolyn M. Schoonover, Notary Public
Charles County
State of Maryland
My Commission Expires Sept. 1, 2002
My Commission Expires: 9-1-02

STATE OF MARYLAND, CHARLES COUNTY, TO WIT:

I HEREBY CERTIFY, that on this 6th day of June 2002 before me, the subscriber, a Notary Public for the State and County aforesaid, personally appeared Lori Riordan, Vice President, Government Relations, Comcast Cablevision of Maryland, Inc., and duly acknowledged the foregoing document to be the act of said body corporate.

WITNESS my hand and Notarial Seal.

Margaret E. Finney
Notary Public

My Commission Expires: 6-1-06

APPENDIX 1

**INSTITUTIONAL NETWORK
DESCRIPTION**

SECTION 1: CONNECTION REQUIREMENTS

The following is a list of fiber optic and other connection requirements for the development of an Institutional Network (I-Net) within Charles County, MD. For ease of design review, the facilities are grouped by geographic area. All fiber counts listed are in addition to other fiber counts listed (additive, not duplicative). In all cases, incremental fiber should be used wherever feasible. Please refer to Section 2 for facility street addresses.

I-Net Connections for Facilities in the La Plata Area

- Eight of the Core Data facilities, including the Department of Emergency Services, the new Charles County Communications Center, the Department of Public Facilities, the new Charles County Sheriff's Office, the College of Southern Maryland Center for Business and Industry on its main campus, the Charles County Government Center, the Charles County Board of Education headquarters and the main branch of the Charles County Public Library in La Plata, but not including the Department of Utilities on Hawthorne Road, will be connected in a 12-fiber loop (the same 12 fibers run sequentially from the eastern-most core facility to the western-most core facility)
- The Department of Utilities Hawthorne site will be connected by 12 fibers to the County Government Center
- 6 fibers will be taken from each of the following facilities to the County Government Center:
 - the Department of Community Services on Port Tobacco Road
 - the Department of Social Services
 - the Department of Human Services Partnership
 - the new County Courthouse
 - the Clark Senior Center
 - Civista Medical Center
 - the Board of Elections
- 6 fibers will link the two Charles County Courthouse buildings in La Plata together
- 6 fibers will link the Charles County Sheriff's Office La Plata Station, old Detention Center building and new Detention Center building together
- 6 fibers will be run from each of the following facilities to the Charles County Sheriff's Office (new building):
 - the old Detention Center building
 - the Crime Lab
 - the Town of La Plata Police Department

- 6 fibers will be run from each of the following facilities to the new Charles County Communications Center on Radio Station Road:
 - La Plata VFD # 1
 - Bel Alton Co. # 10
 - VRS Co. # 51
 - University of MD Fire Service Extension
- 6 fibers will interconnect Mitchell Elementary to Somers Middle School
- 6 fibers will interconnect Craik Elementary to the Charles County Career and Technology Center
- 6 fibers will be run from each of the following facilities to the Board of Education (BOE) Administration Office on Radio Station Road:
 - Gwynn Educational Center
 - La Plata High School
 - Matula Elementary
 - The Career and Technology Center
 - McDonough High School
 - Somers Middle School
 - Radio Station Road Academy (1000 Radio Station Road)
 - CCPS Maintenance Shop (5965 Radio Station Road)

I-Net Connections for Facilities South of La Plata

- 6 fibers will interconnect Higdon Elementary to Piccowaxen Middle
- 2 fibers will be run from Piccowaxen Middle to the Board of Education Administration Office on Radio Station Road
- 2 fibers will run from Newburg VRS Co. #61 to the new Charles County Communications Center on Radio Station Road

I-Net Connections from La Plata Area Facilities to the Waldorf Headend

- 6 fibers will be run from the College of Southern Maryland (CSM) La Plata Campus (Center for Business and Industry) to the CSM Waldorf Center Campus.
- 6 fibers will be run from the La Plata library to the PD Brown Memorial branch in Waldorf
- 2 fibers will be run for Training Channel origination purposes from the new Charles County Communications Center on Radio Station Road to the Waldorf headend
- 2 fibers will be run from the Charles County Government Center for Access Channel origination purposes to the Waldorf headend
- 4 fibers for Access and Training Channel origination purposes will be run from the College of Southern Maryland to the Waldorf headend
- 4 fibers will be run for Access and Training Channel origination purposes from the BOE Administration Office on Radio Station Road to the Waldorf headend
- A 6-fiber umbilical connection will be run from the Charles County Government

Center to the Waldorf headend

- A 6-fiber umbilical connection will be run from the Board of Education Administration Office to the Waldorf headend
- The County may elect, for a price of \$40,000 paid by the County to the Franchisee, to have the Franchisee run and activate 2 fibers from an optical node at Piccowaxen Middle School back to the Waldorf Headend to provide training channel and cable modem communications capability to Piccowaxen Middle School, Higdon Elementary School and VRS Co. #61. Otherwise, these two fibers will be added to the two (for a total of four) that run from Piccowaxen Middle to BOE Administration, at no cost to the County.

I-Net Connections for Facilities in Indian Head to Department of Utilities Hawthorne Road Site

- 6 fibers will be run from the Library's Potomac Branch (Indian Head) to the Hawthorne Utilities location
- 6 fibers will be run from the Sheriff's Office/Indian Head Station to the Hawthorne Utilities location
- 6 fibers will be run from each of the following Fire and Rescue sites to the Hawthorne Utilities location:
 - Potomac Heights Co. # 7
 - Tenth District Co. # 8
 - Indian Head Co. # 9
 - Bryans Road Co. # 11
- 6 fibers will interconnect Parks Elementary and Henson Middle School
- 6 fibers will be run from each of the following School facilities to the Hawthorne Utilities location:
 - Gale-Bailey Elementary
 - Indian Head Elementary
 - Smallwood Middle School
 - Henson Middle School
 - Lackey High School

I-Net Connections for Facilities in the Waldorf Area to the Headend

- 8 fibers will be run from the new Comprehensive School slated for Berry Road to the Waldorf headend
- 6 fibers will be run from each of the following Charles County Government sites to the headend:
 - Charles County Health Department
 - Waldorf Jaycees Senior Center
 - Sheriff's Office/Waldorf Station
 - Waldorf Co. # 3
 - Waldorf EMS Co. # 3
 - Co. # 60 MICU

- Westlake Co. # 12
- 6 fibers will interconnect Ryon Elementary and Hanson Middle School
- 6 fibers will interconnect Berry Elementary and Mattawoman Middle School
- 6 fibers will interconnect the Stone Annex (3795 Leonardtown Rd.) to Stone High School
- 6 fibers will connect each of the following schools to the Waldorf headend:
 - Ryon Elementary
 - Mattawoman Middle
 - Barnhart Elementary
 - Brown Elementary
 - Daniel of St. Thomas Jenifer Elementary
 - Middleton Elementary
 - Mudd Elementary
 - Turner Elementary
 - Wade Elementary
 - Stoddert Middle
 - Stone High School
 - Westlake High School

I-Net Connections for Facilities East of Waldorf

- 6 fibers will connect each of the following facilities to the Waldorf headend:
 - Malcolm Elementary
 - TC Martin Elementary

Cable Modem Service Connections

The following facilities have been identified as sites where secure cable modem services to each facility may be required by the County pursuant to Section 4(g)(3):

- Fire and Rescue Co. #2 (Hughesville), #5 (Benedict) and #6 (Cobb Island)
- All other fire and rescue companies except for Nanjemoy Co. # 4, Charles County Dive Team Co. # 13 and the Dentsville VFD (Co. # 14)
- All Charles County EMS Departments except for Ironsides VRS Co. # 58
- the Tri-County Animal Shelter
- Up to 10 other public facilities that are connected to the residential cable system, now or in the future

Other Facilities and Issues

- All facilities with cable television system connections will be able to receive the residential cable system-based Training Channels.

SECTION 2:

Core Data Center Locations	
Department of Emergency Services 6855 Crain Hwy	College of Southern Maryland Center for Bus. and Industry 8730 Mitchell Rd
Charles County Communications Center to be built Radio Station Rd	Charles County Gov Center Charles County Gov Bldg. 200 Baltimore St.
Department of Public Facilities 1001 Radio Station Rd	Charles County Board of Education 5980 Radio Station Rd.
Department Of Utilities 5310 Hawthorne Rd	Charles County Public Library 2 Garret Ave
Charles County Sheriff's Office 6915 Crain Hwy	
Charles County Government Offices	
Board of Elections 100 Kent Ave.	Dept of Social Services 200 Kent Ave.

Dept. of Community Services 8190 Port Tobacco Rd.	Dept. of Human Services Partnership (Old Health Dept. Bldg) 6 Garret Ave
Charles County Health Dept. 4545 Crain Hwy	Clark Senior Center 1210 Charles St.
Charles County Courthouse	
CC Courthouse Office of the circuit Court 200 East Charles St	Charles County Courthouse Bldg 2 New Cty Courthouse (same Location)
Charles County Sheriff Offices	
Charles County Sheriff's Office/La Plata Station District 1 (Old Building) 6855 Old Crain Hwy	Judicial Services Bldg. (old detention Center) 6845 Crain Hwy
Charles County Sheriff's Office/Indian Head Station District 2 4401 Indian Head Hwy	Charles County Detention Center 6905 Crain Hwy (New bldg)
Charles County Sheriff's Office/ Waldorf Station District 3 3220 Old Washington Rd.	Crime Lab 100 Kent Ave
<i>* Denotes site that will not initially be served by fiber, but may be served by a cable modem</i>	
Charles County Fire & Rescue Departments	
CCFD Company 1 La Plata VFD 911 Washington Ave	CCFD Company 8 Tenth District VFD 7035 Poor House Rd

CCFD Company 2* Hughesville VFD 15245 Prince Fredrick Rd	CCFD Company 9 Indianhead VFD 4095 Indian Head Hwy
CCFD Company 3 Waldorf VFD 3245 Old Washington Rd.	CCFD Company 10 B9765 Bel-Alton Rd.
CCFD Company 5* Benedict VFD 18210 Hyatt Ave	CCFD Company 11 Bryans Rd VFD 3099 Livingston Rd.
CCFD Company 6 Cobb Island VFD 13290 Main St.	CCFD Company 12 Waldorf VFD (Westlake) 7000 St. Floridian Dr.
CCFD Company 7 Potomac Heights VFD 73 Glymont Rd	
Charles County EMS	
CC EMS Company 3 Waldorf EMS1069 St. Ignatius Dr	CC EMS Company 60 CC MICU 10700 Billingsly Rd.
CC EMS Company 51 CC VRS2 Calvert St.	CC EMS Company #61 Newburg VRS 12265 Rock Point Rd.
College of Southern Maryland	
Waldorf Center 3261 Old Washington Rd	
CC Public Library	
CC Library Potomac Branch 3225 Ruth B. Swann Dr	CC Library P.D. Brown Memorial Branch 50 Village St

* Denotes site that will not initially be served by fiber, but may be served by a cable modem

CC Public Schools Elementary	
C. Paul Barnhart 5800 Lancaster Circle	TC Martin 6315 Oliver Shop Rd
Berry 10155 Berry Rd.	Mary H Matula 6025 Radio Station Rd
Dr. Gustavus Brown 421 University Dr.	Arthur Middleton 1109 Copley Ave.
Dr. James Craik 7725 Marshall Corner Rd.	Walter J. Mitchell 400 Willow Ln
Gale-Bailey 4740 Pisgah-Marbury Rd.	Dr. Sam A. Mudd 820 Stone Ave
Dr. Thomas L Higdon 12872 Rock Point Rd.	JC Parks 3505 Livingston Rd.
Indian Head 4200 Indian Head Hwy.	JP Ryon 12140 Vivian Adams DR
Daniel of St Thomas Jenifer 2820 Jenifer School Ln.	Eva Turner 1000 Bannister Circle
Malcolm 14760 Poplar Hill Rd.	Will Wade 2300 Smallwood Dr. West am B.
CC Middle Schools	
John Hanson 12350 Vivian Adams Dr.	General Smallwood 4990 Indian Head Hwy
Matthew Henson 3535 Livingston Rd.	Milton M Somers 300 Willow Ln

Mattawoman 10145 Berry Rd	Benjamin Stoddert 2040 St. Thomas Dr.
Piccowaxen 12834 Rock Point Rd	
CC High Schools	
Lackey 3000 Chicamuxen	Thomas Stone 3785 Leonardtown Rd
La Plata 6035 Radio Station Rd.	Westlake 3300 Middletown Rd
Maurice M. McDonough 7165 Marshall Corner Rd.	Future Comprehensive HS Future address in Berry Rd. Corridor
CC Public Schools - Administrative	
Academy 1000 Radio Station Rd	Gwynn Center 5988 Radio Station Rd
CCPS Maint. Shop 5965 Radio Station Rd.	Thomas Stone Annex 3795 Leonardtown Rd.
Charles County Career and Tech Center 7775 Marshall Corner Rd.	
Miscellaneous	
Civista Medical Center 701 E. Charles St.	University of Maryland Fire Service Ext. 5975 Radio Station Rd.
Town of La Plata Police Dept 5 Garrett Ave.	

