

CABLE FRANCHISE AGREEMENT

BETWEEN THE

COUNTY OF SOMERSET

AND

CHARTER COMMUNICATIONS VI, LLC

TABLE OF CONTENTS

	<u>Page</u>
SECTION 1 DEFINITIONS.....	6
SECTION 2 GRANT OF FRANCHISE AND LENGTH OF TERM	9
2.1 GRANT OF AUTHORITY	9
2.2 TERM OF FRANCHISE.....	10
2.3 NON-EXCLUSIVITY	10
2.4 NO WAIVER OF RIGHTS	10
2.5 FRANCHISE SUBJECT TO FEDERAL, STATE AND LOCAL LAW.....	10
2.6 COMPETITIVE EQUITY	11
SECTION 3 SYSTEM CONSTRUCTION, OPERATION AND MAINTENANCE	11
3.1 TECHNICAL REQUIREMENTS	11
3.2 AREA TO BE SERVED	12
3.3 SERVICE TO MULTIPLE DWELLING UNITS.....	14
3.4 REPAIRS AND RESTORATION	14
3.5 SYSTEM MONITORING	15
3.6 SERVICE AREA MAPS.....	15
3.7 BUILDING MOVES.....	15
3.8 DISCONNECTION AND RELOCATION	15
3.9 EMERGENCY REMOVAL OF EQUIPMENT	16
3.10 TREE TRIMMING.....	16
3.11 SERVICES FOR SUBSCRIBERS WITH DISABILITIES.....	16
3.12 CONTINUITY OF SERVICE	16
SECTION 4 FRANCHISE FEES	17
4.1 FRANCHISE FEES	17
4.2 QUARTERLY PAYMENTS.....	17
4.3 QUARTERLY REPORTS	17
4.4 FRANCHISE FEE AUDITS.....	18

4.5	NO LIMITATION ON TAXING OR FEE AUTHORITY	19
4.6	BUNDLED SERVICES	19
SECTION 5 CABLE SYSTEM SPECIFICATIONS.....		19
5.1	CABLE SYSTEM SPECIFICATIONS	19
5.2	SYSTEM TESTS	19
5.3	EMERGENCY ALERT SYSTEM.....	20
SECTION 6 REGULATION BY THE COUNTY.....		20
6.1	RIGHT TO INSPECT.....	20
6.2	RIGHT TO CONDUCT COMPLIANCE REVIEW	21
6.3	RESERVED AUTHORITY	21
6.4	POLICE POWERS	22
6.5	REPORTING	22
SECTION 7 SERVICES TO COMMUNITY.....		23
7.1	COMPLIMENTARY CABLE SERVICE.....	23
7.2	PUBLIC, EDUCATIONAL AND GOVERNMENTAL (PEG) CHANNEL	23
7.3	ADDITIONAL PEG CHANNEL REQUIREMENTS	24
7.4	PEG GRANT	25
SECTION 8 CUSTOMER SERVICE STANDARDS.....		25
8.1	OFFICE HOURS AND TELEPHONE AVAILABILITY	26
8.2	INSTALLATIONS AND SERVICE CALLS.....	26
8.3	NOTICES.....	27
8.4	BILLING	28
8.5	PRIVACY.....	28
SECTION 9 FRANCHISE VIOLATIONS AND REVOCATION		28
9.1	VIOLATIONS AND OPPORTUNITY TO CURE	28

9.2	LIQUIDATED DAMAGES	29
9.3	REVOCAION	30
9.4	PERFORMANCE BOND	31
SECTION 10	LIABILITY AND INDEMNIFICATION	31
10.1	INDEMNIFICATION.....	31
10.2	INSURANCE	32
SECTION 11	FRANCHISE TRANSFER AND RENEWAL.....	32
11.1	TRANSFER	32
11.2	RENEWAL.....	33
SECTION 12	REMOVAL OF SYSTEM.....	34
12.1	REMOVAL OF SYSTEM	34
SECTION 13	MISCELLANEOUS.....	34
13.1	FORCE MAJEURE	34
13.2	NOTICES.....	35
13.3	CAPTIONS	36
13.4	GOVERNING LAW	36
13.5	ENTIRE AGREEMENT.....	36
13.6	SEVERABILITY	36
13.7	CHANGE OF LAW	36
13.8	COMPLIANCE WITH LAWS	37
13.9	APPLICABILITY OF AGREEMENT.....	37
13.10	NO RECOURSE	37
13.11	THIRD-PARTY BENEFICIARIES	37

Exhibit A – FREE SERVICES LOCATIONS

CABLE FRANCHISE AGREEMENT

This Cable Franchise Agreement (hereinafter referred to as the “Agreement”) is executed as of the ____ day of _____, 2018 (hereinafter referred to as the “Effective Date”) by and between the County of Somerset, Maryland (hereinafter referred to as the “County”) and Charter Communications VI, LLC, doing business as Charter Communications (hereinafter referred to as “Charter”).

WHEREAS, pursuant to the Cable Communications Policy Act of 1984, the Cable Television Consumer Protection and Competition Act of 1992, the Telecommunications Act of 1996 and any future amendments thereto (hereinafter collectively referred to as the “Cable Act”), the regulations of the Federal Communications Commission (hereinafter referred to as the “FCC”) and the laws of the State of Maryland, the County is authorized to grant and renew franchises to construct, operate and maintain a cable system utilizing rights-of-way and properties within the County’s jurisdiction; and

WHEREAS, Charter currently holds a cable franchise from the County with an effective date of February 26, 2005; and

WHEREAS, Charter has requested that the County renew Charter’s franchise to construct, operate, and maintain its cable system over, under and along the aforesaid rights-of-way for use by the County’s residents; and

WHEREAS, the aforesaid rights-of-way used by Charter are public properties acquired and maintained by the County and held in trust on behalf of the citizens of the County, and the right to use said rights-of-way is a valuable property right; and

WHEREAS, the County performed a cable ascertainment review, including reviewing the cable operator’s past performance pursuant to the current cable franchise and identifying the County’s future cable-related community needs; and

WHEREAS, the County has determined that Charter has the financial, legal and technical ability to provide cable services to subscribers located in the County; and

WHEREAS, the County has determined that this Agreement as well as the process for consideration of this Agreement comply with all applicable federal, state and local laws and regulations; and

WHEREAS, the County, after affording the public notice and opportunity for comment, has determined that the public interest would be served by renewing Charter’s franchise according to the terms and conditions contained herein

NOW THEREFORE, in consideration of the mutual promises contained herein and intending to be legally bound hereby, the County and Charter agree as follows:

SECTION 1 DEFINITIONS

The following terms used in this Franchise shall have the following meanings. For terms derived from the Cable Communications Policy Act (the “Cable Act”), if the Cable Act is amended, such terms shall be construed in accordance with the amended terms of the Cable Act.

- (a) Affiliated Entity - Any person(s) and/or entity(ies) who owns or controls, is owned or controlled by, or is under common ownership or control with Charter but does not include affiliated entities that are not involved with the use, management, operation, construction, repair and/or maintenance of the Cable System.
- (b) Basic Service – That service tier which shall include at least the retransmission of local broadcast television signals and to the extent required by applicable law, any educational and/or governmental access channels.
- (c) Broadcast – Over-the-air transmission by a television station.
- (d) Cable Service – The one-way transmission to Subscribers of Video Programming or other Programming service and Subscriber interaction, if any, which is required for the selection or use of such Video Programming or other Programming service.
- (e) Cable System – A facility, consisting of a set of closed transmission paths and associated signal generation, reception, and control equipment that is designed to provide Cable Service which includes video programming and which is provided to multiple Subscribers within the County, but such term does not include (A) a facility that serves only to retransmit the television signals of one or more television broadcast stations; (B) a facility that serves Subscribers without using any public Rights-of-Way; (C) a facility of a common carrier which is subject, in whole or in part, to the provisions of Title II of the Communications Act, except that such facility shall be considered a Cable System (other than for purposes of Section 621 of the Cable Act) to the extent that facility is used in the transmission

of video programming directly to Subscribers unless the extent of that use is solely to provide interactive on-demand services; (D) an open video system that complies with Section 653 of the Cable Act; or (E) any facilities of any electric utility used solely for operating its electric utility systems.

(f) Channel – A portion of the electromagnetic frequency spectrum which is used in a Cable System and which is capable of delivering a television channel.

(g) Complaint - Any written (including electronic) communication by a Subscriber expressing dissatisfaction with Charter's operation of its Cable System to provide Cable Service that is within Charter's control and requires a corrective measure on the part of Charter.

(h) Drop - The connection between a home or building and the Cable System.

(i) Effective Date – of this Agreement is _____.

(j) Emergency - A condition that either (1) constitutes a clear and immediate danger to the health, welfare, or safety of the public; or (2) has caused or is likely to cause the Cable System in the Rights-of-Way to be unusable and result in loss of the services provided.

(k) FCC – Federal Communications Commission.

(l) Franchise - The right granted by the County to construct, operate and maintain a Cable System in the Right of Way within the County as embodied in the terms and conditions of this Agreement.

(m) Franchise Area - The geographic boundaries of the County, and shall include any additions thereto by annexation or other legal means.

(n) Franchise Fee - The fee that Charter remits to the County for the use of the County's Rights-of-Way pursuant to Section 622 of the Cable Act, 47 U.S.C. §542, and Section 6.1 of this Agreement.

(o) Gross Revenues - All revenue received by Charter, or its Affiliated Entities, arising from, attributable to, or in any way derived from the operation of Charter's Cable System in the County to provide Cable Services as calculated in accordance with Generally Accepted Accounting Principles ("GAAP"). Gross revenues shall include, but are not limited to, the following:

1. Basic Service fees;
2. Fees charged to Subscribers for any Cable Service tier other than Basic Service;

3. Fees charged for premium Cable Services;
4. Fees charged to Subscribers for any optional, per-channel, or per-program Cable Services;
5. Fees charged for video-on-demand;
6. Revenue from the provision of any other Cable Service;
7. Fees for service calls;
8. Fees for installation, additional outlets, relocation, disconnection, and reconnection for Cable Services
9. Change-in-service fees for video programming;
10. Service plan protection fees related to Cable Service;
11. Fees for payments made to customer service representatives directly;
12. Fees for Leased Access Channels;
13. Rental of any and all Cable Services equipment, including converters and remote control devices;
14. Any and all locally-derived advertising revenues less commissions paid to third parties that are not Affiliated Entities;
15. Revenues or commissions from locally-derived home shopping channels;
16. Broadcast and/or Sports programming fees;
17. Late payment fees related to Cable Service; and
18. Franchise Fees.

Gross Revenues shall not include bad debts, program launch fees, investment income, refunded deposits, revenue from annexations prior to notice and implementation pursuant to Section 3.2(e), any taxes or fees on services furnished by Charter and imposed directly upon any Subscriber or user by the County, state, federal or other governmental unit, and any PEG fees recovered from Subscribers.

(p) Leased Access Channel – Any channel on Charter’s Cable System designated for use by any entity that is unaffiliated with Charter pursuant to Section 612 of the Cable Act, 47 U.S.C. §532.

(q) 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.

(r) Normal Operating Conditions - Business conditions within Charter’s service department which are within the control of Charter. Those conditions that are not within the control of Charter include, but are not limited to, natural disasters, civil

disturbances, severe or unusual weather conditions or other conditions of Force Majeure.

(s) Outlet – An interior receptacle that connects a television set or converter box to the Cable System.

(t) Programming - Any video programming signal carried over the Cable System that is provided by, or generally considered comparable to programming provided by, a television broadcast station.

(u) Public, Educational and Governmental (PEG) Channel – An access channel in which the programming is non-commercial and public, educational and/or governmental in nature.

(v) Public Buildings - Shall mean the County buildings identified in Exhibit A hereto.

(w) Rights-of-Way - The surface and the area across, in, over, along, under and upon the public streets, roads, lanes, avenues, alleys, sidewalks, bridges, highways and other rights-of-way, public utility easements, dedicated utility strips, or rights-of-way dedicated for compatible uses as the same now or may thereafter exist, which are under the jurisdiction of the County.

(x) Service Interruption - The loss of picture or sound on one (1) or more channels.

(y) Subscriber - Any Person who is billed for and authorized to receive Cable Service from the Company.

SECTION 2

GRANT OF FRANCHISE AND LENGTH OF TERM

2.1 GRANT OF AUTHORITY

Pursuant to the Cable Act, the regulations of the FCC and Maryland law, the County hereby grants a non-exclusive and revocable Franchise to Charter, authorizing and permitting Charter to, construct, extend, install, operate, maintain, upgrade and rebuild a Cable System, including such wires, cables, fiber, conductors, ducts, conduits, amplifiers, pedestals, attachments and other property and equipment as are necessary and appropriate to the operation of the Cable System in the Rights-of-Way to provide Cable Service. Nothing in this Franchise shall be construed to prohibit Charter from offering any service over its Cable System that is not prohibited by federal or State law.

Notwithstanding this authority, Charter shall obtain all necessary generally applicable government permits for occupying or disturbing any public places and/or Rights-of-Way, which permits shall not be unreasonably delayed or denied. Prior to obtaining such permits, Charter shall provide the County with all reasonable information and documentation that the County requires of all users of the Rights of Way. No privilege or power of eminent domain is bestowed by this grant or by this Agreement. Charter shall not be required to obtain permits for Cable Service drops for individual Subscribers or for servicing or installation of pedestals or routine maintenance that does not disturb Rights-of-Way surface grade or impact vehicular traffic. Subject to applicable law, Charter shall pay any and all required permit fees.

2.2 TERM OF FRANCHISE

The term of this Agreement shall be for a period of ten (10) years commencing on the date of acceptance of this Agreement by Charter (“Effective Date”) and expiring on _____, unless the franchise is terminated prior to the expiration date in accordance with the terms and conditions of this Agreement

2.3 NON-EXCLUSIVITY

This Franchise granted to Charter shall be non-exclusive. Nothing in this Agreement shall affect the right of the County to grant other Franchises to construct, operate or maintain a Cable System or for any other purpose.

2.4 NO WAIVER OF RIGHTS

No course of dealing between the County and Charter, nor any delay on the part of any party in exercising any rights hereunder, shall operate as a waiver of any such rights or acquiescence in the actions any party in contravention of such rights, except to the extent expressly waived by such party.

2.5 FRANCHISE SUBJECT TO FEDERAL, STATE AND LOCAL LAW

This Franchise is subject to and shall be governed by all lawful and applicable provisions of federal, state and generally applicable local laws and regulations. Without waiving any of its powers, the County agrees that, to the extent any terms of this Agreement are inconsistent with the terms of any County ordinances or regulations, except for any generally applicable ordinances or regulations pursuant to the County's police powers, this Franchise Agreement shall control.

2.6 COMPETITIVE EQUITY

- (a) Charter acknowledges and agrees that the County reserves the right to grant one or more additional Franchises to construct, operate, and maintain a Cable System within the County, subject to this Section 2.6.
- (b) If the County grants a subsequent Franchise that, when taken as a whole upon consideration of all of its material obligations, is more favorable or less burdensome to the subsequent franchisee than this Agreement is to Charter, then Charter may request an amendment to this Agreement to provide Charter with competitive equity. If, when taken as a whole upon consideration of all of its material obligations, the subsequent Franchise is more favorable or less burdensome, then the parties agree to amend this Agreement to provide Charter with such competitive equity.
- (c) In the event an application for a new Franchise is submitted to the County by another entity proposing to provide Cable Service within the County, then the County shall notify Charter in writing of the submission of the application.

SECTION 3 SYSTEM CONSTRUCTION, OPERATION AND MAINTENANCE

3.1 TECHNICAL REQUIREMENTS

- (a) Charter's Cable System shall provide or offer Cable Services to all Subscribers throughout the County, subject to Section 3.2. The Cable Service provided by the Cable System shall be delivered in accordance with applicable FCC standards and the Cable Act. The Cable System shall meet or exceed applicable technical performance standards of the FCC, the National Electrical Safety Code (NESC), the National Electric Code (NEC) and any other applicable federal laws and regulations and the laws, ordinances and construction standards of the State of Maryland and the generally applicable laws, ordinances and construction standards of the County, subject to Section 2.5 of this Agreement.
- (b) The Cable System shall be designed and maintained to have proper clearances between its facilities and the ground as well as between the cable lines and the equipment and facilities owned by other entities. These clearances shall be maintained throughout the entire system in accordance with the NESC and NEC. Pedestals that contain Cable System equipment, including but not limited to, amplifiers, splitters, taps, and distribution and drop cables, shall be properly secured in accordance with applicable law and regulations. All power supply

boxes and service boxes must remain secured in accordance with applicable law and regulations.

(c) Charter shall provide adequate standby power at the Cable System headend and on its Cable System to the extent consistent with Charter's normal operating standards. Stand-by power must activate automatically upon the failure of commercial utility power.

3.2 AREA TO BE SERVED

(a) Charter shall continue to provide Cable Service to all residences within the County where Charter currently provides Cable Service. Charter shall extend the Cable System into any other portion of the Franchise Area, including annexed areas, subject to subsection (e) below. Subject to the density requirements set forth below, Charter shall extend service to every residential dwelling unit within the County occupied by a person requesting Cable Service provided that Charter is able to obtain from the property owners any necessary easements and/or permits in accordance with Section 621(a)(2) of the Cable Act. Charter shall extend the Cable System into all areas within the County where the minimum density is at least twenty (20) occupied dwelling units per linear mile of aerial cable and is within one (1) mile as measured from Charter's closest technologically feasible tie-in point as of the date of such request for service. For purposes of this section, a home shall only be counted as a "dwelling unit" if such home is within four hundred (400) feet of the public Rights-of-Way.

(b) For any dwelling unit in excess of one hundred twenty-five (125) feet aerial distance, from the main distribution line, or that requires an underground installation from the Rights of Way, Charter may require the Subscriber to pay Charter's actual cost of preparation and installation for the distance in excess of one hundred twenty-five (125) feet.

(c) In areas where Charter provides Cable Service in accordance with the terms of Franchise, the County has the authority to require Charter to place wires and/or equipment underground in any new developments, provided that the County imposes such requirement on all entities. All installations of wires and/or equipment by Charter shall be underground in those areas of the County where the wires and/or equipment of all entities are underground; provided, however, that such underground locations are capable of accommodating Charter's facilities without technical degradation of the Cable System's signal quality. Charter shall not be required to construct, operate, or maintain underground any ground-mounted appurtenances such as Subscriber taps, line extenders, system passive devices, amplifiers, power supplies, or pedestals. In the event that public or private funds are made available to pay for such project, the County shall reimburse

Charter to the same extent that it reimburses other entities that are required to place their wires and/or equipment underground. In the event that Charter is required to place existing aerial plant underground, Charter reserves its right to pass those costs through to Subscribers if and to the extent allowed by applicable law.

(d) In cases of new construction or property development where utilities are to be placed underground, the County agrees to require as a condition of issuing a permit for open trenching to any developer or property owner that such developer or property owner give Charter at least thirty (30) days prior written notice of such construction or development, and of the particular dates on which open trenching will be available for Charter's installation of conduit, pedestals and/or vaults, and laterals to be provided at Charter's expense. Charter shall also provide specifications as needed for trenching. Costs of trenching and easements required to bring service to the development shall be borne by the developer or property owner; except that if Charter fails to install its conduit, pedestals and/or vaults, and laterals within five (5) working days of the date the trenches are available, as designated in the written notice given by the developer or property owner, then should the trenches be closed after the five (5) day period, the cost of new trenching is to be borne by Charter.

(e) The County shall provide written notice to Charter of its annexation of any territory which is being provided Cable Service by Charter or its Affiliated Entities. Such annexed area will be subject to the provisions of this Agreement upon sixty (60) days' written notice from the County, subject to the conditions set forth below and in subsection (a) above. The County shall also notify Charter in writing of all new street address assignments or changes within the County. Charter shall, within ninety (90) days after receipt of the annexation notice, begin collecting the County Franchise Fees on revenue received from the operation of the Cable System to provide Cable Services in any area annexed by the County if the County has provided a written annexation notice that includes the addresses that will be moved into the Franchise Area in an Excel format or mutually agreed upon format that will allow Charter to change its billing system. Once Charter has begun collecting Franchise Fees for an annexed area as set forth in this Section, Charter shall pay Franchise Fees on the annexed area with the next Franchise Fee payment made pursuant to Section 4.2 and thereafter for the remaining term of the Franchise. All notices due under this Section shall be sent by certified mail, return receipt requested to the addresses set forth in Section 13.2, with a copy to the Director of Government Affairs. In any audit of Franchise Fees due under this Agreement, Charter shall not be liable for Franchise Fees on annexed areas unless and until Charter has received notification and information that meets the standards set forth in this Section.

3.3 SERVICE TO MULTIPLE DWELLING UNITS

Charter and the County hereto acknowledge and agree that installation and provision of Cable Service to multiple dwelling units (MDU's) are subject to a separate negotiation between the landlord, owner or governing body of any such MDU and Charter, which negotiations shall, when applicable, be conducted in accordance with the procedures set forth in the Communications Act of 1934, as amended and applicable FCC regulations.

3.4 REPAIRS AND RESTORATION

(a) Whenever Charter or any of its agents, including any subcontractor, takes up or disturbs any pavement, sidewalk or other improvement of any Rights-of-Way, the same shall be replaced and the surface restored in as reasonably good condition as before the disturbance within ten (10) business days of the completion of the disturbance, weather permitting. Upon failure of Charter to comply within the time specified and the County having notified Charter in writing of the restoration and repairs required, the County may cause proper restoration and repairs to be made and the expense of such work shall be paid by Charter upon demand by the County.

(b) Whenever Charter or any agent, including any subcontractor, shall install, operate or maintain equipment, cable, or wires, it shall avoid damage and injury to property, including structures, improvements and trees in and along the routes authorized by the County except as may be approved by the County. If required for the proper installation, operation and maintenance of such equipment, cable, or wires Charter shall promptly repair and restore any public property that is damaged as a result of construction, installation, repair or maintenance of the Cable System within ten (10) business days, weather permitting.

(c) Charter's operating, construction, repair and maintenance personnel, including all agents and subcontractors, shall be trained in the use of all equipment and the safe operation of vehicles. Charter's operation, construction, repair and maintenance personnel shall follow all safety procedures required by all applicable federal, state and generally applicable local laws and regulations, including the NEC and NESC. Charter shall install and maintain its wires, cables, fixtures, and other equipment in such a manner as shall not interfere with any installations of the County or any public utility serving the County.

3.5 SYSTEM MONITORING

Charter shall be capable of monitoring the system using continually active and monitored, status monitoring of system powering, technical parameters and outages.

3.6 SERVICE AREA MAPS

Upon written request, Charter shall make available for inspection by the County at a mutually convenient location a complete set of Charter service area strand maps of the Franchise Area, on which will be shown those areas in which its facilities exist and the location of all streets. If the County requests to inspect the service area strand maps in electronic format, Charter shall provide the County with such maps in electronic format if available. The maps shall designate where the cable wires and other equipment are aerial and where they are underground. Charter shall permit the County to review maps within thirty (30) days after any written request by the County and after execution of an appropriate non-disclosure agreement in a timely fashion. All information provided shall be exclusive of Subscriber drops.

3.7 BUILDING MOVES

In accordance with applicable laws, Charter shall, upon the request of any person holding a building moving permit issued by the County, temporarily raise or lower its wires to permit the moving of the building, subject to payment in advance of all applicable costs. Charter shall be given at least thirty (30) days' advance notice to arrange for such temporary wire changes.

3.8 DISCONNECTION AND RELOCATION

(a) Charter shall, at no cost to the County, protect, support, temporarily disconnect, relocate in the same Rights-of-Way, or remove from any other Rights-of-Way, any of its property as required by the County or its designee by reason of traffic conditions, public safety, street construction, change or establishment of street grade, sight distance visibility, the construction of any public improvement or structure, or any other reason related to public health, safety, and welfare.

(b) In requiring Charter to protect, support, temporarily disconnect, relocate or remove any portion of its property, the County shall treat Charter the same as, and require no more of Charter, than any other similarly situated entity, including but not limited to, telephone, power and water. Charter shall have the right to seek reimbursement under any applicable insurance or government program for reimbursement.

3.9 EMERGENCY REMOVAL OF EQUIPMENT

(a) If, at any time, in case of fire or other disaster in the Franchise Area, it shall be necessary, in the reasonable judgment of the County or its agent, to cut or move any of the wires, cable or equipment of the Cable System, the County shall have the right to do so without cost or liability, provided that, wherever possible, the County shall give Charter notice and the ability to relocate wires, cable or other equipment.

(b) In cutting or moving any of the wires, cable or equipment of the Cable System in the event of fire or other disaster, the County shall treat Charter the same as, and require no more of Charter than, any other similarly situated entity. Charter shall have the right to seek reimbursement under any applicable insurance or government program for reimbursement.

3.10 TREE TRIMMING

Charter, or its agents, including subcontractors, shall have the authority to trim trees upon and overhanging the Rights-of-Way so as to prevent the branches of such trees from coming in contact with the wires, cables, or other equipment of Charter and, except for incidental trimming done by Charter employees in the course of performing their other duties, shall make good faith efforts to notify the County prior to engaging in any such activity.

3.11 SERVICES FOR SUBSCRIBERS WITH DISABILITIES

Charter shall comply with all applicable federal regulations, which ensure the provision of Cable Services and related equipment are accessible to and usable by persons with disabilities, if readily achievable.

3.12 CONTINUITY OF SERVICE

Subscribers shall continue to receive Cable Service from Charter provided their financial and other obligations to Charter are honored. Subject to Force Majeure provisions in Section 13.1 of this Agreement, Charter shall use its best efforts to ensure that all Subscribers receive continuous, uninterrupted Cable Service. For the purpose of construction, routine repairing or testing of the Cable System, Charter shall use its best efforts to interrupt Cable Service only during periods of minimum use. Such periods shall, where reasonably practicable, be scheduled from midnight to 6 a.m., unless in the case of an Emergency.

SECTION 4
FRANCHISE FEES

4.1 FRANCHISE FEES

Charter shall pay to the County an amount equal to five percent (5%) of the Gross Revenues. Charter shall not deduct or otherwise credit against the Franchise Fee any tax, fee or assessment of general applicability. Franchise Fees may be passed through to Subscribers as a line item on Subscriber bills or otherwise as Charter chooses, consistent with federal law. The County may amend the Franchise Fee upon ninety (90) days' written notice to Charter provided that the Franchise Fee may not exceed the maximum percentage permitted by law. A copy of the Resolution or Ordinance authorizing the Franchise Fee rate adjustment by the County shall accompany such written notice. Such amendment to the Franchise Fee may occur no more than two (2) times during the term of the Franchise. In the event any other cable franchise provides for a lesser franchise fee than this Franchise, Charter's obligation to pay a Franchise Fee under this Section 4.1 shall be reduced to an equivalent amount.

4.2 QUARTERLY PAYMENTS

Franchise Fee payments to the County under this provision shall be computed at the end of each calendar quarter and shall be due and payable within forty-five (45) days after the end of each calendar quarter. Specifically, payments shall be due and payable on or before May 15th (for the first quarter), August 15th (for the second quarter), November 15th (for the third quarter), and February 15th (for the fourth quarter). Upon request and if mutually agreeable, Charter shall deposit the Franchise Fee payments electronically into an account as designated by the County. In the event that any Franchise Fee payment is not made on or before the date by which it is due, then interest shall be added at the annual rate of prime as published in the Wall Street Journal plus two percent (2%) of the amount of Franchise Fee revenue due to the County. The interest rate shall be applied as described from the date such Franchise Fee payment was originally due. No acceptance of any payment shall be construed as an accord that the amount paid is in fact the correct amount, nor shall acceptance of any payment be construed as a release of any claim the County may have for additional sums payable under this Agreement.

4.3 QUARTERLY REPORTS

Within ten (10) days of each Franchise Fee payment described in Section 4.2 above, a statement of Franchise Fee payments, reflecting the Gross Revenues and the applicable charges in connection with the operation of Charter's Cable

System and a brief description showing the basis for computation of fees. Upon request, Charter shall provide a more detailed report containing line items for sources of revenue received and the amount of revenue received from each source.

4.4 FRANCHISE FEE AUDITS

(a) Not more than once every three (3) years, the County shall have the right to conduct a Franchise Fee audit or review of Charter's records reasonably related to the sources, amounts and computation of Gross Revenues. Any such Franchise Fee audit or review shall occur within forty-eight (48) months from the date the County receives such payment, after which period any such payment shall be considered final. Within thirty (30) days of a written request, Charter shall provide the County with copies of financial records related to the Franchise Fee audit or review.

(b) In the event of an alleged underpayment, the County shall provide Charter with a written statement indicating the basis for the alleged underpayment. Charter shall have thirty (30) days from the receipt of the statement regarding an alleged underpayment to provide the County with any written objection to the results of the Franchise Fee audit or review, including any substantiating documentation. Based on this exchange of information, the County shall make a final determination of the underpayment(s), if any, within thirty (30) days of Charter's objection and shall provide Charter with written notice of the determination.

(c) Any Franchise Fee payment due to the County as a result of the Franchise Fee audit or review shall be paid to the County by Charter within forty-five (45) days from the date the County notifies Charter of its final determination, or if the matter is submitted to mediation, arbitration, or litigation, within forty-five (45) days from the final disposition of such action. If Franchise Fees have been underpaid by five percent (5%) or more, then, subject to applicable law, Charter shall also pay up to three thousand (\$3,000) dollars in documented out-of-pocket costs of the Franchise Fee audit or review. If any undisputed Franchise Fee underpayment is not made on or before the dates specified herein, Charter shall pay an interest charge, computed from the day in which payment was due, at the annual rate of two (2%) percent over the prime interest rate published in the Wall Street Journal.

(d) Any entity employed by the County that performs a Franchise Fee audit or Franchise Fee review shall not be permitted to be compensated on a success based formula, e.g., payment based on underpayment of fees, if any.

4.5 NO LIMITATION ON TAXING OR FEE AUTHORITY

Nothing in this Section or in this Agreement shall be construed to limit the authority of the County to impose any tax, fee or assessment of general applicability. Such taxes, fees or assessments shall be in addition to Franchise Fees.

4.6 BUNDLED SERVICES

If Cable Services subject to the Franchise Fee required under this Section are provided to Subscribers in conjunction with non-Cable Services for a single aggregate price, the Franchise Fee shall be applied to the portion of the aggregate price attributed to Cable Services. It shall be the obligation of Charter to maintain its books and attribute the revenues to Cable Services consistent with GAAP and Charter shall not make such attribution to avoid Franchise Fees.

SECTION 5 **CABLE SYSTEM SPECIFICATIONS**

5.1 CABLE SYSTEM SPECIFICATIONS

As of the Effective Date of this Agreement, the Cable System has been upgraded to 860 MHz with a capability of no fewer than one hundred fifty (150) video Channels in both high definition (HD) and standard definition (SD). The Cable System shall be capable of transmitting digital television services and signals and shall meet or exceed the technical performance standards of the FCC.

5.2 SYSTEM TESTS

- (a) Charter shall be responsible for ensuring that its Cable System is designed, installed and operated in a manner that fully complies with applicable FCC technical standards, Subpart K, 47 C.F.R. §§ 76.601-76.617, as amended.
- (b) Pursuant to current and future applicable FCC technical standards, Charter shall conduct and document complete performance tests of its Cable System.
- (c) Charter shall maintain performance test records on file for a period of two (2) years. Such records shall be made available to authorized representatives of the County upon thirty (30) days' written request.
- (d) The rights and obligations of the County and Charter under this Section shall at all times be subject to applicable federal law and FCC regulation.

5.3 EMERGENCY ALERT SYSTEM

Charter shall comply with all emergency or disaster notification requirements in accordance with the Emergency Alert System (“EAS”) requirements of the FCC contained in 47 C.F.R. Part 11 or systems required by the FCC in the future.

SECTION 6 **REGULATION BY THE COUNTY**

6.1 RIGHT TO INSPECT

(a) Upon thirty (30) days’ written request to Charter and during Normal Business Hours, the County may inspect all documents, records and other pertinent information maintained by Charter which relate to the provision of Cable Services to verify compliance with the terms and conditions of this Agreement and applicable law.

(b) In addition, Charter shall maintain for inspection by the public and the County all records required by the FCC and as specified in 47 C.F.R. § 76.305 in the manner specified therein.

(c) Upon thirty (30) days’ written request to Charter, the County may inspect the Cable System at any time to ensure compliance with this Agreement and applicable law, including to ensure that the Cable System is constructed and maintained in a safe condition. The County maintains the right to inspect facilities and infrastructure within the Rights-of-Way at any time without prior notification to Charter.

(d) Notwithstanding anything to the contrary set forth herein, all information specifically marked by Charter as proprietary or confidential in nature and furnished to the County or its designated representatives shall be treated as confidential by the County so long as it is permitted to do so under applicable law. Information cannot be deemed as confidential if: the information was previously known to the County without obligation of confidentiality; is obtained by the County from a third party lawfully in possession of such information and which is not in violation of any contractual or legal obligation to Charter with respect to such information; is or becomes part of a public record or the public domain through no fault of either the County or any of its employees, subcontractors, or agents.

(e) Representatives and/or agents and/or designees of the County may be requested to execute a non-disclosure agreement prior to the provision by Charter of certain confidential information, provided such representatives and/or agents

are permitted to do so under applicable law. The County and its officially designated representatives agree in advance to treat any such information or records which Charter reasonably deems would provide an unfair advantage for Charter's competitors (e.g. system design maps, engineering plans, programming contracts, etc.) as confidential so long as permitted to do so under applicable law and only to disclose it to County employees, agents, or representatives who have a need to know or in order to enforce the provisions of this Agreement.

(f) In the event a request is made by an individual or entity not an employee, agent or representative of the County acting in their official capacity for information related to the franchise and marked by Charter as confidential and/or proprietary, the County shall notify Charter of such request at a time prior to any such disclosure that affords Charter a reasonable opportunity to take such action as it deems necessary to prevent such disclosure, including seeking relief in court. Charter shall not be required to provide Subscriber information in violation of Section 631 of the Cable Act, or information which is not relevant to regulation of this Agreement (i.e., employee files, tax returns, etc.)

6.2 RIGHT TO CONDUCT COMPLIANCE REVIEW

Not more than once every three (3) years during the term of this Agreement, the County or its representatives may conduct a full compliance review with respect to whether Charter has complied with the material terms and conditions of this Agreement so long as it provides Charter with thirty (30) days' written notice in advance of the commencement of any such review or public hearing. Such notice shall specifically reference the section(s) or subsection(s) of the Agreement that is (are) under review, so that Charter may organize the necessary records and documents for appropriate review by the County. Within thirty (30) days of a written request, Charter shall provide the County with copies of records and documents associated with the operation of the Cable System to provide Cable Services in the County and reasonably related to the cable compliance review. The period for any such review shall be for not more than forty-eight (48) months immediately previous to the notice. The County shall promptly inform Charter of any non-compliance issues that result from the compliance review in accordance with this Agreement.

6.3 RESERVED AUTHORITY

Each party reserves any and all rights arising from the Cable Act and any other applicable federal or state laws or regulations. Nothing in this Agreement shall remove, restrict or reduce the County's authority, rights and privileges it now holds, or which hereafter may be conferred upon it, including any right to exercise its police powers in the regulation and control of the use of the Rights-of-Way,

subject to Section 6.3.

6.4 POLICE POWERS

Charter's rights under this Agreement are subject to the police powers of the County to adopt and enforce generally applicable laws and regulations necessary for the safety and welfare of the public, provided such regulations are reasonable, are not materially in conflict with the privileges granted in this Agreement and are consistent with all federal and state laws, rules, regulations and orders.

6.5 REPORTING

In addition to the other reporting requirements contained in this Agreement, Charter shall provide the following reports to the County upon written request:

(a) Subscriber Complaint Reports

Within thirty (30) days of a written request, if there have been multiple Complaints by Subscribers to the County, Charter shall submit to the County a report showing the number of Complaints that required a work order and/or service call, originating from the County and received during the previous 12-month reporting period, the dates they were received, summary descriptions of the Complaints, the dates the Complaints were resolved and summary descriptions of the resolutions.

(b) Annual Financial Reports

Within thirty (30) days of a written request, Charter shall submit to the County its current financial statement, including a statement of income, balance sheet and a statement of sources and applications of funds which shall be verified by Charter's Chief Financial Officer in accordance with Generally Accepted Accounting Principles. Submission by Charter of the most recent U.S. Securities and Exchange Commission Annual Report Form 10-K prepared by Charter Communications, Inc. or any other Affiliated Entity shall be deemed as satisfactory compliance with this section.

(c) Operational Reports

Upon written request, if there have been multiple Complaints by Subscribers in the County, Charter shall provide the County with copies of reports, documents, logs, or related written materials pertaining to the operation of the Cable System serving the County to provide Cable Service. Such reports may include, but are not limited to, outage logs, preventative maintenance logs, results of technical performance tests, and trouble call reports.

SECTION 7
SERVICES TO COMMUNITY

7.1 COMPLIMENTARY CABLE SERVICE

Subject to applicable law, within three (3) months of the Effective Date, Charter shall, at no charge to the County or other specified end-user, provide or maintain one outlet of Basic Service (or equivalent) package, or another tier of service that includes PEG channels, including a converter box, digital adapter or other end-user equipment, to the Public Buildings identified in Exhibit A to this agreement. No charge shall be made for standard installation of such service, except that Charter may charge for installation beyond one hundred twenty-five (125) feet from the main distribution line.

7.2 PUBLIC, EDUCATIONAL AND GOVERNMENTAL (PEG) CHANNEL

(a) Charter shall make available to the County, within one hundred eighty (180) days of a written request, the use of one (1) dedicated Public, Educational and Governmental (“PEG”) Access channel in accordance with Section 611 of the Cable Act. Such PEG channel shall be used for non-commercial community programming related to educational and/or governmental activities. The County shall have complete control over the content, scheduling, administration and all other programming aspects of the PEG channel, and may delegate such functions, or a portion of such functions, to an appropriate designee. Charter shall not exercise any editorial control over PEG channel programming. Charter shall carry the PEG channel so that it may be received by all Charter subscribers in the County on the lowest level of Cable Service.

(b) Upon a written request to activate a PEG channel under Section 7.2(a), Charter shall construct a direct fiber link, including equipment capable of transmitting video and audio between the PEG access video origination location and the Charter headend such that live programming can originate from this selected location and be distributed via the Cable System to Subscribers in the County. This fiber link and equipment shall be collectively known as the “Return Line.” Any expenditure made in connection with the construction, relocation, and/or maintenance of the Return Line shall be borne by the County.

(c) The County or its designee shall be responsible for providing any necessary production or playback equipment and shall be responsible for securing and supervising any trained/qualified personnel who conduct the operation of the PEG channel. The County and Charter agree to work cooperatively in implementing the PEG channel through such means and in such manner as shall be mutually

satisfactory, provided, however, the County shall be solely responsible for programming the PEG channel.

(d) In the event the County or its designee does not program the PEG channel, Charter may request the use of this PEG channel, subject to written approval by the County. The County shall not unreasonably withhold its approval of Charter's use of a PEG channel. If the County requests the utilization of the PEG channel being programmed by Charter, Charter shall relinquish such use no later than sixty (60) days after receipt of written notification from the County.

7.3 ADDITIONAL PEG CHANNEL REQUIREMENTS

(a) Charter shall deliver the PEG channel signal at a level of technical quality as required by FCC regulations; provided, however, that Charter shall have no responsibility to improve upon or modify the signal quality of any PEG channel content provided to Charter by any PEG channel programmer.

(b) In the event that Charter deems a change in any PEG channel assignment to be necessary and changes any channel assignment in accordance with this Section, Charter shall comply with the following requirements:

(1) Charter shall provide the County thirty (30) days' advance written notice of any change in PEG Channel assignments; and

(2) Charter shall provide Subscribers thirty (30) days' advance notice of such change.

(c) The County shall require all local producers of educational and government access programming to agree in writing to defend and hold harmless Charter from and against any and all liability or other injury, including the reasonable cost of defending claims or litigation, arising from or in connection with claims for failure to comply with applicable federal, state or local laws, rules, and/or regulations; for claims of libel, slander, invasion of privacy, or the infringement of common law or statutory copyright; for unauthorized use of any trademark, trade name, or service mark; for breach of contractual or other obligations owing to third parties by the producer or user; and for any other injury or damage in law or equity, which results from the use of an PEG access facility or Channel. Such indemnification by local producers shall not include the technical signal quality of the PEG channel.

(d) The County and Charter agree that any and all costs incurred by Charter for supporting such PEG Channel, including any and all equipment, maintenance and repair, may be designated as "costs of franchise requirements" or "external costs"

as defined by the FCC and Charter reserves its right to pass these costs through to the Subscribers pursuant to federal law.

7.4 PEG GRANT

(s) Upon the second and fifth anniversaries of this Franchise, upon written request of the County, Charter and the County will meet to discuss the possibility of providing capital funding for the County's PEG channel ("PEG Funds"). The County shall prepare a PEG Funds request that will identify the capital equipment required for the PEG channel that is reasonable to meet the cable related community needs, taking in account the costs. Charter reserves the right to review the PEG Funds request to determine if it is appropriate to meet the PEG capital needs of the County, taking into account the costs thereof. The PEG Funds request will not be implemented until it receives the mutual consent of Charter and the County. The PEG Funds shall be recovered from Subscribers. If the following conditions are satisfied, Charter will provide PEG Funds no fewer than 120 days' following Charter's and the County's mutual agreement on the PEG Funds and Charter's receipt of a resolution passed by the County (1) requesting that Charter provide PEG Funds, and (2) agreeing that that County shall only use the PEG Funds for capital equipment in accordance with federal law.

(t) Charter shall have the right to request and the County shall have the obligation, within thirty (30) days of the request, to provide information about use of the PEG Funds to confirm such compliance.

(u) Charter shall have the right to stop its collection from Subscribers and payment to the County of the PEG Funds if the County no longer maintains the PEG Channel on its Cable System.

SECTION 8 **CUSTOMER SERVICE STANDARDS**

Charter shall comply with the customer service standards as set forth below. To the extent that any customer service standard set forth in this Agreement imposes the same material obligations upon Charter as a customer service standard promulgated by the FCC, and the FCC amends such standard, then the customer service standard set forth in this Agreement shall be construed to reflect the amended standard.

8.1 OFFICE HOURS AND TELEPHONE AVAILABILITY

(a) In accordance with applicable law, Charter shall maintain a customer service center that shall be conveniently located and open during Normal Business Hours. Charter shall provide and maintain a local or toll free telephone access line that will be available to Subscribers twenty-four (24) hours a day, seven (7) days a week. Trained representatives shall respond to customer telephone inquiries during Normal Business Hours. After Normal Business Hours, the access line may be answered by a service or an automated response system. Inquiries received after Normal Business Hours must be responded to by a trained company representative on the next business day.

(b) Under Normal Operating Conditions and during Normal Business Hours, telephone answering time by a customer representative, including wait time, shall not exceed thirty (30) seconds after the connection is made. If the call needs to be transferred, transfer time shall not exceed thirty (30) seconds. These standards shall be met no less than ninety percent (90%) of the time, measured on a quarterly basis.

(c) Under Normal Operating Conditions, the customer shall receive a busy signal less than three percent (3%) of the time.

(d) Charter shall not be required to acquire equipment or perform surveys to measure compliance with the telephone answering requirements above unless a historical record of written Complaints indicates a clear failure to comply.

8.2 INSTALLATIONS AND SERVICE CALLS

(a) Charter shall maintain a staff of employees, or agents, including subcontractors, sufficient to provide adequate and prompt service to its Subscribers. Charter shall require that any employee or agent, including any subcontractor, who personally visits any residential dwelling, shall display a photo identification badge. Any vehicle used for installation, operation or maintenance activities by any Charter employee or agent, including any subcontractor, shall prominently display the Charter or Spectrum logo and/or sufficient markings (such as a magnetic door sign) indicating that the contractor or agent is under contract to Charter.

(b) Under Normal Operating Conditions, standard installations will be performed within seven (7) business days after an order has been placed. “Standard Installations” are those aerial installations that are located up to one hundred twenty-five (125) feet from the existing distribution system.

(c) Excluding conditions beyond the control of Charter, Charter shall begin working on a Service Interruption promptly and in no event later than twenty-four (24) hours after the interruption becomes known, and shall diligently pursue to completion. Charter shall begin actions to correct other service problems the next business day after notification of the service problem.

(d) Upon scheduling of appointments with the Subscribers for installations, service calls and other activities, Charter shall provide the Subscriber with either a specific time or an “appointment window” of a maximum of four (4) hours during Normal Business Hours. Charter may schedule service calls and installation activities outside of Normal Business Hours at a time that is convenient for the Subscriber.

(e) Charter may not cancel an appointment with a Subscriber after the close of business on the business day prior to the scheduled appointment. If, at any time, an installer or technician is running late, an attempt to contact the Subscriber must be made prior to the time of the appointment. If the appointment must be rescheduled, it must be done so at a time that is convenient for the Subscriber.

8.3 NOTICES

(a) Charter shall provide written or electronic notice to each Subscriber upon initial subscription, and once per calendar year thereafter to each Subscriber, and at any time upon request, regarding each of the following areas:

- (1) Products and services offered;
- (2) Prices and options for programming services and conditions of subscription to programming and other services;
- (3) Channel positions of programming carried on the Cable System;
- (4) Installation and service maintenance policies;
- (5) Instructions on how to use the Cable Service;
- (6) Billing and Subscriber Complaint procedures;
- (7) Charter’s address and telephone number; and
- (8) A notice of Subscriber privacy rights as required by federal law.

(b) In accordance with applicable law, Charter shall notify Subscribers and the County of any changes in rates, programming services or channel positions a minimum of thirty (30) days in advance of such changes, provided that such change is within the control of Charter. Charter shall not be required to provide prior notice to Subscribers of any rate change that is the result of a regulatory fee, franchise fee or any other fee, tax, assessment or charge of any kind imposed by any federal agency, the State of Maryland or the County on the transaction between Charter and the Subscriber.

8.4 BILLING

(a) Bills shall be clear, concise and understandable. Bills must be fully itemized, with itemizations including but not limited to, basic and premium service charges and equipment charges. Bills will also clearly delineate all activity during the billing period, including optional charges, rebates, and credits.

(b) In case of a billing dispute, Charter must respond to a Complaint from a Subscriber within thirty (30) days.

(c) Charter shall omit the name, address, and telephone number of the County to Subscribers on the monthly bill, in accordance with 47 C.F.R. § 76.952.

8.5 PRIVACY

Charter shall at all times comply with the privacy provisions of Section 631 of the Cable Act and all other applicable federal and state privacy laws and regulations.

SECTION 9 **FRANCHISE VIOLATIONS AND REVOCATION**

9.1 VIOLATIONS AND OPPORTUNITY TO CURE

(a) If the County has reason to believe that Charter violated any provision of this Agreement, it shall notify Charter in writing by certified mail of the nature of such violation, the section(s) of this Agreement that it believes has been violated and the details relating thereto. If the County does not notify Charter of any violation of this Agreement, it shall not operate as a waiver of any rights of the County hereunder or pursuant to applicable law

(b) Charter shall have thirty (30) days to cure such violation after written notice is received by taking reasonable steps to comply with the terms of this Agreement. If the nature of the violation is such that it cannot be fully cured within thirty (30)

days, the period of time in which Charter must cure the violation shall be extended for such additional time necessary to complete the cure, provided that Charter shall have promptly commenced to cure and is taking reasonable steps to cure in the reasonable judgment of the County.

(c) If the violation is material and has not been cured within the time allowed under Section 9.1(b) and, in the County's judgment, Charter has not taken reasonable steps to cure the violation, then the County may deem that Charter is liable for liquidated damages and/or any other right or remedy it may have, in accordance with Sections 9.2 or 9.3.

(d) No violation shall be deemed to have occurred if the violation occurs without the fault of Charter or occurs as a result of circumstances beyond its control or by reason of Force Majeure as defined in Section 13.1. Charter shall not be excused from the performance of any of its obligations under this Franchise by mere economic hardship or by the misfeasance or malfeasance of its directors, officers or employees.

9.2 LIQUIDATED DAMAGES

(a) Because Charter's failure to comply with material terms of this Agreement may result in harm to the County, and because it will be difficult to measure the extent of such injury, the County may assess liquidated damages against Charter in the amount of Two Hundred Dollars (\$200.00) per day for each day the violation continues, provided Charter has had notice and an opportunity to cure in accordance with Section 9.1 and the County is not pursuing other penalties or remedies. The County shall provide Charter with written notice that it intends to assess liquidated damages as a remedy. Such damages shall be an exclusive remedy for the time period in which they are assessed, provided, however, they shall not be a substitute for specific performance by Charter or legal action by the County once assessment of liquidated damages ceases, but shall be in addition to such specific performance or legal action. Nothing herein is intended to allow duplicative recovery from or payments by Charter or its surety.

(b) The first day for which liquidated damages may be assessed, if there has been no cure after the end of the applicable cure period, shall be the date after the end of the applicable cure period, including any extension of the cure period granted by the County. Liquidated damages may not be assessed for a time period exceeding one hundred twenty (120) days per violation. The County may commence revocation proceedings and/or initiate an action in law or equity in a court of competent jurisdiction after the assessment of liquidated damages or in lieu of liquidated damages.

(c) The amount of all liquidated damages per annum shall not exceed fifteen thousand dollars (\$15,000) in the aggregate. With respect to liquidated damages, all similar violations or failures from the same factual events affecting multiple Subscribers shall be assessed as a single violation, and a violation or failure may only be assessed under any one material term.

9.3 REVOCATION

(a) In addition to the other rights, powers and remedies retained by the County under this Agreement, the County reserves the separate and distinct right to revoke this Franchise if:

(1) It is demonstrated that Charter practiced any fraud or deceit upon the County in its operation of its Cable System or any other activities pursuant to this Agreement;

(2) Charter repeatedly fails, after notice and opportunity to cure as set forth in Section 9.1, to maintain signal quality pursuant to the standards provided for by the FCC or the technical requirements set forth in Section 3.1 of this Agreement;

(3) Charter repeatedly violates, after notice and opportunity to cure as set forth in Section 9.1, one or more of the material terms or conditions of this Agreement.

(b) A revocation shall be declared only by a written decision of the County after an appropriate public hearing that shall afford Charter due process and full opportunity to be heard. This shall include the ability to introduce evidence, to question witnesses and to respond to any notice of grounds to terminate in accordance with the standards of a fair hearing applicable to administrative hearings in the State of Maryland. All notice requirements shall be met by providing Charter at least thirty (30) days' prior written notice (via certified mail-return receipt requested) of any public hearing concerning the proposed revocation of this Agreement. Such notice shall state the grounds for revocation. The County, after a public hearing and upon finding the existence of grounds for revocation, may either declare this Agreement terminated or excuse such grounds upon a showing by Charter of mitigating circumstances or good cause for the existence of such grounds. The County shall issue such declaration and finding within thirty (30) days in a written decision which the County shall send via certified or overnight mail to Charter. Nothing herein shall limit in any way Charter's rights or the rights of the County to seek *de novo* review of the declaration of the County in any appropriate court of competent jurisdiction.

9.4 PERFORMANCE BOND

(a) Charter shall obtain and maintain, during the Franchise term, at its sole cost and expense, a performance bond running to the County with a surety company licensed to do business in the State of Maryland and satisfactory to the County to ensure Charter's faithful performance of its obligations, in accordance with generally applicable County codes. The performance bond shall provide that the County may recover from the principal and surety any and all liquidated damages and/or compensatory damages incurred by the County for Charter's violations of this Agreement, after notice and opportunity to cure in accordance with Section 9.1 and 9.2, above.

(b) The performance bond shall be in the amount of Ten Thousand Dollars (\$10,000). Charter shall not reduce, cancel or materially change said bond from the requirement contained herein without the express prior written permission of the County.

SECTION 10 **LIABILITY AND INDEMNIFICATION**

10.1 INDEMNIFICATION

(a) Charter shall indemnify, defend, save and hold harmless the County, its elected and appointed officials, officers, agents and employees acting in their official capacities, from claims for injury, loss, liability, cost or expense to the extent caused by or connected with the construction, installation, upgrade, reconstruction, operation, maintenance or removal of the Cable System or any other equipment or facilities. The County shall give Charter timely written notice of no less than fifteen (15) days of its obligation to indemnify and defend the County. The obligation to indemnify, defend, save and hold the County harmless shall include, but not be limited to, the obligation to pay judgments, injuries, liabilities, damages, and penalties. If the County determines that it is necessary for it to employ separate counsel, in addition to that provided by Charter, the cost for such separate counsel shall be the responsibility of the County. Charter shall not indemnify the County for any claims resulting solely from acts of willful misconduct or negligence on the part of the County or its officials, officers, agents and employees.

(b) In order for the County to assert its right to be indemnified and held harmless pursuant to subsection (a) above, the County must (1) promptly notify Charter of any claim or legal proceeding which gives rise to such right; (2) afford Charter the opportunity to participate in and fully control any compromise, settlement,

resolution or disposition of such claim or proceeding; and (3) fully cooperate in the defense of such claim and make available to Charter all such information under its control relating thereto.

10.2 INSURANCE

(a) Charter shall maintain insurance throughout the term of this Agreement with an insurance company which is authorized to conduct business in Maryland insuring against any and all claims for injury or damage to persons or property, both real and personal, caused by the construction, installation, reconstruction, operation, maintenance or removal of the Cable System by Charter in the following amounts:

(1) The amount of Commercial General Liability for bodily injury, death and damage to property shall be no less than One Million Dollars (\$1,000,000) as to any one (1) occurrence.

(2) The amount of such insurance for excess liability shall be Three Million Dollars (\$3,000,000) in umbrella form.

(3) The amount of such insurance against all claims arising out of the operation of motor vehicles shall be One Million Dollars (\$1,000,000).

(b) The County, its officials and employees, shall be designated as additional insureds under each of the insurance policies required in this Section.

(c) All insurance coverage shall be maintained throughout the period of this Agreement. All expenses incurred for said insurance shall be at no cost to the County.

(d) A certificate evidencing the insurance coverage required herein shall be provided by Charter to the County within thirty (30) days of the Effective Date, upon request by the County. Charter shall endeavor to cause its insurance carrier to notify the County thirty (30) days prior to the cancellation of such insurance policy if an equivalent policy will not be substituted.

SECTION 11 FRANCHISE TRANSFER AND RENEWAL

11.1 TRANSFER

(a) Neither Charter nor its parent shall transfer, assign or otherwise encumber, through its own action or by operation of law, its right, title or interest in the Cable

System or in this Agreement without the prior written consent of the County, provided that such consent shall not be unreasonably withheld.

(b) Neither Charter nor its parent nor any Affiliated Entity shall change, transfer or assign, through its own action or by operation of law, its control of the Cable System or of this Agreement without the prior written consent of the County.

(c) Neither Charter nor its parent shall sell, convey, transfer, exchange or release more than fifty (50%) of its equitable ownership in the Cable System without the prior written consent of the County.

(d) No such consent shall be required for (i) a transfer in trust, by mortgage, hypothecation, or by assignment to a financial institution of any rights, title or interest of Charter in the Franchise or in the Cable System in order to secure indebtedness; or (ii) a transfer to an entity controlling, controlled by or under common control with Charter.

(e) Charter shall make written application to the County of any transfer, as described above and shall provide all information required by FCC Form 394 and any other applicable federal, state, and local statutes and regulations regarding transfer or assignment. The County shall have thirty (30) days from the receipt of FCC Form 394 to notify Charter of any additional information it needs to make an informed decision on the transfer or assignment. The County shall have one hundred twenty (120) days from the receipt of all required information to take action on the transfer or assignment.

(f) Any consent by the County for any transfer or assignment described above shall not be effective until the proposed transferee or assignee shall have executed a legally binding agreement stating that it shall be bound by all the terms and conditions contained in this Agreement, if requested in writing by the County.

11.2 RENEWAL

The County and Charter agree that any proceedings or activities that relate to the renewal of Charter's franchise shall be governed by applicable federal and state law.

SECTION 12
REMOVAL OF SYSTEM

12.1 REMOVAL OF SYSTEM

(a) Upon lawful termination or revocation of this Agreement, Charter shall remove its supporting structures, poles, transmissions and distribution systems and other appurtenances from the Rights-of-Way in, over, under, or along which they are installed and shall restore the areas to their original condition. If such removal is not completed within six (6) months of such lawful denial of renewal or revocation, the County or property owner may deem any property not removed as having been abandoned and the County may remove it at Charter's cost.

(b) During the term of the Agreement, if Charter decides to abandon or no longer use all or part of its Cable System, it shall give the County written notice of its intent at least ninety (90) days prior to the announcement of such decision, which notice shall describe the property and its location. The County shall have the right to require i) Charter to remove the property, ii) leave the property in place, iii) remove the property itself and charge Charter with the costs related thereto, or iv) transfer ownership of the property to the County's designee, provided fair market value is paid to Charter.

(c) Notwithstanding the above, Charter shall not be required to remove its Cable System, or to relocate the Cable System, or to sell the Cable System, or any portion thereof as a result of revocation, denial of renewal, or any other lawful action to forbid or disallow Charter from providing Cable Services, if the Cable System is actively being used to facilitate any other services not governed by the Cable Act.

SECTION 13
MISCELLANEOUS

13.1 FORCE MAJEURE

If for any reason of force majeure, Charter is unable in whole or in part to carry out its obligations hereunder, Charter shall not be deemed in violation of this Agreement during the continuance of such inability. The term "force majeure" shall have the following meaning: acts of God; acts of public enemies, including terrorist attacks; orders of any kind of the government of the United States of America or of the State of Maryland or any of their departments, agencies, political subdivisions, or officials, or any civil or military authority; insurrections, riots, labor strikes; epidemics; landslides; lightning, earthquakes; hurricanes; volcanic activity;

unusual storms, floods; washouts; unavailability of labor, materials or equipment, droughts; explosions; and partial or entire failure of utilities to service, maintain or monitor their poles or facilities to which Charter's Cable System is attached.

13.2 NOTICES

Unless otherwise provided by federal, State or local law, all notices, reports or demands pursuant to this Franchise shall be in writing and shall be deemed to be sufficiently given upon delivery to a Person at the address set forth below, or by U.S. certified mail, return receipt requested, nationally or internationally recognized courier service such as Federal Express or electronic mail communication to the designated electronic mail address provided below. Every notice or payment to be served upon or made to the County shall be sent to:

Somerset County Office Complex
Room 111
11916 Somerset Ave.
Princess Anne, MD 21853
Attn: County Administrator-Clerk

The County may specify any change of address in writing to Charter. Every notice to be served upon Charter shall be sent to:

Charter Communications
6202 Raeford Road
Fayetteville, NC 28304
Attention: Government Affairs Department

Notices may be made by email to the following email address:
eric.collins@charter.com.

With copies to:

Charter Communications
12405 Powerscourt Drive
St. Louis, MO 63131
Attention: VP, Local Government Affairs & Franchising

Charter may specify any changes of address in writing to the County. Each delivery to Charter or the County shall be equivalent to direct personal notice, direction or order, and shall be deemed to have been given at the time of receipt.

13.3 CAPTIONS

The captions for sections throughout this Agreement are intended solely to facilitate reading and references to the sections and provisions of this Agreement. Such captions shall not affect the meaning or interpretation of this Agreement

13.4 GOVERNING LAW

This Agreement shall be governed and construed by and in accordance with the laws of the State of Maryland. If suit is brought by a party to this Agreement, the parties agree that trial of such action shall be vested in in the State Courts of Maryland, County of Somerset or in the United States District Court of Maryland.

13.5 ENTIRE AGREEMENT

This written instrument contains the entire agreement between the parties, supersedes all prior agreements, ordinances, or proposals except as specifically incorporated herein, and cannot be changed without written amendment approved by both the County and Charter. In the event of a conflict between this Franchise Agreement and any other ordinance, law or regulation in effect at the time of this Agreement or thereafter, the terms and conditions of this Franchise Agreement shall control.

13.6 SEVERABILITY

If any section, provision or clause of this Agreement is held by a court of competent jurisdiction to be illegal, invalid or unenforceable, or is pre-empted by federal or state laws or regulations, such section, provision or clause shall be deemed to be severable from the remaining portions of this Agreement and shall not affect the legality, validity or enforceability of the remaining portions of this Agreement.

13.7 CHANGE OF LAW

In the event there is a change in a federal or state statute or regulation applicable to the Cable System or to this Agreement, which requires County or Charter to perform or refrain from performing any act the performance or non-performance of which is inconsistent with any provision herein, the County and Charter, may, if they both conclude that a material provision has been affected, modify any of the provisions herein to reflect such government action.

13.8 COMPLIANCE WITH LAWS

Subject to Sections 13.6 and 13.7 of this Agreement, Charter shall comply with all applicable federal, state and generally applicable local laws, regulations and ordinances.

13.9 APPLICABILITY OF AGREEMENT

All of the provisions in this Agreement shall bind Charter, the County and their respective successors and assigns. This Agreement is authorized by Resolution No. ____ dated _____, 2018 of the Somerset County Commissioners.

13.10 NO RECOURSE

Except for action seeking equitable relief, Charter shall have no monetary recourse whatsoever against the County for any loss, cost, expense, or damage arising out of any provisions or requirements of this Agreement or because of the enforcement thereof by the County, or failure of the County to have authority to grant all of part of the franchise.

13.11 THIRD-PARTY BENEFICIARIES

Nothing in this Agreement is or was intended to confer third-party beneficiary status on any person other than the parties to this Agreement to enforce the terms of this Agreement.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

WITNESS our hands and official seals to this Cable Franchise Agreement.

COUNTY OF SOMERSET, MARYLAND

By: _____

Print: _____

Title: _____

Date: _____

CHARTER COMMUNICATIONS VI, LLC
By: Charter Communications, Inc., Its Manager

By: _____

Print: _____

Title: _____

Date: _____

EXHIBIT A
FREE SERVICES LOCATIONS

1. Marion Fire Department, 28390 Crisfield Marion Road
2. Carter G. Woodson Elementary School, 281 Woodson School Road
3. Crisfield Library, 100 Collins Street
4. Lower Somerset Ambulance Squad, 26344 Mill Lane
5. Crisfield Police Department, 319 W. Main Street