

FRANCHISE AGREEMENT

THIS CABLE FRANCHISE AGREEMENT is made and entered into by and between **THE COUNTY COMMISSIONERS OF CARROLL COUNTY, MARYLAND**, a body corporate and politic of the state of Maryland, **THE TOWN OF HAMPSTEAD, THE TOWN OF MANCHESTER, THE TOWN OF MT AIRY, THE TOWN OF NEW WINDSOR, THE TOWN OF SYKESVILLE, THE TOWN OF UNION BRIDGE, THE CITY OF TANEYTOWN, AND THE MAYOR AND COMMON COUNCIL OF THE CITY OF WESTMINSTER** (hereinafter called “Franchisors”), and **COMCAST OF CALIFORNIA/MARYLAND/PENNSYLVANIA/VIRGINIA/WESTVIRGINIA, LLC** (hereinafter called “Franchisee”), a Delaware limited liability company.

WITNESSETH

WHEREAS, Franchisee is providing cable service to subscribers within the corporate limits of the Franchisors pursuant to a cable franchise originally granted to Prestige Communications of NC, Inc., dated May 2, 2000 (the “Prior Franchise”); and

WHEREAS, Franchisee wishes to continue to provide Cable Services within the corporate limits of Franchisors and has requested a Franchise Agreement in order to do same; and

WHEREAS, Franchisors are authorized to grant one or more non-exclusive franchises for the provision of cable service within their corporate boundaries by means of a cable system; and

WHEREAS, Franchisors have reviewed Franchisee’s request and have considered the terms and conditions of the Prior Franchise; and

WHEREAS, Franchisors have conducted a community needs assessment and have determined that the granting of this Franchise to Franchisee will assist in meeting their cable-related needs and interests; and

WHEREAS, Franchisors have determined that granting of a Franchise on the terms set forth herein is in the public interest and in the interest of the Franchisors and their residents.

NOW, THEREFORE, in consideration of the Franchisors' grant of a Franchise to Franchisee; the promise by Franchisee to provide Cable Services to residents of the Franchisors pursuant to and consistent with the applicable Cable Ordinances; the terms and conditions set forth herein; and the mutual covenants and promises herein contained, the parties hereto agree as follows:

1. DEFINITIONS

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

- 1.1. **Additional Insureds** shall have the same meaning as “Indemnitees” in Section 6.2 of this Agreement.
- 1.2. **Basic Service Tier** shall mean the Franchisee’s lowest tier of Cable Service, which shall include local television broadcast signals and the PEG Channels.
- 1.3. **Cable Gross Revenues** or Gross Revenues shall mean, as interpreted in accordance with generally accepted accounting principles, any and all cash, credits, property or other consideration of any kind or nature, and all of the amounts earned or accrued, arising from, attributable to, or in any way derived directly or indirectly by Franchisee, or an entity in any way affiliated with Franchisee, from the operation of the Cable Television System to provide Cable Services.
 - 1.3.1 Cable Gross Revenues shall include, without limitation, all subscriber and customer fees and revenues earned or accrued net of bad debts, including fees and revenues for basic cable services; additional Cable Service tiers; premium Cable Services; late charges; pay per view; program guides; installation, disconnection, reconnection, change in Service or service call fees; fees for the provision, sale, rental, or lease of converters, remote controls, additional outlets and other customer premises equipment; late fees and administrative fees; barter; fees paid by subscribers; revenues from the use of leased access channels; advertising revenues from the System; and revenues from home shopping programming. Cable Gross Revenues shall not include the value of free services not required by the Franchise Agreement; nor any taxes on services furnished by Franchisee which are imposed directly on any subscriber or user by the state, Franchisors, or other governmental unit and which are collected by Franchisee on behalf of said governmental unit. A Franchise fee is not such a tax.
 - 1.3.2 Advertising revenues and other revenues identified herein whose sources cannot be identified with a specific subscriber shall be allocated to Franchisors based upon the percentage of subscribers residing in the Franchise Area compared to that served from the head-end serving each Franchisor.

- 1.4. **Cable Ordinance** shall mean: the Carroll County Cable TV Ordinance, as well as any similar ordinance adopted by the Franchisors other than Carroll County.
- 1.5. **Cable Service** or Service shall mean:
 - 1.5.1 The one-way transmission to subscribers of (i) video programming or (ii) other programming services; and
 - 1.5.2 Subscriber interaction, if any, which is required for the selection or use of such video programming or other programming service.
- 1.6. **Cable Television Business** shall mean the provision by Franchisee of Cable Service solely by means of the Cable Television System.
- 1.7. **Cable Television System or System** shall mean a facility consisting of a set of closed transmission paths and associated signal generation, reception, and control equipment that is designed to provide Cable Service which includes video programming and which is provided to multiple subscribers within the Franchise Area, but such term does not include (i) a facility that serves only to re-transmit the television signals of one or more television broadcast stations; (ii) a facility that serves subscribers without using any public right of way; (iii) a facility of a common carrier which is subject, in whole or in part, to the provisions of Title II of the Communications Act of 1934, as amended, except that such a facility shall be considered a Cable System (other than for purposes of Section 621 (c) of such Act) to the extent such facility is used in the transmission of video programming directly to subscribers, unless the extent of such use is solely to provide interactive on-demand services; (iv) an open video system that complies with Section 653 of Title VI of the Communications Act of 1934, as amended; or (v) any facilities of any electric utility used solely for operating its electric utility system.
- 1.8. **Carroll Cable Regulatory Commission**, or **CCRC**, means the entity of that name formed by the Franchisors and governed by an Intergovernmental Agreement dated December 18, 2008, or any successor entity.
- 1.9. **Community Planning Area** shall mean areas designated on the County-wide Master Plan where the majority of residential, commercial, and industrial development is concentrated.
- 1.10. **Drop** shall mean the cable or wire that connects the distribution portion of a Cable System to a subscriber's premises.
- 1.11. **Event of Default** shall have the meaning defined in Section 11 of this Franchise Agreement.

- 1.12. **FCC** shall mean the Federal Communications Commission, its designee, or any successor governmental entity thereto.
- 1.13. **Franchise Agreement** shall mean this document and any amendments, exhibits or appendices hereto.
- 1.14. **Franchise Fee** shall mean the fee defined in Section 7 of this Franchise Agreement.
- 1.15. **Franchise Area** shall mean the area within the corporate limits of Franchisors.
- 1.16. **Franchisee** shall mean Comcast of California/Maryland/Pennsylvania/Virginia/West Virginia, LLC, a Delaware corporation.
- 1.17. **Franchisors** shall mean the Commissioners of Carroll County, the Town of Hampstead, the Town of Manchester, the Town of Mt. Airy, the Town of New Windsor, the Town of Sykesville, the Town of Union Bridge, the City of Taneytown, and the Mayor and Common Council of the City of Westminster.
- 1.18. **PEG** shall mean public, educational and governmental.
- 1.19. **PEG Channels** shall mean the Channels made available by Franchisee for public, educational and governmental access use, as more fully described in Section 5 of this Franchise Agreement.
- 1.20. **Public Ways** shall mean all dedicated public rights-of-way, streets, highways, and alleys of the Franchisors. "Public Ways" shall not include property of Franchisors which is not a dedicated public right-of-way, street, highway, or alley.
- 1.21. **Transfer** shall have the meaning defined in Section 10 of this Franchise Agreement.
- 1.22. **Uncured Event of Default** shall have the meaning defined in Section 11 of this Franchise Agreement.

2. GRANT OF RIGHTS

- 2.1 **Permission/Franchise.** Subject to all terms and conditions contained in this Franchise, the laws and generally applicable ordinances of Franchisors as from time to time in effect, Franchisors hereby grant Franchisee permission to erect, construct, install, operate, and maintain a Cable Television System to provide Cable Service in the Franchise Area and to transact a Cable Television business in such area. This Franchise shall grant no authority for the Franchisee to use the

Franchisors' Public Ways for any purposes other than provision of Cable Service, and the Franchisors reserve the right to require the Franchisee to obtain additional franchises or comparable grants of authority for the provision of non-cable services. Notwithstanding the foregoing, nothing in this Franchise shall be deemed to prevent the Franchisee from providing any non-cable service by means of the Cable System, to the extent permitted by applicable law.

- 2.2 **Nonexclusive.** This Franchise and all rights granted hereunder are nonexclusive. Franchisors reserve the right to grant such other and future franchises for similar uses or other uses of the Public Ways, or any portions thereof, as they deem appropriate. This Franchise does not establish any priority for the use of the public rights of way by Franchisee or by any present or future franchisees or other permit holders. In the event of any dispute as to the priority of use of the public rights of way the first priority shall be to the public generally, the second priority to Franchisors in the performance of its various functions, and thereafter, as between franchisees and other permit holders, as determined by Franchisors in the exercise of their powers, including the police power and other powers reserved to and conferred on them by the State of Maryland.

2.3 **Additional Franchise Grants.**

- 2.3.1 The Franchise and the right it grants to use and occupy the Public Ways to provide Cable Services shall not be exclusive, and the Franchisors reserve the right to grant other franchises for similar uses or for other uses of the Public Ways, or any portions thereof, to any Person, or to make any such use themselves, at any time during the term of this Franchise Agreement.
- 2.3.2 If the Franchisors grant a franchise that authorizes a third party to provide Cable Service in Carroll County (the "Competitive Franchise") and, in the reasonable opinion of the Franchisee, contains more favorable or less burdensome terms or conditions than this Franchise Agreement with respect to (i) the amount, basis and method of computation of the franchise fee; (ii) the amount, basis and method of computation of any PEG capital grant payments; (iii) the number of PEG channels; (iv) the respective service area of the two grantees; or (v) line extension requirements, the Franchisee may notify the Franchisors that it wishes to request the amendment of any provisions of the Franchise Agreement addressing those subjects. To request amendments, the Franchisee shall file a petition seeking to amend the Franchise. Such petition shall: (1) identify the competitor; (2) identify the basis for Franchisee's belief that certain provisions of this Agreement and the Competitive Franchise place Franchisee at a competitive disadvantage; and (3) identify the provisions of this Agreement to be amended in order to eliminate the competitive disadvantage.

- 2.3.3 Upon receipt of Franchisee's written notice, both parties shall negotiate in good faith, and either party to this Agreement may request changes to amend this Agreement so that neither this Agreement nor the Competitive Franchise contains terms that are more favorable or less burdensome than the other. 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 Franchisor and Franchisee reach agreement on the Franchise modifications pursuant to such negotiations, then the Franchisors shall amend this Franchise to include the modifications insofar as permitted under applicable law. If the Franchisors and Franchisee fail to reach agreement in such negotiations, Franchisee 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.
- 2.3.4 For purposes of this section, the franchises must be viewed as a whole, not on a provision-by-provision basis, and the franchises must be compared with due regard for the circumstances existing at the time each franchise was granted.
- 2.4 **Cable Services.** Franchisee shall provide a basic tier of Cable Service over the Cable System throughout the term of this Franchise.
- 2.5 **Emergencies.** Franchisors or their agents (including police, volunteer firefighters, and emergency medical services personnel) may remove or damage the Cable Television System in the case of fire, disaster, or other emergencies threatening life or property, as determined by the Franchisors. In such event neither Franchisors nor any agent, contractor or employee thereof shall be liable to Franchisee or its customers or third parties for any damages caused to them or the Cable Television System, such as for, or in connection with, protecting, breaking through, moving, removal, altering, tearing down, or relocating any part of the Cable Television System.
- 2.6 **Alert System.** Franchisee shall install and thereafter maintain on the Cable Television System an emergency alert system as prescribed by the FCC and the 1992 Cable Act, as amended.
- 2.7 **Compliance with Applicable Law.** Franchisee shall comply in all respects with all applicable codes, including the National Electrical Safety Code (latest edition); National Electric Code; the requirements of other utilities whose poles and conduits it uses; and all applicable Federal, State, and local laws, including, without limitation, local zoning and construction codes and laws.

- 2.8 **Maintenance and Repair.** Franchisee shall keep and maintain a proper and adequate inventory of maintenance and repair parts for the Cable Television System and a workforce of skilled technicians for its repair and maintenance.
- 2.9 **Other Permits.** This Franchise does not relieve Franchisee of the obligation to obtain permits, licenses and other approvals from Franchisors necessary for the construction, repair or maintenance of the Cable Television System, provision of Cable Services, or compliance with right-of-way permits, building permits and the like.
- 2.10 **Subject to Exercise of Police Powers.** All rights and privileges granted herein are subject to the police powers of the Franchisors and their rights under applicable laws and regulations to exercise their governmental powers to their full extent, including, but not limited to, the right to adopt and enforce generally applicable additional ordinances and regulations as the Franchisors shall find necessary in the exercise of their police powers, the right to adopt and enforce applicable zoning, building, permitting and safety ordinances and regulations, and the right to adopt and enforce ordinances and regulations containing right-of-way, telecommunications, utility and cable television consumer protection and service standards and rate regulation provisions. The foregoing is expressly subject to Section 14.7 of this Franchise.
- 2.11 **Franchise Agreement Contract Rights.** The provisions of this Franchise Agreement constitute a valid and enforceable contract between the parties. If the Franchisee determines that any amendment of the Cable Ordinance enacted after the Effective Date of this Agreement has the effect of materially impairing the Franchisee's rights under this Agreement, then the Franchisee may request that the parties modify this Agreement to the mutual satisfaction of both parties to ameliorate the impairment. If the parties cannot reach agreement on such a modification to the Agreement, then the Franchisee may elect to advance the renewal term by thirty-six months (36) to begin negotiations on the next franchise. The Franchisee retains any and all other remedies that are available.
- 2.12 **Continuity of Service.** Franchisee shall provide all available Services to all subscribers upon request as long such subscribers' financial and other obligations to Franchisee are honored. Franchisee shall interrupt System Service only in accordance with the provisions of the Cable Ordinances, and shall maintain records of such interruptions. In the event of a revocation or termination of the Franchise, Franchisee shall act so as to ensure that subscribers receive continuous, uninterrupted service, as specified in Section 3.12.

3. PUBLIC WAYS

- 3.1. **Use of Public Ways.** Subject to the terms and conditions set forth in this Franchise Agreement and the Cable Ordinances, Franchisee is granted the right

and the obligation during the term of this Franchise to erect, construct, install, operate and maintain its Cable Television System in, over, under, along and across the Public Ways within the Franchise Area, for the sole purpose of providing Cable Service.

- 3.2. **No Burden on Public Ways.** Franchisee shall not erect, install, construct, repair, replace or maintain its Cable Television System in such a fashion as to unduly burden the present or future use of the Public Ways. If Franchisors in their reasonable judgment determine that any portion of the Cable Television System imposes an undue burden on the Public Ways, Franchisee shall modify its system or take such other actions as Franchisors may determine are in the public interest to remove or alleviate the burden, at Franchisee's expense, provided, however, that if Franchisee believes that the manner of erection, installation, construction, repair, replacement or maintenance is consistent with general cable industry standards or practices for comparable facilities at comparable locations, Franchisee may request relief from this provision. Franchisee shall submit a request for relief in writing, specifically explaining which industry standards and practices apply and why it should not be required to modify the system or remove or alleviate any burden. The affected Franchisor shall consider this request reasonably and in good faith and shall grant Franchisee a waiver if it determines that Franchisee has acted in accordance with industry standards and practices, and that the burden on Franchisee of any modification or other action would exceed the burden on the Public Ways. Any modification or other action to be performed by Franchisee pursuant to this section shall be completed within the time period established by Franchisors.
- 3.3. **Minimum Interference.** The Cable Television System shall be erected and maintained by Franchisee so as to cause the minimum interference with the use of the Public Ways and with the rights or reasonable convenience of property owners who adjoin any of the Public Ways.
- 3.4. **Restoration of Property.** Franchisee shall promptly restore at its sole cost and expense, in a manner approved by Franchisors, any portion of the Public Ways or private property that is in any way disturbed by the construction, operation, maintenance or removal of the Cable Television System to as good or better condition than that which existed prior to the disturbance, and shall at its sole cost and expense restore and replace any other property, real or personal, disturbed, damaged or in any way injured by or on account of Franchisee or by its acts or omissions, to as good or better condition as such property was in immediately prior to the disturbance, damage or injury. Such a restoration shall start promptly but no more than fifteen (15) days from the date that Franchisee becomes aware of the problem in question. In the event of a failure by Franchisee to complete any work required for the protection or restoration of the Public Ways, or any other work required by law, within the time specified

by and to the reasonable satisfaction of the Franchisors, the Franchisors, following notice and an opportunity to cure, may cause such work to be done, and Franchisee shall reimburse the Franchisors the cost thereof within thirty (30) days after receipt of an itemized list of such costs; or the Franchisors may recover such reasonable costs from the performance bond provided by Franchisee.

- 3.5 **Tree Trimming.** Franchisee may trim trees upon and overhanging the Public Ways so as to prevent the branches of such trees from coming into contact with the Cable Television System. Franchisee shall limit the trimming of trees to trimming only those trees which are essential to maintain the integrity of the System. No trimming shall be performed in the Public Ways without previously informing the affected Franchisor and trimming shall conform to all applicable local, state and federal laws. All trimming of trees, except in an emergency, on public property shall have the prior approval of the affected Franchisor and except in an emergency all trimming of trees on private property shall require the consent of the property owner.
- 3.6 **Relocation of Facilities.** Franchisee shall at its own cost and expense, protect, support, disconnect or remove from the Public Ways any portion of the Cable Television System when required to do so by Franchisors due to street or other public excavation, construction, repair, grading, regrading or traffic conditions; the installation or repair of sewers, drains, water pipes, or publicly-owned facilities of any kind; or the vacation, construction or relocation of streets or any other type of structure or improvement of a public agency or any other type of improvement necessary for the public health, safety or welfare. However, to the extent any other users of the Public Ways are compensated for the required relocation of the facilities, Franchisee shall also be compensated in a similar fashion, to the extent required by applicable law
- 3.7. **Private Property.** Franchisee shall be subject to all laws and regulations regarding private property in the course of constructing, installing, operating or maintaining the Cable Television System in the Franchise Area. Franchisee shall comply with all zoning and land use restrictions of Franchisors as may hereafter exist or may hereafter be amended.
- 3.8. **Underground Facilities.**
 - 3.8.1 In those parts of the Franchise Area where transmission or distribution facilities of all utility companies are underground or hereafter may be placed underground, Franchisee shall likewise construct, operate and maintain all of its transmission and distribution facilities underground
 - 3.8.2 In those portions of the Franchise Area where the utility facilities are above ground at the time of installation of the Cable Television System

and are subsequently placed underground by the utility companies or are required to be placed underground, Franchisee shall likewise place its facilities underground within one hundred twenty (120) days at its sole cost and expense.

- 3.9 **New Developments.** Upon notification by power or telephone companies Franchisee shall install its Cable System in accordance with Section 5.9 (excluding Drops to individual dwelling units) in all new subdivisions and developments in coordination and cooperation with such companies, using its best efforts to combine trenching and to minimize disruption to private property and the Public Ways. After Cable System installation, Franchisee shall be capable of providing Cable Service to any dwelling unit in such subdivision or development solely by the construction of a Drop to the subscriber premises when such dwelling unit is constructed.
- 3.10. **Temporary Relocation.** Upon fifteen (15) business days' notice, Franchisee shall temporarily raise or lower its wires or other equipment upon the request of any person including, without limitation, a person holding a building moving permit issued by Franchisors. Franchisee may charge a reasonable rate for this service not to exceed its actual costs.
- 3.11. **Vacation.** If a street or Public Way where Franchisee has facilities is vacated, eliminated, discontinued or closed, after notification to Franchisee of same, all rights of Franchisee under this Franchise Agreement to use the street or Public Way shall terminate and Franchisee shall immediately remove the Cable System from such street or Public Way unless Franchisee obtains all necessary easements from the affected property owners to use the former street or Public Way or a court orders the provision of such easements. Where reasonably possible and to the extent consistent with the treatment of other utility facilities in the former street or Public Way, Franchisors shall reserve easements for Franchisee to continue to use the former street or Public Way. Franchisee shall bear the cost of any removal or relocation of the Cable System unless the vacation is primarily for the benefit of a private party, in which case the private party shall bear such costs. Franchisee shall be provided thirty (30) days' notice of any proposed vacation proceedings involving its Cable System facilities.
- 3.12. **Discontinuance and Removal of the Cable Television System.** Upon the revocation or termination of this Franchise, the Franchisors may require Franchisee to remove its Cable Television System, including all supporting structures, poles, transmission and distribution system and other appurtenances, fixtures or property from the Public Ways, in, over, under, along, or through which they are installed, at Franchisee's expense, within six (6) months of the revocation or termination of this Franchise; or the Franchisors may permit Franchisee to abandon such facilities in place. The Franchisors also may require Franchisee to restore promptly any property, public or private, to a condition

comparable to that which existed prior to the installation, erection or construction of its Cable Television System, including any improvements made to such property, including, but not limited to, the Public Ways, in accordance with the directions and specifications of Franchisors, and all applicable laws, ordinances and regulations, at Franchisee's sole expense. If such removal and restoration is not completed within six (6) months after Franchisee is so directed by the Franchisors, all of Franchisee's property remaining in the affected Public Ways shall at the option of Franchisors, be deemed abandoned and shall, at the option of Franchisors, become its property or Franchisors may obtain a court order compelling Franchisee to remove same. In the event Franchisee fails or refuses to remove its Cable Television System or to satisfactorily restore all areas to the condition in which they existed prior to the original construction of the Cable Television System, Franchisors, at their option, may perform such work and collect the costs thereof from Franchisee. No surety on any performance bond shall be discharged until Franchisors have certified to Franchisee in writing that the Cable Television System has been dismantled, removed, and all other property restored, to the satisfaction of Franchisors. Notwithstanding the above, Franchisee shall not be required to remove its Cable System, or to relocate the Cable System, or to sell the Cable System, or any portion thereof as a result of revocation, denial of renewal, or any other lawful action to forbid or disallow Franchisee from providing Cable Services, if the Cable System is actively being used to provide any other lawfully authorized services not governed by the Cable Act.

4. PERFORMANCE BOND

4.1. Performance Bond.

4.1.1 Franchisee shall provide Franchisors, no later than the Effective Date, an irrevocable performance bond substantially in the form set forth in Exhibit A attached hereto, in the amount of Seventy-Five Thousand Dollars (\$75,000), as security for the faithful performance by Franchisee of the provisions of this Agreement, and compliance with all orders, permits and directions of any agency of Franchisors having jurisdiction over its acts or defaults under this Franchise, and the payment by Franchisee of any claims, liens or taxes due Franchisors which arise by reason of the construction, operation, maintenance or repair of the Cable Television System or provision of Cable Services.

4.1.2 The condition of such performance bond shall be that if Franchisee fails to perform any of the requirements of this Franchise Agreement or the Cable Ordinance; or fails to make timely payment to Franchisors or their designee of any amount or sum due under this Franchise; or fails to repay

to Franchisors within ten (10) days of written notification that such repayment is due in accordance with Section 14.2, any damages, costs or expenses which Franchisors shall be compelled to pay by reason of any act of default of Franchisee in connection with this Franchise; or fails, after Franchisors have complied with the applicable notice requirements of this Agreement, to comply with any provisions of this Franchise which Franchisors reasonably determine can be remedied by the payment of money (including, without limitation, the assessment of liquidated damages), then Franchisors may demand and receive payment under such performance bond.

4.2. **Letter of Credit.**

4.2.1. The Franchisee shall file and maintain with the Franchisors, no later than the Effective Date, an irrevocable letter of credit from a financial institution licensed to do business in Maryland and acceptable to the Franchisors, in the amount of Twenty-Five Thousand Dollars (\$25,000) to serve the same purposes as set forth in Section 4.1. The form and content of the letter of credit shall be approved by the Franchisors.

4.2.2. No later than thirty (30) days after any withdrawal from the letter of credit, the Franchisee shall restore the letter of credit to the total amount specified in Section 4.2.1.

4.2.3. The letter of credit shall provide for thirty (30) days' prior written notice to the Franchisors of any intention on the part of the Franchisee to cancel, fail to renew, or otherwise materially alter its terms.

4.2.4. The letter of credit shall be released only upon termination of the Franchise or upon the replacement of the letter of credit with a substitute letter of credit acceptable to the Franchisors.

4.2.5. The Franchisors shall not draw on the letter of credit to remedy an Event of Default until the Event of Default has become an Uncured Event of Default pursuant to Section 11.2.

4.3. **Other Rights Reserved.** The rights reserved by Franchisors with respect to this Section are in addition to all other rights of Franchisors whether reserved by this Franchise or authorized by law, and no action, proceeding or exercise of a right with respect to such Franchise or law shall affect any other rights Franchisors may have.

5. **ACCESS TO THE SYSTEM.**

5.1 **PEG Access Channels.**

- 5.1.1 Franchisee shall make available to all Subscribers on the System five video Channels in standard definition digital format for PEG use (the “SD Access Channels”). Programming for one of these channels shall be determined by Carroll Community Television; for a second, by Carroll County Public Schools; for a third, by Carroll Community College; for a fourth, by Carroll County Government. The fifth channel shall be designated for carriage of programming produced by each of the towns and cities in Carroll County (the “Municipal Channel”). Upon one hundred eighty (180) days’ advance written request, the System shall be segmented by Community Planning Areas in such a way that each town or city’s programming can be provided on a single Municipal Channel, with each community’s programming viewable in the respective Community Planning Area provided that if any programming on the Municipal Channel is viewable outside of the intended Community Planning Area, it shall not be viewable in any Community Planning Area pertaining to another town or city in Carroll County, in order to eliminate the possibility of scheduling conflicts between communities.
- 5.1.2 In addition to the five SD Access Channels specified in subsection 5.1.1, no sooner than two (2) years after the Effective Date, the Franchisee shall provide one additional Access Channel in high definition format (“the “HD PEG Channel”) as provided in this subsection 5.1.2. The HD PEG Channel shall carry PEG programming selected by the CCRC, or an entity to be designated by the CCRC pursuant to Section 5.4, from among the programming carried on the SD Access Channels. No earlier than eighteen (18) months after the Effective Date, the Franchisors may send a written request to activate the HD PEG Channel. The Franchisee shall then have up to six months from the time that the written request is received to activate the HD PEG Channel.
- 5.1.2.1 Franchisors shall be responsible for providing the HD PEG Channel signal in an HD digital format compatible with Franchisee’s equipment in the Cable System to the demarcation point at the designated point of origination for the HD PEG Channel.
- 5.1.2.2 With respect to signal quality, Franchisee shall not be required to carry the HD PEG Channel in a higher quality format than that of the HD PEG Channel signal delivered to Franchisee.
- 5.1.2.3 The HD PEG Channel may require Subscribers to buy or lease special equipment, and subscribe to those tiers of Cable Service, upon which HD channels are made available. Franchisee is not required to provide free HD equipment to Subscribers, including

complimentary government and educational accounts, nor modify its equipment or pricing policies in any manner.

5.1.2.4 Franchisors are responsible for acquiring all equipment necessary to produce programming in HD.

5.1.2.5 Franchisee shall provide all necessary transmission equipment from the PEG Access Center, at Franchisee's headend and through Franchisee's distribution system, in order to deliver the HD PEG Channel. Franchisee shall be responsible for the costs of all transmission equipment, including HD modulator and demodulator, encoder or decoder equipment and multiplex equipment, required in order for Franchisee to receive and distribute the Franchisee's HD PEG Channel signal.

5.1.2.6 There shall be no restriction of Franchisee's technology used to deploy and deliver SD or HD signals. 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 quality for the consumer that is reasonably comparable to similar commercial HD cable channels carried on the Cable System.

5.1.3 The SD Access Channels and the HD Access Channel shall be referred to as the "PEG Channels." Except as provided in Section 5.1.2, Franchisee will provide all of the PEG Channels on the Basic Service Tier throughout the life of the Franchise. If Channels are selected through a menu system, the PEG Channels shall be displayed on the menu.

5.1.4 The Franchisee shall continue to carry the PEG Channels on the existing channel assignments throughout the System. If the Franchisee decides to change a PEG Channel designation, it must provide thirty (30) days prior written notice to the Franchisors and any PEG provider responsible for managing the affected PEG Channel, and shall reimburse the Franchisors, and/or the designated PEG provider for the reasonable and verifiable costs incurred by the Franchisors or other PEG users, including, but not limited to, technical costs, logo modifications, stationery, promotion, and advertising. The amount of such reimbursement shall not exceed \$20,000 on any given occasion regardless of the number of PEG Channels being reassigned. Subsequent changes in assignments shall again be subject to reimbursement, subject to an additional \$20,000 cap. The Franchisee shall also make customers aware of any such changes via two (2) bill messages, with at least one occurring before the changed assignment.

5.1.5 The PEG Channels shall be carried in compliance with all applicable FCC rules. All PEG Channels shall be carried in a manner providing the same signal quality as other channels of the same category (meaning standard definition or high definition) Franchisee provides on the Basic Service Tier. Each PEG Channel carried as part of a digital service shall consist of the system capacity required to provide the transmission of a video signal, with accompanying audio, that is in digital format and capable of producing sound and picture of NTSC quality or better based on the standard compression technology then in use in the System. All PEG Channels shall meet the same FCC technical standards applicable to the same category of commercial channel (standard definition or high definition) carried on the Basic Service Tier, provided that the Franchisee shall not be responsible for the production quality of PEG access programming.

5.1.6 The Franchisee will, to the extent technologically and economically feasible, cooperate with the Franchisors and the applicable third party to arrange for programming description information to be available on the digital guide. The cost of such carriage shall be borne by the Franchisors, or any other entity responsible for programming or managing the PEG Channels, and each such entity shall be responsible for providing the required programming description to the third party vendor used by the Franchisee to manage the digital guide.

5.2. **Capital Grant for Access Equipment and Facilities.** Franchisee shall provide an annual capital grant to the Franchisors in the amount of eighty-five cents (\$0.85) per subscriber per month (the “PEG Grant”). Payment of the PEG Grant shall be made quarterly, and shall be due within thirty (30) days after the end of each calendar year quarter. The PEG Grant shall be used by the Franchisors, in their sole discretion, for PEG access equipment (including, but not limited to, studio and portable production equipment, editing equipment and program playback equipment, and institutional network equipment. In addition, no later than thirty (30) days after the Effective Date, Franchisee shall provide a one-time technology grant in the amount of \$40,000 to the Carroll County Public Schools. The grants provided pursuant to this Section 5.2 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).

5.3. **Continuing Use of PEG Fiber Facilities.**

5.3.1 Franchisee agrees that, for a period of three (3) years beginning on the Effective Date, the CCRC, or an entity to be designated by the CCRC pursuant to Section 5.4, shall have the right to use without charge the PEG

Fiber Facilities installed pursuant to the Prior Franchise for noncommercial purposes, including the following: (i) transporting video and audio signals and data streams from the local government locations served by the PEG Fiber Facilities to the PEG Access Center for editing and other processing before insertion on one or more of the PEG Channels; (ii) transporting video and audio signals and data streams from the local government locations served by the PEG Fiber Facilities to Franchisee's headend for carriage on one or more of the PEG Channels; (iii) transporting programming of importance to local government employees, such as public safety training videos and other training or informational materials, to and between the local government locations served by the PEG Fiber Facilities, for viewing by local government staff and trainees; and (iv) allowing the unrestricted sharing of PEG-related data and other PEG-related communication processes among any connected facilities, and not for general dissemination to the public. At the end of such three year period, the CCRC shall have no further right to use the PEG Fiber Facilities and all rights, usage, and control thereof shall revert to Franchisee.

5.3.2 The "PEG Fiber Facilities" include:

5.3.2.1 The existing links between the PEG Access Center and the County Office Building, the Carroll County Public Schools Headquarters, and Carroll County Community College; and

5.3.2.2 The existing links between the PEG Access Center and each of the following locations:

- 5.3.2.2.1 Hampstead Town Hall;
- 5.3.2.2.2 Mt. Airy Town Hall;
- 5.3.2.2.3 New Windsor Town Hall;
- 5.3.2.2.4 Sykesville Town Hall;
- 5.3.2.2.5 Taneytown Town Hall;
- 5.3.2.2.6 Union Bridge Town Hall;
- 5.3.2.2.7 Westminster Town Hall; and
- 5.3.2.2.8 Manchester Town Hall.

5.3.3 Franchisee shall continue to provide and maintain at no charge the existing fiber optic transmission link from the PEG Access Center to the headend in order to transmit PEG programming to the headend for delivery to subscribers over the PEG Channels.

5.3.4 The television signal transmission links required by Sections 5.3.1, 5.3.2, and 5.3.3 shall be fiber-optic links designed and built to include any

equipment necessary to ensure that (a) video and associated audio signals provided at the origination points at baseband are delivered at baseband over the links without noticeable degradation in signal quality during such transmission, and (b) the PEG Channel programming is placed on the distribution network.

5.3.5 Franchisee shall transfer programming received via the transmission links from the PEG Access Center and transmit said programming on the subscriber network PEG Channels. Such headend equipment shall be of quality and reliability no less than provided for any other Channel on the subscriber network.

5.4. **Management of Channels.** The Franchisors may designate one (1) or more entities, including without limitation a non-profit access management corporation, on the Franchisors' behalf, to program any or all of the PEG Channels. The facilities of any such entity from which PEG programming is transmitted to the Franchisee's headend facility in Carroll County shall be known as the "PEG Access Center."

5.5. **Changes in Technology.**

5.5.1 There shall be no restriction on Franchisee's technology used to deploy and deliver SD or HD signals. Franchisee may implement carriage of the HD PEG Channel in any manner (including selection of compression, utilization of IP, and other processing characteristics) that produces a signal quality for the consumer that is reasonably comparable and functionally equivalent to similar commercial HD cable channels carried on the Cable System. In the event the Franchisors desire to implement additional functionality on one or more of the PEG Channels comparable to additional functionality available on any other channel on the Basic Service Tier, the Franchisee shall cooperate with the Franchisors to make such functionality available, provided that implementation of such functionality does not require the use of additional capacity on the System, or impose any out-of-pocket cost on Franchisee. The PEG Channels shall also comply with any future technical standards addressing performance requirements and testing applicable to transmissions of digital signals. If the Franchisee makes changes to the Cable System that require improvements to access facilities or 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 at no cost to Franchisors.

5.5.2 Upon the completion of the Video-on-Demand pilot project required by the terms of the Comcast NBC-Universal merger, Franchisee shall provide the Franchisors with a link to the FCC's report on the outcome of that project.

5.6. **Institutional Network.**

5.6.1 The Franchisee agrees that the CCRC, or any entity to be designated by the CCRC, shall continue have the right to use the I-Net Facilities without charge, for the purpose of transporting data and other communications through June 30, 2017. As of June 30, 2017, Franchisee shall have no further obligations associated with the operation of the I-Net Facilities, and the I-Net Facilities shall be decommissioned for both data and PEG access video.

5.6.2 The "I-Net Facilities" include the existing set of four single-mode dark fibers connecting the County Office Building at 225 N. Center Street with the following:

- 5.6.2.1 Motor Vehicle Administration (1100 Baltimore Blvd); and
- 5.6.2.2 Westminster Police HQ (30 Locust St).

5.6.3 The Franchisee shall have personnel available at all times to respond to fiber failures within one hour of a call. Franchisee shall maintain and repair all I-Net fibers without charge, except where the Franchisors have caused damage to the fiber, in which case the Franchisee shall bill the Franchisors for the reasonable actual costs incurred. All fiber shall be maintained to meet the manufacturer's specifications at all times. When any fiber is found to fall below the manufacturer's specifications, Franchisee will commence I-Net repairs within four (4) hours after becoming aware of a problem and shall complete such repairs as soon as reasonably possible. This repair will be consistent with the maintenance practices of Franchisee for the fiber of their subscriber system. Franchisee shall give repair of the I-Net at least equal priority with any other repairs to the System.

5.7. **Costs and Payments Not Franchise Fees.** The parties agree that any costs to Franchisee associated with the provision of support for PEG access pursuant to this Agreement, and any payments made to the Franchisors pursuant to Article 5 of this Agreement, do not constitute and are not part of a franchise fee, and fall within one or more of the exceptions to 47 U.S.C. § 542.

5.8. **Courtesy Service.**

- 5.8.1 Franchisee shall provide one drop, outlet, and basic cable service at no charge to all municipal buildings, police stations, fire stations, schools, and libraries within the Franchise area. Franchisee shall provide, at no charge, three digital transport adapters for each such building. Such connections shall be made at such reasonable locations as shall be requested by each Franchisor or the respective units of government or educational institutions. Any charge for relocation of such outlets may, however, be charged at actual cost. Additional activated drops or outlets requested by Franchisors within the same building shall be made by Franchisee at cost plus 10%. No monthly service charges shall be made for distribution of the Franchisee's signals within such municipal buildings. Franchisee shall make no charge for provision of such connections to any school, or to any such municipal building that is connected as of the Effective Date, or to any such municipal building located within three hundred (300) feet from the Cable System distribution system, within the Franchise area.
- 5.8.2 The Franchisee shall continue to provide at no charge the existing converter boxes and digital transport adapters currently provided to the Franchisors and other entities entitled to receive free service under the Agreement, and shall maintain and replace such existing equipment as needed, upon request. There also shall be no charge to the Franchisors or any other entity or agency receiving service at any new public facility for the cost of up to three converters or digital transport adapters at each such public facility.

5.9. Service Area/Line Extensions/Drops.

- 5.9.1. Franchisee shall provide Cable Services to any and all persons requesting same at any location within the corporate limits of the incorporated Towns and Cities of Carroll County. Due to the density of population in the Towns and Cities, Franchisee agrees not to impose on any potential subscriber located within them any line extension charge or comparable charge for extending Franchisee's Cable Television System to the subscriber's location. The preceding sentence does not apply to Drops as provided for in this Section.
- 5.9.1.1 It is understood and agreed that when an area is annexed by an incorporated Town or City, Franchisee may lodge an appeal to the Carroll County Cable Television Committee on the basis that application of this provision to the newly annexed area will result in an undue financial hardship to Franchisee. The burden of proof regarding undue hardships shall rest with Franchisee.

- 5.9.2. In the unincorporated areas of Carroll County, no line extension charge or comparable charge shall be imposed on any current or potential subscribers for extensions of the Cable Television System whenever Franchisee receives requests from a potential subscriber and there are at least twenty (20) dwelling units per mile along any line extension route of up to or including one mile that would pass the point where the requesting potential subscriber's route of vehicular ingress or egress contacts the Public Ways, and Franchisee shall extend its Cable System to such potential subscribers at no cost to said potential subscribers. The preceding sentence does not apply to Drops as provided for in this Section.
- 5.9.3. Franchisee's standard installation charge shall include a three hundred (300) foot drop from the Cable System, such that current or potential subscribers may be charged more than the standard charge only to the extent the Drop serving them exceeds three hundred (300) feet, measured from the tap on the distribution system portion of the Cable System to the subscriber's premises.
- 5.9.4. The Cable System shall be further extended to serve all parts of the Franchise Area that do not meet the requirements of Section 5.9.2 above, upon the request of one or more dwelling unit owners in such areas, based upon the following cost calculation:
 - 5.9.4.1 The cost of extending the Cable System to serve any such area shall be calculated by (i) dividing the capital cost of extending the System to pass each of the requesting dwelling unit owners by the number of dwelling units requesting Cable Service in such area, and (ii) subtracting the average cost of extending Cable Service to dwelling units in areas of the County that meet the density requirement specified in Section 5.9.2 above. The resulting cost shall equal the per dwelling unit contribution to be paid by each dwelling unit owner requesting extension of Cable Service in that particular area of the County,
 - 5.9.4.2 The applicable formula shall be:

$$\frac{C}{LE} - \frac{CA}{P} = SC$$

Where:

- 5.9.4.2.1. C equals the cost of construction of new plant from the termination of the existing trunk and distribution system;

- 5.9.4.2.2. LE equals the number of dwelling units requesting Cable Service in the proposed line extension area, who subsequently pay a contribution in aid;
 - 5.9.4.2.3. CA equals the average cost of construction per mile in the Franchise Area;
 - 5.9.4.2.4. P equals 20; and
 - 5.9.4.2.5. SC equals the per dwelling unit contribution in aid of construction in the proposed line extension area, to be paid by the dwelling unit owner.
- 5.9.5. For purposes of Section 5.9.2, a home shall only be counted as a “dwelling unit” if that home is within 400 feet of the Public Ways. This 400-foot setback distance shall be measured along the route of vehicular ingress or egress, beginning at the edge of the Public Way and ending at the point (following that route) on the home where utilities enter the home. A use-in-common drive that is not part of the Public Ways shall be counted as part of this 400-foot setback for purposes of Section 5.9.2. In measuring the mileage for the line extension route pursuant to Section 5.9.2, the measurement shall begin from the point on the existing trunk or distribution cable affording the shortest possible path of usable Public Way to the dwelling units counted, and shall proceed along the Public Ways using the path affording the shortest possible total distance to and among the dwelling units counted. Except as provided in Section 5.9.9, no mileage other than Public Ways shall be counted (for example, and without limitation, a driveway or use-in-common drive that is not a public right-of-way shall not be counted into the mileage). A given line extension route of up to or exactly one mile shall meet the requirement of Section 5.9.2 if it averages twenty (20) homes per mile, regardless of the total distance or the distribution of the homes along that distance. The Franchisee shall not, however, be required to follow that path if it does build such an extension. For example (by way of illustration and not limitation):
- 5.9.5.1 20 homes each within 400 feet of the Public Ways (for purposes of these examples, “qualifying homes”) in one mile of line extension route: extension required. 19 qualifying homes in one mile of line extension route: extension not required.
 - 5.9.5.2 10 qualifying homes in one-half mile (2640 feet) of line extension route: extension required. 9 qualifying homes in one-half mile of line extension route: extension not required.

- 5.9.5.3 4 qualifying homes in 1000 feet (0.1894 mile) of line extension route: extension required. (4 homes in 1000 feet averages $4 * [5280/1000] = 21.12$ homes per mile.)
 - 5.9.5.4 3 qualifying homes in 1000 feet of line extension route: extension not required. (3 homes in 1000 feet averages 15.84 homes per mile.)
 - 5.9.5.5 4 qualifying homes in 850 feet (0.1610 mile) of line extension route: extension required. (4 homes in 850 feet averages $4 * [5280/850] = 24.85$ homes per mile.)
 - 5.9.5.6 3 qualifying homes in 850 feet of line extension route: extension not required. (3 homes in 850 feet averages $3 * [5280/850] = 18.64$ homes per mile.)
- 5.9.6. If a potential subscriber or the Franchisors request an estimate of the cost of line extension to a location pursuant to Section 5.9.4, the Franchisee shall provide such a good-faith estimate within forty-five (45) days from the date of such request.
- 5.9.7. If an issue or dispute should arise regarding line extension, the Franchisee shall, upon reasonable notice, make available for inspection by the County maps of the relevant trunk and distribution cable.
- 5.9.8. If the Franchisee is required to extend its System pursuant to Section 5.9.2, it need only extend its System far enough to provide Service to the potential subscriber or subscribers who have requested Service as of the date the Franchisee begins construction, even if the measurement of distance giving rise to the requirement extended farther. Thus, for example, if one potential subscriber at 0.2 mile from the existing trunk or distribution cable requests Service, and the measurement resulting in a density of at least 20 dwelling units per mile extends for 0.8 mile, the Franchisee need build only the 0.2 mile, not the entire 0.8 mile.
- 5.9.9 The Franchisee also shall extend Service to dwelling units located along a Private Road as if such dwelling units were located along a public right-of-way, and each such extension along a Private Road shall be subject to all of the terms of Sections 5.9.2, 5.9.3, and 5.9.5, as if it were an extension along the Public Ways. In response to any request for Service on a Private Road, the six-month line extension period set forth in the Cable Ordinance shall not commence with respect to any specific dwelling unit until Carroll County has provided the Franchisee with a recorded deed of easement or other suitable access right that is both permanent and without cost to Franchisee for the placement of Franchisee's plant and

equipment along every portion of the proposed Private Road route necessary to reach the dwelling unit in question.

5.9.9.1 For purposes of this sub-section, “Private Road” means any privately-held easement or other right-of-way used for vehicular traffic that (i) intersects with the Public Ways or with another easement or right-of-way that is both used for vehicular traffic and intersects with the Public Ways, and (ii) serves more than one residence.

5.9.9.2 For purposes of this sub-section, in identifying whether a home shall be counted as a “dwelling unit” under Section 5.9.5, the 400-foot setback distance from a Private Road shall be measured starting from the property line of the dwelling unit, at the point of vehicular ingress or egress solely from that home to the Private Road.

5.9.10 Notwithstanding the provisions of Section 5.9.2, the Franchisee shall extend the Cable System in order to make Cable Service available to the specific addresses identified and listed in Exhibit B. Construction of the Cable System facilities necessary to make it possible to extend Cable Service in accordance with this section to all of the addresses on Table B-1 on Exhibit B shall be completed no later than eighteen (18) months after the Effective Date of this Franchise Agreement. Construction of the Cable System facilities necessary to make it possible to extend Cable Service in accordance with this section to all of the addresses on Table B-2 on Exhibit B shall be completed no later than three (3) years after the Effective Date of this Franchise Agreement.

5.9.10.1 *Progress Reporting:* No later than sixty (60) days after the Effective Date, the Franchisee shall provide Carroll County and the CCRC with a proposed construction plan describing the order in which the Franchisee plans to extend Service to different areas to be served pursuant to Section 5.9.10, and setting forth approximate dates for completion of construction to reach the addresses listed in Exhibit B. This proposed construction plan shall be based on the best information available to Franchisee at that time, but shall not be binding on Franchisee. Thereafter, no later than thirty (30) days after each anniversary of the Effective Date, the Franchisee shall provide the County and the CCRC with a report identifying the addresses listed in Exhibit B that have been passed by the Cable System, and a construction timetable for the remaining addresses on Exhibit B. Upon completion of the construction required by Section 5.9.10, the Franchisee shall submit a report stating that construction to all of

the addresses listed in Exhibit B has been completed. Upon verification by the County and the CCRC that construction has been completed, no further reports shall be required.

5.9.11 The Franchisee agrees that residents shall be permitted to perform their own trenching and excavation, in accordance with procedures to be established by the Franchisee and provided to the CCRC. The CCRC shall be given written notice of any changes to such procedures at least 30 days before they take effect, and such changes shall not apply to residents who have already informed the Franchisee of their desire to perform their own trenching or excavation.

5.10 **Business Office or Designated Agent:** The Franchisee shall maintain within the geographic limits of Carroll County a local business office or designated agent that shall be open during normal business hours for the purpose of receiving and resolving all subscriber complaints regarding the quality of service, equipment malfunctions and other similar matters, and to allow subscribers to request service, pay bills, and conduct other business. Franchisee reserves the right to modify customer serving locations and centers to meet changing business and customer needs in any one of the following manners for equipment concerns: (a) by having Franchisee representative going to the customer's residence, (b) through equipment drop off location within the Franchise Area, or (c) by using a prepaid mailer for equipment exchange. Franchisee also has the option to provide payment drop off locations within the Franchise Area.

6. INDEMNITY AND INSURANCE

6.1. **Disclaimer of Liability.** Franchisors shall not at any time be liable for injury or damage occurring to any person or property from any cause whatsoever arising out of (i) the construction, maintenance, repair, use, operation, condition or dismantling of Franchisee's Cable Television System, unless such injury or damage was caused by Franchisor's negligence, or (ii) Franchisee's provision of Cable Service.

6.2. **Indemnification.**

6.2.1 Franchisee shall at its sole cost and expense indemnify and hold harmless Franchisors and all associated, affiliated, allied and subsidiary entities of Franchisors, now existing or hereinafter created, and their respective officers, boards, commissions, attorneys, agents, and employees (hereinafter referred to as "Indemnitees"), from and against:

6.2.1.1 Any and all liability, obligation, damages, penalties, claims, liens, costs, charges, losses and expenses (including, without limitation, reasonable fees and expenses of attorneys), whether

legal or equitable, which may be imposed upon, incurred by or be asserted against the Indemnitees by reason of any act or omission of Franchisee, its personnel, employees, agents, or contractors, which may arise out of or be in any way connected with the construction, installation, operation, maintenance or condition of the Cable Television System (including those arising from any matter contained in or resulting from the transmission of programming over the System and including any claim or lien arising out of work, labor, materials or supplies provided or supplied to Franchisee, its contractors or subcontractors), the provision of Cable Services or Franchisee's failure to comply with any Federal, State or local statute, ordinance or regulation.

6.2.2.2 Any claim asserted or liability imposed upon the Indemnitees for personal injury or property damage to any person arising out of (i) the installation, operation, maintenance or condition of the Cable Television System, unless such claim or liability arose from Franchisor's negligence, or (ii) Franchisee's failure to comply with any Federal, State or local statute, ordinance or regulation.

6.2.2 Franchisee shall notify Franchisors in writing within five (5) working days of any suits or claims encompassed by this Section.

- 6.3. **Assumption of Risk.** Franchisee undertakes and assumes for its officers, agents, contractors and subcontractors and employees, all risk of dangerous conditions, if any, on or about any Franchisor-owned or controlled property, including Public Ways, and Franchisee hereby agrees to indemnify and hold harmless the Indemnitees against and from any claim asserted or liability imposed upon the Indemnitees for personal injury or property damage to any person arising out of the installation, operation, maintenance or condition of the Cable Television System or Franchisee's failure to comply with any Federal, State or local statute, ordinance or regulation.
- 6.4. **Defense of Indemnitees.** In the event any action or proceeding shall be brought against the Indemnitees by reason of any matter for which the Indemnitees are indemnified hereunder, Franchisee shall upon notice from any of the Indemnitees, at Franchisee's sole cost and expense, resist and defend the same with legal counsel selected by Franchisors; provided, however, that Franchisee shall not admit liability in any matter on behalf of the Indemnitees without the written consent of Franchisors.
- 6.5. **Notice, Cooperation and Expenses.** Franchisors shall give Franchisee prompt notice of the making of any claim or the commencement of any action, suit or

other proceeding covered by the provisions of this Section. Nothing herein shall be deemed to prevent Franchisors from cooperating with Franchisee and participating in the defense of any litigation by Franchisors' own counsel.

- 6.6. **Insurance.** At all times during the term of this Franchise including any time for removal of facilities or restoration, Franchisee shall obtain, maintain, and pay all premiums for all insurance policies described in this Section. Concurrent with the execution of the Franchise, Franchisee shall file with Franchisors certificates of insurance evidencing coverage. Failure to obtain and maintain any insurance policy required by this Section shall be deemed a material breach of this Franchise and may be grounds for termination of this Franchise.
- 6.6.1. **Commercial General Liability.** Ten Million Dollars (\$10,000,000) per occurrence, which may be met through any combination of primary and excess policies. The policy shall cover losses for bodily injury and property damage, and shall name Franchisors and their officers, boards, commissions, and employees as Additional Insured for losses for which Franchisee is responsible hereunder.
- 6.6.2. **Commercial Automobile Liability.** Ten Million Dollars (\$10,000,000) per occurrence, which may be met through any combination of primary and excess liability policies. The commercial automobile liability insurance required by this Section shall name Franchisors and their officers, boards, commissions, and employees as Additional Insured for losses for which Franchisee is responsible hereunder.
- 6.6.3. **Workers' Compensation.** Workers' Compensation coverage which meets all requirements of Maryland workers' compensation laws.
- 6.7. **Cancellation or Change.** The insurance policies called for herein shall provide notice of cancellation in accordance with policy provisions. Franchisee shall in the event of any cancellation notice, obtain, maintain, pay all premiums for, and file with Franchisors written evidence of an appropriate replacement insurance policies so canceled within thirty (30) calendar days following receipt by Franchisors or Franchisee of notice of cancellation.
- 6.8. **No Limitation of Liability.** No recovery by Franchisors of any sum by reason of any insurance policy required by this Franchise shall be any limitation upon the liability of Franchisee to Franchisors or to other persons.
- 6.9. **Qualified Carriers.** All insurance shall be effected under valid and enforceable policies insured by insurance carriers licensed to do business in the State of Maryland.

7. FEES AND PAYMENTS

7.1. **Franchise Fee.** Franchisee shall pay Franchisors throughout the term of this Franchise an amount equal to five percent (5%) of Franchisee's Cable Gross Revenues. Such payments shall be made quarterly, and are due within thirty (30) days after the end of each calendar year quarter.

7.1.1. Each payment shall be accompanied by a written report to Franchisors, verified by an authorized representative of Franchisee, containing an accurate statement of Franchisee's Cable Gross Revenues and the computation of the payment amount attributable directly to the Franchisors

7.1.2. Franchisors may audit Franchisee to verify the accuracy of Franchise Fees paid to Franchisors. Financial statements submitted by Franchisee in response to such an audit shall contain data (including but not limited to gross revenues data) specific to the Carroll County system, rather than aggregated with data pertaining to other systems. Any additional amount that the Franchisors and Franchisee agree is due shall be paid within thirty (30) days of Franchisors submitting an invoice for such sum, and if such sum shall exceed five percent (5%) of the total Franchise Fee which the audit determines should have been paid for any calendar year, Franchisee shall pay Franchisors' reasonable and verifiable out of pocket cost of auditing that calendar year as well. If the Franchisors and Franchisee disagree as to any amount due, they shall engage in good faith negotiations to resolve such dispute. If the dispute is not so resolved, the parties reserve all legal rights to resolve such disputes.

7.2. **Other Payments.** The reasonable and verifiable out of pocket cost payments identified in 7.1.2 are in addition to all sums which may be due Franchisors and which do not constitute franchise fees under federal law or property taxes (real and personal), income taxes, license fees, permit fees or other fees, taxes or charges which Franchisors may from time to time impose.

7.3. **Prior Fees.** Prior to the Effective Date of this Franchise, Franchisee shall pay all Franchise fees due under any prior franchise between Franchisee and Franchisors.

8. RATES AND REGULATION

Franchisors reserve the right to regulate Franchisee, the Cable Television System, and the provision of Cable Services as expressly permitted by Federal, State, or local law.

9. TERM

9.1. **Term.** The term of this Franchise shall be ten (10) years.

- 9.2. **Termination.** Subject to applicable law, this Franchise and all rights of Franchisee thereunder shall automatically terminate on the expiration of the term of this Franchise, unless an extension or renewal is granted.

10. TRANSFERS, OWNERSHIP AND CONTROL

- 10.1. **Approval Required.** No Transfer of the Franchise shall occur without the prior consent of the Franchisors. Franchisors may grant their consent outright, may grant such consent with conditions which they find are in the public interest and directly related to concerns relevant to the transactions, or they may deny consent. No application for the approval of a Transfer shall be approved by the Franchisors unless the transferee enters into a Transfer Agreement pursuant to which the transferee agrees that it will abide by and accept all terms of this agreement, and that it will assume the obligations, liabilities and responsibility for all acts and omissions, known and unknown, of the incumbent franchisee under this agreement, for all purposes, including renewal. If Franchisee seeks to obtain the consent of Franchisors to any Transfer as defined in this Article 10, subject to the confidentiality provision of Section 13.2 of this Agreement, Franchisee shall submit an application for such consent using FCC Form 394 or any successor form, and shall submit or cause to be submitted to Franchisors all such documents and information as Franchisors may request in the course of evaluating the legal, technical and financial qualifications of the transferee.

10.1.1. In addition to any state or federal requirements, such application must contain, without limitation, the following information:

10.1.1.2 a complete copy of agreement(s) related to the transaction, including all schedules, exhibits, and other documents attached thereto or referred to therein that are not otherwise publicly available that relate to the proposed transaction that are necessary in order to understand the terms thereof;

10.1.1.3 information sufficient to demonstrate the legal, financial, technical, and other qualifications of the proposed transferee;

10.1.2. To the extent consistent with applicable law, the Franchisors may waive in writing any such requirement that information be submitted as part of the initial application, without thereby waiving any rights the Franchisors may have to request such information after the initial application is filed.

- 10.2. **No Consent Required.** No such consent shall be required, however, for the following:

- 10.2.1. A transfer in trust, by mortgage, by other hypothecation, by assignment of any rights, title, or interest of the Franchisee in the Franchise or Cable System in order to secure indebtedness; or
- 10.2.2. Transfer of an ownership or other interest in Franchisee to the Parent of Franchisee or to another Affiliate of Franchisee having the same Parent as the Franchisee; transfer of the Franchise and this Franchise Agreement to the Parent of Franchisee or to an Affiliate of Franchisee having the same Parent as the Franchisee; any action which is the result of a merger of the Parent of the Franchisee; or any action which is the result of a merger of the Parent of Franchisee's Parent, or any other Parent entity in a direct line of ownership between the Franchisee and the Franchisee's ultimate parent entity.
- 10.2.3 For purposes of this Section 10.2, "Affiliate" means any Person who, directly or indirectly, owns or controls, is owned or controlled by, or is under common ownership or control with, the Franchisee, and "Parent" means an entity that holds a majority ownership interest in another entity.
- 10.3. **Preservation of Franchisors' Rights.** In the case of any Transfer, regardless of whether consent of the Franchisors is required, the transferee shall assume in writing the obligations, liabilities and responsibility for all acts and omissions, known and unknown, of the incumbent franchisee under this agreement, for all purposes, including renewal, and shall agree to abide by and accept all terms of this Agreement and be bound by the terms of the Franchise. In the case of such a Transfer without prior consent of the Franchisors under Section 10.2.2, the transferee shall, no later than thirty (30) days after the consummation of such a Transfer, submit to the Franchisors a written Transfer Acknowledgement affirming its obligations under this section.
- 10.4 **Approval Does Not Constitute Waiver of Rights.** Approval by the Franchisor of a Transfer, or consummation of a Transfer permitted by Section 10.2, does not constitute a waiver or release of any of the rights of the Franchisor under this agreement against the transferor franchisee, whether arising before or after the date of the Transfer.
- 10.5 **Transfer of the Franchise.** "Transfer" means any transaction in which (i) an ownership or other interest in the Franchisee is transferred, directly or indirectly, from one person or group of persons to another person or group of persons, so that control of the Franchisee is transferred; or (ii) the rights and obligations held by the Franchisee under the Franchise are transferred or assigned to another person or group of persons.

11. DEFAULTS

11.1. **Events of Default.** The occurrence at any time during the term of the Franchise, of any one or more of the following events, shall constitute an Event of Default by Franchisee under this Franchise.

11.1.1. The failure of Franchisee to pay the Franchisee Fee on or before the due dates specified herein.

11.1.2. Franchisee's material breach or violation of any of the terms, covenants, representations or warranties contained herein or Franchisee's failure to perform any obligation contained herein.

11.1.3. Franchisee's failure to pay or cause to be paid any governmentally imposed taxes of any kind whatsoever, including but not limited to real estate taxes, income taxes, and personal property taxes on or before the due date for same; provided, however, that Franchisee shall not be in default hereunder with respect to the non-payment of taxes which are being disputed in good faith in accordance with applicable law.

11.2. **Uncured Events of Default.** Franchisors shall give Franchisee written notice of any Event of Default and Franchisee shall have the following reasonable time period to cure the same: For an Event of Default which can be cured by the immediate payment of money to Franchisors or a third party, Franchisee shall cure such default within thirty (30) days of the date such sum of money was due and payable; for an Event of Default by Franchisee which cannot be cured by the immediate payment of money to Franchisors or a third party, Franchisee shall have sixty (60) days from written notice from Franchisors to Franchisee to resolve such Event of Default. Such time period shall be reasonably extended by Franchisors if, by the nature of the Event of Default, such default cannot be cured within 60 days and if Franchisee has taken reasonable steps to remedy such default and provided a reasonable date to complete the cure.

11.2.1. If any Event of Default is not cured within the time period allowed for curing the Event of Default, as provided for herein, such Event of Default shall, without notice, become an Uncured Event of Default, which shall entitle Franchisors to exercise the remedies provided for in Section 12.1 and Section 12.2.

11.2.2. Franchisee may appeal an initial determination of an Event of Default to the CCRC, whose decision shall be final subject to court review.

12. REMEDIES/LIQUIDATED DAMAGES

12.1. **Remedies.** Upon the occurrence of any Uncured Event of Default as described in Article 11, Franchisors shall be entitled to exercise any and all of the following

cumulative remedies only after the applicable cure periods set forth in Section 11.2 have run without cure:

- 12.1.1. The commencement of an action against Franchisee at law for monetary damages.
- 12.1.2. The commencement of an action in equity seeking injunctive relief or the specific performance of any of the provisions which, as a matter of equity, are specifically enforceable.
- 12.1.3. Because Franchisee's failure to comply with provisions of the Franchise and this Franchise Agreement will result in injury to the Franchisors, and because it will be difficult to estimate the extent of such injury, the Franchisors and Franchisee agree to the following liquidated damages for the following violations of this Agreement, which represent both parties' best estimate of the damages resulting from the specified violation.
 - 12.1.3.1 For failure to extend the Cable System in accordance with Section 5.9 hereof, \$500/day for each violation for each day the violation continues;
 - 12.1.3.2 For transferring the Franchise without approval: \$5000/day for each violation for each day the violation continues;
 - 12.1.3.3 For failure to comply with requirements for public, educational and governmental use of the System, as specified in this Agreement: \$450/day for each violation for each day the violation continues;
 - 12.1.3.4 For failure to supply data required by the Franchisors in connection with installation, construction, Subscribers, finances, financial reports or rate review, as required by the Franchise: \$150/day for each violation for each day the violation continues;
 - 12.1.3.5 For violation of customer service standards:
 - 12.1.3.5.1 For each day during which the Franchisors determine that Franchisee has violated each of the following types of customer service standards according to the terms in which such standards are established in governing law or regulations: \$300 per violation:

- 12.1.3.5.1.1. failure to keep an appointment with a subscriber;
- 12.1.3.5.1.2. failure to extend Service to a subscriber in accordance with the line extension policy herein and applicable law;
- 12.1.3.5.1.3. failure to acknowledge a service request in timely fashion;
- 12.1.3.5.1.4. failure to complete repairs or maintenance;
- 12.1.3.5.1.5. failure to provide required information to a subscriber or to the Franchisors;
- 12.1.3.5.1.6. failure to disclose price terms to a subscriber;
- 12.1.3.5.1.7. failure to maintain the public file;
- 12.1.3.5.1.8 failure to refund a late fee improperly charged to a subscriber within a reasonable time after the Franchisee becomes aware that such fee was improperly charged;
- 12.1.3.5.1.9 failure to respond to a subscriber complaint in timely fashion.

12.1.3.5.2 A separate violation under subsection 12.1.3.5.1 shall be deemed to occur whenever the Franchisors reasonably determine that one of the above separately enumerated transgressions has occurred on one day. Thus, for example, if Franchisee fails to extend service to one subscriber for two days pursuant to governing law or regulation, there would be two violations; if Franchisee fails to keep an appointment pursuant to governing law or regulation with one subscriber on one day and on that same day, independent of the missed appointment, Franchisee fails to disclose price terms to that

same subscriber, then there would be two violations. However, 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.

12.1.3.6 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 governing law or regulations in any quarter, \$300 for each day during that quarter on which such standards were not met.

12.2 **Revocation.** Subject to the due process procedures set forth in this Section, Franchisors shall have the right to forfeit and terminate the Franchise, and upon the forfeiture and termination thereof the Franchise shall be automatically deemed null and void and have no force or effect; Franchisee shall remove the Cable Television System from the Franchise Area as and when requested by Franchisors; and Franchisors shall retain any portion of the Franchise Fee and other fees or payments paid to it, or which are due and payable to it.

12.2.1. Revocation Procedures.

12.2.1.1 Prior to revocation or termination of the Franchise, the Franchisors shall give written notice to the Franchisee of their intent to revoke the Franchise on the basis of a pattern of noncompliance by the Franchisee, including one or more instances of substantial uncured Events of Default with a material provision of the Franchise. The notice shall set forth the exact nature of the noncompliance. The Franchisee shall have sixty (60) days from such notice to either object in writing and to state its reasons for such objection and provide any explanation or to cure the alleged noncompliance. If the Franchisors have not received a satisfactory response from Franchisee, it may then seek to revoke the Franchise at a public hearing. The Franchisee shall be given at least thirty (30) days prior written notice of such public hearing, specifying the time and place of such hearing and stating its intent to revoke the Franchise.

12.2.1.2 At the hearing, the CCRC shall give the Franchisee due process, including an opportunity to state its position on the matter, to present evidence, and to question witnesses, after

which the CCRC shall determine whether or not the Franchise shall be revoked. The public hearing shall be on the record and a written transcript shall be made available to the Franchisee within forty-five (45) days. The decision of the CCRC shall be made in writing and shall be delivered to the Franchisee. The Franchisee may appeal such determination to an appropriate court. The Franchisee may continue to operate the Cable System until all legal appeals procedures have been exhausted.

12.2.1.3 Notwithstanding the above provisions, the Franchisee does not waive any of its rights under federal law or regulation.

12.3 **Remedies Not Exclusive.** The rights and remedies of Franchisors set forth in this Franchise shall be in addition to, and not in limitation of, any other rights and remedies provided by law or equity. Franchisors and Franchisee understand and intend that such remedies shall be cumulative to the maximum extent permitted by law and the exercise by Franchisors of any one or more of such remedies for the same Uncured Event Of Default.

13. PROVISION OF INFORMATION

13.1. **Filings.** Upon written request, Franchisee shall provide copies of all documents which Franchisee sends to the FCC or to the State public service commission (or comparable State agency), and all records required by Franchisee to be maintained under Section 76 of the FCC regulations (47 C.F.R. Part 76) or successor sections that affect or relate to the Cable Television System or to Cable Service in the Franchise Area.

13.2. **Books and Records.** Franchisors may review and copy such of Franchisee's books and records during normal business hours as are reasonably necessary to monitor compliance with the terms hereof. Such records shall include, but shall not be limited to, records required to be kept by Franchisee pursuant to the rules and regulations of the FCC; financial information underlying the report pertaining to the Franchise Fee and maps of cable plant in the Public Ways in the Franchise Area. Maps shall specify the location, size, and type (electronic or optical) of facilities in such Public Ways, but need not include such details as number of fibers in a conduit or their destination or use. Notwithstanding anything to the contrary set forth herein, Franchisee is not required to disclose personally identifiable subscriber information without the subscribers' consent in recognition of Section 631 of the Cable Act, 47 U.S.C. § 551, regarding the protection of subscriber privacy; nor shall Franchisee be required to disclose its income tax returns or information underlying the preparation of any such returns. To the extent permitted by law, Franchisors agree to treat on a confidential basis any information disclosed by Franchisee to them under this section. In so according

confidential treatment, to the extent permitted by law, disclosure of Franchisee's records by Franchisors shall be limited to only those of its employees, representatives and agents that have a need to know, and that are in a confidential relationship with Franchisors. Upon a request by the Franchisors pursuant to this Section 13.2, the Franchisee shall make available the requested books and records within thirty (30) days from the date of such request, or file with the Franchisors within fifteen (15) days after such request a reasonable good-faith justification for denying access to any such books and records that the Franchisee does not make available within the thirty-day period specified herein.

13.3. **Reports.** Franchisee shall prepare and furnish to the Franchisors within forty-five (45) days after receiving a written request, at the times and in the form prescribed by the Franchisors, such additional reports with respect to its operation, affairs, transactions or property, as may be reasonably necessary or appropriate to verify the Franchisee's compliance with this Agreement and/or the Cable Ordinance.

13.4. **System-Specific Information.** Franchisee shall keep its books and records in such a way that it can provide, within forty-five (45) days after receiving a written request by a Franchisor pursuant to this Agreement or the Cable Ordinance, information specific to individual Franchisors, including but not limited to Gross Revenues, subscriber counts, and telephone availability statistics.

13.5. **Technical Audits.**

13.5.1. The Franchisors at their sole cost, may conduct technical audits of the Franchisee's System pursuant to this Section 13.5 for the purpose of verifying compliance with the terms and conditions of this Agreement. Such a technical audit may not be commenced less than two years after the commencement of the last technical audit, unless (a) the Franchisors identify a specific technical problem with the System as a basis for a technical audit commencing in less than that two-year interval, and (b) such technical problem has not been corrected within thirty days after reasonable notice and opportunity to cure.

13.5.2. The Franchisee shall provide access to those facilities and records necessary to conduct the technical audit and will reasonably cooperate in the technical audit process.

13.5.3. Facilities and records to which the Franchisee shall provide access pursuant to Section 13.5.2 shall include, but not be limited to, the following:

13.5.3.1 copies of proof of performance tests conducted pursuant to FCC regulations;

- 13.5.3.2 copies of Cumulative Leakage Index (CLI) reports required by the FCC;
- 13.5.3.3 Franchisee's channel line-up for all periods within the preceding two years;
- 13.5.3.4 system-level design information such as bandwidth, cable plant miles including percentage of aerial and underground, a strand map of plant for the subscriber network; and
- 13.5.3.5 system test equipment available.

13.5.4. Neither this Section 13.5, nor any other provision of this Agreement, shall be interpreted to prevent the Franchisors from exercising their rights to inspect the System or Franchisee's books and records, or to require reports, pursuant to other provisions of this Agreement or the Cable Ordinance.

14. GENERAL

- 14.1. **Entire Agreement.** This Franchise Agreement, together with the other Exhibits attached hereto, contains the entire agreement between the parties, and all prior franchises, negotiations and agreements are merged herein and hereby superseded.
- 14.2. **Notices.** Except as otherwise specified herein, all notices, consents, approvals, requests and other communications (herein collectively "Notices") required or permitted under this Franchise Agreement shall be given in writing and mailed by registered or certified first-class mail, return receipt requested addressed as follows:

If to Franchisors:

Telecommunications Coordinator
Carroll County Government
225 North Center Street
Westminster, MD 21157

If to Franchisee:

Josh Bokee
Director Government Affairs
442 West Patrick Street
Frederick, MD 21701

And

Comcast Government Affairs
7850 Walker Drive, 2nd Floor
Greenbelt, MD 20770

All Notices shall be deemed given on the day of mailing if notice is also transmitted electronically. Either party to this Franchise Agreement may change its address for the receipt of Notices at any time by giving notice thereof to the other as provided in this Section. Any notice given by a party hereunder must be signed by an authorized representative of such party.

- 14.3. **Conferences.** The parties hereby agree to meet at reasonable times on reasonable notice to discuss any aspect of this Franchise Agreement, the provision of Cable Services or the Cable Television System during the term of this Franchise Agreement.
- 14.4. **Waiver of Compliance.** No failure by either party to insist upon the strict performance of any covenant, agreement, term or condition of this Franchise Agreement, or to exercise any right, term or remedy consequent upon a breach thereof shall constitute a waiver of any such breach or such covenant, agreement, term or condition. No waiver of any breach shall affect or alter this Franchise Agreement, but each and every covenant, agreement, term or condition of this Franchise Agreement shall continue in full force and effect with respect to any other then existing or subsequent breach thereof.
- 14.4.1 Franchisors may waive any obligation of Franchisee under this Franchise Agreement, in whole or in part, at any time. This includes, but is not limited to, instances of a claim or showing by Franchisee that the costs associated with the provision being waived would increase the rates Franchisee is legally allowed to charge subscribers, such as a claim that such costs are an “external cost” which would allow Franchisee to increase its rates under the FCC rules.
- 14.5. **Independent Contractor Relationship.** The relationship of Franchisee to Franchisors is and shall continue to be an independent contractual relationship, and no liability or benefits, such as worker’s compensation, pension rights or liabilities, insurance rights or liabilities or other provisions or liabilities, arising out of or related to a contract for hire or employer/employee relationship, shall arise or accrue to either party or either party’s agents or employees as a result of the performance of this Franchise Agreement, unless expressly stated in the Franchise Agreement.
- 14.6. **Severability.** If any section, paragraph, or provision of this Franchise Agreement shall be held to be invalid or unenforceable for any reason, the remainder hereof shall be valid in all other respects and continue to be effective.
- 14.7. **Change in Governing Law.** If the terms of this Agreement are materially altered due to changes in governing law (including but not limited to the law of the Franchisors), then the parties shall negotiate in good faith to reconstitute this

Agreement in a form that is consistent with such law and also, to the maximum extent possible, is consistent with the original intent of Franchisee and the Franchisors and preserves the benefits bargained for by each party.

- 14.8. **Effective Date, Acceptance.** This Franchise Agreement, and its attached Exhibits, shall be effective as of July 1, 2016 (the “Effective Date”). Any prior franchise shall terminate as of midnight of the day immediately preceding the Effective Date of this Franchise Agreement.
- 14.9. **FCC Rules.** A copy of FCC Rule 76.309 as in effect on the date of this Franchise Agreement is attached hereto as Exhibit C.
- 14.10. **Captions.** All captions are for convenience of use and have no substantive effect, except for those captions in the Definitions section of this Franchise Agreement.
- 14.11. **Force Majeure.** In the event Franchisee’s performance of any of the terms, conditions or obligations required by this Franchise Agreement is prevented by a cause or event, not within Franchisee’s reasonable control, it shall be deemed excused for the period of such inability and no penalties or sanctions shall be imposed as a result thereof. Causes or events not within the control of Franchisee shall include acts of God, strikes, sabotage, riots or civil disturbances, failure or loss of utilities, explosions, acts of public enemies and natural disasters.
- 14.12. **Franchise Agreement Accepted.** Franchisee further acknowledges by acceptance of this Franchise Agreement that it accepts the obligations imposed by this Agreement.
- 14.13. **Specific Rights Reserved by Franchisors.** In addition to the rights reserved to the Franchisors in the applicable law, the Franchise Agreement is subject to the right of Franchisors:
 - 14.12.1 To prevent unjust discrimination in Cable Service or rates, consistent with any limitations on such authority established by applicable law and with Franchisees rights under applicable law.
 - 14.12.2 To require continuous and uninterrupted Service to the public in accordance with the terms of this Franchise Agreement throughout the entire period hereof.
 - 14.12.3 To control and regulate the use of its streets, alleys, bridges, streets, Public Ways, and public places and other Franchisors’ property and the space above and beneath them.
 - 14.12.4 Through its appropriately designated representatives, to inspect all construction or installation work performed subject to the provisions of this Franchise Agreement and to make such inspections as it shall find

necessary to insure compliance with the terms of this Franchise Agreement, and other applicable law.

- 14.14. **Choice of Law.** The parties to this Franchise expressly agree that this Franchise is governed by the laws of the State of Maryland. Any action in regard to the franchise or arising out of its terms and conditions shall be instituted and litigated in the State of Maryland. In accordance, the parties submit to the jurisdiction of the State of Maryland.
- 14.15. **No Third Party Beneficiary.** Nothing in this Franchise Agreement is intended to confer third-party beneficiary status on any member of the public, or any Person or private entity not a party to this Franchise Agreement, and any such member of the public, Person or private entity shall not have third party status hereunder to enforce the terms of this Franchise Agreement. The Franchisee acknowledges that, because the Franchisors have delegated certain authority to the CCRC, the CCRC may therefore act on behalf of the Franchisors with respect to certain matters, and nothing in this Section 14.15 shall be deemed to prohibit or prevent the CCRC from acting within the scope of such authority.

IN WITNESS WHEREOF, the parties have hereto set their hands as of the day and year first above written.

Cable Franchise Agreement - Comcast -- 2016

IN WITNESS WHEREOF, the parties have hereto set their hands as of the day and year first above written.


FRANCHISORS:

THE COUNTY COMMISSIONERS OF
CARROLL COUNTY, MARYLAND, a
body corporate and politic of the State of
Maryland

WITNESS:

Shawn D. Reese, County Clerk

 (SEAL)
Stephen A. Wantz, President

 (SEAL)
C. Richard Weaver, Vice President

 (SEAL)
Dennis E. Frazier, Secretary

 (SEAL)
J. Douglas Howard

 (SEAL)
Richard S. Rothschild

June 16, 2016
Date:

Approved for legal sufficiency:


Timothy C. Burke
County Attorney

THE TOWN OF HAMPSTEAD

5/27/16
Date:

Approved for legal sufficiency:

Michelle Ostrander, Esq.
Attorney for Town of Hampstead

Christopher M. Nevin (SEAL)
By: Christopher M. Nevin
Title: Mayor



THE TOWN OF MANCHESTER

Date:

Approved for legal sufficiency:

Matthew G. Luzuriaga, Esq.
Attorney for Town of Manchester

Ryan Warner (SEAL)
By: Ryan Warner
Title: Mayor

THE TOWN OF MOUNT AIRY

6/6/16
Date:

Approved for legal sufficiency:

Tom McCarron, Esq.
Attorney for Town of Mount Airy

Patrick Rockinberg (SEAL)
By: Patrick Rockinberg
Title: Mayor

5-19-16
Date:

Approved for legal sufficiency:

Michelle Ostrander, Esq.
Attorney for Town of New Windsor

THE TOWN OF NEW WINDSOR

 (SEAL)
By: Neal Roop
Title: Mayor

6-10-16
Date:

Approved for legal sufficiency:

Dennis J. Hoover, Esq.
Attorney for Town of Sykesville

THE TOWN OF SYKESVILLE

 (SEAL)
By: Ian Shaw
Title: Mayor

5-19-16
Date:

Approved for legal sufficiency:

Jack Gullo, Esq.
Attorney for City of Taneytown

THE CITY OF TANEYTOWN

 (SEAL)
By: Jim McCarron
Title: Mayor

5-25-16
Date:

Approved for legal sufficiency:

John T. Maguire, Esq.
Attorney for Town of Union Bridge

5/23/16
Date:

Approved for legal sufficiency:

[Signature]
Elissa Levan, Esq.
Attorney for City of Westminster

Witness: _____

THE TOWN OF UNION BRIDGE

[Signature] (SEAL)
By: Perry L. Jones, Jr.
Title: Mayor

THE MAYOR AND COMMON COUNCIL
OF WESTMINSTER

[Signature] (SEAL)
By: Kevin Utz
Title: Mayor

FRANCHISEE:

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

[Signature] (SEAL)
By: Mary McLaughlin
Title: Regional Senior Vice President
Date: _____

EXHIBIT A

Form of Performance Bond

Bond No. _____

KNOW ALL MEN BY THESE PRESENTS:

That **COMCAST OF CALIFORNIA/MARYLAND/PENNSYLVANIA/VIRGINIA/WEST VIRGINIA, LLC**, a limited liability company duly organized under the laws of the State of Delaware with its principal place of business at _____ (hereinafter called the Principal), and **[NAME AND ADDRESS]** (hereinafter called the Surety), a corporation duly organized under the laws of the State of _____, are held and firmly bound unto **THE COUNTY COMMISSIONERS OF CARROLL COUNTY, MARYLAND, THE TOWN OF HAMPSTEAD, THE TOWN OF MANCHESTER, THE TOWN OF MT AIRY, THE TOWN OF NEW WINDSOR, THE TOWN OF SYKESVILLE, THE TOWN OF UNION BRIDGE, THE CITY OF TANEYTOWN, AND THE MAYOR AND COMMON COUNCIL OF THE CITY OF WESTMINSTER** (hereinafter called the Obligees), in the full and just sum of Seventy-Five Thousand Dollars (\$75,000), the payment of which sum, well and truly to be made, the said Principal and Surety bind themselves, their heirs, administrators, executors, and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal and Obligee have entered into a Franchise Agreement effective on _____, 2016, which is hereby referred to and made a part hereof (the "Agreement");

WHEREAS, said Principal is required to perform certain obligations under said Agreement and the "Cable Ordinance," as defined in the Agreement; and

WHEREAS, the Obligees have agreed to accept this bond as security against default by Principal of performance of its obligations under said Agreement and Cable Ordinance during the time period this bond is in effect;

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH that if the Principal shall perform its obligations under said Agreement and Cable Ordinance, then this obligation shall be void, otherwise this obligation shall be irrevocable and shall remain in full force and effect throughout the term of the Franchise.

PROVIDED, HOWEVER, that this bond is executed subject to the following express provisions and conditions:

1. If the Principal fails to perform any of the requirements of the Agreement or the Cable Ordinance; or fails to make timely payment to Obligees or their designee of any amount

or sum due under the Agreement; or fails to repay to Obligees within ten (10) days of written notification that such repayment is due in accordance with the Agreement, any damages, costs or expenses which Obligees shall be compelled to pay by reason of any act of default of the Principal in connection with the Agreement or the Cable Ordinance; or fails, after Obligees have complied with the applicable notice requirements of the Agreement or the Cable Ordinance, to comply with any provisions of the Agreement or the Cable Ordinance which Obligees reasonably determine can be remedied by the payment of money (including, without limitation, the assessment of liquidated damages) then Obligees may demand and receive payment under this bond.

2. The Surety shall not be discharged until Obligees have certified to Principal in writing that the cable television system has been dismantled, removed, and all other property restored, to the satisfaction of Obligees.

IN WITNESS WHEREOF, the above bounden Principal and Surety have hereunto signed and sealed this bond effective this ____ day of _____, 2016.

PRINCIPAL:

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

By: _____

Name: _____

Title: _____

SURETY:

By: _____

Name: _____

Title: _____

EXHIBIT B

Cable System Construction

Table B-1. Areas to be constructed within 18 months of the Effective Date

Tyrone Rd (built by Effective Date)	
Holden Hills (built by Effective Date)	
Albert Rill Rd	2020 – 2425 Albert Rill Rd (1.08 miles)
Gamber/Old Gamber Rd	3458 Gamber Rd – 3378 Old Gamber Rd (0.94 miles)-
Leppo Rd	157 – 261 Leppo Rd (0.78 miles)
Marston Rd	2539 – 2525 Marston Rd (1.03 miles)
Turkeyfoot	4109 – 4351 Turkeyfoot Rd (0.73 miles – complete)
Turkeyfoot II	3711 – 3969 Turkeyfoot Rd (0.86 miles – complete)
Wentz Rd	5011 – 5319 Wentz Rd (0.93 miles)

Table B-2. Areas to be constructed within three years of the Effective Date

Houcksville Rd	500 Houcksville Rd – 2923 Carrollton Rd (0.86 miles)
Jasontown Rd	618 – 309 Jasontown Rd (1.08 miles)
Naugahyde/Barberi Rd	1490 – 1300 Naugahyde Rd and several side streets, plus 22 lots on Barberi Rd (2.46 miles)
New Cut Rd	
Schalk Rd	3704 – 4350 Schalk Rd (2.25 miles)
Stone Rd	2150 Stone Rd – 2523 Stone Rd (1.12 miles)
Stone Rd/Arters Mill	1905 Stone Rd – 2941 Arters Mill Rd (1,04 miles)

EXHIBIT C

FCC Customer Service Regulations

Code of Federal Regulations
Title 47: Telecommunications
Part 76 – Multichannel Video and Cable Television Service
Subpart H – General operating Requirements

§ 76.309 Customer Service Obligations

(a) A cable franchise authority may enforce the customer service standards set forth in paragraph (c) of this section against cable operators. The franchise authority must provide affected cable operators ninety (90) days written notice of its intent to enforce the standards.

(b) Nothing in this rule should be construed to prevent or prohibit:

(1) A franchising authority and a cable operator from agreeing to customer service requirements that exceed the standards set forth in paragraph (c) of this section;

(2) A franchising authority from enforcing, through the end of the franchise term, pre-existing customer service requirements that exceed the standards set forth in paragraph (c) of this section and are contained in current franchise agreements;

(3) Any State or any franchising authority from enacting or enforcing any consumer protection law, to the extent not specifically preempted herein; or

(4) The establishment or enforcement of any State or municipal law or regulation concerning customer service that imposes customer service requirements that exceed, or address matters not addressed by the standards set forth in paragraph (c) of this section.

(c) Effective July 1, 1993, a cable operator shall be subject to the following customer service standards:

(1) Cable system office hours and telephone availability—

(i) The cable operator will maintain a local, toll-free or collect call telephone access line which will be available to its subscribers 24 hours a day, seven days a week.

(A) Trained company representatives will be available to respond to customer telephone inquiries during normal business hours.

(B) After normal business hours, the access line may be answered by a service or an automated response system, including an answering machine. Inquiries received after normal business hours must be responded to by a trained company representative on the next business day.

(ii) Under normal operating conditions, telephone answer time by a customer representative, including wait time, shall not exceed thirty (30) seconds when the connection is made. If the call needs to be transferred, transfer time shall not exceed thirty (30) seconds. These standards shall be met no less than ninety (90) percent of the time under normal operating conditions, measured on a quarterly basis.

(iii) The operator will not be required to acquire equipment or perform surveys to measure compliance with the telephone answering standards above unless an historical record of complaints indicates a clear failure to comply.

(iv) Under normal operating conditions, the customer will receive a busy signal less than three (3) percent of the time.

(v) Customer service center and bill payment locations will be open at least during normal business hours and will be conveniently located.

(2) Installations, outages and service calls. Under normal operating conditions, each of the following four standards will be met no less than ninety five (95) percent of the time measured on a quarterly basis:

(i) Standard installations will be performed within seven (7) business days after an order has been placed. "Standard" installations are those that are located up to 125 feet from the existing distribution system.

(ii) Excluding conditions beyond the control of the operator, the cable operator will begin working on "service interruptions" promptly and in no event later than 24 hours after the interruption becomes known. The cable operator must begin actions to correct other service problems the next business day after notification of the service problem.

(iii) The "appointment window" alternatives for installations, service calls, and other installation activities will be either a specific time or, at maximum, a four-hour time block during normal business hours. (The operator may schedule service calls and other installation activities outside of normal business hours for the express convenience of the customer.)

(iv) An operator may not cancel an appointment with a customer after the close of business on the business day prior to the scheduled appointment.

(v) If a cable operator representative is running late for an appointment with a customer and will not be able to keep the appointment as scheduled, the customer will be contacted. The appointment will be rescheduled, as necessary, at a time which is convenient for the customer.

(3) Communications between cable operators and cable subscribers—

(i) Refunds—Refund checks will be issued promptly, but no later than either—

(A) The customer's next billing cycle following resolution of the request or thirty (30) days, whichever is earlier, or

(B) The return of the equipment supplied by the cable operator if service is terminated.

(ii) Credits—Credits for service will be issued no later than the customer's next billing cycle following the determination that a credit is warranted.

(4) Definitions—

(i) Normal business hours—The term “normal business hours” means 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.

(ii) Normal operating conditions—The term “normal operating conditions” means those service conditions which are within the control of the cable operator. Those conditions which are not within the control of the cable operator include, but are not limited to, natural disasters, civil disturbances, power outages, telephone network outages, and severe or unusual weather conditions. Those conditions which are ordinarily within the control of the cable operator include, but are not limited to, special promotions, pay-per-view events, rate increases, regular peak or seasonal demand periods, and maintenance or upgrade of the cable system.

(iii) Service interruption—The term “service interruption” means the loss of picture or sound on one or more cable channels.

Note to §76.309: Section 76.1602 contains notification requirements for cable operators with regard to operator obligations to subscribers and general information to be provided to customers regarding service. Section 76.1603 contains subscriber notification requirements governing rate and service changes. Section 76.1619 contains notification requirements for cable operators with regard to subscriber bill information and operator response procedures pertaining to bill disputes.

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