

FRANCHISE AGREEMENT

for

CABLE TELEVISION SERVICES

between

**CALVERT COUNTY, MARYLAND
("FRANCHISE AUTHORITY")**

and

**COMCAST CABLEVISION OF MARYLAND, INC.
("FRANCHISEE")**

This Franchise Agreement (hereinafter, the "Agreement" or "Franchise Agreement") is made between Calvert County, Maryland (hereinafter, the "County") and Comcast Cablevision of Maryland, Inc. (hereinafter, the "Franchisee").

WHEREAS, by Resolution No. 38-84 of the Board of County Commissioners dated July 31, 1984, the County granted Rite Cable Company of Maryland Limited Partnership a franchise to construct and operate a nonexclusive cable television franchise (the "Cable Franchise"); and

WHEREAS, by action of the County on April 14, 1987, the transfer of the Cable Franchise to Jones Intercable, Inc. was approved, and by Resolution No. 60-87 dated August 25, 1987, the County approved the subsequent transfer of the Cable Franchise to Cable TV Fund 14-A Ltd.; and

WHEREAS, by Resolution No. 42-98 of the Board of County Commissioners dated December 1, 1998, the County approved the acquisition of a controlling interest in Jones Intercable, Inc. by Comcast Corporation; and

WHEREAS, Franchisee has asked the County to renew Franchisee's nonexclusive franchise to construct, install, maintain and operate a cable television system (the "Cable System") in the County; and

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

WHEREAS, the County has identified the future cable-related needs and interests of the County and its citizens, has considered (i) the request of the Franchisee for renewal of the Cable System franchise, (ii) the financial, legal, and technical qualifications of the Franchisee, (iii) its plans for constructing, installing, maintaining and operating the Cable System, (iv) all other information submitted to the County by the Franchisee, and (v) the views of the citizens of the County, including those presented during public hearings conducted for such purposes; and

WHEREAS, the County has determined that, in reliance upon the representations of the Franchisee, the Franchisee's proposal for renewal of the Cable System franchise is reasonably sufficient to assure the County that the Franchisee will provide services, facilities, and equipment necessary to meet the future cable-related needs of the community, and, consistent with the Ordinance to Establish a Cable Television Franchise adopted on July 24, 1982, as amended (the "Cable Ordinance") and applicable law, that the grant of a new nonexclusive Cable System franchise on the terms and conditions set forth herein, is consistent with the public interest; and

WHEREAS, the County desires to enter into this Franchise Agreement with the Franchisee for the construction and operation of a cable system on the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the County's renewal of the Franchisee's Franchise; Franchisee's promise to provide cable television service to residents of the County pursuant to and consistent with the Cable Ordinance and applicable law; the terms and conditions set forth herein, the promises and undertakings herein, and other good and valuable consideration, the receipt of sufficiency of which is hereby acknowledged;

IT IS AGREED AS FOLLOWS:

SECTION I Definition of Terms

1.1 Terms. For the purpose of this Franchise Agreement, the following terms, phrases, words, and abbreviations shall have the meanings ascribed to them below. Unless otherwise defined herein, any term not defined herein shall have the meaning assigned to such term in the Cable Act.

"Access Channel" means any channel on the Cable System set aside under this Franchise Agreement for noncommercial public, educational or government use.

"Affiliate" means any person who owns or controls, is owned or controlled by, or is under common ownership or control with Franchisee.

"Basic Service" means any service tier that includes the retransmission of local television broadcast signals, as defined by the Cable Act.

"Cable Act" means Title VI of the Cable Communications Act of 1934, as amended from time to time, 47 U.S.C. Sections 521 et seq.

"Cable Ordinance" means the Ordinance to Establish a Cable Television Franchise adopted on July 24, 1982, as amended.

"Cable Service" means: (A) the one-way transmission to Customers of (i) video programming, or (ii) other programming service, and (B) Customer interaction, if any,

which is required for the selection or use of such video programming or other programming service.

"Cable System" means 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 Customers within a community, but such term does not include (A) a facility that serves only to retransmit the television signals of one or more television broadcast stations; (B) a facility that serves Customers without using any public right-of-way; (C) a facility of a common carrier which is subject, in whole or in part, to the provisions of Title II of the Cable Act, except that such facility shall be considered a Cable System (other than for purposes of Section 621(c)) to the extent such facility is used in the transmission of video programming directly to Customers, unless the extent of such use is solely to provide interactive on-demand service; (D) an open video system that complies with Section 653 of the Cable Act; or (E) any facilities of any electric utility used solely for operating its electric utility systems.

"Control" means the legal or de facto ability to exert actual working control over the policies and management of the Franchisee, either directly or indirectly, whether by contractual agreement, majority ownership interest, any lesser ownership, or in any other manner.

"County" means Calvert County, Maryland acting by and through the Board of County Commissioners.

"Customer" or "Subscriber" means a Person or user of the Cable System who lawfully receives Cable Service therefrom with the Franchisee's express permission.

"Effective Date" means August 7, 2001.

"FCC" means the Federal Communications Commission, or successor governmental entity thereto.

"Franchise" means the initial authorization, or renewal thereof granted pursuant to this Franchise Agreement, issued by the Franchising Authority, whether such

authorization is designated as a franchise, permit, license, resolution, contract, certificate, ordinance or otherwise, which authorizes construction and operation of the Cable System.

"Franchise Agreement" or "Agreement" shall have the meaning set forth in the preamble hereof.

"Franchise Area" means the present legal boundaries of Calvert County, Maryland as of the Effective Date, and shall also include any additions thereto, by annexation or other legal means, but shall not include any separately incorporated areas within the County.

"Franchising Authority" means the County or the lawful successor, transferee, designee, or assignee thereof, acting by and through the Board of County Commissioners.

"Franchisee" means Comcast Cablevision of Maryland, Inc., a Colorado corporation, qualified to do business in the State of Maryland, and its lawful and permitted successors, assigns and transferees.

"Gross Revenue" means any and all revenue in accordance with generally accepted accounting principles derived from the operation of the Franchisee's Cable System to provide Cable Services in the Franchise Area by Franchisee. Gross Revenue, to the extent derived from the operation of the Franchisee's Cable System to provide Cable Services in the Franchise Area, shall include monthly basic, optional, premium, per-channel, per-program and pay-per-view service fees; installation, disconnection, reconnection and change-in-service fees; converter or other equipment sales and/or rental fees; to the extent directly connected to the cable system facilities, studio and production equipment rental and related personnel fees; advertising revenues, net of normal agency commissions; revenues from the sale or carriage of other Cable Services; revenues from leased channel fees; administrative fees; revenues from Internet access services that are considered to be cable services under applicable law; and revenues from home shopping and bank at home and similar channels. Gross Revenue shall not include bad debt or any taxes imposed and/or assessed by law on Customers that the Franchisee collects and pays in full to the applicable authority. A franchise fee is not such a tax.

"PEG" means public, education and government.

"Person" means any natural person or any association, firm, partnership, joint venture, corporation, or other legally recognized entity, whether for-profit or not-for profit, but shall not mean the Franchising Authority.

"Public Way" shall mean the surface of, and the space above and below, any public street, highway, freeway, bridge, land path, alley, court, boulevard, sidewalk, way, lane, drive, circle or other public right-of-way, including, but not limited to, public utility easements, dedicated utility strips, or rights-of-way dedicated for compatible uses and any temporary or permanent fixtures or improvements located thereon now or hereafter held by the Franchising Authority in the Franchise Area, which shall entitle the Franchising Authority and the Franchisee to the use thereof for the purpose of installing, operating, repairing, and maintaining the Cable System. Public Way shall also mean any easement now or hereafter held by the Franchising Authority within the Franchise Area for the purpose of public travel, or for utility or public service use dedicated for compatible uses, and shall include other easements or rights-of-way as shall within their proper use and meaning entitle the Franchising Authority and the Franchisee to the use thereof for the purposes of installing, operating, and maintaining the Franchisee's Cable System over poles, wires, cables, conductors, ducts, conduits, vaults, manholes, amplifiers, appliances, attachments, and other property as may be ordinarily necessary and pertinent to the Cable System.

"Transfer" means any transaction in which: (A) any ownership or other right, title or interest of more than twenty-five percent in a publicly traded corporation controlling the Franchisee, its Cable System, or any person that is a Cable Operator of the Cable System (or in the Franchisee itself, if it is a publicly traded corporation) is transferred, sold, assigned, leased or sublet, directly or indirectly; or (B) any ownership or other right, title or interest cognizable under FCC regulations of fifty percent or more in an entity other than a publicly traded corporation controlling the Franchisee, its Cable System, or any person that is a Cable Operator of the Cable System or in the Franchisee itself, if it is a publicly traded corporation) is transferred, sold, assigned, leased or sublet, directly or indirectly, to an entity that does not presently control such entity other than a publicly traded corporation; or (C) there is any transfer of control of a Franchisee; or (D) the Franchise is transferred to another entity; or (E) any change or substitution occurs in the managing general partners of a Franchisee, where applicable; or (F) a Franchisee, or its corporate parents at any level, enter into any transaction that materially increases the debt that is to be borne by the Cable System directly or indirectly, in a manner that creates an

adverse effect on system rates or services; but Transfer shall not include transactions in which the Franchisee is reorganized within another corporation owned, owning or commonly controlled with the Franchisee, if such transaction does not materially affect the ultimate control of the Franchisee.

SECTION 2

Grant of Authority

2.1. Grant of Franchise. The Franchising Authority hereby grants to the Franchisee under the Cable Act, the Cable Ordinance and subject to the terms of the Franchise Agreement, a nonexclusive Franchise, which authorizes the Franchisee to construct, and operate a Cable System in, along, among, upon, across, above, over, under, or in any manner connected with Public Ways within the Franchise Area, and for that purpose to erect, install, construct, repair, replace, reconstruct, maintain, or retain in, on, over, under, upon, across, or along any Public Way and all extensions thereof and additions thereto, such poles, wires, cables, conductors, ducts, conduits, vaults, manholes, pedestals, amplifiers, appliances, attachments, and other related property or equipment as may be necessary or appurtenant to the Cable System. Nothing in this Franchise shall be construed to prohibit the Grantee from offering any service over its Cable System that is not prohibited by federal, state or local law.

2.2. Term of Franchise. The term of the Franchise granted hereunder shall be for an initial term of fifteen (15) years, commencing upon the Effective Date of the Franchise, unless the Franchise is renewed or is lawfully terminated in accordance with the terms of this Franchise Agreement and the Cable Ordinance.

2.3. Renewal. Any renewal of this Franchise shall be governed by and comply with the provisions of Section 626 of the Cable Act, as amended and the Cable Ordinance.

2.4. Reservation of Authority. Nothing in this Franchise Agreement shall (A) abrogate the right of the Franchising Authority to perform any public works or public improvements of any description, (B) be construed as a waiver of any codes or ordinances of general applicability promulgated by the Franchising Authority, (C) be construed as a waiver or release of the rights of the Franchising Authority in and to the Public Ways , or that the right to use and occupy such Public Ways granted herein is exclusive to the use of such Public Ways by the County or by others granted rights to

usage and possession of Public Ways, for similar uses or other uses at any time during the term of this Franchise Agreement, (D) authorize the Franchisee to use the Public Ways for any purposes other than the provision of Cable Service, except to the extent that other services may be provided pursuant to this Agreement, (E) be deemed to be a representation or guarantee by the County that the right to the use of Public Ways is any broader than those rights to use that are within the County's power to convey, (F) be deemed to bestow any privilege or power of eminent domain, nor confer any rights other than as expressly provided herein or as implied under federal, state or local law, and (G) be construed to limit any authority of the County to impose any tax, fee or assessment of general applicability. All rights and privileges granted herein are subject to the police powers of the Franchising Authority and its rights under applicable laws and regulations to exercise its governmental powers to their full extent and to regulate the Franchisee and the construction, operation and maintenance of the Franchisee's Cable System, including but not limited to the right to adopt and enforce additional ordinances and regulations of general applicability as the Franchising Authority shall find necessary in the exercise of its police powers. the right to adopt and enforce applicable zoning, building, permitting and safety ordinances and regulations, the right to adopt and enforce ordinances containing right-of-way, telecommunications, utility and cable television consumer protection and service standards, rate regulations and equal employment opportunities provisions.

2.5. Competitive Equity.

2.5.1. The Franchisee acknowledges and agrees that the Franchising Authority reserves the right to grant one or more additional franchises to provide Cable Service within the Franchise Area; provided, however, that no such franchise agreement shall, contain material terms or conditions more favorable or less burdensome to the competitive entity than the material terms and conditions herein, including, but not limited to, franchise fees; insurance; system build-out requirements; performance bonds or similar instruments; public, education and government access channels and capital support; customer service standards; required reports and related record keeping; liquidated damages and other sanctions; and universal service. If, any such additional and/or competitive franchise is granted by the Franchising Authority which, in the reasonable opinion of the Franchisee, contains more favorable or less burdensome terms or conditions in any material respect than this Franchise Agreement, then the Franchisee may give written notice to the Franchising Authority stating the specific terms and/or

conditions in the competitive franchise that are more favorable or less burdensome than those contained in this Franchise Agreement. Upon receipt of any such notice, if the Franchising Authority, acting reasonably, agrees with the Franchisee's assertion, then the Franchising Authority shall modify this Franchise Agreement to include any more favorable or less burdensome term or condition, provided, the Franchisee agrees, upon the request of the Franchising Authority, to also modify this Franchise Agreement to include any term or condition contained in the competitive franchise that is more favorable to the Franchising Authority or more burdensome to the Franchisee in any material respect, in order that one operator not be granted an unfair competitive advantage over another, and to provide all parties equal protection under the law. If the Franchising Authority, acting reasonably, disagrees with the Franchisee's assertion, then the dispute shall be mediated by a third party mutually acceptable to the Franchising Authority and the Franchisee. If mediation is not successful within ninety (90) days of the date the disagreement is referred to a mediator, the Franchisee may pursue any remedies available to it at law.

2.5.2. Any franchise granted by the Franchising Authority shall be non-exclusive. Any Person desiring a new cable television franchise in the Franchising Area shall file with the Franchising Authority an application for a new cable television franchise in a form acceptable or specified by the Franchising Authority, and in accordance with procedures and schedules established by the Franchising Authority. In the event an application for a new cable television franchise is filed with the Franchising Authority proposing to serve the Franchising Area, in whole or in part, the Franchising Authority shall serve a copy of such application upon any existing Franchisee or incumbent cable operator by registered or certified mail.

SECTION 3

The System

3.1. Permits and General Obligations. The Franchisee shall be responsible for obtaining, at its own cost and expense, all permits, licenses, or other forms of approval or authorization necessary to construct, operate, maintain or repair the Cable System, or any part thereof, prior to the commencement of any such activity. Construction, installation, and maintenance of the Cable System shall be performed in a safe, thorough and reliable manner using materials of good and durable quality. All transmission and distribution structures, poles, other lines, and equipment installed by the Franchisee for use in the

Cable System in accordance with the terms and conditions of this Franchise Agreement shall be located so as to minimize the interference with the proper use of the Public Ways and the rights and reasonable convenience of property owners who own property that adjoins any such Public Way.

3.2. Conditions on Street Occupancy.

3.2.1. New Grades or Lines. If the grades or lines of any Public Way within the Franchise Area are lawfully changed at any time during the term of this Franchise Agreement, then the Franchisee shall, upon reasonable written notice from the Franchising Authority and at its own cost and expense, protect or promptly alter or relocate the Cable System, or any part thereof, so as to conform with any such new grades or lines. If public funds are available to any Person using such street or public right-of-way for the purpose of defraying the cost of any of the foregoing, the Franchising Authority shall upon written request of the Franchisee make application for such funds on behalf of the Franchisee.

3.2.2. Relocation at request of Third Party. The Franchisee shall, upon reasonable prior written request of any Person holding a permit issued by the Franchising Authority to move any structure, temporarily move its wires to permit the moving of such structure; provided (i) the Franchisee may impose a reasonable charge on any Person for the movement of its wires, and such charge may be required to be paid in advance of the movement of its wires; and (ii) the Franchisee is given not less than ten (10) business days advance written notice to arrange for such temporary relocation.

3.2.3. Restoration of Public Ways, Public Property and Private Property. If in connection with the construction, operation, maintenance, or repair of the Cable System, the Franchisee disturbs, alters, or damages any Public Way, public property or private property, the Franchisee agrees that it shall, at its own cost and expense replace and restore, in a good workmanlike, timely manner, any such Public Way, public property or private property to a condition substantially comparable to the condition of the Public Way, public property or private property, existing immediately prior to the disturbance. All repairs, replacements and restoration shall be undertaken within no more than thirty (30) days after the date on which the Franchisee receives written notice that such damage was incurred, and shall be completed as soon as reasonably possible thereafter. The

Franchisee shall guarantee such repairs, replacements and restoration for at least one year against defective materials or workmanship.

3.2.4. Safety Requirements. The Franchisee shall, at its own cost and expense, undertake all necessary and appropriate efforts to maintain its work sites in a safe manner in order to prevent failures and accidents that may cause damage, injuries or nuisances. All work undertaken on the Cable System shall be performed in substantial accordance with applicable FCC or other federal, state, and local regulations and the National Electric Safety Code and shall be in accordance with good engineering practices, performed by experienced and properly trained maintenance and construction personnel. The Cable System shall not unreasonably endanger or interfere with the safety of Persons or property in the Franchise Area.

3.2.5. Trimming of Trees and Shrubbery. The Franchisee shall have the authority to trim trees or other natural growth overhanging any of its Cable System in the Franchise Area in accordance with County Department of Public Works standards, so as to prevent contact with the Franchisee's wires, cables, or other equipment. All such trimming shall be done at the Franchisee's sole cost and expense. The Franchisee shall reasonably compensate the Franchising Authority for any damage caused by such trimming, or shall, in its sole discretion and at its own cost and expense, reasonably replace all trees or shrubs so damaged. Such replacement shall satisfy any obligations the Franchisee may have to the Franchising Authority pursuant to the terms of this Section 3.2.5.

3.2.6. Aerial and Underground Construction. If all of the transmission and distribution facilities of all of the respective public or municipal utilities in any area of the Franchise Area are underground, the Franchisee shall place its Cable Systems' transmission and distribution facilities underground; provided that such facilities are actually capable of receiving the Franchisee's cable and other equipment without technical degradation of the Cable System's signal quality. In any region(s) of the Franchise Area where the transmission or distribution facilities of the respective public or municipal utilities are both aerial and underground, the Franchisee shall have the sole discretion to construct, operate, and maintain all of its transmission and distribution facilities, or any part thereof, aerially or underground. Nothing in this Section 3.2.6. shall be construed to require the Franchisee to construct, operate, or maintain underground any ground-mounted appurtenances such as customer taps, line extenders, system passive devices, amplifiers, power supplies, pedestals, or other related equipment. Notwith-

standing anything to the contrary contained in this Section 3.2.6., in the event that all of the transmission or distribution facilities of all of the respective public or municipal utilities are required to be placed underground after the Effective Date of this Franchise Agreement, the Franchisee shall only be required to construct, operate and maintain all of its transmission and distribution facilities underground if it is given reasonable notice and, if feasible, access to the public and municipal utilities' facilities at the time that such are placed underground. The Franchisee shall comply with all applicable federal, state and local requirements regarding conduits and burial of plant. New buried cable and facilities shall be capable of being located with the use of locating devices commonly available at the time of installation.

3.3 Offices. The Franchisee shall maintain at least one office at an accessible location within Prince Frederick, Maryland town center or at its current location in the Calvert County Industrial Park. These offices shall be open during normal business hours, as that term is defined in §76.309 of the FCC's rules, to allow Subscribers to request service, pay bills and to conduct other business.

SECTION 4 System Upgrade

4.1 Upgrade Requirements. Within three (3) years of the Effective Date of the Franchise, Franchisee shall upgrade the existing cable system serving the County to a hybrid fiber-coaxial cable network with a minimum activated bandwidth capability of 860 MHz, capable of providing a combination of digital and analog information. Fifty percent of the System Upgrade shall be completed within eighteen months of the Effective Date. Following the commencement of System Upgrade, every six months until the construction is completed, the Franchisee shall meet with the Franchising Authority and provide a written update on the progress of the upgrade. The 860 MHz network bandwidth shall activate two-way operation throughout the Cable System with the capacity to carry at least 78 analog or equivalent downstream video channels and 200 MHz of digital information. The Franchisee shall design the system so that channel capacity may be readily expanded to up to at least 250 channels through digital video compression or similar appropriate technology without compromising signal or service quality or requiring significant alterations, upgrading or reconstruction. The Cable System shall be technically capable of transmitting NTSC analog, compressed digital and, to the extent required by the FCC throughout the term of this agreement, HDTV

transmissions. The Franchisee shall make cable modem service available to all Subscribers. Both upstream and downstream Internet access will be provided over the Cable System. Fiber optic node size shall average 1250 homes per node, with actual node sizes of no more than 1750 homes per node. The node will accept additional upstream transmitter modules to increase upstream bandwidth capability. Any cable leaving the node shall serve no more than 800 homes. The Cable System shall be designed and constructed to enable later segmentation to fewer homes per node without significant future construction as demand warrants.

4.2 Upgrade Completion. For purposes of this Franchise Agreement, completion of the upgrade shall be deemed to have occurred when the Cable System is capable of delivering at least 78 channels of video programming services to at least 95 percent of the dwellings required to be served by the Franchisee pursuant to the terms of this Franchise Agreement, excluding any dwellings which cannot be served for reasons beyond the Franchisee's control. Franchisee may activate portions of the upgraded plant and offer upgraded services in phases, as Franchisee may determine.

4.3 Program Security; Indecent and Sexually-Oriented Programming. Upon completion of the Upgrade, the Cable System shall include equipment so that any pay-per-view programming can only be activated by the positive action of a Subscriber using, for example, a private identification number or other individual selection procedure. Signal blocking devices will be provided on a household-by-household basis.

4.4 Backup Power. Backup power will be provided for all electronic units upon completion of the upgrade. The Franchisee will provide at least 24 hours of backup power at the headend; 2 hours at each node; and 2 hours at each amplifier and other active component. The Franchisee shall install equipment that will (i) cut in automatically on failure of commercial utility AC power; (ii) revert automatically to AC power when such power is restored; and (iii) prevent the standby power source from powering a "dead" utility line.

SECTION 5

Service Obligations

5.1. General Service Obligation. The Franchisee shall provide Cable Service to every dwelling unit within the Franchise Area reaching the minimum density of at least fifteen

(15) dwelling units per mile of cable from terminus of existing trunk, either underground or aerial. The Franchisee shall offer Cable Service to all new homes or previously unserved homes located within 125 feet of the Franchisee's distribution cable.

The Franchisee may elect to provide Cable Service to areas not meeting the above density standards. The Franchisee may impose an additional charge in excess of its regular installation charge for any service installation requiring a drop in excess of the above standards. Any such additional charge shall be computed on a time plus materials basis to be calculated on that portion of the installation which exceeds the 125 foot standard set forth above.

5.2. Programming. The Franchisee shall offer to all Customers a diversity of video programming services. The Franchisee will provide leased access channels as required by federal law.

5.3 Channels and Facilities for Public, Educational and Governmental Use.

5.3.1. PEG Channels. The County agrees to combine its existing PEG programming on the two (2) existing channels to one (1) PEG channel. The Franchisee shall maintain, for the purpose of distributing noncommercial public, educational and governmental access programming, one (1) existing analog channel and will transmit such PEG programming on Channel 6 on the basic service tier of the Cable System. However, a second channel shall be made available only after the first channel is substantially full. For purposes of this paragraph, "substantially full" shall mean that non-duplicative original audio/video (non-alphanumeric) programming is provided at least 80% of the time between the hours of 7:00 a.m. - 10 p.m. The Franchisee shall not arbitrarily or capriciously change access channel assignments and the Franchisee shall seek to minimize the number of such changes. In the event the Franchisee seeks to change channel assignments, the Franchisee shall (i) provide the County with notice at least ninety (90) days prior to such proposed change; (ii) pay the Franchise Authority Ten Thousand dollars; (iii) provide, at the Franchisee's expense, at least thirty (30) days notice to the Subscribers through written notification and advertising on the Cable System and in other media having a significant circulation or viewership in Calvert County; and (iv) provide a new channel location of like quality as the previous channel location which will remain within the limited basic service channel tier.

5.3.2. Additional PEG Support. The Franchisee shall continue to own, maintain, staff and operate the public access studio facility and associated equipment at its own expense. All equipment used in the operation of the PEG channel shall at all times be capable of recording, editing, producing and distributing programming of a technical quality no less than the same quality of signal processing and carriage provided for on the other analog channels on the Cable System. Expenditures for the replacement of existing PEG equipment up to \$50,000.00 shall be borne exclusively by the Franchisee. The County may begin negotiations with the Franchisee to upgrade the PEG channel from analog to digital at any time during the term of the Franchise Agreement. The Franchisee shall provide sufficient trained and qualified staff support to fully meet the demand and need for use of the PEG studio and associated equipment by Calvert County residents. The PEG staff shall be available to serve PEG customers for no less than 20 hours per week, including some evening hours at least one night per week and/or some weekend hours.

5.4 No Discrimination. Neither the Franchisee nor any of its employees, agents, representatives, contractors, subcontractors, or consultants, nor any other Person, shall discriminate or permit discrimination between or among any Persons in the availability of Cable Services provided in connection with the Cable System in the Franchise Area. It shall be the right of all Persons to continuously receive all available services provided on the Cable System so long as such Person's financial or other obligations to the Franchisee are satisfied.

5.5. New Developments. The Franchising Authority shall provide the Franchisee with written notice of the issuance of building or development permits for planned developments within the Franchise Area requiring undergrounding of cable facilities. The Franchising Authority agrees to require, as a condition of issuing the permit, the developer give the Franchisee access to open trenches for deployment of cable facilities and written notice of the date of availability of trenches. Such notice must be received by the Franchisee at least ten (10) business days prior to the availability of such trenches. Developer shall be responsible for the digging and backfilling of all trenches. The Franchisee shall be responsible for engineering and deployment of labor applicable to its cable facilities. Installation of cable facilities from utility easements to individual homes or other structures shall be at the cost of the home/building owner or developer unless otherwise provided.

5.6. Prohibition against Reselling Service. No Person shall resell, without the express prior written consent of the Franchisee, any Cable Service, program or signal transmitted over the Cable System by the Franchisee.

5.7 Availability and Continuity of Service. It is the right of all Subscribers in the Franchise Area to receive all available services from the Franchisee, as those services become available, as long as their financial and other obligations to the Franchisee are satisfied. Such services shall be offered on a continuous, non-interrupted basis. Failure to offer services for a period of ninety-six (96) consecutive hours following a subscriber call identifying a system outage of sound or picture of one or more channels affecting at least one percent (1%) of the subscribers of the Cable System, will be considered a material breach of the terms and conditions of this Franchise Agreement unless the Franchising Authority authorizes a longer interruption of service or the failure is due to *force majeure* as that term is defined in Section 12 hereof.

5.8 Emergency Alert System. The Franchisee shall at all times be in compliance with FCC rules and regulations governing Emergency Alert Systems.

SECTION 6

Fees and Charges to Customers

6.1. Rates, Fees, Charges. All rates, fees, charges, deposits and associated terms and conditions to be imposed by the Franchisee or any affiliated Person for any Cable Service as of the Effective Date shall be in accordance with the FCC's rate regulations. Before any new or modified rate, fee or charge is imposed, the Franchisee shall follow the applicable FCC notice requirements and rules and notify affected Customers, which notice may be by any means permitted under applicable law. Except to the extent otherwise expressly permitted by applicable law, the Franchisee shall provide Cable Service to each resident in the Franchise Area in accordance with a uniform rate structure throughout the Franchise Area. The preceding requirement shall not prevent the Franchisee from using bulk, commercial, promotional and other rates in accordance with federal law.

6.2 [This Section intentionally left blank.]

SECTION 7

Customer Service Standards; Customer Bills;
and Privacy Protection

7.1. Customer Service Standards. The Franchising Authority adopts the customer service standards and rules set forth in Part 76, §76.309 of the FCC's rules and regulations. The Franchisee shall comply in all respects with the customer service requirements established by the FCC pursuant to §632 (c) of the Cable Act and any corresponding regulations, thereto. The Franchisee will keep such records as are kept in the ordinary course of business and as are required to enable the Franchising Authority to determine whether the Franchisee is in full compliance with applicable customer service regulations, as amended from time to time.

7.2. Customer Bills. Customer bills shall be designed in such a way as to present the information contained therein clearly and comprehensibly to Customers, and in a way that (A) is not misleading, (B) does not omit material information, and (C) does not mischaracterize any information. Notwithstanding anything to the contrary in Section 7.1, above, the Franchisee may, in its sole discretion, consolidate costs on Customer bills as may otherwise be permitted by Section 622 (c) of the Cable Act (47 U.S.C. §542 (c)).

7.3. Privacy Protection. The Franchisee shall comply with Section 631 of the Cable Act and regulations adopted pursuant thereto.

7.4 Home Wiring. The Franchisee will comply with all applicable FCC rules and regulations including any notice requirements, with respect to home wiring.

SECTION 8

Oversight and Regulation by Franchising Authority

8.1 Franchise Fees. The Franchisee shall pay to the Franchising Authority franchise fees in an amount equal to five percent (5%) of annual Gross Revenue actually received from the operation of the Cable System to provide Cable Service in the Franchise Area; provided, however, that Franchisee shall not be compelled to pay any higher percentage of franchise fees than any other cable operator providing service in the Franchise Area. The payment of franchise fees shall be made on a quarterly basis and shall be due forty-five (45) days after the close of each quarter. Each franchise fee payment shall be

accompanied by a certified report from a representative of the Franchisee, which shows the basis for the computation of all Gross Revenue actually received from the operation of the Cable System for the provision of Cable Service in the Franchise Area during the period for which such franchise fee payment is made, and will contain a breakdown by major revenue categories (such as basic service, cable programming service, premium service, etc.). The Franchising Authority shall have the right to require further supporting information. If the franchise fee payment is not actually received by the Franchising Authority on or before the applicable due date set forth in this Section 8.1, interest shall accrue on the outstanding amount at rates published by the Internal Revenue Service for tax refunds and additional tax payments for the period of delinquency. The franchise fee shall be in addition to any and all taxes of a general nature or other fees or charges which the Franchisee shall be required to pay to the Franchising Authority or to any state or federal agency or authority, as required herein or by law, all of which shall be separate and distinct obligations of the Franchisee.

8.2 Franchise Fees Subject to Audit.

8.2.1. Upon reasonable prior written notice, during normal business hours, the Franchising Authority shall have the right to inspect the Franchisee's financial records used to calculate the Franchising Authority's franchise fees, and the right to audit and to re-compute any amounts determined to be payable under this Section; provided, however, that any such audit shall take place within three (3) years from the date of the Franchising Authority receives such payment, after which period any such payment shall be considered final.

8.2.2. Upon the completion of any such audit conducted by the Franchising Authority, the Franchising Authority shall provide to the Franchisee a final audit report, which sets forth the Franchising Authority's findings in detail, including any and all substantiating evidence. The Franchisee shall have thirty (30) days from the receipt of the audit report to provide the Franchising Authority with a written response to the audit report, including any substantiating evidence. Any "Finally Settled Amount(s)" due to the Franchising Authority as a result of such audit shall be paid to the Franchising Authority by the Franchisee within thirty (30) days from receipt of written notice of the Final Settlement Amount from the Franchising Authority. For purposes of this Section 8 the term "Finally Settled Amount(s)" shall mean the agreed upon underpayment, if any, to the Franchising Authority by the Franchisee as a result of any such audit. The

Franchising Authority shall bear the expense of any inspection or audit of the Franchisee's books and records.

8.3. Oversight of Franchise. In accordance with applicable law, the Franchising Authority shall have the right to oversee, regulate and, on reasonable prior written notice, periodically inspect the construction, operation and maintenance of the Cable System in the Franchise Area, and all parts thereof, to monitor Franchisee's compliance with the provisions of this Franchise Agreement.

8.4. Technical Standards. The Franchisee shall comply with all appropriate technical standards of the FCC as published in subpart K of 47 C.F.R. § 76 and, by mutual agreement between the Franchisee and the Franchising Authority, any other technical performance standards lawfully established by Franchising Authority. To the extent those standards are altered, modified, or amended during the term of this Franchise, the Franchisee shall comply with such alterations, modifications or amendments within a reasonable period after their adoption by the FCC. As provided in these rules, the Franchising Authority shall have, upon written request, the right to obtain a copy of all tests and records required to be performed pursuant to the FCC's rules. The Franchisee will take all reasonable actions to avoid excessive contrasts between program material and commercial material (loud commercials).

8.5. Maintenance of Books, Records, and Files.

8.5.1. Books and Records. Throughout the term of this Franchise Agreement, the Franchisee agrees that the Franchising Authority, upon reasonable prior written notice to the Franchisee, may review such of the Franchisee's books and records regarding the operation of the Cable System and the provision of Cable Service in the Franchise Area which are reasonably necessary to monitor Franchisee's compliance with the provisions of this Franchise Agreement at the Franchisee's business office, during normal business hours and without unreasonably interfering with Franchisee's business operations. Such books and records shall include, without limitation, any records required to be kept in a public file by the Franchisee pursuant to the rules and regulations of the FCC. All such documents pertaining to financial matters, which may be the subject of an audit by the Franchising Authority shall be retained by the Franchisee for a minimum period of three (3) years.

8.5.2. File for Public Inspection. Throughout the term of this Franchise Agreement, the Franchisee shall maintain at its business office, in a file available for public inspection during normal business hours, those documents required pursuant to the FCC's rules and regulations.

8.5.3. Proprietary Information. Notwithstanding anything to the contrary set forth in this Section 8, the Franchisee shall not be required to disclose information which it reasonably deems to be proprietary or confidential in nature. The Franchising Authority agrees to treat any information disclosed by the Franchisee as confidential and only to disclose it to employees, representatives, and agents of the Franchising Authority that have a need to know, or in order to enforce this Franchise Agreement and who agree to maintain the confidentiality of all such information. The Franchisee shall not be required to provide Customer information in violation of Section 631 of the Cable Act. For purposes of this Section 8 the terms "proprietary or confidential" include, but are not limited to, information relating to the Cable System design, Customer lists, Cable Service and marketing plans, financial information unrelated to the calculation of franchise fees or rates pursuant to FCC rules or other information that is reasonably determined by the Franchisee to be competitively sensitive.

8.6. Transfer or Change of Control of Franchise. Neither the Franchisee nor any other Person may transfer the Cable System or the Franchise without the prior written consent of the Franchising Authority, which consent shall not be unreasonably withheld. No such consent shall be required, however, for (i) a transfer in trust, by mortgage, hypothecation, or by assignment of any rights, title, or interest of the Franchisee in the Franchise or in the Cable System in order to secure indebtedness, provided that, upon the written request of the Franchising Authority the Franchisee shall provide the Franchising Authority with copies of documents evidencing that no transfer or change of control has or will occur within the meaning of the FCC rules and regulations and this Franchise Agreement, or (ii) a transfer to an entity that is ultimately owned and/or Controlled by Comcast Corporation. A request by the Franchisee for written consent of the Franchising Authority to transfer shall be accompanied by (i) an FCC Form 394, or such other form as the FCC may from time to time require, together with all exhibits thereto, providing complete information on the proposed transaction, including the details on the legal, financial, technical and other qualifications of the transferee, and the potential impact of the Transfer on Subscriber rates and service; and (ii) all other information and forms

required under federal law. After receiving such required information, the Franchising Authority may request the Franchisee to provide such additional information as the Franchising Authority reasonably deems appropriate, which additional information shall be provided within ten (10) business days of such request. Within thirty (30) days of receiving a request for transfer, or within thirty (30) days after receipt of additional information requested by the Franchising Authority, the Franchising Authority shall, in accordance with FCC rules and regulations, notify the Franchisee in writing of any questions regarding the accuracy of the submitted documentation. For the purposes of determining whether it shall consent to a Transfer, the Franchising Authority or its agents may inquire into all qualifications of the prospective transferee and such other matters as the Franchising Authority may deem necessary to determine whether the Transfer is in the public interest and should be approved, denied or conditioned. The Franchisee and any prospective transferee shall assist the Franchising Authority in any such inquiry, and if they fail to provide such reasonable assistance, the request for consent to the Transfer may be denied. Provided that the Franchising Authority has not notified the Franchisee of any questions regarding the accuracy of submitted information, and if the Franchising Authority has not taken action on the Franchisee's request for transfer within one hundred twenty (120) days after receiving such request, consent to the transfer shall be deemed given.

SECTION 9

Insurance and Indemnity

9.1. Insurance. Throughout the term of this Franchise Agreement, the Franchisee shall, at its own cost and expense, maintain Comprehensive General Liability Insurance and provide the Franchising Authority, certificates of insurance designating the Franchising Authority and its officers, boards, commissions, councils, elected officials, agents and employees as additional insureds and demonstrating that the Franchisee has obtained the insurance required in this Section 9. Such policy or policies shall be in the minimum amount of One Million Dollars (\$1,000,000.00) for bodily injury or death to any one person, and One Million Dollars (\$1,000,000.00) for bodily injury or death of any two or more persons resulting from one occurrence, and One Million Dollars (1,000,000.00) for property damage resulting from any one accident. Such policy or policies shall be non-cancelable except upon thirty (30) days prior written notice to the Franchising Authority. The Franchisee shall provide workers' compensation coverage in

accordance with applicable law. The Franchisee shall indemnify and hold harmless the Franchising Authority from any workers compensation claims to which the Franchisee may become subject during the term of this Franchise Agreement.

9.2. Indemnification. The Franchisee shall indemnify, defend and hold harmless the Franchising Authority, its officers, employees and agents from and against any liability or claims resulting from property damage or bodily injury (including accidental death), which arise out of the Franchisee 's construction, operation, or maintenance of its Cable System, including, but not limited to, reasonable attorneys' fees and costs, provided that the Franchising Authority shall give the Franchisee written notice of its obligation to indemnify the Franchising Authority within ten (10) business days of receipt of a claim or action pursuant to this Section 9.2. If the Franchising Authority determines that it is necessary for it to employ separate counsel, the costs for such separate counsel shall be the responsibility of the Franchising Authority.

9.3 Performance Bond. The Franchisee shall obtain and maintain a performance bond in the County's favor in the amount of \$1,000,000.00 to ensure the Franchisee's faithful performance of its obligations. The form and content of the performance bond shall be approved by the County. The performance bond shall be issued by a surety with an A-1 or better rating in Best's Key Rating Guide, Property/Casualty Edition, and shall contain the following endorsement:

"This bond may not be canceled, or allowed to lapse, until thirty (30) days after receipt by the County, by certified mail, return receipt requested, of a written notice from the issuer of the bond of intent to cancel or not renew."

There shall be recoverable by the County from the performance bond any and all fines and penalties due to the County and any and all damages, losses, costs and expenses suffered or incurred by the County arising from the failure of the Franchisee to faithfully comply with the material provisions of this Agreement or the Cable Ordinance. Such losses, costs and expenses shall include but not be limited to reasonable attorney's fees and other associated expenses. The performance bond shall provide for thirty (30) days' written notice to the County of any intention on the part of the Franchisee to cancel, fail to renew, or otherwise materially alter its terms. The performance bond shall be released only upon expiration of the Franchise or replacement of the performance bond within the time specified therein.

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

9.5 Performance Bond Procedures. The following procedures shall apply to drawing on the performance bond:

9.5.1 If the Franchisee fails to make timely payment to the County of any amount due under this Agreement, or the Cable Ordinance, or fails to compensate the County within fourteen (14) days of written notification that such compensation is due, for any damages, costs or expenses the County suffers or incurs by reason of any act or omission of the Franchisee in connection with this Agreement or its enforcement, or fails, after fourteen (14) days' written notice, to comply with any provision of this Agreement or the Cable Ordinance that the County determines can be remedied by a draw down from the performance bond, the County may withdraw the amount thereof, with interest and penalties, from the performance bond, after providing the Franchisee with ten (10) days' advance written notice; provided, however, that if the Franchisee files a legal action disputing the County's claim, the ten-day notice period shall be tolled as to that claim until the claim is resolved by order of the trial court.

9.5.2 Within three (3) days of a draw down from the performance bond, the County shall send to the Franchisee, by certified mail, return receipt requested, written notification of the amount, date and purpose of such withdrawal. If at the time of a draw down from the performance bond by the County, the amounts available are insufficient to provide the total payment toward which the draw down is directed, the balance of such payment shall continue as the obligation of the Franchisee to the County until is paid. No later than thirty (30) days after mailing of notification to the Franchisee of a draw down under the performance bond, the Franchisee shall restore the performance bond to the total amount specified herein. Upon termination of the Franchise under conditions other than those stipulating forfeiture of the performance bond, the balance then remaining in the performance bond shall be returned to the Franchisee within thirty (30) days of such termination, provided that there is then no outstanding default on the part of the

Franchisee. Failure to maintain or restore the performance bond shall constitute a material violation of this Agreement.

9.5.3 The County may approve a reduction in the amount of the performance bond upon written application by the Franchisee, which approval shall not be unreasonably withheld. The amount of the performance bond may be reduced to \$500,000.00 when the System Upgrade has been extended to more than fifty percent of the occupied dwelling units within the area where cable service is available on the Effective Date of this Agreement, as certified by the Franchisee to the County, and may be reduced to \$250,000.00 when the System Upgrade has been completed, as certified by the Franchisee and accepted by the County, which acceptance shall not be arbitrarily withheld. Reductions granted or denied upon application by the Franchisee shall be without prejudice to the Franchisee's subsequent applications or to the County's right to require the full performance bond at any time thereafter.

SECTION 10

Service to Schools and Municipal Buildings

10.1. Service to School Buildings and Public Libraries. The Franchisee shall provide free "Basic" and "Expanded Basic" tier Cable Service and free installation of one outlet to each public and private school and to each public library located in the Franchise Area within 150 feet of the Franchisee's distribution cable as set forth in Attachment A hereto.

10.2. Service to Governmental and Institutional Facilities. The Franchisee shall provide free "Basic" and "Expanded Basic" tier Cable Service and free installation of one outlet to each municipal building located in the Franchise Area within 150 feet of the Franchisee's distribution cable as set forth in Attachment B hereto.

10.3 Cable Modems. The Franchisee shall , when commercially available, provide one free cable modem and unlimited Internet access to each existing and future public and private school and each public library located within 150 feet of its distribution cable. In addition, the Franchisee shall provide one (1) free cable modem and unlimited Internet access to each of ten (10) municipal buildings to be designated by the County located within 150 feet of the distribution cable. Upon request, Franchisee will provide, at cost to the County, a service connection to any such public and private school and public library, which is beyond 150 feet of the distribution cable.

SECTION 11

Enforcement and Termination of Franchise

11.1 Notice of Violation or Default. In the event the Franchising Authority believes that the Franchisee has not complied with the material terms of the Franchise Agreement, the Cable Ordinance, or applicable state or federal law, it shall notify the Franchisee in writing with specific details regarding the exact nature of the alleged noncompliance or default.

11.2. Franchisee's Right to Cure or Respond. The Franchisee shall have thirty (30) days from the receipt of the Franchising Authority's notice described in Section 11.1, above: (A) to respond to the Franchising Authority, contesting the assertion of noncompliance or default, or (B) absent a finding by a court of competent jurisdiction of fraud or attempted fraud, to cure such default, or (C) absent a finding by a court of competent jurisdiction of fraud or attempted fraud, in the event that, by nature of the default, such default cannot be cured within the thirty (30) day period, initiate reasonable steps to remedy such default and notify the Franchising Authority of the steps being taken and the projected date that they will be completed.

11.3. Public Hearings. In the event the Franchisee fails to respond to the Franchising Authority's notice described in Section 11.1, above, or in the event that the alleged default is not remedied within thirty (30) days or the date projected pursuant to Section 11.2., above, the Franchising Authority shall schedule a public hearing to investigate the default. Such public hearing shall be held at the next regularly scheduled meeting of the Franchising Authority which is no less than ten (10) business days from the expiration of the time to cure. The Franchising Authority shall notify the Franchisee in writing of the time and place of such meeting and provide the Franchisee with a reasonable opportunity to be heard.

11.4. Enforcement. Subject to applicable federal and state law, in the event the Franchising Authority, after such hearing, determines that the Franchisee is in default of any material provision of the Franchise Agreement, and in addition to any other remedies available at law or equity, the Franchising Authority may:

11.4.1. apply any remedy provided for in this Agreement;

11.4.2. impose penalties available under the Cable Ordinance or other applicable state and local laws for violation of County ordinances;

11.4.3. seek specific performance of any provision, which reasonably lends itself to such remedy, in addition to or as an alternative to damages or other remedy, or seek other equitable or legal relief; or

11.4.4. in the case of a default of a material provision of the Franchise, declare the Franchise Agreement to be revoked in accordance with the following:

(i) The Franchising Authority shall give written notice to the Franchisee of its intent to revoke the Franchise. The notice shall set forth with specificity the exact nature of the noncompliance. The Franchisee shall have sixty (60) days from the receipt of such notice to object in writing and to state its reasons for such objection. In the event the Franchising Authority has not received a satisfactory response from the Franchisee, it may then terminate the Franchise at a public hearing. The Franchising Authority shall cause to be served upon the Grantee, at least ten (10) days prior to such public hearing, a written notice specifying the time and place of such meeting and stating its intent to request termination of the Franchise.

(ii) At the designated public hearing, the Franchising Authority shall give the Grantee an opportunity to state its position on the matter, present evidence and question witnesses, after which it 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 Grantee within ten (10) business days. The decision of the Franchising Authority shall be in writing and shall be delivered to the Franchisee in the manner set forth in Section 12.2. The Franchisee may appeal such determination to an appropriate court pursuant to the provisions of Section 635 of the Cable Act. Such appeal to the appropriate court must be taken within sixty (60) days of the issuance of the determination of the Franchising Authority.

(iii) The Franchising Authority may, at its sole discretion, take any lawful action which it deems appropriate to enforce its rights under the Franchise in lieu of revocation.

11.4.6 Because the Franchisee's failure to comply with provisions of the Franchise and this Franchise Agreement will result in injury to the County, and because it will be difficult to estimate the exact extent of such injury, the County and the Franchisee agree to the following liquidated damages to be effective during the term of the Franchise for the following violations, which represent both parties' best estimate of the damages resulting from the specified violation. Such damages shall not be a substitute for actual performance by the Franchisee, but shall be in addition to such actual performance. The Franchising Authority may waive or reduce the liquidated damage amounts herein for good cause. Cure periods listed below shall begin to run from the time the Franchisee is notified in writing by the County, unless otherwise specified:

(1) for failure to substantially complete the System Upgrade in accordance with this Agreement: \$500/day for each violation for each day the violation continues after a thirty-day cure period;

(2) for a transfer without approval: \$500/day for each violation for each day the violation continues;

(3) for failure to comply with the requirements for public, educational and governmental use of the Cable System: \$125/day for each violation for each day the violation continues after a fourteen-day cure period;

(4) for failure to supply information, reports or filings lawfully required under the Franchise Agreement or applicable law or by the County: \$200/day for each violation for each day the violation continues after a fourteen-day cure period, which shall begin to run on the due date of any regularly scheduled report and on the date of a deadline reasonably set by the County for any report or information request not regularly scheduled;

(5) for violation of customer service standards: \$100 per violation for each day the violation continues after a fourteen-day cure period;

(6) for failure to pay Franchise fees or liquidated damages: \$100/day, in addition to any monetary payment due under this Agreement or the Cable Ordinance, for each violation for each day the violation continues after a seven-day cure period,

provided that these liquidated damages shall be in addition to any late fees that may apply;

(7) for failure to timely file, obtain or maintain any required performance bond: \$50/day;

(8) for failure to restore damaged property: \$50/day, in addition to the cost of the restoration as required herein or elsewhere, for each violation for each day the violation continues after a thirty-day cure period; and

(9) for violation of the technical standards established by the FCC: \$100/day for each violation for each day the violation continues after a thirty-day cure period.

11.5. Technical Violation. The Franchising Authority agrees that it is not its intention to subject the Franchisee to penalties, fines, forfeitures or revocation of the Franchise for so-called "technical" breach(es) or violation(s) of the Franchise, which shall include, but not be limited, to the following:

11.5.1. in instances or for matters where a violation or a breach of the Franchise by the Franchisee was good faith error that resulted in no or minimal negative impact on the Customers within the Franchise Area; or

11.5.2. where there existed circumstances reasonably beyond the control of the Franchisee and which precipitated a violation by the Franchisee of the Franchise, or which were deemed to have prevented the Franchisee from complying with a term or condition of the Franchise.

11.6 Periodic Performance Evaluation. The Franchising Authority may schedule review sessions to evaluate the performance of the Franchisee, or to discuss the integration of future technologies, other plans or operations of the Franchisee or any aspect of the Franchisee's Cable System. The Franchisee shall cooperate with the County in any such evaluation. All remedies set forth in this Section 11 shall be available to the Franchising Authority with respect to past performance evaluations provided that the Franchisee is given prior written notice and the opportunity to cure as set forth in Sections 11.1 and 11.2 hereof.

SECTION 12
Miscellaneous Provisions

12.1 Force Majeure. The Franchisee shall not be held in default under, or in noncompliance with, the provisions of the Franchise, nor suffer any enforcement or penalty relating to noncompliance or default (including termination, cancellation or revocation of the Franchise), where such noncompliance or alleged defaults occurred or were caused by strike, riot, war, earthquake, flood, tidal wave, unusually severe rain or snow storm, hurricane, tornado or other catastrophic act of nature, labor disputes, governmental, administrative or judicial order or regulation or other event that is reasonably beyond the Franchisee's ability to anticipate or control. This provision also covers work delays caused by waiting for utility providers to service or monitor their own utility poles on which the Franchisee's cable and/or equipment is attached, as well as unavailability of materials and/or qualified labor to perform the work necessary.

12.2. Notice. All notices shall be in writing and shall be sufficiently given and served upon the other party by hand delivery, first class mail, registered or certified, return receipt requested, postage prepaid, or by facsimile with confirmed transmission and addressed as follows:

The Franchising Authority: County Attorney
Calvert County, Maryland
175 Main Street
Prince Frederick, MD 20678
Facsimile: (410) 414-3241

The Franchisee: Comcast Cablevision of Maryland, Inc.
General Manager
1655 Crofton Boulevard
Suite 300
Crofton, MD 21114
Facsimile: (410) 774-0108

with a copy to: Comcast Cable Communications, Inc.
Regional Director of Government
and Community Relations
5026 Campbell Blvd.
Baltimore, MD 21236
Facsimile: (410) 513-0543

12.3. Entire Agreement. This Franchise Agreement, including all Exhibits, embodies the entire understanding and agreement of the Franchising Authority and the Franchisee with respect to the subject matter hereof. All ordinances or parts of ordinances or other agreements between the Franchisee and the Franchising Authority that are in conflict with the provisions of this Franchise Agreement are hereby declared invalid and superseded and this Franchise Agreement shall control.

12.4. Severability. If any section, subsection, sentence, clause, phrase, or other portion of this Franchise Agreement is, for any reason, declared invalid, in whole or in part, by any court, agency, commission, legislative body, or other authority of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent portion. Such declaration shall not affect the validity of the remaining portions hereof, which other portions shall continue in full force and effect.

12.5. Governing Law. This Franchise Agreement shall be deemed to be executed in the State of Maryland, and shall be governed in all respects, including validity, interpretation and effect, and construed in accordance with, the laws of the State of Maryland, as applicable to contracts entered into and performed entirely within the State.

12.6. Modification. No provision of this Franchise Agreement shall be amended or otherwise modified, in whole or in part, except by an instrument, in writing, duly executed by the Franchising Authority and the Franchisee, which amendment shall be authorized on behalf of the Franchising Authority through the adoption of an appropriate resolution or order by the Franchising Authority, as required by applicable law.

12.7 No Waiver. The failure of the Franchising Authority on one or more occasions to exercise a right or to require compliance or performance under this Franchise Agreement, the Cable Ordinance or any other applicable law shall not be deemed to constitute a waiver of such right or a waiver of compliance or performance by the Franchising Authority, nor to excuse the Franchisee from complying or performing, unless such right or such compliance or performance has been specifically waived in writing. Waiver of a breach of this Agreement shall not be a waiver of any other breach, whether similar to or different from that which is waived. Neither the granting of the Franchise, nor any provision herein, nor any action by the County hereunder shall constitute a waiver of or a bar to the exercise of any governmental right or power of the County, including without limitation the right of eminent domain.

12.8 Notice of Waivers. The Franchisee shall not apply for any waivers, exceptions or declaratory rulings from the FCC or any other federal or state regulatory agency affecting the Cable System or the Franchise without written notice to the County.

12.9 Time of the Essence. In determining whether a party has substantially complied with this Franchise Agreement or the Cable Ordinance, the parties agree that time is of the essence.

12.10 Captions and Headings. The captions and headings throughout this Agreement are intended solely to facilitate reading and reference to the sections and provisions of this Agreement. Such captions shall not affect the meaning or interpretation of this Agreement. When any provision of the Cable Ordinance is expressly mentioned herein, such reference shall not be construed to limit the applicability of any other provision of the Cable Ordinance or County law that may also govern the particular matter in question.

12.11 Costs. Unless otherwise expressly provided in this Agreement, all acts that each party is required to perform must be performed at that party's sole expense.

IN WITNESS WHEREOF, this Franchise Agreement has been executed by the duly authorized representatives of the parties as set forth below, as of this 7th day of August, 2001.

Attest:

Calvert County, Maryland acting by and through the Board of County Commissioners

Mary S. Watson

By: David F. Hale
David F. Hale
President

Attest:

Comcast Cablevision of Maryland, Inc.

Anis Com...

By: Craig Snedeker
Craig Snedeker
Vice President and General Manager

ATTACHMENT A

1. Appeal Elementary
2. Calvert Elementary
3. Dowell Elementary
4. Huntingtown Elementary
5. Mt. Harmony Elementary
6. Mutual Elementary
7. Patuxent Elementary
8. Plum Point Elementary
9. St. Leonard Elementary
10. Sunderland Elementary
11. Windy Hill Elementary
12. Calvert Middle
13. Mill Creek Middle
14. Northern Middle
15. Plum Point Middle
16. Southern Middle
17. Windy Hill Middle
18. Calvert High
19. Northern High
20. Patuxent High
21. Calverton School
22. Cardinal Hickey Academy
23. Chesapeake Montessori
24. Our Lady Star of the Sea
25. Tidewater
26. Board of Education
27. Calvert Career Center
28. Calvert Country
29. Prince Frederick Library
30. Fairview Branch Library
31. Southern Library

And such other schools and libraries as may be built between the date of the execution of this Franchise Agreement and the end of the term of the Franchise Agreement.

ATTACHMENT B

1. Southern Pines Senior Center
2. Southern Community Center
3. Calvert House
4. Courthouse
5. Courthouse Emergency Center
6. Sheriff's Department
7. St. Leonard Fire & Rescue
8. Dunkirk Fire & Rescue
9. North Beach Fire & Rescue
10. Prince Frederick VRS
11. Calvert Advanced Life Support
12. Prince Frederick Fire & Rescue
13. Solomons Fire & Rescue
14. Huntingtown Fire & Rescue

**A LETTER OF AGREEMENT BETWEEN CALVERT COUNTY, MD AND
COMCAST CABLEVISION OF MARYLAND, INC.**

In association with the Franchise Agreement granted by Calvert County, Maryland (hereinafter the "County") to Comcast Cablevision of Maryland, Inc. (hereinafter "Franchisee") dated August 7, 2001, and intending for the parties to rely thereon and hereon, in consideration of the mutual covenants herein contained, the parties thereto agree to this Letter Agreement as follows:

1. Franchisee shall provide Additional PEG Support to the County. "Additional PEG Support" shall mean expenditures for the replacement of existing PEG equipment, such expenditures not to exceed \$50,000.00 during the entire fifteen (15) year Term of the Franchise Agreement between Franchisee and the County. Franchisee shall bear the Additional Peg Support expenditures and shall not directly pass through such expenditures to the County's cable subscribers nor deduct such expenditures from the County's franchise fee. Notwithstanding the foregoing, Franchisee may directly pass through expenditures to the County's cable subscribers that (i) are related to replacement of PEG equipment and are in excess of \$50,000.00; or (ii) are otherwise related to support of PEG programming, the PEG channels (including the provision of additional PEG channels), or PEG staffing (including increases in the number of staffing hours), to the extent that such expenditures exceed Franchisee's current expenditures to support the County's PEG activities as of the date of the Franchise Agreement.

2. PEG Channels. In the event the Franchisee changes the assignment of one or more of the PEG channels (a "PEG Reassignment Event"), the Franchisee shall pay the County \$10,000.00 per PEG Reassignment Event and this amount shall not be passed through to the cable subscriber nor shall it be deducted from the County's franchise fee.

IN WITNESS WHEREOF, the undersigned intending to be legally bound, the parties do hereto execute this Agreement as of this 7 day of August, 2001, and this Letter Agreement shall be effective the same date as the Franchise Agreement and shall run concurrent and end with the term of the Franchise Agreement.

CALVERT COUNTY

By: 

Title: PRESIDENT

Attest: Mary A. Watson

COMCAST CABLEVISION OF
MARYLAND, INC.

By: 

Title: VA/BM

Attest: Ch. [Signature]