

CABLE FRANCHISE AGREEMENT

BETWEEN

ANNE ARUNDEL COUNTY, MARYLAND

AND

VERIZON MARYLAND INC.

APPROVED _____, 2006

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THIS CABLE FRANCHISE AGREEMENT (the "Agreement") is entered into by and between ANNE ARUNDEL COUNTY, MARYLAND, a charter county duly organized under the applicable laws of the State of Maryland (the Local Franchising Authority or "LFA") and VERIZON MARYLAND INC., a corporation duly organized under the applicable laws of the State of Maryland (the "Franchisee").

WHEREAS, the LFA wishes to grant Franchisee a nonexclusive franchise to construct, install, maintain, extend and operate a cable communications system in the Franchise Area as designated in this Agreement;

WHEREAS, the LFA is a "franchising authority" in accordance with Title VI of the Communications Act (*see* 47 U.S.C. §522(10)) and is authorized to grant one or more nonexclusive cable franchises pursuant to Article 10, Title 2 of the Anne Arundel County Code, as amended, and Article 25A, Section 5(B) of the Annotated Code of Maryland, as amended;

WHEREAS, Franchisee is in the process of installing a Fiber to the Premise Telecommunications Network ("FTTP Network") in the Franchise Area for the transmission of Non-Cable Services pursuant to authority granted by the State of Maryland and by Anne Arundel County;

WHEREAS, the FTTP Network will occupy the Public Rights-of-Way within the LFA, and Franchisee desires to use portions of the FTTP Network once installed to provide Cable Services (as hereinafter defined) in the Franchise Area;

WHEREAS, the LFA has identified the future cable-related needs and interests of the LFA and its citizens, has considered and approved the financial, technical and legal qualifications of Franchisee, and has determined that Franchisee's plans for its Cable System are adequate, in a full public proceeding affording due process to all parties;

WHEREAS, the LFA has found Franchisee to be financially, technically and legally qualified to operate the Cable System;

WHEREAS, the LFA has determined that, in accordance with the provisions of the Cable Law, the grant of a nonexclusive franchise to Franchisee is consistent with the public interest;

WHEREAS, the LFA and Franchisee have reached agreement on the terms and conditions set forth herein and the parties have agreed to be bound by those terms and conditions.

NOW, THEREFORE, in consideration of the LFA's grant of a franchise to Franchisee, Franchisee's promise to provide Cable Service to residents of the Franchise/Service Area of the LFA pursuant to and consistent with the Cable Law, pursuant to the terms and conditions set forth herein, the promises and undertakings herein, and other good and valuable consideration, the receipt and the adequacy of which are hereby acknowledged,

THE SIGNATORIES DO HEREBY AGREE AS FOLLOWS:

1. **DEFINITIONS**

Except as otherwise provided herein, the definitions and word usages set forth in the Cable Law are incorporated herein and shall apply in this Agreement. In addition, the following definitions shall apply and as specific to this Agreement shall supersede any conflicting definitions in the Cable Law:

1.1 *Access Channel:* A video Channel, which Franchisee shall make available to the LFA without charge for non-commercial public, educational, or governmental use for the transmission of video programming as directed by the LFA.

1.2 *Additional Service Area:* Shall mean any such portion of the Franchise Area depicted on Exhibit A hereto which is added to the Service Area pursuant to Section 3.1.3 of this Agreement.

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

1.4 *Basic Service:* Any service tier that includes the retransmission of local television broadcast signals as well as the PEG Channels required by this Agreement.

1.5 *Cable Law:* Article 10, Title 2 of the Anne Arundel County Code, as amended, to the extent authorized under and consistent with federal and state law.

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

1.7 *Cable System or System:* Shall be defined herein as it is defined under Section 602 of the Communications Act, 47 U.S.C. § 522(7), meaning Franchisee's 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 Service Area. The portion of the FTTP Network used for the Cable System shall be limited to the optical spectrum wavelength(s), bandwidth or future technological capacity that is used for the transmission of Cable Services directly to Subscribers within the Franchise/Service Area and shall not include the tangible network facilities of a common carrier to the extent that they are subject to Title II of the Communications Act or they are used for Information Services.

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

- 1.9 *Communications Act*: The Communications Act of 1934, as amended.
- 1.10 *Control*: The ability to exercise de facto or de jure control over day-to-day policies and operations or the management of corporate affairs.
- 1.11 *Educational Access Channel*: An Access Channel available for the use solely of educational institutions in the Franchise Area as specified in Subsection 5.1.5 of this Agreement.
- 1.12 *Extended Service Area*: The portion of the Franchise Area as outlined in Exhibit B.
- 1.13 *FCC*: The United States Federal Communications Commission, or successor governmental entity thereto.
- 1.14 *Force Majeure*: An event or events reasonably beyond the ability of Franchisee to anticipate and control. This includes, but is not limited to, severe or unusual weather conditions, strikes, labor disturbances, lockouts, war or act of war (whether an actual declaration of war is made or not), insurrection, riots, act of public enemy, incidents of terrorism, acts of vandalism, actions or inactions of any government instrumentality or public utility including condemnation, accidents for which Franchisee is not primarily responsible, fire, flood, or other act of God, or work delays caused by waiting for utility providers to service or monitor utility poles to which Franchisee's FTTP Network is attached, and unavailability of materials and/or qualified labor to perform the work necessary.
- 1.15 *Franchise*: The franchise granted by this Agreement as defined in Section 10-2-101(b)(17) of the Cable Law.
- 1.16 *Franchise Area*: The unincorporated area (entire existing territorial limits) of the LFA and such additional areas as may be included in the territorial limits of the LFA during the term of the Franchise.
- 1.17 *Franchisee*: Verizon Maryland Inc., and its lawful and permitted successors, assigns and transferees.
- 1.18 *Government Access Channel*: An Access Channel available for the use solely of the LFA and other local governmental entities located in the Franchise Area.
- 1.19 *Gross Revenue*: All revenue, as determined in accordance with generally accepted accounting principles, which is derived by Franchisee from the operation of the Cable System to provide Cable Service in the Service Area. Gross Revenue includes, without limitation: all Subscriber and customer revenues earned or accrued net of bad debts including revenue for: (i) Basic Service; (ii) all fees charged to any Subscribers for any and all Cable Service provided by Franchisee over the Cable System in the Service Area, including without limitation Cable Service related program guides; the installation, disconnection or reconnection of Cable Service; revenues from late or delinquent charge fees; Cable Service related repair calls; the provision of converters, remote controls, additional outlets and/or other Cable Service related Subscriber premises equipment, whether by lease or fee; (iii) revenues from the sale or lease of

access channel(s) or channel capacity; and (iv) compensation received by Franchisee that is derived from the operation of Franchisee's Cable System to provide Cable Service with respect to commissions that are paid to Franchisee as compensation for promotion or exhibition of any products or services on the Cable System, such as "home shopping" or a similar channel, subject to the exceptions below. Commissions received by Franchisee from an Affiliate which provides home shopping over the Cable System in the Service Area shall be usual and customary, i.e., the same as or similar to the commissions paid to Franchisee by unaffiliated home shopping providers for distribution over the Cable System in the Service Area. Gross Revenue includes a pro rata portion of all revenue derived by Franchisee pursuant to compensation arrangements for local, national and regional advertising derived from the operation of Franchisee's Cable System to provide Cable Service within the Service Area, subject to the exceptions below. The allocation shall be based on the number of Subscribers in the Service Area divided by the total number of subscribers in relation to the relevant local, regional or national compensation arrangement. Advertising carried on the Cable System solely in the Service Area shall not be subject to proration. Advertising commissions paid to third parties shall not be netted against advertising revenue included in Gross Revenue.

Gross Revenue shall not include:

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

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

1.19.3 Refunds, rebates or discounts made to Subscribers or other third parties to the extent such refunds, rebates or discounts represent an actual refund or rebate of or a reduction in the price paid by Subscribers or other third parties;

1.19.4 Subject to Section 2.5 and to the extent that changes in federal law do not permit such revenues to be a part of the revenue base upon which such Franchise fees are calculated, any revenues classified as Non-Cable Services revenue under federal or state law, it being agreed that as of the date of this Agreement such Non-Cable Services include, without limitation, revenue received from Telecommunications Services and revenue received from Information Services, including, without limitation, Internet Access service, electronic mail service, and electronic message board service;

1.19.5 Any revenue of Franchisee or any other Person which is received directly from the sale of merchandise through any Cable Service distributed over the Cable System, except for that portion of such revenue which is paid to Franchisee;

1.19.6 The sale of Cable Services on the Cable System for resale for which the purchaser is required to pay cable Franchise fees to the LFA;

1.19.7 The provision of Cable Services to customers without charge, including, without limitation, the provision of Cable Services to public institutions as required or permitted herein, provided, however, that such foregone revenue which Franchisee chooses not to receive

in exchange for trades, barter, services or other items of value shall be included in Gross Revenue;

1.19.8 Any tax of general applicability imposed by a city, state, federal or any other governmental entity required by the taxing authority to be paid by Subscribers and to be collected by Franchisee from Subscribers and remitted to the taxing entity; including, but not limited to, sales/use tax, gross receipts tax, excise tax, utility users tax, public service tax, communication taxes or non-cable service Franchise fees to the extent that they satisfy the above description;

1.19.9 Sales of capital assets or sales of surplus equipment;

1.19.10 Program launch fees received by Franchisee from unaffiliated third parties in arm's-length transactions where such fees were actually used to reimburse Franchisee's costs and expenses; and

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

1.20 *Information Services*: Shall be defined herein as it is defined under Section 3 of the Communications Act, 47 U.S.C. §153(20). For purposes of this Agreement Information Services shall not include Cable Services over the Cable System.

1.21 *Initial Service Area*: The portion of the Franchise Area outlined in Exhibit A.

1.22 *Internet Access*: Dial-up or broadband access service that enables Subscribers to access the Internet.

1.23 *Local Franchise Authority (LFA)*: Anne Arundel County, or the lawful successor, transferee, or assignee thereof.

1.24 *Non-Cable Services*: Any service that does not constitute the provision of Video Programming directly to multiple Subscribers in the Franchise Area including, but not limited to, Information Services and Telecommunications Services.

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

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

1.27 *PEG*: Public, educational, and governmental.

1.28 *Person*: An individual, partnership, association, joint stock company, trust, corporation, or governmental entity.

1.29 *Public Access Channel*: An Access Channel available for the use solely by the residents in the Franchise Area.

1.30 *Public Rights-of-Way*: The surface and the area across, in, over, along, upon and below the surface of the public streets, roads, sidewalks, lanes, courts, ways, alleys, and boulevards, including public utility easements and public lands and waterways used as Public Rights-of-Way, as the same now or may thereafter exist, which are under the jurisdiction or control of the LFA. Public Rights-of-Way do not include the airwaves above a right-of-way with regard to cellular or other non-wire communications or broadcast services.

1.31 *Service Area*: All portions of the Franchise Area where Cable Service is being offered, including the Initial Service Area, Extended Service Area, and any Additional Service Areas which are added pursuant to Section 3.1.3 hereof.

1.32 *Service Date*: The date that Franchisee first provides Cable Service on a commercial basis directly to multiple Subscribers in the Franchise Area.

1.33 *Service Interruption*: The loss of picture or sound on one or more cable channels.

1.34 *Subscriber*: A Person who lawfully receives Cable Service over the Cable System with Franchisee's express permission.

1.35 *Telecommunications Facilities*: Franchisee's existing Telecommunications Services and Information Services facilities and its FTTP Network facilities.

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

1.37 *Title II*: Title II of the Communications Act, Common Carriers, as amended, under which Franchisee has upgraded its network with the FTTP Network.

1.38 *Title VI*: Title VI of the Communications Act, Cable Communications, as amended, which, among other things, governs the provision of Cable Services by Franchisee.

1.39 *Transfer*:

1.39.1 Any transaction in which:

1.39.1.1 Control of Franchisee is transferred whether by a transfer or grant of an ownership interest or any other interest in Franchisee, directly or indirectly, from one Person or group of Persons to another Person or group of Persons; or

1.39.1.2 the rights held by Franchisee under the Franchise are transferred or assigned to another Person or group of Persons.

1.39.2 However, notwithstanding Subsection 1.39.1 above, a Transfer shall not include transfer of an ownership or other interest in Franchisee to the parent of Franchisee or to another Affiliate of Franchisee; transfer of an interest in this Agreement or the rights held by Franchisee under this Agreement to the parent of Franchisee or to another Affiliate of Franchisee; any action which is the result of a merger of the parent of Franchisee or another Affiliate of Franchisee (unless and to the extent such merger would result in a combination of two wireline Cable Services competitors in the Service Area).

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

2. **GRANT OF AUTHORITY; LIMITS AND RESERVATIONS**

2.1 *Grant of Authority:* Subject to the terms and conditions of this Agreement and the Cable Law, upon the approval of this Agreement by the Anne Arundel County Council, the LFA will grant Franchisee the right to own, construct, operate and maintain the Cable System within the Public Rights-of-Way within the Franchise Area, for the sole purpose of providing Cable Service. No privilege or power of eminent domain is bestowed by this grant; nor is such a privilege or power bestowed by this Agreement. The authority granted under the Franchise and this Agreement is pursuant to the LFA's Cable Law. Franchisee explicitly acknowledges and accepts the right of the LFA to issue and renew the Franchise, and Franchisee agrees it shall not now or at any time hereafter challenge this right in any way, or in any court of competent jurisdiction. By its acceptance of the terms of the Franchise and this Agreement, except as may be otherwise provided in this Agreement, Franchisee specifically agrees to abide in all material respects with the lawful requirements of the Cable Law subject to Section 2.7.1 below, and with all applicable federal, state and other local law. The Franchise shall be a privilege that is in the public trust and personal to Franchisee, and Franchisee's obligations under the Franchise involve personal services whose performance involves personal credit, trust and confidence in Franchisee, provided, however, that nothing herein shall limit, impair or modify the provisions of Subsection 1.39.2 and Article 10 of this Agreement.

2.2 *LFA Does Not Regulate Telecommunications:* The parties recognize that Franchisee's FTTP Network is being constructed and will be operated and maintained as an upgrade to and/or extension of its existing Telecommunications Facilities for the provision of Non-Cable Services (as well as eventually for Cable Services). The jurisdiction of the LFA over such Telecommunications Facilities is governed by federal and state law, and the LFA does not and will not assert jurisdiction over Franchisee's FTTP Network in contravention of federal and state limitations. Therefore, as provided in Section 621 of the Communications Act, 47 U.S.C. §541, the LFA's regulatory authority under Title VI of the Communications Act is not applicable to the construction, installation, maintenance or operation of Franchisee's FTTP Network to the extent the FTTP Network is constructed, installed, maintained or operated for the purpose of upgrading and/or extending Verizon's existing Telecommunications Facilities for the provision of Non-Cable Services. This Agreement shall not be construed to limit whatever regulatory authority the LFA may have under state and local law with respect to the FTTP Network facilities as Telecommunications Facilities.

2.3 *Term:* Subject to Section 12.11, the Franchise and this Agreement shall become effective on _____, 2006 (the "Effective Date"). The term of the Franchise shall be fifteen (15) years from the Effective Date unless the Franchise and this Agreement are earlier revoked or terminated as provided herein.

2.4 *Grant Not Exclusive:* The Franchise and the right it grants to use and occupy the Public Rights-of-Way to provide Cable Services shall not be exclusive, and the LFA reserves the right to grant other franchises for similar uses or for other uses of the Public Rights-of-Way, or any portions thereof, to any Person, or to make any such use themselves, at any time during the term of the Franchise. Any such rights which are granted shall not adversely impact the authority granted under the Franchise and shall not interfere with existing facilities of the Cable System or Franchisee's FTTP Network.

2.5 *Franchise Subject to Federal Law:* The Franchise and this Agreement are subject to and shall be governed by all applicable provisions of federal law as it may be amended, including but not limited to the Communications Act.

2.6 No Waiver:

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

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

2.7 Construction of Agreement:

2.7.1 The provisions of this Agreement shall be liberally construed to effectuate their objectives. The LFA shall not modify the terms and conditions of this Agreement by changes to the Cable Law enacted after the Effective Date or by any regulations adopted by the Information Technology Officer after the Effective Date pursuant to Section 2-106 of the Cable Law. Any amendments to the Cable Law or the regulations shall be consistent with state and federal law and shall not abrogate any contractual rights of Franchisee contained herein or impose any new obligations or duties on Franchisee that would be inconsistent with this Agreement.

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

2.8 *Police Powers:* Nothing in this Agreement shall be construed to prohibit the reasonable and lawful exercise of the police powers of the LFA. However, if the reasonable and lawful exercise of the LFA's police power results in any material alteration of the terms and

conditions of this Agreement, then the parties shall modify this Agreement or take other appropriate action to the mutual satisfaction of both parties to permit Franchisee to comply with such exercise of the LFA's police powers with as little adverse impact on Franchisee as possible. Any modifications of this Agreement shall be in writing. If the parties cannot reach agreement on the above-referenced modification to this Agreement or other action to ameliorate the negative effects upon Franchisee, and such alteration has materially and adversely affected Franchisee's rights, benefits, obligations or duties under this Agreement, then, in addition to all other legal and equitable remedies, Franchisee may terminate this Agreement and the Franchise without further obligation to the LFA notwithstanding Section 10-2-202(b)(1) of the Cable Law.

2.9 *Agreement Does Not Address Authority Other Than For Cable Service.*

Notwithstanding any other provision of this Agreement, nothing in this Agreement shall be construed to (i) grant Franchisee any right to use the LFA's Public Rights-of-Way or other property for any purpose other than Cable Service, (ii) waive any rights the LFA may have with respect to any use of the LFA's Public Rights-of-Way or other property for any purpose other than Cable Service, or (iii) imply that Franchisee has or does not have authority to use the Public Rights-of-Way for other purposes. Accordingly, the Franchise and this Agreement grant no authority for Franchisee to use the LFA's Public Rights-of-Way for any other purpose other than as expressly provided herein. However, nothing in this Agreement shall be construed to prohibit Franchisee from offering any service over the Cable System that is not prohibited by federal or state law provided any requirements for LFA authorization or registration not inconsistent with federal and state law are satisfied.

3. **PROVISION OF CABLE SERVICE**

3.1 Service Area:

3.1.1 *Initial Service Area:* Franchisee shall offer Cable Service to significant numbers of Subscribers in residential areas of the Initial Service Area and may make Cable Service available to businesses in the Initial Service Area, within twenty-four (24) months of the Effective Date of this Agreement; to at least fifty percent (50%) of the residential areas of the Initial Service Area within three (3) years of the Effective Date of this Agreement; and to all of the residential areas of the Initial Service Area within five (5) years of the Effective Date of this Agreement, except: (A) for periods of Force Majeure; (B) for periods of delay caused by the LFA; (C) for periods of delay resulting from Franchisee's inability to obtain authority to access rights-of-way in the Service Area; (D) in areas where developments or buildings are subject to claimed exclusive arrangements with other providers; (E) in developments or buildings that Franchisee cannot access under reasonable terms and conditions after good faith negotiation, as determined by Franchisee; and (F) in areas, developments or buildings where Franchisee is unable to provide Cable Service for technical reasons or which require non-standard facilities which are not available on a commercially reasonable basis; and (G) in areas where the occupied residential household density does not meet the density and other requirements set forth in Sub-subsection 3.1.1.1. and Section 3.2.

3.1.1.1 *Density Requirement:* Franchisee shall make Cable Services available to residential dwelling units in all areas of the Service Area where the average density

is equal to or greater than the following occupied residential dwelling units per mile as measured in strand footage from the nearest technically feasible point on the active FTTP Network trunk or feeder line: (A) Thirty (30) residences per mile during years 1 through 9 of the term of the Franchise; (B) Twenty (20) residences per mile during the years 10 to 15 of the term of the Franchise; and (C) Fifteen (15) residences per mile during and after the fifteenth year. Should, through new construction, an area within the Initial Service Area or Extended Service Area meet the density requirements after the time stated for providing Cable Service as set forth in Subsections 3.1.1 and 3.1.2 respectively, Franchisee shall provide Cable Service to such area within six (6) months of receiving notice from the LFA that the density requirements have been met.

3.1.2 *Extended Service Area:* Within three (3) years following the Effective Date, Franchisee shall begin offering Cable Service in the Extended Service Area and will offer Cable Service to at least fifty percent (50%) of the residential areas of the Extended Service Area within five (5) years of the Effective Date and to all residential areas of the Extended Service Area within seven (7) years of the Effective Date, subject to the conditions of Subsection 3.1.1 above and the other terms set forth herein; provided, however, that the Extended Service Area may be modified in whole or in part by Franchisee on 30 days notice to the LFA and may be reduced only upon demonstrating to the LFA that it would be economically infeasible to serve an area within the Extended Service Area. The LFA shall not unreasonably refuse, delay or condition any such request for a modification to reduce the Extended Service Area.

3.1.3 *Additional Service Areas:* Except for the Initial Service Area and any Extended Service Area, Franchisee shall not be required to extend its Cable System or to provide Cable Services to any other areas within the Franchise Area during the term of the Franchise or any Renewals thereof. If Franchisee desires to add Additional Service Areas within the Franchise Area, Franchisee shall notify the LFA in writing of such Additional Service Area at least ten (10) days prior to providing Cable Services in such areas.

3.2 *Availability of Cable Service:* Franchisee shall make Cable Service available to all residential dwelling units and may make Cable Service available to businesses within the Service Area in conformance with Section 3.1 and Franchisee shall not discriminate between or among any individuals in the availability of Cable Service. In the areas in which Franchisee shall provide Cable Service, Franchisee shall be required to connect, at Franchisee's expense, other than a standard installation charge, all residential dwelling units that are within two hundred (200) feet of trunk or feeder lines not otherwise already served by Franchisee's FTTP Network. Franchisee shall be allowed to recover, from a Subscriber that requests such connection, the actual costs incurred for residential dwelling unit connections that exceed two hundred (200) feet and actual costs incurred to connect any non-residential dwelling unit Subscriber. Franchisee's line extension policy for low density areas is attached hereto as Exhibit B.

3.3 *Cable Service to Public Buildings:* Subject to Section 3.1, Franchisee shall provide, without charge, one service outlet activated for Basic Service to each fire station, public school, police station, public library, and such buildings used for municipal purposes within the Service Area designated by the LFA in Exhibit C, it being understood that such service will be only provided to the schools or other public buildings designated on Exhibit C as being located

in the Additional Service Area if, when, and to the extent Franchisee elects to provide Cable Services to such Additional Service Areas pursuant to Subsection 3.1.3 above. For the provision of service to any new schools or other public buildings the LFA shall pay Franchisee's standard installation fee for those located within two hundred (200) feet and Franchisee's direct costs for such installation for those in excess of two hundred (200) feet. Furthermore, Franchisee shall be permitted to recover from any school or other public building owner entitled to free service the direct cost of installing, when requested to do so, more than one outlet, or concealed inside wiring; provided, however, that Franchisee shall not charge for the provision of Basic Service to the additional service outlets once installed. Cable Service may not be resold or otherwise used in contravention of Franchisee's rights with third parties respecting programming. Franchisee shall notify the LFA if it becomes aware of any such impermissible use and provide a full explanation of its reasons for believing such use to be impermissible, including the identity of the party and the titles or names of the documents supporting such explanation. Equipment provided by Franchisee, if any, shall be replaced at cost if lost, stolen or damaged.

4. **SYSTEM FACILITIES**

4.1 *System Characteristics:* Franchisee's Cable System shall meet or exceed the following requirements:

4.1.1 The System shall be designed with an initial analog and digital carrier passband between 50 MHz and 860 MHz.

4.1.2 The System shall be designed to be an active two-way plant for subscriber interaction, if any, required for the selection or use of Cable Service.

4.1.3 The System shall transmit in high definition any signal which is received in high definition format.

4.1.4 The System shall have a backup power supply capable of operating and supplying standby emergency power for a period of at least four (4) hours in the event of a power loss.

4.2 *Technical Standards:* The System shall meet or exceed all applicable FCC Rules and Regulations, including but not limited to 47 C.F.R. §76.601 (Technical Standards).

4.3 *Interconnection:* Franchisee shall design its Cable System so that it may be interconnected with other cable systems in the Franchise Area. Interconnection of systems may be made by direct cable connection, microwave link, satellite, or other appropriate methods.

4.4 *Emergency Alert System:* Franchisee shall comply with the Emergency Alert System ("EAS") requirements of the FCC in order that emergency messages may be distributed over the System. In the event of a state or local civil emergency, the EAS shall be activated by equipment or other acceptable means as set forth in the Maryland State EAS Plan. In accordance with the Maryland State EAS Plan, Franchisee will override the audio and video on all channels, so long as it is consistent with Franchisee's contractual commitments, to transmit EAS alerts received from the designated Local Primary Sources, including LP-1 and LP-2 Stations, assigned by the Maryland State EAS Plan to serve the Anne Arundel County Operational Area.

4.5 Due to the nature and status of construction of Franchisee's FTTP Network Telecommunications Facilities Franchisee shall not be required to provide or update construction plans pursuant to Section 2-504(b) of the Cable Law.

5. PEG SERVICES

5.1 PEG Set Aside:

5.1.1 In order to ensure universal availability of public, educational and government programming, Franchisee shall provide on the Basic Service Tier up to four (4) dedicated PEG Channels and a fifth (5th) dedicated PEG Channel for the cablecast of court proceedings in the event that Maryland law is changed to permit the broadcasting of such proceedings and if the existing cable operators provide such a PEG Channel.

5.1.2 Franchisee will provide all PEG Channels on the Basic Service tier throughout the life of the Franchise, or if there is no Basic Service tier, shall provide the PEG Channels as part of the lowest-cost package it offers to Subscribers, in accordance with federal law. If Channels are selected only through a menu system, the PEG Channels will be displayed as PEG Channels on the menu.

5.1.3 PEG Channel assignments shall be the same throughout the Cable System. PEG Channel assignments should not be changed unless there is good cause. Any such reassignment must be to a Channel of technical quality at least equivalent to that of other Channels on the Cable System. In the event of such a reassignment, Franchisee shall provide, free of charge, public announcements of such changes that shall include, to the extent Franchisee has advertising availability, advertising such PEG channel changes on advertising inserts on local channels carrying non-satellite programming in prime time prior to such change, and providing notice of such change in at least two monthly Subscriber bill inserts prior to such change (if commercially practicable) but in no event less than one monthly Subscriber bill insert; provided, however, that such bill inserts shall not be necessary in the event Franchisee provides notice of such changes to all Subscribers in a letter separate from their bill.

5.1.4 In addition to the Channels specified in Subsection 5.1.1, Franchisee shall make one Access Channel available solely for PEG use by Heritage Harbour. This additional Access Channel shall be carried in place of a non-Access Channel carried elsewhere in the System.

5.1.5 Subject to Subsection 5.1.3, the PEG programming will be carried on the PEG Access Channels set aside by Franchisee as follows: Channel 35 – Anne Arundel Community College; Channel 36 – Anne Arundel County Public Schools; Channel 38 – Anne Arundel County Government; and Channel 39 – Anne Arundel Community Television. Subject to Subsection 5.1.3, if the LFA institutes a court proceedings channel as provided in Subsection 5.1.1, it will be carried on Channel 37. The LFA hereby authorizes Franchisee to transmit such programming within and without the Franchise Area. If a PEG Channel provided under this Article is not being utilized by the LFA, Franchisee may utilize such PEG Channel, in its sole discretion, until such time as LFA elects to utilize the PEG Channel for its intended purpose.

5.1.6 The LFA shall provide Franchisee with the ability to interconnect its Cable System with the existing cable operators' PEG Channels via the LFA's INET in order to

carry the LFA's PEG channels described in subsection 5.1.1. Interconnection may be accomplished by direct cable, microwave link, satellite or other reasonable method of connection, and shall be completed by Franchisee within one hundred twenty (120) days after the Service Date excluding time for matters outside of Franchisee's control, such as the processing of any necessary permits. The LFA shall require the existing cable operators to permit such interconnection and use of the PEG Channels by Franchisee.

5.1.7 Franchisee shall accommodate the potential migration of PEG programming to digital formats, at the LFA's discretion, as follows, provided that the other cable operators providing Cable Service in the Franchise Area are required to do the same:

5.1.7.1 Franchisee shall provide the PEG Channels on the Basic Service Tier (as provided in Section 5.1.1) in analog form as long as Franchisee continues to transmit any video programming in analog form.

5.1.7.2 Franchisee shall also simulcast the same PEG Channels in standard-definition television (SDTV) digital format, as long as Franchisee continues to transmit any video programming in SDTV format. Franchisee shall encode and transmit the PEG Channels from the point where Franchisee acquires the signal to Subscribers in such a way that the signals originally provided to Franchisee suffer no greater degradation during such transmission than do any other signals on the Cable System in their transmission by Franchisee to Subscribers.

5.1.7.3 PEG content providers may provide Franchisee with their programming in either analog or digital form, at the PEG content providers' option. Franchisee shall provide and maintain all equipment needed to convert PEG analog video feeds to Franchisee's digital format, or to convert PEG digital video feeds (such as Serial Digital Interface) to Franchisee's analog format, for simulcast.

5.1.7.4 Subscribers of a service tier that supports HDTV shall be able to view any HDTV PEG content provided by the PEG content providers free of charge.

5.2 PEG/INET Grant:

5.2.1 Franchisee shall provide a grant to the LFA to be used in support of the production of local PEG programming and its INET (the "PEG/INET Grant"). Such grant shall be used solely by the LFA for PEG access and INET equipment and facilities, including, but not limited to, studio and portable production equipment, editing equipment and program playback equipment, or for renovation or construction of PEG access facilities.

5.2.2 The PEG/INET Grant provided by Franchisee hereunder shall be the sum of \$0.98 per month, per subscriber in the Service Area to Franchisee's Basic Service Tier, provided, however, that in no event shall Franchisee be obliged to make PEG/INET Grant payments that are greater than those of any other cable operator providing Cable Service in the Service Area, measured on a per-subscriber-per-month basis or equivalent *pro rata* basis. For purposes of such comparison, any lump-sum amounts shall be regarded as amortized *pro rata* over the term specified in the franchise agreement. The PEG/INET Grant payment, along with a brief summary of the Subscriber information upon which it is based, shall be delivered to the LFA within thirty (30) days after the end of each calendar quarter during the term of the

Franchise. Calculation of the PEG/INET Grant will commence with the first calendar month during which Franchisee obtains its first Subscriber in the Service Area.

5.2.3 The LFA shall provide Franchisee with a reasonable accounting annually of the distribution of funds granted pursuant to this Section 5.2.

5.3 *Indemnity for PEG.* The LFA shall require all local producers and users of any of the PEG facilities or Channels to execute the LFA's PEG Statement of Compliance form which shall provide that such PEG users shall defend and hold harmless Franchisee and the LFA from and against any and all liability or other injury, including the reasonable cost of defending claims or litigation, arising from or in connection with claims arising out of the content of the material furnished for and/or cablecast, in substantially the form attached hereto as Exhibit F.

5.4 *Recovery of Costs.* To the extent permitted by federal law, Franchisee has advised the LFA that it may recover the costs arising from the provision of PEG services, including the PEG/INET Grant, from Subscribers; include such costs as a separately billed line item on each Subscriber's bill; and, if allowed under state and federal laws, externalize, line-item, or otherwise pass through interconnection costs to Subscribers.

5.5 *Costs and Payments Not Franchise Fees:* The parties agree that any costs to Franchisee associated with the provision of the PEG/INET Grant support set forth in Section 5.2 are capital costs and 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.

6. FRANCHISE FEES

6.1 *Payment to LFA:* Franchisee shall pay to the LFA a Franchise fee of five percent (5%) of annual Gross Revenue. In accordance with Title VI of the Communications Act, the twelve (12) month period applicable under this Agreement for the computation of the Franchise fee shall be a calendar year. Such payments shall be made no later than thirty (30) days following the end of each calendar quarter. In connection with the filing of Franchisee's Annual Statement of Gross Revenues under Section 2-1002(a) of the Cable Law, Franchisee shall be allowed to submit or correct any payments that were incorrectly omitted, and shall receive a credit from the LFA for any payments that were incorrectly submitted, in connection with the quarterly Franchise fee remittances following the close of the calendar year for which such payments were applicable.

6.2 *Supporting Information:* Each Franchise fee payment shall be accompanied by a brief report prepared by a representative of Franchisee showing the basis for the computation. Subject to the confidentiality requirements of Section 8.1 of this Agreement, Franchisee shall be responsible for making available to the LFA for inspection, copying and audit, all records necessary to confirm the accurate payment of Franchise fees, whether the records are held by Franchisee, an Affiliate, or any other entity that collects or receives funds related to Franchisee's operation in the LFA subject to the payment of Franchise fees under this Agreement, including, by way of illustration and not limitation, any entity that sells advertising on Franchisee's behalf. Franchisee shall maintain such records for three (3) years, provided that, if the LFA commences an audit within that three-year period, Franchisee shall continue to maintain such records for the

duration of any audit in progress at the end of that three-year period. The LFA shall conduct all audits expeditiously, and neither the LFA nor Franchisee shall unreasonably delay the completion of an audit. The LFA's audit expenses shall be borne by the LFA unless the audit determines the payment to the LFA should be increased by five percent (5%) or more in the audited period, in which case the reasonable and customary costs of the audit, together with any additional amounts due the LFA as a result of such audit, shall be paid by Franchisee to the LFA with its next quarterly Franchise fee payment pursuant to Section 6.1 due after written notice to Franchisee by the LFA of the underpayment, which notice shall include a copy of the audit report, provided, however, that Franchisee's obligation to pay or reimburse the LFA's audit expenses shall not exceed an aggregate of thirty thousand dollars (\$30,000) per audit. If recomputation results in additional Franchise fees to be paid to the LFA, such amount shall be subject to interest charges computed from the due date, at an annual rate equal to the commercial prime interest rate of the LFA's primary depository bank during the period such unpaid amount is owed. If the audit determines that there has been an overpayment by Franchisee, such overpayment shall be subject to interest charges computed from the overpayment date at the rate provided above and Franchisee may credit any overpayment and accrued interest thereon against its next quarterly payment under Section 6.1. No auditor employed by the LFA shall be compensated on a success based formula, e.g., payment based on a percentage of an underpayment, if any. The LFA shall not conduct an audit more frequently than once every two years provided, however, that in the event of an underpayment of 5% or more in an audited period this limitation shall not apply to the subsequent two (2) audit periods.

6.3 *Limitation on Franchise Fee Actions:* The period of limitation for recovery of any Franchise fee payable hereunder shall be three (3) years from the end of the fiscal year during which the Franchise fee payment was made. For purposes of this Section, Franchisee's fiscal year shall be the calendar year.

6.4 *Bundled Services:* If Cable Services subject to the Franchise fee required under this Article 6 are provided to Subscribers in conjunction with Non-Cable Services, the Franchise fee shall be applied only to the value of the Cable Services, as reflected on the books and records of Franchisee in accordance with FCC or state public utility regulatory commission rules, regulations, standards or orders.

6.5 *No Limitation on Taxing Authority:* Nothing in this Agreement shall be construed to limit any authority of the LFA to impose any tax, fee, or assessment of general applicability. The Franchise fee payments required by this Section shall be in addition to any and all taxes of a general nature or other fees or charges which Franchisee shall be required to pay to the LFA or to any state or federal agency or authority, as required herein or by law, all of which shall be separate and distinct obligations of Franchisee. However, Franchisee shall have the right to a credit, in the amount of its franchise fee and PEG/INET Grants payments under this Agreement, against any general utility tax on Cable Services that may be imposed by the LFA, to the extent such a tax is applicable to Franchisee or its subscribers. Franchisee may designate franchise fee(s) as a separate item in any bill to a Subscriber of Franchisee's Cable System, but shall not designate or characterize it as a tax.

7. **CUSTOMER SERVICE**

Franchisee shall comply in all material respects with the existing requirements of Subtitle 8, Consumer Protection, of the Cable Law. Quarterly reports pursuant to the Cable Law shall be submitted commencing with the first calendar quarter or portion thereof ending after six (6) months from the Service Date.

8. **REPORTS AND RECORDS**

8.1 *Open Books and Records:* Upon reasonable written notice to Franchisee and with no less than thirty (30) days prior written notice to Franchisee absent compelling circumstances, and then upon not less than ten (10) business days prior written notice to Franchisee, the LFA shall have the right to inspect Franchisee's books and records pertaining to the operation of the Franchise at any time during Normal Business Hours as are reasonably necessary to ensure compliance with the terms of this Agreement, the Cable Law and applicable state and federal law. Such inspections shall be conducted in a manner that will not unreasonably disrupt Franchisee's normal operations. Such notice shall specifically reference the records that the LFA desires to review, so that Franchisee may organize the necessary books and records for appropriate access by the LFA. Franchisee shall not be required to maintain any books and records for Franchise compliance purposes longer than three (3) years. Notwithstanding anything to the contrary set forth herein, Franchisee shall not be required to provide copies of information that it reasonably deems to be proprietary or confidential in nature, or disclose any of its or an Affiliate's books and records not relating to the provision of Cable Service in the Service Area. The LFA shall only disclose Franchisee's proprietary or confidential information to employees, representatives, and agents thereof who have a need to know, or in order to enforce the provisions hereof, the Cable Law and applicable state and federal law. Except as provided below, the LFA shall treat as confidential and not voluntarily disclose any books, records and information disclosed hereunder that constitutes proprietary or confidential information under federal or state law, to the extent Franchisee makes the LFA aware of such confidentiality. Franchisee shall be responsible for clearly and conspicuously stamping the word "Confidential" on each page that contains confidential or proprietary information, and shall provide a brief written explanation as to why such information is confidential under State or federal law. If the LFA receives a demand from any Person for disclosure of any information designated by Franchisee as confidential, the LFA shall, so far as consistent with applicable law, advise Franchisee and provide Franchisee, within a reasonable time, with a copy of any written request by the party demanding access to such information. Unless otherwise ordered by a court or agency of competent jurisdiction, the LFA agrees that, to the extent permitted by state and federal law, it shall deny access to any of Franchisee's information marked confidential as set forth above to any Person. Franchisee shall not be required to provide Subscriber information in violation of Section 631 of the Communications Act, 47 U.S.C. §551.

8.2 *Records Required:* Franchisee shall at all times maintain:

8.2.1 Records of all written complaints for a period of three (3) years after receipt by Franchisee. The term "complaint" as used herein refers to complaints about any aspect of the Cable System or Franchisee's cable operations, including, without limitation,

complaints about employee courtesy. Complaints recorded will not be limited to complaints requiring an employee service call;

8.2.2 Records of outages for a period of three (3) years after occurrence, indicating date, duration, area, and the number of Subscribers affected, type of outage, and cause;

8.2.3 Records of service calls for repair and maintenance for a period of three (3) years after resolution by Franchisee, indicating the date and time service was required, the date of acknowledgment and date and time service was scheduled (if it was scheduled), and the date and time service was provided, and (if different) the date and time the problem was resolved;

8.2.4 Records of installation/reconnection and requests for service extension for a period of three (3) years after the request was fulfilled by Franchisee, indicating the date of request, date of acknowledgment, and the date and time service was extended; and

8.2.5 A public file showing the area of coverage for the provisioning of Cable Services and estimated timetable to commence providing Cable Service.

9. **INSURANCE AND INDEMNIFICATION**

9.1 Insurance:

9.1.1 Franchisee shall maintain in full force and effect, at its own cost and expense, during term of this Agreement, the following insurance coverage:

9.1.1.1 Commercial General Liability Insurance in the amount of one million dollars (\$1,000,000) combined single limit for property damage and bodily injury. Such insurance shall cover the construction, operation and maintenance of the Cable System, and the conduct of Franchisee's Cable Service business in the LFA.

9.1.1.2 Automobile Liability Insurance in the amount of one million dollars (\$1,000,000) combined single limit for bodily injury and property damage coverage.

9.1.1.3 Workers' Compensation Insurance meeting all legal requirements of the State of Maryland.

9.1.1.4 Employers' Liability Insurance in the following amounts: (A) Bodily Injury by Accident: \$100,000; and (B) Bodily Injury by Disease: \$100,000 employee limit; \$500,000 policy limit.

9.1.1.5 Excess liability or umbrella coverage of not less than ten million dollars (\$10,000,000).

9.1.2 The LFA shall be designated as an additional insured under each of the insurance policies required in this Section 9.1 except Worker's Compensation and Employer's Liability Insurance.

9.1.3 Franchisee shall not cancel any required insurance policy without submitting documentation to the LFA verifying that Franchisee has obtained alternative insurance in conformance with this Agreement.

9.1.4 Each of the required insurance policies shall be with sureties qualified to do business in the State of Maryland, with an A- or better rating for financial condition and financial performance by Best's Key Rating Guide, Property/Casualty Edition.

9.1.5 Upon written request, Franchisee shall deliver to LFA Certificates of Insurance showing evidence of the required coverage.

9.2 Indemnification:

9.2.1 Franchisee agrees to indemnify, save and hold harmless, and defend the LFA and each of its officers, agents, boards and employees, from and against any liability for damages or claims resulting from the following to the extent caused by Franchisee: (i) the acts or omissions of Franchisee and its employees, officers, agents, contractors or subcontractors, arising out of the construction, installation, maintenance, operation, or removal of the Cable System, including without limitation damage to persons, real property, or personal property caused by the construction, installation, operation, maintenance, or removal of any structure, equipment, wire, or cable; (ii) the acts or omissions of Franchisee, and its employees, officers, or agents, including any failure or refusal by Franchisee, and its employees, officers, agents, contractors or subcontractors to comply with any obligation or duty imposed on Franchisee by the Cable Law or this Agreement; (iii) copyright infringements; and (iv) any failure by Franchisee to secure consents from the owners, authorized distributors, or licensees of programs to be delivered by the Cable System, whether or not any act or omission complained of is authorized, allowed, or prohibited by the Cable Law or this Agreement, and provided that the LFA shall give Franchisee prompt written notice of its obligation to indemnify the LFA as soon as practicable after of receipt of a claim or action pursuant to this Subsection and sufficiently in advance of the time for Franchisee's response to a third party claim in order that Franchisee will be able to timely respond and the defense against such claim will not be prejudiced. Notwithstanding the foregoing, Franchisee shall not indemnify the LFA for any damages, liability or claims resulting from the willful misconduct or negligence of the LFA, its officers, agents, employees, attorneys, consultants or independent contractors or for any act by any Person other than Franchisee in connection with PEG Access, use of the INET or EAS, or the distribution of any Cable Service over the Cable System by leased access providers.

9.2.2 With respect to Franchisee's indemnity obligations set forth in Subsection 9.2.1, Franchisee shall provide the defense of any claims brought against the LFA by selecting counsel of Franchisee's choice to defend the claim, subject to the consent of the LFA, which shall not unreasonably be withheld. Franchisee shall keep the LFA and its counsel advised of the progress and the substance of the defense in a timely manner so that, if desired, the LFA can intervene to protect its rights and benefits. Nothing herein shall be deemed to prevent the LFA from consulting and cooperating with Franchisee and participating in the defense of any litigation by its own counsel at its own cost and expense, provided, however: (i) if a final judgment is obtained against the LFA or one or more of its officers, employees or agents in a suit or action for which the LFA and its officers, employees and agents are entitled to be indemnified and held harmless under Subsection 9.2.1, Franchisee shall pay such judgment, including all costs and attorneys' fees, entered against the LFA and any of its officers, employees and agents; and (ii) Franchisee shall be entitled to settle a claim brought in a suit or action for which the LFA and its officers, employees and agents are entitled to be indemnified and held harmless

hereunder, provided that, absent the release of the LFA and any other indemnified parties, Franchisee shall obtain the prior written approval of the LFA for any settlement of such claims against the LFA, which approval shall not be unreasonably withheld or unreasonably delayed. In the event that the terms of any such settlement does not include the release of the LFA and the LFA does not consent to the terms of any such settlement or compromise, Franchisee shall not settle the claim or action but its obligation to indemnify the LFA shall in no event exceed the amount of such settlement.

9.2.3 The LFA shall be responsible for its own acts of willful misconduct or negligence, or breach of obligation, subject to any and all defenses and limitations of liability provided by law.

10. **TRANSFER OF FRANCHISE**

Subject to Section 617 of the Communications Act, 47 U.S.C. § 537, no Transfer shall occur without the prior consent of the LFA, provided that such consent shall not be unreasonably withheld, delayed or conditioned. No such consent shall be required, however, for a transfer in trust, by mortgage, by other hypothecation, by assignment of any rights, title, or interest of Franchisee in this Agreement or Cable System in order to secure indebtedness, or for transactions otherwise excluded under Section 1.39 above. In the event that Franchisee transfers the Franchise to an Affiliate as provided in Subsection 1.39.2, Franchisee shall guaranty the performance of this Agreement by such Affiliate; provided, however, that Franchisee may request the LFA to release said guaranty and the LFA shall act upon such request as promptly as reasonably possible. In considering such request, the LFA shall make its decision as to whether or not to release said guaranty by and upon evaluating the financial qualifications of the assignee or transferee. Franchisee shall provide the LFA with such information as may be reasonably required for the LFA to make such evaluation. Subject to Franchisee's compliance with such obligation, the LFA shall conduct such evaluation and reach its decision as promptly as practicable and shall not unreasonably withhold, delay or deny its consent to the release of said guaranty. Upon making its decision, the LFA shall promptly deliver to Franchisee written notice thereof. If the LFA shall agree to release said guaranty, it shall promptly deliver to Franchisee a written document evidencing such release of said guaranty. Franchisee shall reimburse the LFA for the reasonable costs associated with such Transfer up to a maximum of \$20,000.

11. **ENFORCEMENT AND TERMINATION OF FRANCHISE**

11.1 *Notice of Violation and Cure:* In order to apply the enforcement provisions of Sections 10-2-1101 and 10-2-1102 of the Cable Law, the LFA shall informally discuss any alleged noncompliance, violation or failure with Franchisee. If these discussions do not lead to resolution of the problem in a reasonable time, the LFA shall then notify Franchisee in writing of the exact nature of the alleged noncompliance (for purposes of this Section, the "Noncompliance Notice"). Franchisee shall have thirty (30) days from receipt of the Noncompliance Notice to: (i) respond to the LFA, if Franchisee contests (in whole or in part) the assertion of noncompliance; (ii) cure such noncompliance; or (iii) in the event that, by the nature of noncompliance, it cannot be cured within such thirty (30) day period, initiate reasonable steps to remedy such noncompliance and notify the LFA of the steps being taken and the date by which they are projected to be completed. At the end of that thirty-day period, after reviewing Franchisee's

actions and any written response, the LFA may investigate further or discuss the matter further with Franchisee; allow Franchisee additional time to take further steps to remedy such noncompliance; or proceed as indicated in the Cable Law.

11.2 *Revocation:* Should the LFA seek to revoke the Franchise after following the procedures set forth in Section 11.1 above, it shall follow the procedures set forth in Section 10-2-1103 of the Cable Law. To the extent permitted by law, Franchisee may challenge or appeal a determination of the LFA's County Council to revoke the Franchise to an appropriate court. Franchisee shall be entitled to such relief as the court finds appropriate. Such appeal must be taken within sixty (60) days of Franchisee's receipt of the determination of the LFA's County Council.

11.2.1 The LFA may, at its sole discretion, take any lawful action that it deems appropriate to enforce the LFA's rights under this Agreement in lieu of revocation of the Franchise, and, except as otherwise provided in this Agreement or the Cable Law, any action, proceeding or exercise of a right by the LFA under Sections 11.1 and 11.2 shall not constitute an election of remedies or a waiver of any other right the LFA may have, including the right to seek specific performance of any provision which reasonably lends itself to such remedy as an alternative to damages.

11.3 Performance Bond:

11.3.1 Prior to the Service Date, Franchisee shall provide to the LFA as security for the performance of its obligations under this Agreement a performance bond in the amount of \$100,000 (the "Performance Bond"). The Performance Bond shall be substantially in the form of Exhibit D attached hereto.

11.3.2 In the event that a Performance Bond provided pursuant to this Agreement is not renewed or is cancelled, or is drawn upon, Franchisee shall provide new security pursuant to this Article within 30 days of such cancellation or failure to renew.

11.4 Security Fund:

11.4.1 In addition to the Performance Bond required pursuant to Section 11.7 above, Franchisee shall post a security fund with the LFA in the form of a letter of credit or cash, as determined in the sole discretion of Franchisee, in the amount of Twenty Thousand Dollars (\$20,000)(the "Security Fund"). The Security Fund shall be used to: (i) ensure the faithful performance by Franchisee of its obligations under this Agreement and compliance with all orders, permits, and directions of any agency of the LFA having jurisdiction over Franchisee's acts or defaults under the Cable Law; (ii) payment of any claims, liens, and taxes due to the LFA that arise by reason of the operation or maintenance of the Cable System; (iii) failure of Franchisee to pay the LFA sums due under the provisions of this Agreement and the Cable Law; (iv) reimbursement of costs borne by the LFA to correct Franchise violations not corrected by Franchisee after notice and the opportunity to cure as provided herein; (v) and monetary remedies, penalties, or damages assessed against Franchisee due to Franchise violations. If the Franchise is revoked for cause by reason of the default of Franchisee under Section 10-2-1103 of the Cable Law and Section 11.5 of this Agreement, the Security Fund deposited under this Section shall become the property of the LFA. If there is no outstanding default by Franchisee at

the end of 90 days after the termination of the Franchise, Franchisee shall be entitled to the return of all or any part of the Security Fund that remains on deposit and to any accrued interest.

11.4.2 The LFA may not draw on the Security Fund until thirty (30) days have passed after the LFA has provided Franchisee with written notice of its intent to make such withdrawal and the amount and the reasons therefor. In the event that the Security Fund is in the form of cash, amounts withdrawn from the Security Fund pursuant to this Subsection shall be replenished by Franchisee by delivering to the LFA or its designee for deposit in the Security Fund a cash amount equal to the amount so withdrawn within thirty (30) days of its receipt of notice from the LFA of the date and amount of such withdrawal. In the event the Security Deposit is in the form of a letter of credit, Franchisee shall replenish the Security Fund by establishing a new letter of credit in the amount of Twenty Thousand and No/100 Dollars (\$20,000) within thirty (30) days of its receipt of notice from the LFA of the date and amount of such withdrawal. Within thirty (30) days of receipt of the new letter of credit, the LFA shall return the previously issued letter of credit to Franchisee.

11.5 Liquidated Damages:

11.5.1 In the event that Franchisee fails to respond to the Noncompliance Notice pursuant to the procedures required by Section 11.2, or in the event that the alleged noncompliance is not remedied within thirty (30) days or the date projected pursuant to Section 11.2(iii) above, if such noncompliance constitutes a violation or failure described in Exhibit E, the LFA may assess Franchisee, and Franchisee agrees to pay to LFA, a monetary sanction in accordance with the liquidated damages set forth in Exhibit E attached hereto. Upon the LFA's so assessing liquidated damages, written notice of such assessment shall be sent to Franchisee in accordance with Section 11.5, with a concise statement of the reasons therefor, and Franchisee shall have thirty (30) days in which to pay the assessment. Upon failure of Franchisee to make timely payment of an assessed amount, the LFA may withdraw the assessed amount from the Security Fund pursuant to Section 11.8 above. If liquidated damages are so assessed against Franchisee, Franchisee shall not be subject to civil penalties under Section 10-2-1102(b) of the Cable Law for the same violation. The LFA's election of liquidated damages shall take the place of its right to obtain actual damages over and above the payment of any amounts otherwise due.

11.5.2 The parties acknowledge that it would be impractical to ascertain the amount of certain damages which may be incurred by the County as a result of breaches of the Cable Law or this Agreement. Therefore, the County and Franchisee agree that the liquidated damages set forth in Exhibit E are reasonable damages for the violations enumerated therein.

11.6 *Franchisee Termination:* Notwithstanding Section 10-2-202(b)(1) of the Cable Law, Franchisee shall have the right to terminate the Franchise and this Agreement and all obligations hereunder within ninety (90) days after the end of three (3) years from the Service Date, if at the end of such three (3) year period (a) Franchisee does not then in good faith believe it has achieved a commercially reasonable level of Subscriber penetration on its Cable System and (b) Franchisee also terminates its other franchises and franchise agreements in the State of Maryland. Franchisee may consider Subscriber penetration levels outside the Franchise Area in this determination. Notice to terminate under this Section 11.6 shall be given to the LFA in writing, with such termination to take effect no sooner than one hundred and twenty (120) days

after giving such notice. Franchisee shall also be required to give its then current Subscribers not less than ninety (90) days prior written notice of its intent to cease Cable Service operations.

12. MISCELLANEOUS PROVISIONS

12.1 *Actions of Parties:* In any action by the LFA or Franchisee that is mandated or permitted under the terms hereof, such party shall act in a reasonable, expeditious, and timely manner. Furthermore, in any instance where approval or consent is required under the terms hereof, such approval or consent shall not be unreasonably withheld, delayed or conditioned.

12.2 *Binding Acceptance:* This Agreement shall bind and benefit the parties hereto and their respective heirs, beneficiaries, administrators, executors, receivers, trustees, successors and assigns, and the promises and obligations herein shall survive the expiration date hereof.

12.3 *Preemption:* In the event that federal or state law, rules, or regulations preempt a provision or limit the enforceability of a provision of this Agreement, the provision shall be read to be preempted to the extent, and for the time, but only to the extent and for the time, required by law. In the event such federal or state law, rule or regulation is subsequently repealed, rescinded, amended or otherwise changed so that the provision hereof that had been preempted is no longer preempted, such provision shall thereupon return to full force and effect, and shall thereafter be binding on the parties hereto, without the requirement of further action on the part of the LFA. If, subsequent to the Effective Date, there is a change in federal law or state law that eliminates the authority of local governments to require and grant cable television franchises for the provision of Cable Service, or permits Franchisee to terminate this Agreement, then to the extent permitted by law the Franchise and this Agreement shall survive such legislation and remain in effect for the term of the Franchise.

12.4 *Force Majeure:* Franchisee shall not be held in default under, or in noncompliance with, the provisions of this Agreement, nor suffer any enforcement or penalty relating to noncompliance or default, where such noncompliance or alleged defaults occurred or were caused by a Force Majeure.

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

12.5.1 Notices to Franchisee shall be mailed to:

William Roberts
President
Verizon Maryland Inc.
1 East Pratt Street, 8E
Baltimore, MD 21202

with a copy to:

Jack H. White
Senior Vice President and General Counsel
Verizon Telecom
One Verizon Way
Room VC 43E 010
Basking Ridge, NJ 07920-1097

12.5.2 Notices to the LFA shall be mailed to:

County Executive
Office of the County Executive
Arundel Center
44 Calvert Street, Room 315
Annapolis, Maryland 21041

with a copy to:

Cable Television Administrator
Office of Information Technology
Arundel Center, MS-1335
44 Calvert Street, Room 315
Annapolis, Maryland 21041

12.6 *Entire Agreement:* This Agreement and the Exhibits hereto constitute the entire agreement between Franchisee and the LFA, and it supersedes all prior or contemporaneous agreements, representations, or understanding of the parties regarding the subject matter hereof.

12.7 *Amendments:* Amendments to this Agreement shall be mutually agreed to in writing by the parties.

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

12.9 *Severability:* If any section, subsection, sentence, paragraph, term, or provision hereof is determined to be illegal, invalid, or unconstitutional, by any court of competent jurisdiction or by any state or federal regulatory authority having jurisdiction thereof, such determination shall have no effect on the validity of any other section, subsection, sentence, paragraph, term or provision hereof, all of which will remain in full force and effect for the term of the Franchise.

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

12.11 Certain Conditions:

12.11.1 *County Council Approval:* It is expressly recognized by the parties that this Agreement requires the approval of the Anne Arundel County Council in accordance with applicable law. Such approval is a condition precedent to this Agreement. The execution of this Agreement prior to the approval of the County Council in no way binds the County Council to grant the Franchise or Franchisee to perform this Agreement in the absence of such approval, and this Agreement will automatically become null and void if the County Council does not approve this Agreement and grant the Franchise.

12.11.2 *Cable Law Amendments:* The Cable Law is to be amended prior to the Anne Arundel County Council's approval of this Agreement and the grant of the Franchise. If the Cable Law Amendments initially presented to the County Council are modified by the County Council at the public hearing approving same, the effectiveness of this Agreement shall be conditioned upon Franchisee's written confirmation of its reasonable satisfaction with the final amendments as adopted by the County Council. If such confirmation is not delivered by Franchisee to the LFA within ten (10) business days after the grant of the Franchise, this Agreement shall be null and void.

12.12 *Modification:* This Agreement shall not be modified except by written instrument executed by both parties.

12.13 *FTTP Network Prohibitions:* Under no circumstance including, without limitation, upon expiration, revocation, termination, denial of renewal of the Franchise or any other action to forbid or disallow Franchisee from providing Cable Services, shall Franchisee or its assignees be required by or through this Agreement or the Cable Law to sell any right, title, interest, use or control of any portion of Franchisee's FTTP Network including, without limitation, the Cable System and any capacity used for Cable Service or otherwise, to the LFA or any third party. Franchisee shall not be required to remove the FTTP Network or to relocate the FTTP Network or any portion thereof as a result of revocation, expiration, termination, denial of renewal of the Franchise or any other action to forbid or disallow Franchisee from providing Cable Services. This provision is not intended to contravene leased access requirements under Title VI or PEG requirements set out in this Agreement, or to limit whatever regulatory authority the LFA may have under state and local law with respect to the FTTP Network facilities as Telecommunications Facilities.

12.14 *Independent Review:* The LFA and Franchisee each acknowledge that they have received independent legal advice in entering into this Agreement. In the event that a dispute arises over the meaning or application of any term(s) of this Agreement, such term(s) shall not be construed by the reference to any doctrine calling for ambiguities to be construed against the drafter of the Agreement.

12.15 *Payment for Franchise Costs:* Franchisee shall reimburse the LFA not to exceed \$40,000 for costs associated with the grant of the Franchise within thirty (30) days of Franchisee's execution of this Agreement. The LFA shall provide Franchisee an accounting of such costs in reasonable detail.

12.16 *Rate Regulation:* The rates and charges for Franchisee's Cable Service shall comply with any applicable provisions of 47 U.S.C. § 543. The parties acknowledge and agree that the rates and charges imposed by Franchisee for Cable Services are not currently subject to the approval of or regulation by the LFA pursuant to 47 U.S.C. § 543. Therefore, the LFA will not regulate Franchisee's rates at this time, but it reserves any right to regulate Franchisee's rates it may have in the future.

12.17 *Governing Law.* This Agreement shall be governed by and construed under the laws of the State of Maryland and applicable federal law.

12.18 *Jurisdiction and Venue.* Franchisee and the LFA agree that any court action to enforce or interpret the terms of this Agreement shall be brought and maintained exclusively in either the Circuit Court for Anne Arundel County, Maryland, or the U.S. District Court for the District of Maryland, provided that the chosen forum has subject matter jurisdiction over the action and, in the case of an action originally brought in the Circuit Court, without prejudice to the exercise of any right of removal created by federal law.

[SIGNATURE PAGE FOLLOWS]

AGREED TO THIS th 25 DAY OF May, 2006.

ANNE ARUNDEL COUNTY, MARYLAND

By: Janet S. Owens
Janet S. Owens
County Executive

APPROVED:

By: William R. Roberts
Office of Information Technology

APPROVED AS TO FORM AND SUFFICIENCY:

By: John B. Stewart
County Attorney

VERIZON MARYLAND INC.

By: William R. Roberts
William R. Roberts
President

Approved for signature:
John F. Ryzak
Vice President
D.A. Council Council
5/21/06

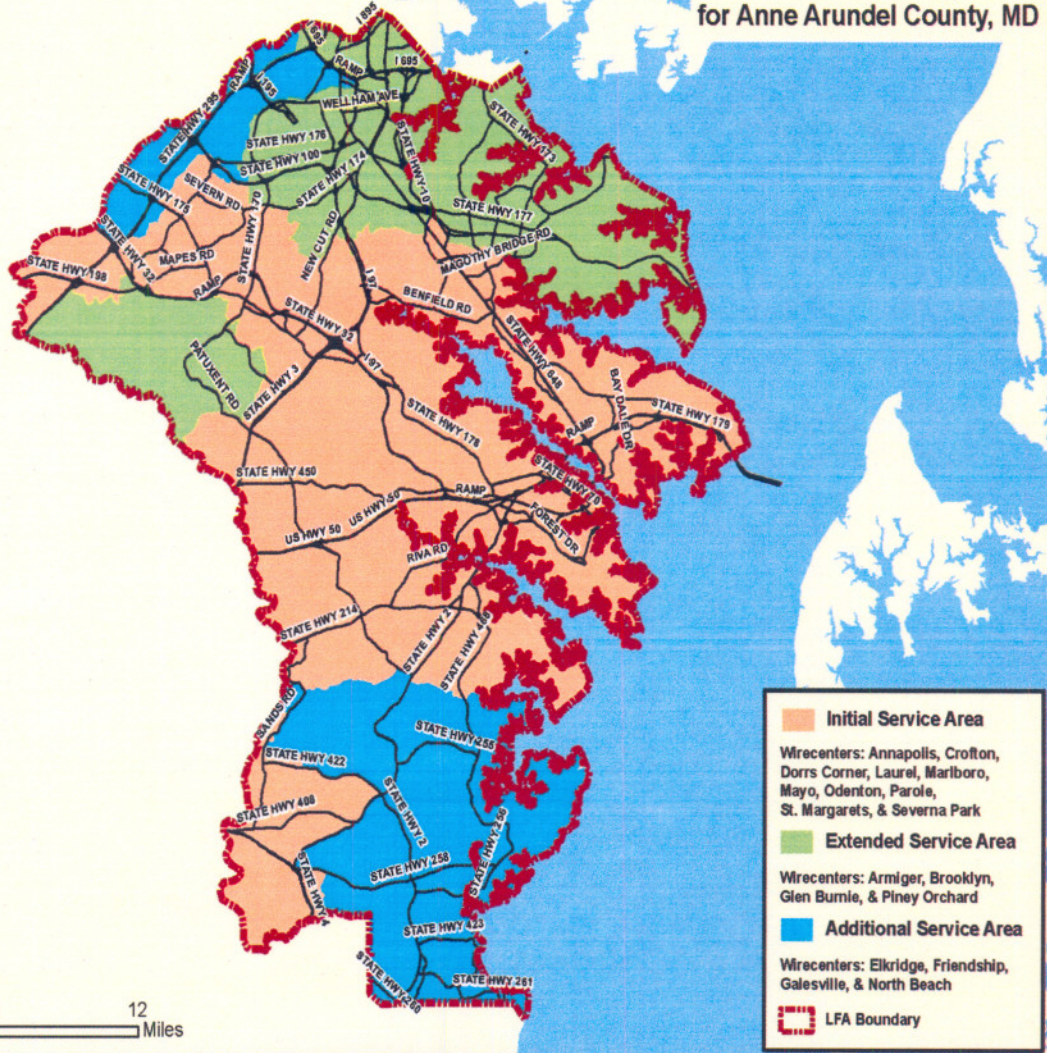
EXHIBIT A

INITIAL SERVICE AREA, EXTENDED SERVICE AREA AND ADDITIONAL SERVICE AREA

The Initial Service Area, the Extended Service Area and the Additional Service Area are shown on the attached map.



Service Area Map for Anne Arundel County, MD

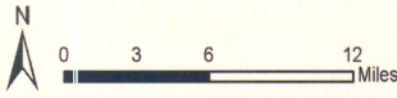


Initial Service Area
Wirecenters: Annapolis, Crofton, Dorrs Corner, Laurel, Marlboro, Mayo, Odenton, Parole, St. Margarets, & Severna Park

Extended Service Area
Wirecenters: Armiger, Brooklyn, Glen Burnie, & Piney Orchard

Additional Service Area
Wirecenters: Elkridge, Friendship, Galesville, & North Beach

LFA Boundary



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EXHIBIT B

LINE EXTENSION POLICY

Where potential Subscribers reside in an area of the Service Area with a dwelling density that does not meet the prescribed minimum density requirements set out in Sub-subsection 3.1.1.1 of the Agreement ("Low Density Area"), Franchisee shall extend service to such potential Subscribers in the Low Density Area under the following conditions:

- (i) The potential Subscribers agree to pay a one-time up-front charge equivalent to Franchisee's cost of extending the System in order to deliver Cable Service to such Subscribers. Franchisee's one-time charge will include all costs required to extend the System, including, but not limited to, total construction, engineering, design, capital and administrative costs ("Extension Costs"); or
- (ii) Potential Subscribers representing $\frac{1}{2}$ of the density requirement, that is, 15 residents in years 1-9 or 10 residents in years 10-15 per proposed cable plant mile as measured in strand footage from the nearest technically feasible point on the active trunk or feeder line, sign agreements to subscribe to Franchisee's Cable Services for 24 months.

1. Criteria for Extensions

The following criteria apply if a potential Subscriber or group of Subscribers residing in the same area request an extension of Franchisee's network and/or facilities to a Low Density Area so that they may subscribe to Franchisee Cable Services:

- a. The potential Subscriber (or collective group of potential Subscribers) must reside in an area where the planned video serving office has already been constructed and the buildout in the area has been completed or the time for the buildout has expired. This provision may be waived at Franchisee's sole discretion, if it should complete its buildout sooner than the Agreement allows;
- b. The potential Subscriber or group of Subscribers agrees to pay the one-time up-front charge for the Extension Costs. Franchisee will promptly provide the estimate of the Extension Costs for the line extension to the potential Subscriber (or the pro-rata cost estimate to each member of a group of potential Subscribers). Franchisee may require each potential Subscriber requesting service to execute an agreement reasonably reflecting such party's responsibility for the Extension Costs;
- c. If sufficient payments are made to cover Franchisee's Extension Costs and all necessary agreements are returned to Franchisee, then Franchisee will proceed to construct the extension and such extension shall become a part of Franchisee's

Service Area in which the density requirement has been satisfied for the provision of Cable Service; and

- d. Notwithstanding the above requirements, Franchisee may deny extension requests where significant technical or legal limitations on Franchisee's ability to satisfy the request make a line extension impracticable or unreasonably expensive.

2. Ownership of Facilities

Franchisee shall own and maintain any and all facilities added, constructed or extended as a result of a request for construction pursuant to this line extension policy.

EXHIBIT C

COUNTY CABLE DROP LOCATIONS

Anne Arundel County Designated Public Building List

Building Name	Building Address	City	Function
Anne Arundel County Community College			
AACC at Arundel Mills (A)	7009 Arundel Mills Circle	Hanover, MD	Classrooms
Arnold Campus/Administration Building	101 College Parkway	Arnold, MD 21012	Administration
Arnold Campus/Cade Center for Fine Arts	101 College Parkway	Arnold, MD 21012	Performance/Classrooms
Arnold Campus/Careers Center	101 College Parkway	Arnold, MD 21012	Classrooms
Arnold Campus/Center for Applied Learning and Technology	101 College Parkway	Arnold, MD 21012	Classrooms
Arnold Campus/Dragn Building	101 College Parkway	Arnold, MD 21012	Classrooms
Arnold Campus/Florestano Building	101 College Parkway	Arnold, MD 21012	Classrooms
Arnold Campus/Pascal Theater	101 College Parkway	Arnold, MD 21012	Classrooms
Arnold Campus/Truxall Library	101 College Parkway	Arnold, MD 21012	Library
Fort Meade Campus	Building 8601, Zimborski Ave	Fort Meade, MD 20755	Classrooms
Glen Burnie Town Center Campus (Arundel Center North)	101 N. Crain Highway	Glen Burnie, MD 21061	Classrooms
Hospitality, Culinary Arts, and Tourism (HCAT) Institute	7438 Governor Ritchie Hwy	Glen Burnie, MD 21061	Classrooms
Sales and Services Training Center at Arundel Mills (A)	7000 Arundel Mills Circle	Arundel Mills, MD	Classrooms
Anne Arundel County Office Buildings			
Glen Burnie Center	7480 Baltimore Annapolis Blvd	Glen Burnie, MD 21061	Government and Public Access Center
Heritage Office Complex - 2660	2660 Riva Road	Annapolis, MD 21041	Government Offices
Heritage Office Complex - 2662	2662 Riva Road	Annapolis, MD 21041	Government Offices
Heritage Office Complex - 2664	2664 Riva Road	Annapolis, MD 21041	Government Offices
Heritage Office Complex - 2666	2666 Riva Road	Annapolis, MD 21041	Government Offices

Building Name	Building Address	City	Function
Arundel Center	44 Calvert Street	Annapolis, MD 21041	County Executive/Council Offices
Public Works Building	1 Harry S. Truman Pkwy	Annapolis, MD 21041	Government Offices
City of Annapolis			
Annapolis City Hall	160 Duke of Gloucester St	Annapolis, MD 21041	City Hall
Anne Arundel County Courts			
County Circuit Court	7 Church Circle	Annapolis, MD 21041	Courthouse
District Court	251 Rowe Boulevard	Annapolis, MD 21041	Courthouse
District Court	7500 Governor Ritchie Hwy	Glen Burnie, MD 21061	Courthouse
Anne Arundel County Department of Aging			
Annapolis Senior Center	1027 Bay Ridge Avenue	Annapolis, MD 21041	Senior Center
Arnold Senior Center	44 Church Road	Arnold, MD 21037	Senior Center
Brooklyn Park Senior Center	202 Hammonds Lane	Baltimore, MD 21225	Senior Center
Historic Bates Building (under renovation)		Annapolis, MD 21041	Senior Center and Residence
O'Malley Senior Center	1275 Odenton Road	Odenton, MD 21113	Senior Center
Pasadena Senior Center	4103 Mountain Road	Pasadena, MD 21122	Senior Center
Pascal Senior Center	125 Dorsey Road	Glen Burnie, MD 21061	Department of Aging Office
South County Senior Center	27 Stepneys Lane	Edgewater, MD 21037	Senior Center
Anne Arundel County Department of Health			
J. Howard Beard Health Services Building	3 Harry S. Truman Parkway	Annapolis, MD 21041	Administrative Offices
North County Health Services Center	791 Aquahart Road	Glen Burnie, MD 21061	Health Services
Anne Arundel County Department of Public Works			
Arnold Water Treatment Plant	1336 Jones Station Road	Arnold, MD	Water Treatment Plant
Central District Road Operations	415 Broadneck Road	Annapolis, MD	Road Maintenance
Central District Roads	1847 Crownsville Road	Crownsville, MD 21032	Road Maintenance
Central District Roads Operations	1427 Ducken Street	Odenton, MD 21113	Road Maintenance
Central Water Facility	437 Maxwell Frye Road	Millersville, MD	SCADA Control

Building Name	Building Address	City	Function
Crofton Meadows Water Treatment Plant	1581 Reidel Road	Crofton, MD	Water Treatment Plant
Dorsey Road Water Treatment Plant	1005 Dorsey Road	Glen Burnie, MD	Water Treatment Plant
Glen Burnie Office Building	7409 B & A Boulevard	Glen Burnie, MD	Vehicle Maintenance Garage
Millersville Landfill Office Building	150 Burns Crossing Street	Severn, MD 21144	Landfill Office
Northern District Roads Operations	100 Dover Road	Glen Burnie, MD	Road Maintenance
Patuxent Treatment Plant	1236 Cronson Boulevard	Crofton, MD	Water Treatment Plant
Anne Arundel County Department of Recreation and Parks			
Downs Memorial	8311 John Downstop	Pasadena, MD 21122	Visitor Center/Park/Meeting Facility
Harman's Park/Joe Cannon Baseball Stadium (A)	7551 Ridge Road	Hanover, MD 21076	Baseball Stadium/Conference Room
Jug Bay Wetland Sanctuary	1361 Wrighton Road	Lothian, MD 20711	Education Programs/Research
Kinder Farm Park	1001 Kinder Farm Park Road	Severna Park, MD 21146	Visitor Center/Park/Meeting Facility
London Town House and Gardens	839 Londontown Road	Edgewater, MD 21037	Historic Site
Mayo Beach Park	4150 Honeysuckle Drive	Mayo, MD 21106	Beach Facility/Training Site
North County Recreation Center	196 Hammonds	Brooklyn Park, MD	Recreation
Northern Maintenance Center (A)	Hanover Road	Glen Burnie, MD	Maintenance
Quiet Waters Park	600 Quiet Waters Road	Annapolis, MD 21043	Park/Conference Center/Training
Anne Arundel County Fire Department			
Annapolis Neck Fire Station	Bay Ridge Road and Arundel on the Bay	Annapolis, MD	Fire Station
Armiger Fire Station	304 Mountain Road	Pasadena, MD 21122	Fire Station
Arnold Fire Station	1505 Ritchie Highway	Arnold, MD 21012	Fire Station
Arundel Fire Station	2380 Davidsonville Road	Gambrills, MD 20154	Fire Station
Avalon Shores Fire Station (A)	6270 Shadyside Road	Shadyside, MD 20764	Fire Station
Brooklyn Park Fire Station	5100 Ritchie Highway	Brooklyn Park, MD	Fire Station
Cape St. Claire Fire Station	1373 Cape Street, Claire Road	Annapolis, MD 21041	Fire Station
Deale Fire Station (A)	6007 Drum Point Road	Deale, MD 20751	Fire Station
Earleigh Heights Fire Station	161 Ritchie Highway	Severna Park, MD	Fire Station
Ferndale Fire Station	4 South Broadview Blvd	Glen Burnie, MD	Fire Station

Building Name	Building Address	City	Function
Fire Department Headquarters	8501 Veterans Highway	Millersville, MD 21108	Fire Department Administration
Fire Department Training Facility	8425 Maxwell Frye Drive	Millersville, MD 21108	Fire Training Facility
Galesville Fire Station (A)	954 Main Street	Galesville, MD 20763	Fire Station
Glen Burnie Central Fire Station	9 Central Avenue	Glen Burnie, MD 21061	Fire Station
Glen Burnie South Fire Station	7880 South Crain Highway	Glen Burnie, MD 21061	Fire Station
Harmans Dorsey Fire Station (A)	1367 Dorsey Road	Hanover, MD 21076	Fire Station
Harwood Lothian Fire Station (A)	6165 Solomon Island Road	Lothian, MD 20711	Fire Station
Herald Harbor Fire Station	398 Hall Road	Crownsville, MD 21032	Fire Station
Jacobsville Fire Station	3725 Mountain Road	Pasadena, MD 21122	Fire Station
Jessup Fire Station	7891 Max Blobs Park Road	Jessup, MD 20794	Fire Station
Jones Fire Station	960 Ritchie Highway	Severna Park, MD 21146	Fire Station
Lake Shore Fire Station	4496 Mountain Road	Pasadena, MD 21122	Fire Station
Linthicum Fire Station (A)	309 South Camp Meade Road	Linthicum, MD	Fire Station
Marley Fire Station	100 Summit Avenue	Glen Burnie, MD 21061	Fire Station
Maryland City Fire Station	3496 Fort Meade Road	Laurel, MD 20724	Fire Station
Odenton Fire Station	1425 Annapolis Road	Odenton, MD 21113	Fire Station
Orchard Beach Fire Station	7549 Solley Road	Pasadena, MD 21122	Fire Station
Riva Fire Station	3123 Riva Road	Annapolis, MD 21140	Fire Station
Riviera Beach Fire Station	8506 Ft. Smallwood Road	Pasadena, MD 21122	Fire Station
Severn Fire Station	7870 Telegraph Road	Severn, MD 21144	Fire Station
Waugh Chapel Fire Station	1300 Waugh Chapel Road	Gambrills, MD 20194	Fire Station
West Annapolis Fire Station	121 Jennifer Road	Annapolis, MD	Fire Station
Woodland Beach Fire Station	529 Londontown Road	Edgewater, MD 21037	Fire Station
Anne Arundel County Office of Detention Facilities			
Detention Center	131 Jennifer Road	Annapolis, MD	Prison
Ordinance Road Correctional Center	600 East Ordinance Road	Glen Burnie, MD 21061	Prison/Health Department
Anne Arundel County Office of Facilities Management			
Combined System Support Complex	8313 Grover Road	Millersville, MD 21108	Management Offices

Building Name	Building Address	City	Function
Horticulture Trailer	3789 Elmer F. Hagner Lane	Davidsonville, MD	Management Offices
Northern District Maintenance Shop	990 Stewart Avenue	Glen Burnie, MD 21061	Management Offices
Whitmore Parking Garage	Across from Arundel Center/Clay & Calvert	Annapolis, MD 21041	Parking Garage
Anne Arundel County Police Department			
Animal Control	411 Maxwell Frye Road	Millersville, MD 21108	Animal Control
Criminal Investigations Building (CID)	Winterode Building	Crownsville, MD 21032	Police Investigation Unit
Eastern District Police Station	3700 Mountain Road	Pasadena, MD 21122	Police Station
Narcotics Section (A)	Dorsey Road	Hanover, MD	Narcotics Investigations
Northern District Police Station	939 Hammonds Lane	Baltimore, MD 21225	Police Station
Police Headquarters	8495 Veterans Highway	Millersville, MD 21108	Police Headquarters
Southern District Police Station	35 Stepneys Lane	Edgewater, MD 21037	Police Station
Training Academy	3737 Elmer F. Hagner Lane	Davidsonville, MD 21035	Training
Western District Police Station	8273 Telegraph Road	Severn, MD 21113	Police Station
Anne Arundel County Public Libraries			
Annapolis Branch	1410 West Street	Annapolis, MD 21041	Library
Broadneck Branch	1275 Green Holly Drive	Annapolis, MD 21041	Library
Brooklyn Park Branch	1 E. 11th Avenue/Ritchie Highway	Baltimore, MD 21225	Library
Crofton Branch	1657 Crofton Centre	Crofton, MD 21114	Library
Eastport-Annapolis Neck Branch	269 Hillsmere Drive	Annapolis, MD	Library
Edgewater Branch	25 Stepneys Lane	Edgewater, MD 21037	Library
Library Headquarters	5 Harry S. Truman Parkway	Annapolis, MD	Library Administrative Offices
Linthicum Branch (A)	400 Shipley Road	Linthicum, MD 21090	Library
Maryland City at Russett Branch	3501 Russett Common	Laurel, MD 20724	Library
Mountain Road Branch	4730 Mountain Road/Long Point Mall	Pasadena, MD 21122	Library
North County Branch	1010 Eastway	Glen Burnie, MD 21060	Library
Provinces Branch	Severn Square Shopping Center	Severn, MD 21144	Library

Building Name	Building Address	City	Function
Riviera Beach Branch	1130 Duvall Highway	Pasadena, MD 21122	Library
Severna Park Branch	45 McKinsey Road	Severna Park, MD 21146	Library
South County Branch (A)	5940 Deale-Churchton Road	Deale, MD 20751	Library
West County Branch	1325 Annapolis Road	Odenton, MD 21113	Library
Anne Arundel County Public Schools/Board of Education			
AACPS Headquarters	2644 Riva Road	Annapolis, MD	Administration, BOE meeting site
Chesapeake Music Hall	1339 Busch's Frontage Road	Annapolis, MD	Performance Hall/Classrooms
Crofton Library Media Services	1657 Crofton Centre	Crofton, MD	Video Collection
Glendale Center	105 Carroll Road	Glen Burnie, MD	Support Services
Maryland Hall	801 Chase Street	Annapolis, MD	Performance Hall/Classrooms
Millersville Student Services	1681 Millersville Road	Millersville, MD	Support Services
Staff Development	2671 Carver Road	Gambrills, MD	Staff Resource Center
Annapolis Elementary	180 Green Street	Annapolis, MD	Elementary School
Arnold Elementary	90 Church Road	Arnold, MD	Elementary School
Belvedere Elementary	360 Broadwater Road @ Mago Vista	Arnold, MD	Elementary School
Belvedere Elementary	365 Lynwood Drive	Arnold, MD	Elementary School
Benfield Elementary	364 Lynwood Drive	Arnold, MD	Elementary School
Bodkin Elementary	9320 Ventnor Road	Pasadena, MD	Elementary School
Broadneck Elementary	470 Shores Acres Road	Arnold, MD	Elementary School
Brock Bridge Elementary	405 Brock Ridge Road	Laurel, MD	Elementary School
Brooklyn Park Middle School	200 14th Avenue	Baltimore, MD	Elementary School
Cape St. Claire Elementary	931 Blue Ridge Road	Annapolis, MD	Elementary School
Central Elementary	130 Stepney Lane	Edgewater, MD	Elementary School
Crofton Elementary	1405 Duke of Kent @ Crofton Pkwy	Crofton, MD	Elementary School
Crofton Meadows Elementary	2020 Tighman Drive	Crofton, MD	Elementary School
Crofton Woods Elementary	1750 Urby Drive	Crofton, MD	Elementary School
Davidsonville Elementary	962 Central Avenue West	Davidsonville, MD	Elementary School
Deale Elementary (A)	759 Mason's Beach Road	Deale, MD	Elementary School

Building Name	Building Address	City	Function
Eastport Elementary	420 Fifth Street	Annapolis, MD	Elementary School
Edgewater Elementary	121 Washington Road	Edgewater, MD	Elementary School
Ferndale Early Childhood Center	105 Packard Avenue @ Hollins Ferry	Glen Burnie, MD	Elementary School
Folger McKinsey Elementary	175 Arundel Beach Road	Pasadena, MD	Elementary School
Fort Smallwood Elementary	1720 Poplar Ridge Road	Pasadena, MD	Elementary School
Four Seasons Elementary	979 Waugh Chapel Road	Gambrills, MD	Elementary School
Freetown Elementary	7904 Freetown Road	Glen Burnie, MD	Elementary School
George Cromwell Elementary	525 Wellham Avenue	Glen Burnie, MD	Elementary School
Georgetown East Elementary	111 Dogwood Road	Annapolis, MD	Elementary School
Germantown Elementary	1411 Cedar Park Road	Annapolis, MD	Elementary School
Glen Burnie Park Elementary	500 Marlboro Road	Glen Burnie, MD	Elementary School
Glendale Elementary	105 Carroll Road	Glen Burnie, MD	Elementary School
Harman Elementary (A)	7660 Ridge Chapel Road	Hanover, MD	Elementary School
High Point Elementary	924 Duvall Highway	Pasadena, MD	Elementary School
Hillsmere Elementary	3052 Arundel on the Bay Road	Annapolis, MD	Elementary School
Hilltop Elementary	415 Melrose Avenue	Glen Burnie, MD	Elementary School
Jacobsville Elementary	3801 Mountain Road	Pasadena, MD	Elementary School
Jessup Elementary (A)	2900 Jessup Road	Jessup, MD	Elementary School
Jones Elementary	122 Hoyle Lane	Severna Park, MD	Elementary School
Lake Shore Elementary	4531 Mountain Road	Pasadena, MD	Elementary School
Linthicum Elementary (A)	101 School Lane	Linthicum Heights, MD	Elementary School
Lothian Elementary (A)	5175 Solomon Islands Road	Lothian, MD	Elementary School
Manor View Elementary	2900 MacArthur Road	Ft. George G Meade, MD	Elementary School
Marley Elementary	201 Marley Station Road	Glen Burnie, MD	Elementary School
Maryland City Elementary	3359 Crumpton South	Laurel, MD	Elementary School
Mayo Elementary	1152 Central Avenue East	Mayo, MD	Elementary School
Meade Heights Elementary	Reece Road	Ft. George G Meade, MD	Elementary School
Millersville Elementary	1601 Millersville Road	Millersville, MD	Elementary School

Building Name	Building Address	City	Function
Mills-Parole Elementary	103 Chinaquapin Round Road	Annapolis, MD	Elementary School
North Glen Elementary	615 Furnace Branch Road	Glen Burnie, MD	Elementary School
Oak Hill Elementary	34 Truckhouse Road	Severna Park, MD	Elementary School
Oakwood Elementary	330 Oak Manor Drive	Glen Burnie, MD	Elementary School
Odenton Elementary	1290 Odenton Road	Odenton, MD	Elementary School
Overlook Elementary	401 Hampton Road	Linthicum, MD	Elementary School
Park Elementary	201 East 11th Avenue	Baltimore, MD	Elementary School
Pasadena Elementary	105 Spruce Avenue	Pasadena, MD	Elementary School
Pershing Hill Elementary	29th Division Road	Ft. George G Meade, MD	Elementary School
Pershing Hill Elementary	7600 29th Division Road	Ft. Meade, MD	Elementary School
Piney Orchard Elementary	2641 Strawberry Lake Way	Odenton, MD	Elementary School
Point Pleasant Avenue	1035 Dumbarton Road	Glen Burnie, MD	Elementary School
Quarterfield Elementary	7967 Quarterfield Road	Severn, MD	Elementary School
Richard Henry Lee Elementary	400 A St SW @ 4th Ave	Glen Burnie, MD	Elementary School
Ridgeway Elementary	1440 Evergreen Road	Severn, MD	Elementary School
Rippling Woods Elementary	530 Nolfield Drive	Glen Burnie, MD	Elementary School
Riviera Beach Elementary	8515 Jenkins Road	Pasadena, MD	Elementary School
Rolling Knolls Elementary	1996 Valley Road	Annapolis, MD	Elementary School
Seven Oaks Elementary	1905 Town Center Blvd	Odenton, MD	Elementary School
Severn Elementary	838 Reece Road	Severn, MD	Elementary School
Severna Park Elementary	6 Riggs Avenue	Severna Park, MD	Elementary School
Shady Side Elementary (A)	4859 Atwell Road @ Snug Harbor Rd	Shadyside, MD	Elementary School
Shipley's Choice Elementary	310 Governor Stone Parkway	Millersville, MD	Elementary School
Solley Elementary	7608 Solley Road	Glen Burnie, MD	Elementary School
Southgate Elementary	290 Shetlands Lane	Glen Burnie, MD	Elementary School
South Shore Elementary	1376 Fairfield Loop Road	Crownsville, MD	Elementary School
Sunset Elementary	8572 Fort Smallwood Road	Pasadena, MD	Elementary School
Tracey's Elementary (A)	20 Deale Road	Tracey's Landing, MD	Elementary School

Building Name	Building Address	City	Function
Tyler Heights Elementary	200 Janwal Street	Annapolis, MD	Elementary School
Van Bokkelen Elementary	1140 Reece Road	Severn, MD	Elementary School
Waugh Chapel Elementary	840 Sunflower Drive	Odenton, MD	Elementary School
West Annapolis Elementary	210 Annapolis Street	Annapolis, MD	Elementary School
West Meade Elementary	7722 Ray Street	Ft. Meade, MD	Elementary School
Windsor Farm Elementary	591 Broadneck Road	Annapolis, MD	Elementary School
Woodside Elementary	160 Funke Road	Glen Burnie, MD	Elementary School
AA County Learning Center	245 Clay Street	Annapolis, MD	Middle School
Annapolis Middle	1399 Forest Drive	Annapolis, MD	Middle School
Arundel Middle	449A Higgins Drive @ Hammonds Lane	Odenton, MD	Middle School
Bates Middle	701 Chase Avenue @ Smith	Annapolis, MD	Middle School
Brooklyn Park Middle School	200 Hammonds Lane	Brooklyn, MD	Middle School
Central Middle	211 Central Avenue East	Edgewater, MD	Middle School
Chesapeake Bay Middle	4804 Mountain Road @ Mt. Carmel	Pasadena, MD	Middle School
Corkran Middle	7600 Quarterfield Road	Glen Burnie, MD	Middle School
Crofton Middle	2301 Davidsonville Road	Crofton, MD	Middle School
George Fox Middle	7922 Outing Avenue Green Haven	Pasadena, MD	Middle School
Lindale Middle (A)	415 Andover Road	Linthicum, MD	Middle School
MacArthur Middle	3033 Rockenbach Road	Ft. Meade, MD	Middle School
MacArthur Middle	3033 Rockenbach Road	Ft. Meade, MD	Middle School
Magothy River Middle	241 Peninsula Farm Road	Arnold, MD	Middle School
Marley Middle	7730 B&A Blvd	Glen Burnie, MD	Middle School
Meade Middle	Clark Road	Ft. George G Meade, MD	Middle School
Meade Middle	1103 26th Street	Ft. Meade, MD	Middle School
Old Mill Middle North	610 Patriot's Lane	Millersville, MD	Middle School
Old Mill Middle South	620 Patriot's Lane	Millersville, MD	Middle School
Severn River Middle	241 Peninsula Farm Road	Arnold, MD	Middle School
Severna Park Middle	401 Jumpers Hole Road	Severna Park, MD	Middle School

Building Name	Building Address	City	Function
Southern Middle (A)	4400 Solomon Islands Road	Harwood, MD	Middle School
Annapolis Senior	2700 Riva Road	Annapolis, MD	Senior High School
Arundel Senior	1001 Annapolis Road	Gambrills, MD	Senior High School
Broadneck Senior	1265 Green Holly Drive	Annapolis, MD	Senior High School
Carrie Weedon Science Center (A)	911 Galesville Road	Galesville, MD	Senior High School
Center of Applied Technology North	800 Stevenson Road	Severn, MD	Senior High School
Center of Applied Technology South	211 Central Avenue East	Edgewater, MD	Senior High School
Chesapeake Senior	4798 Mountain Road	Pasadena, MD	Senior High School
Glen Burnie Senior	7550 Baltimore	Glen Burnie, MD	Senior High School
Meade Senior	Clark Road	Ft. George G Meade, MD	Senior High School
North County Senior	10 E. 1st Avenue	Glen Burnie, MD	Senior High School
Northeast Senior	1121 Duvall Highway	Pasadena, MD	Senior High School
Old Mill Senior	600 Old Mill Road	Millersville, MD	Senior High School
Severna Park Senior	60 Robinson Road	Severna Park, MD	Senior High School
South River Senior	201 Central Avenue East	Edgewater, MD	Senior High School
Southern Senior (A)	4400 Solomon Islands Road	Harwood, MD	Senior High School
Anne Arundel County Department of Social Services			
Annapolis Social Services Center	80 West Street	Annapolis, MD	Offices
Glen Burnie Social Services Center	7500 Ritchie Highway	Glen Burnie, MD	Offices

(A) = Building in Additional Service Area is subject to Additional Service Area provision in Section 3.1.3 of the Agreement

EXHIBIT D

Franchise Bond

Bond No. _____

KNOW ALL MEN BY THESE PRESENTS: That (name & address) (hereinafter called the Principal), and (name and address) (hereinafter called the Surety), a corporation duly organized under the laws of the State of (state), are held and firmly bound unto (name & address) (hereinafter called the Obligee), in the full and just sum of One Hundred Thousand Dollars (\$100,000), 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 dated _____ which is hereby referred to and made a part hereof, and the Franchise Agreement is subject to the "Cable Law" as defined therein.

WHEREAS, said Principal is required to perform certain obligations under said Agreement and the Cable Law.

WHEREAS, the Obligee has agreed to accept this bond as security against default by Principal of performance of its obligations under said Agreement and/or the Cable Law 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, then this obligation shall be void, otherwise to remain in full force and effect, unless otherwise terminated, cancelled or expired as hereinafter provided.

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

1. In the event of default by the Principal, Obligee shall deliver to Surety a written statement of the details of such default not less than 60 days prior to filing a claim notice on this bond, such notice to be delivered by certified mail to address of said Surety as stated herein.

2. This Bond shall be effective _____, 20____, and shall remain in full force and effect thereafter for a period of one year and will automatically extend for additional one year periods from the expiry date hereof, or any future expiration date, unless the Surety provides to the Obligee not less than sixty (60) days advance written notice of its intent not to renew this Bond or unless the Bond is earlier canceled pursuant to the following.
This Bond may be canceled at any time upon sixty (60) days advance written notice from the Surety to the Obligee.
3. Neither cancellation, termination nor refusal by Surety to extend this bond, nor inability of Principal to file a replacement bond or replacement security for its obligations under said Agreement, shall constitute a loss to the Obligee recoverable under this bond.
4. No claim, action, suit or proceeding shall be instituted against this bond unless same be brought or instituted and process served within one year after termination or cancellation of this bond.
5. No right of action shall accrue on this bond for the use of any person, corporation or entity other than the Obligee named herein or the heirs, executors, administrators or successors of the Obligee.
6. The aggregate liability of the surety is limited to the penal sum stated herein regardless of the number of years this bond remains in force or the amount or number of claims brought against this bond.
7. This bond is and shall be construed to be strictly one of suretyship only. If any conflict or inconsistency exists between the Surety's obligations as described in this bond and as may be described in any underlying agreement, permit, document or contract to which this bond is related, then the terms of this bond shall supersede and prevail in all respects.

This bond shall not bind the Surety unless it is accepted by the Obligee by signing below.

IN WITNESS WHEREOF, the above bounded Principal and Surety have hereunto signed and sealed this bond effective this _____ day of _____, 2005.

Principal

Surety

By: _____

By: _____
, Attorney-in-Fact

Accepted by Oblige: _____
(Signature & date above - Print Name, Title below)

EXHIBIT E

LIQUIDATED DAMAGES

Pursuant to Section 11.5, the following monetary obligations shall apply:

1. Failure to maintain insurance.....\$50 per day from time due until cured
2. Failure to maintain a Performance Bond\$50 per day from time of lapse until restored
3. Failure to meet customer service requirements subject to quarterly reportingSee below for the amounts for each quarter in which such standards were not met
4. Violations of Other Consumer Service Standards\$100.00 per day or per occurrence, as applicable
5. Failure to Comply With PEG Access Requirements\$125 per day, in addition to any monetary payment due (subject to interconnection)
6. Failure to Supply Information, Reports, or Filings Lawfully Required\$200 per day
7. Failure to Timely Render Payments Due to The LFA, Including but Not Limited To Franchise Fees or Liquidated Damages (this is not intended to apply to timely good faith payments which may be later determined to have been inaccurately calculated).....\$100 per day, in addition to any monetary payment due
8. Failure to Restore Damaged Property\$50 per day, in addition to the cost of the restoration
9. Violations of FCC Technical Standards\$100 per day

Paragraph 3 – Customer Service Standards Subject to Quarterly Reporting

- (a) For the first calendar quarter in which Franchisee does not meet the prescribed standard (a “noncompliant quarter”), Franchisee will be subject to liquidated damages in the amount of \$1,500.
- (b) For a second consecutive noncompliant quarter, Franchisee shall be subject to liquidated damages in the amount of \$2,000.
- (c) For each consecutive noncompliant quarter beyond the second, Franchisee shall be subject to liquidated damages in the amount of \$4,000.

The amount of all monetary penalties per annum shall not exceed \$20,000 in the aggregate provided, however, that such limitation shall not apply to paragraphs 1, 2 and 3 above and the limitation for paragraph 5 above shall be \$50,000 per annum.

For purposes of liquidated damages under Section 11.5 of the Agreement and of Section 10-2-1102(b) of the Cable Law, all violations or failures from the same factual events affecting multiple subscribers shall be assessed as a single violation or failure, and a violation or failure may only be assessed under any one of the above-referenced categories. For purposes of liquidated damages sanctions, violations or failures shall not be deemed to have occurred or commenced until they are not cured as provided in Section 11.1 of the Agreement and Sections 10-2-1101 and 10-2-1102(b) of the Cable Law. Liquidated damages sanctions and civil penalties under Section 10-2-1102(b) of the Cable Law shall not be imposed for any violations of customer service standards occurring prior to six (6) months after the Service Date.

EXHIBIT F

STATEMENT OF COMPLIANCE

1. I have read and am thoroughly familiar with the policies and procedures of AACT.
2. I am thoroughly familiar with the contents of the program material to be taped and cablecast and agree that it will not contain any of the following:
 - a. Obscene material
 - b. Any lottery, or any advertisement or information concerning any lottery
 - c. Programs containing commercial messages designed to solicit money or other things of value
 - d. Political endorsements
 - e. Programs that contain material that violates local, state, or federal statutes
3. I have obtained all approvals, clearances, licenses, etc. from broadcast stations, networks, sponsors, music licensing organizations, performer's representatives, copyright holders, and without limitation from the foregoing, any and all other approvals as may be necessary to transmit program material over the access channel.
4. I agree to indemnify and hold harmless AACT, Anne Arundel County and all cable operators from and against any claims arising out of the cablecast of the content of the program material that is being furnished for cablecast, including any liability arising from or in connection with the use of production equipment supplied by AACT. I acknowledge that AACT has advised that it is the user's responsibility to provide insurance coverage against such claims or litigation. I hereby authorize AACT, Anne Arundel County and the cable operators to transmit the programming in a manner consistent with their franchise agreements.
5. I shall not use the access channel, equipment or facilities for any financial gain or other commercial purposes. I understand that the programming produced with AACT equipment or facilities must be produced for cablecast on the access channel.
6. I agree to pay the cost of replacement or repair of equipment resulting from damage, negligence, misuse or theft while such equipment is in my possession or control.
7. I agree that I shall not represent myself as an employee, representative or agent of AACT, Anne Arundel County or any cable operator.

Date:

Applicant's Name:

AACT Representative:

Applicant's Address:

Applicant's Signature: