

CABLE FRANCHISE AGREEMENT
BETWEEN
THE DISTRICT OF COLUMBIA
AND
COMCAST OF THE DISTRICT, LLC

EFFECTIVE DATE: MARCH 14, 2019

TABLE OF CONTENTS

	<u>PAGE</u>
1. DEFINITIONS AND RULE OF CONSTRUCTION.....	2
2. GRANT OF AUTHORITY; LIMITS AND RESERVATIONS	9
3. PROVISION OF CABLE SERVICE	14
4. SYSTEM OPERATION	17
5. SYSTEM FACILITIES	19
6. PEG SERVICES	23
7. PEG/INET GRANT	28
8. FRANCHISE FEES.....	29
9. CUSTOMER SERVICE	33
10. REPORTS AND RECORDS.....	49
11. INSURANCE AND INDEMNIFICATION.....	55
12. TRANSFER OF FRANCHISE.....	59
13. RENEWAL OF FRANCHISE.....	62
14. ENFORCEMENT AND TERMINATION OF FRANCHISE	63
15. MISCELLANEOUS PROVISIONS.....	68

EXHIBITS

Exhibit A - PEG Channel Assignments and PEG Origination Points

Exhibit B - Forms of Performance Bond and Letter of Credit

RECITALS

THIS CABLE FRANCHISE RENEWAL AGREEMENT (the “Franchise” or “Agreement”) is entered into by and between the District of Columbia (the “District”) and Comcast of the District, LLC, a corporation duly organized, validly existing and in good standing under the applicable laws of the District of Columbia (“Comcast” or the “Franchisee”).

WHEREAS, the District wishes to renew Comcast’s nonexclusive franchise to construct, install, maintain, extend and operate a cable communications system in the Franchise Area as designated in this Franchise;

WHEREAS, the District is a “franchising authority” as defined by section 602(10) of the Communications Act, 47 U.S.C. § 522(10);

WHEREAS, Comcast currently operates a Cable System in the Franchise Area pursuant to the agreement approved in the “Approval of the Franchise of Comcast Cablevision of the District to Provide Cable Service in the District of Columbia Act of 2002,” effective October 9, 2002 (D.C. Law 14-192, 49 D.C.R. 7328), which was extended so as to preserve the status quo pending franchise renewal negotiations, by letter agreements dated October 2, 2012, April 18, 2013, and October 24, 2013;

WHEREAS, the District and Comcast have reached agreement as a result of arm’s-length negotiation on the terms and conditions set forth herein and the parties have agreed to be bound by those terms and conditions; and

WHEREAS, the District subsequently recommended to the Council the approval of Comcast’s cable franchise renewal request and the Council held a public hearing on the proposed franchise agreement on October 15, 2018; and

WHEREAS, the District, following the Council’s public hearing, determined that this Agreement granting Comcast a nonexclusive renewal franchise complies with the federal Communications Act, the D.C. Cable Law, and all other applicable laws and regulations; and

WHEREAS, the District enacted a law approving this Agreement and granting Comcast a non-exclusive renewal franchise on the terms and conditions set forth in this Agreement;

NOW, THEREFORE, in consideration of the foregoing clauses, which are hereby made a part of this Agreement, the mutual covenants and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby covenant and agree as follows:

1. DEFINITIONS AND RULE OF CONSTRUCTION

Except as otherwise provided herein, the definitions and word usages set forth in the Communications Act (as hereinafter defined) are incorporated herein and shall apply in this Agreement and the generality of this statement is not limited by the express incorporation here of certain definitions in the Communications Act. All references in this Agreement to laws or regulations incorporate amendments, as of the time that they are made, to those laws or regulations made throughout the term of this Agreement. In addition, the following definitions shall apply:

1.1 *Affiliate*: Any Person who, directly or indirectly, owns or controls, is owned or controlled by, or is under common ownership or control with the Franchisee, excluding NBC Universal and its subsidiaries.

1.2 *Agreement*: Means this Cable Television Franchise Agreement, together with the Exhibits attached hereto and all amendments or modifications hereof.

1.3 *Advertising Revenues*: Means revenues derived from sales of advertising that are made available to Grantee's Cable System subscribers within the District and shall generally be allocated using total Cable Service subscribers reached by the advertising within the City's advertising zones. Additionally, Grantee agrees that Advertising Revenues subject to franchise fees shall include all fees paid to representative firms, including National Cable Communications ("NCC"), Affiliate fees, and fees paid to Comcast Spotlight ("Spotlight") or their successors associated with sales of advertising on the Cable System within the City allocated according to this paragraph using total Cable Service subscribers reached by the advertising.

1.4 *Barter*: Means any non-monetary benefit received by Franchisee or an Affiliate or other entities in exchange for consideration related to the provision of Cable Services, valued at the benefit's fair market value at the time of the Barter.

1.5 *Basic Service*: Shall mean the lowest tier of Cable Service which includes the retransmission of local television broadcast signals as well as the PEG Channels required by this Franchise.

1.6 *Cable Service(s) or Service(s)*: Cable service or services as in sections 602(6) of the Communications Act, 47 U.S.C. § 522(6).

1.7 *Cable System or 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 a community, but such term does not include: (A) a facility that serves only to retransmit the television signals of one or more television broadcast stations; (B) a facility that serves 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 this Act, except that such facility shall be considered a Cable System (other than for purposes of sections 621(c) of the Communications Act, 47 U.S.C. § 541(c)), to the extent such facility is used in the

transmission of video programming directly to Subscribers, unless the extent of such use is solely to provide interactive on-demand services; (D) an open video system that complies with section 653 of the Communications Act, 47 U.S.C. § 573; or (E) any facilities of any electric utility used solely for operating its electric utility systems.

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

1.9 *Communications Act*: The Communications Act of 1934, Pub. L. No. 73-416, 47 U.S.C. § 151 et seq.

1.10 *Control*: The ability to exercise de jure or de facto control over the day to day policies and operations or the management of Franchisee's affairs.

1.11 *Council*: Shall mean the Council of the District of Columbia, its designee or any successor to the legislative powers of the present Council of the District of Columbia.

1.12 *D.C. Cable Law*: Shall mean, to the extent applicable, the D.C. Cable Television Reform Act of 2002 (D.C. Law 14-193; D.C. Official Code § 34-1251 et seq.), as amended by the Office of Cable Television, Film, Music and Entertainment Cable Television Reform Amendment Act of 2015, effective October 22, 2015 (D.C. Law 21-36; D.C. Official Code § 34-1251 et seq. (supp. 2016), as amended by the Approval of the Comcast of the District, LLC Cable Television System Franchise Act of 2017, (or any successor statute), and D.C. Municipal Regulations (DCMR) Title 4 Chapter 6 and Title 15 Chapters 30 and 31, and as such may be amended in the future.

1.13 *D.C. Treasurer*: Shall mean the Treasurer of the District, the Treasurer's designee or any successor thereto.

1.13-A *District*: the District of Columbia government.

1.14 *EAS*: Emergency Alert System.

1.15 *Economically and Technically Feasible and Viable*: Capable of being provided: (i) through technology which has been demonstrated to be feasible for its intended purpose; (ii) in an operationally workable manner; and (iii) in a manner whereby the System has a reasonable likelihood of being operated on reasonably profitable terms.

1.16 *Educational Access Channel*: A video Channel, which Franchisee shall make available to the District without charge for educational use of the local public schools in the Franchise Area and other higher level educational institutions in the Franchise Area for the transmission of Educational Access video programming as directed by the District.

1.17 *Director*: Means the director of OCTFME, the director's designee or any successor thereto.

1.18 *FCC*: The United States Federal Communications Commission or successor governmental entity thereto.

1.19 *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 riot, war or act of war (whether an actual declaration of war is made or not), insurrection, act of public enemy, accidents for which the Franchisee is not primarily responsible, fire, flood, or other acts of God, labor disputes, or other event for which Franchisee is not primarily responsible and that is reasonably beyond the Franchisee's ability to anticipate or control. This provision also covers work delays caused by the unavailability of materials or qualified labor necessary to perform the work, if such acquisition of qualified labor would be commercially impracticable as defined in section 625(f) of the Communications Act, 47 U.S.C. § 545(f).

1.20 *Franchise Area*: The entire existing territorial limits of the District and such additional areas as may be included in the territorial limits of the District during the term of this Franchise, provided that an expansion of the franchise area is consistent with the terms and conditions under which any territorial area is added.

1.21 *Franchisee*: Comcast of the District, LLC, and its lawful and permitted successors, assigns and transferees.

1.22 *Government Access Channel*: A video Channel, which Franchisee shall make available to the District without charge for governmental use for the transmission of Government Access programming as directed by the District.

1.23 *Gross Revenues* means and shall be construed broadly to include any and all revenues, as determined in accordance with generally accepted accounting principles, of any kind or nature derived directly or indirectly by Franchisee or an Affiliate, from the operation of Franchisee's Cable System to provide Cable Services within the District, except as specifically excluded in section 1.24 of this Agreement. Gross revenues include, by way of illustration and not limitation:

1.23.1 fees for Cable Services, regardless of whether such Cable Services are provided to residential or commercial customers, including revenues derived from the provision of all Cable Services (including but not limited to pay or premium Cable Services, digital Cable Services, pay-per-view, pay-per-event, video-on-demand Cable Services);

1.23.2 installation, disconnection, reconnection, downgrade, upgrade or similar change-in-service charges associated with changes in subscriber Cable Service levels;

1.23.3 fees paid to Franchisee related to channels designated for commercial leased access use, to the extent attributable to use within the District;

1.23.4 converter, remote control, and other Cable Service equipment rentals, leases, or sales;

1.23.5 Advertising Revenues as defined herein;

1.23.6 late fees, convenience fees and administrative fees to the extent attributable to the provision of Cable Services within the District;

1.23.7 revenues from program guides;

1.23.8 revenues attributable to pass-through of Franchise expenses to subscribers, including, but not limited to

1.23.8.1 franchise fees,

1.23.8.2 FCC regulatory fees,

1.23.8.3 all line itemized Franchise-related charges to subscribers such as PEG Fees, except as excluded in section 1.24.2 below;

1.23.8.4 commissions from home shopping channels and other Cable Service revenue sharing arrangements to the extent attributable to transactions within the District;

1.23.8.5 revenues from the sale or carriage of other Cable Services;

1.23.8.6 revenues received by an entity other than the Franchisee, an Affiliate, or another entity that operates the System where necessary to prevent evasion or avoidance of the obligation under this Agreement to pay the franchise fee;

1.23.8.7 Barter as defined herein to the extent attributable to the provision of Cable Services within the District.

1.24 *Gross Revenues*: shall not include:

1.24.1 actual bad debt write-offs related to Cable Services revenues within the District, except any portion which is subsequently collected shall be included in the period collected ;

1.24.2 any taxes of general applicability imposed upon Franchisee or upon Subscribers by any municipality, state or other governmental unit, provided that franchise fees and the FCC regulatory fee shall not be regarded as such a tax;

1.24.3 program launch fees and marketing co-op fees; and

1.24.4 agency commission fees (these are unaffiliated third party advertising sales agencies).

1.25 *Headend*: The electronic control center of the Cable System containing equipment that receives, amplifies, filters and converts incoming signals for distribution over the Cable System.

1.26 *Information Service*: Shall be defined herein as it is defined under Section 3 of the Communications Act, 47 U.S.C. § 153(24).

1.27 *Institutional Network or I-Net*: Means the network of dedicated fiber connecting certain District government buildings and facilities as specifically set forth in a separate I-Net Agreement entered into by Comcast and the District.

1.28 *Inspector General*: Means the Inspector General of the District, the Inspector General's designee or any successor thereto.

1.29 *Leased Access Channel*: Means a Channel on the Cable System designated by the Company pursuant to section 612 of the Communications Act, 47 U.S.C. § 532.

1.30 *Mayor*: Shall mean the Chief Executive Officer of the District of Columbia, the Mayor's designee or any successor to the executive powers of the present Mayor.

1.31 *Municipal Building*: Shall mean those buildings owned or leased (in whole or in part) by the Franchising Authority for municipal government administrative purposes, and shall not include buildings owned by Franchising Authority but leased in whole to third parties or buildings such as storage facilities at which District government employees are not regularly stationed.

1.32 *Node*: The local neighborhood points on the cable system where the optical signal transported via fiber from the Headend is converted back to radio frequency signals and the local neighborhood part of the cable plant distributes the radio frequency signals.

1.33 *Non-Cable Services*: Any service that is not a Cable Service as defined herein.

1.34 *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.

1.35 *Normal Operating Conditions*: Those service conditions which are within the control of the Franchisee. Those conditions which are not within the control of the 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 ordinarily within the control of the 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, as consistent with 47 C.F.R. § 76.309 (c)(4)(ii).

1.36 *OCTFME*: Shall mean the District of Columbia Office of Cable Television, Film, Music and Entertainment.

1.37 *OCTO*: Means the Office of the Chief Technology Officer of the District, its designee or any successor thereto.

1.38 *PEG Channels*: Channel capacity designated by Franchisee for public, educational, and governmental access channels.

1.39 *PEG Entity*: Means the District, the Public Access Corporation, the University of the District of Columbia, the Public Schools and such other public or non-profit entities as OCTFME may designate from time to time.

1.40 *Person*: An individual, partnership, association, joint stock company, trust, corporation, or other legally recognized entity, but shall not mean the District.

1.41 *Previous Franchise Agreement*: The Cable Television Franchise Agreement approved by the "Approval of the Franchise of Comcast Cablevision of the District to Provide Cable Service in the District of Columbia Act of 2002," D.C. Law 14-192, 49 DCR 7334.

1.42 *Public Access Channel*: A video Channel, which Franchisee shall make available to the District without charge for public use for the transmission of Public Access video programming as directed by the District.

1.43 *Public Access Corporation*: Shall mean the Public Access Corporation established and operated pursuant to section 302 of the D.C. Cable Law, D.C. Official Code § 34-1253.02, or any successor thereto.

1.44 *Public Schools*: Shall mean the public school system of the District, its designee and any successor thereto.

1.45 *Public Rights-of-Way*: The surface, the airspace above the surface, and the area below the surface of any street, avenue, highway, parkway, concourse, boulevard, park, public space, bridge, viaduct, tunnel, or any other property to which the District has title, easement, or jurisdiction.

1.46 *Region*: Means the District of Columbia; Montgomery County and Prince George's County, Maryland; the City of Alexandria and Arlington County, Virginia; and any incorporated municipalities within such counties.

1.47 *Respond*: Franchisee's investigation of a Service Interruption by receiving a Subscriber call and opening a trouble ticket, if required.

1.48 *Security*: Shall mean the bond and letter of credit required by Section 14.10 hereof.

1.49 *Service Call*: The action taken by the Franchisee to correct a Cable Service Interruption the effect of which is limited to an individual Subscriber.

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

1.51 *Standard Installation*: Installations where the Subscriber is within two hundred and fifty (250') feet of trunk or feeder lines.

1.52 *System Outage*: A Service Interruption affecting more than seventy-five (75) Subscribers served by a Node in the Franchise Area and lasting at least four (4) continuous hours.

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

1.54 *Telecommunication Services*: Shall be defined herein as it is defined under section 3(53) of the Communications Act, 47 U.S.C. § 153(53).

1.55 *Title II*: Title II of the Communications Act.

1.56 *Title VI*: Title VI of the Communications Act.

1.57 *UDC*: The University of the District of Columbia

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

SECTION 2 GRANT OF AUTHORITY

2. GRANT OF AUTHORITY; LIMITS AND RESERVATIONS

2.1 *Grant of Authority:* Subject to the terms and conditions of this Agreement, the Communications Act, and the D.C. Cable Law, the District hereby grants the Franchisee the right to use the Public Rights-of-Way within the Franchise Area for installing, on poles or underground, cables, wires, lines, optical fibers, underground conduits, ducts, conductors, amplifiers, vaults, and other facilities to construct, operate and maintain a Cable System for the provision of Cable Service. This Agreement shall grant no authority for the Franchisee to use the Public Rights-of-Way for any purposes other than the provision of Cable Service, and the performance of its obligations set forth herein and in the appendices such as those related to PEG Channels. 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 District law, provided any requirements for the District's authorization or registration of such service not inconsistent with Federal or District law are satisfied. To the extent Franchisee provides additional services, Franchisee assumes any and all risks that use of the Public Rights-of-Way for provision of such services is lawful. This Agreement does not relieve the Franchisee of the obligations to obtain any other licenses, permits, or other authority as may be required by District law, or regulation, as such may be amended, for the privilege of offering any other services via the Cable System or otherwise, or operating a business within the District, or for performing work on District property or within the Public Rights-of-Way; provided however that nothing in this Section shall be interpreted to alter the exceptions to the requirements to provide Cable Service set forth in Section 3.2. No privilege or power of eminent domain is bestowed by this grant; nor is such a privilege or power bestowed by this Agreement.

2.2 *District's Regulatory Authority:* Although the parties acknowledge that the Franchisee intends to provide Non-Cable Services by means of the Cable System, the parties further acknowledge that this Franchise does not grant the authority to provide Non-Cable Services or encompass or reflect the full extent of the District's authority over the Franchisee and, notwithstanding any provision hereof, the parties reserve all of their rights under District and federal law regarding the scope of such authority. The Franchisee also acknowledges that, subject to federal law and consistent with the terms of this Agreement, the District has the authority to regulate the placement, construction, repair, and maintenance of physical facilities located in the Public Rights-of-Way, including the Cable System. The Franchisee further acknowledges that its authority to use the Public Rights-of-Way is subordinate to the District's permitting and regulatory authority and subordinate to the District's use and prior lawful occupation of the Public Rights-of-Way. Pursuant to applicable law, nothing in this Franchise shall be deemed a waiver of any right or authority the District may have now or in the future to regulate non-Cable Services, including Information Services or telecommunications services or the use of the Cable System to provide such services.

2.3 *Effective Date and Term:* The non-exclusive cable television franchise renewal granted to Comcast pursuant to this Agreement commences upon completion of the "Closing"

described below (the "Effective Date"). The Franchise will expire on March 14, 2029 (the "Term") unless the Franchise is earlier revoked or terminated or extended as provided herein.

2.4 The Franchise term may be extended for an additional five (5) years (the "Extended Term"), in accordance with the provisions of Section 2.4.1.

2.4.1 *Five Year Extension.* The Term shall be extended for an additional five (5) years upon the mutual consent of the District and the Franchisee. The District shall base its determination upon the results of a compliance review which considers whether the Franchisee has complied with the requirements of the Franchise. If the District determines that an extension of the Term is warranted, it shall certify in writing prior to the date that is not less than 36 months prior to the end of the Term, that the Franchisee is in compliance with the requirements of the Franchise and that the continuation of the Franchise for the Extended Term is approved ("Extension Certification"). If the Franchisee does not submit an acceptance of the Extension Certification within thirty (30) days, it shall be deemed to have withheld its consent to the Extended Term, and the Franchise term shall not be extended pursuant to this Section 2.4.1. If the District does not provide the Extension Certification to the Franchisee by the date that is 36 months prior to the end of the Term, the Franchise term shall not be extended pursuant to this Section 2.4.1. At any point between 36 months and 30 months prior to the expiration of the Term or Extended Term (if applicable), the Franchisee may assert its rights to renewal proceedings in accordance with section 626 of the Communications Act, 47 U.S.C. § 546.

2.5 *Limited Extension due to Negotiations:* Upon the expiration of the Franchise, if Comcast has properly sought a franchise renewal, according to applicable law, and the District has neither denied nor granted a renewal as of the expiration of the Franchise, the parties may mutually agree to extend the Term or Extended Term (if applicable) of the Agreement to allow for timely completion of the renewal proceedings.

2.6 *Closing:* This Agreement may be executed in one or more counterparts, with the same effect as if the signature on each such counterpart were upon the same instrument, all of which taken together shall constitute one and the same instrument. A signed copy of this Agreement delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to be an original signature to have the same legal effect as delivery of an original signed copy of this Agreement. The party providing a signature by facsimile or PDF shall, upon request, deliver an original counterpart of the same to the other party. The Closing shall be on a date and at a location to be specified by the Mayor, but in no event later than thirty (30) days after the date on which the act of the Council approving this agreement becomes effective. At the Closing, the Mayor shall execute, by signing, this Agreement. Franchisee shall execute this Agreement at, or any time prior to, the Closing.

2.7 *Grant Not Exclusive:* The Franchise and the rights granted herein to use and occupy the Public Rights-of-Way to provide Cable Services shall not be exclusive, and the District 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 itself, at any time during the Term or Extended Term (if applicable) of this Franchise. Any such rights

which are granted shall not by their terms reduce or detract from the authority granted under the Franchise and this Agreement.

2.8 *Competitive Equity*: Comcast acknowledges that the District has the authority to grant franchises that allow entities that compete with Comcast's services to construct and operate facilities in the District Public Rights-of-Way that may be used to provide video programming services to District of Columbia residences. If the District grants such an additional franchise to an entity that provides competitive video programming services to District residences that contains material terms and conditions that differ from Comcast's material obligations under this Franchise, then the parties agree that they will, pursuant to the processes set forth in this Section 2.8, seek to either: negotiate the terms of this Agreement to include any material terms or conditions that the District imposes upon the new entrant, or negotiate amendments to the Franchise to insure that the regulatory and financial burdens on each franchisee are materially equivalent. "Material terms and conditions" include franchise provisions related to: Franchise Fees and Gross Revenues; Institutional Networks; system design, build out and construction standards; number of PEG Channels and their funding; customer service standards; required reports and related record keeping; and notice and opportunity to cure breaches. The parties agree that this provision shall not require a word for word identical franchise or authorization for a competitive entity so long as the regulatory and financial burdens in their entirety on each entity are materially equivalent. The following are exempt from this Section: (a) Video Programming services delivered over wireless networks; (b) any Video Programming services delivered via means or over systems that are not subject to the District's franchising authority or upon which the District may not impose similar requirements, under local or federal law, including a system described in section 651(a)(2) of the Communications Act, 47 U.S.C. § 571(a)(2); (c) entities that occupy the District Public Rights-of-Way as of the date of this Agreement; (d) telecommunications services; and (e) interstate Information Services.

The parties agree that:

- (1) Comcast may not withhold, delay or enjoin any performance or otherwise refuse to comply with its obligations whether or not it believes it is entitled to relief under this Section;
- (2) Any relief shall be prospective only, and limited to the relief agreed upon, or the modifications obtained through any renewal of this Franchise;
- (3) The District will not be liable for any damages to Comcast for any breach of this provision; and
- (4) Comcast may not obtain any relief from obligations it may have under settlements or other contracts with the District via this provision.

2.8.1 The modification process of this Franchise as provided for herein shall only be initiated by written notice provided by Comcast to the District regarding specified franchise obligations within thirty (30) days after the District's grant of the franchise or

authorization to the new entrant takes effect. Comcast's notice shall address the following: (1) identify the specific terms or conditions in the competitive cable services franchise which are materially different from Comcast's obligations under this Franchise; (2) identify the Franchise terms and conditions for which Comcast is seeking amendments; (3) provide text for any proposed Franchise amendments to the District, with a written explanation of why the proposed amendments are necessary and consistent; and (4) confirm whether Comcast is willing to accept any additional obligations that may be contained within the new franchise that are not contained within its franchise.

2.8.2 Upon receipt of Comcast's written notice as provided in Section 2.8.1, the District and Comcast agree that they will use best efforts in good faith to negotiate the proposed Franchise modifications to achieve competitive equity of regulatory and financial burdens in their entirety, and that such negotiation will proceed and conclude within a one hundred eighty (180) day time period, unless that time period is reduced or extended by mutual agreement of the parties. If the District and Comcast reach agreement on the Franchise modifications pursuant to such negotiations, then the District shall amend this Franchise to include the modifications pursuant to District of Columbia law. Notwithstanding anything contained herein to the contrary, the District shall not be obligated to amend this Franchise unless the new entrant is actually providing Video Programming under its agreement with the District.

2.8.3 If the District and Comcast fail to reach agreement in such negotiations, Comcast may, at its option, elect to shorten the remaining Term or Extended Term (if applicable) of this Franchise to not more than 36 months and shall be deemed to have timely invoked the formal renewal rights and procedures set forth in section 626 of the Communications Act, 47 U.S.C. § 546.

2.8.4 Comcast acknowledges that it is not entitled to any modification of this Franchise based on franchises that are now in effect in the District of Columbia, or for any new franchise that is issued for less than 5% of the area of the District of Columbia.

2.9 *Franchise Subject to Federal Law:* Notwithstanding any provision to the contrary herein, this Franchise is 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

2.10 *No Waiver:* The failure of the District on one or more occasions to exercise a right or to require compliance or performance under this Franchise, the D.C. Cable Act, the Communications Act or any other applicable Federal law shall not be deemed to constitute a waiver of such right or a waiver of compliance or performance by the District, nor to excuse Franchisee from complying or performing, unless such right or such compliance or performance has been specifically waived in writing.

2.10.1 Pending litigation or an appeal to a regulatory body or court of competent jurisdiction shall not excuse the Franchisee from the performance of its obligations under this Agreement unless a stay is obtained or the Franchisee is otherwise excused from performance by operation of law. Failure of the Franchisee to perform such obligations because of pending litigation or appeal, in the absence of a stay issued by a court of competent jurisdiction or a

regulatory body, or where Franchisee is excused from performance by operation of law, may result in enforcement actions pursuant to the provisions of this Agreement.

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

2.11 *Construction of Agreement:* Franchisee agrees to abide by this Agreement and the D.C. Cable Law. In the event of a conflict between the D.C. Cable Law and this Agreement, D.C. Cable Law shall control subject to Section 2.12, and the Contracts Clause of the Constitution (made applicable to the District in section 302 of the Home Rule Act, D.C. Official Code § 1-203.02). In addition, nothing herein shall be construed to limit the scope or applicability of section 625 of the Communications Act, 47 U.S.C. § 545.

2.12 *Governmental Powers/Police Powers:* The District expressly reserves the right to exercise its governmental powers, now or hereafter, to the full extent that the powers may be vested in or granted to the District. Nothing in the Franchise shall be construed to prohibit the lawful exercise of the District's police powers in adopting and enforcing generally applicable laws and regulations necessary for the safety and welfare of the public. If such a lawful exercise of the District's police power results in any material alteration of the terms and conditions of this Franchise, then the parties shall modify this Franchise to the mutual satisfaction of both parties to minimize the negative effects on the Franchisee of the material alteration. Any modifications shall be in writing. If the parties cannot reach agreement on the above-referenced modification to the Franchise, then Franchisee may elect to shorten the remaining Term or Extended Term (if applicable) of this Franchise to not more than 36 months and shall be deemed to have timely invoked the formal renewal rights and procedures set forth in section 626 of the Communications Act, 47 U.S.C. § 546, or, at Franchisee's option, the parties may agree to submit the matter to non-binding mediation by a mutually acceptable mediator. The cost of the mediator will be split equally between the parties. In reviewing the claims of the parties, the mediator shall be guided by the following purposes: to modify the Franchise so as to preserve intact, to the greatest extent possible, the benefits that each party has bargained for in entering into this Agreement and ameliorate the adverse effect of the material alteration on the Franchisee.

2.13 *Effect of Acceptance of Franchise:* By accepting the Franchise granted by the District and by entering into this Agreement, Franchisee:

- (a) Shall comply with the provisions of this Agreement;
- (b) Acknowledges and accepts the District's legal right to grant the Franchise and to enter into this Agreement;
- (c) Acknowledges and agrees that the Franchise has been granted, and that this Agreement has been entered into, pursuant to processes and procedures consistent with applicable law;

SECTION 3
PROVISION OF CABLE SERVICES

3. PROVISION OF CABLE SERVICE

3.1 *Provision of Cable Service:* Franchisee shall provide Cable Services over the Cable System throughout the Term and Extended Term (if applicable) of this Franchise.

3.1.1 *Service Area:* Comcast shall make Cable Service available to every residential dwelling unit within the Franchise Area passed by the Cable System consistent with the standard and non-standard installation requirements set forth below:

3.1.2 *Standard Installation:* 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 Standard Installations.

3.1.3 *Non-Standard Installation:* With respect to such requests for connection requiring an aerial or underground drop line in excess of two hundred and fifty feet (250') from the nearest activated distribution lines from which a useable signal can be provided, the Franchisee shall extend and make available Cable Service to such Subscribers at an installation fee not to exceed the Franchisee's standard installation fee, if any, plus the actual installation or construction costs incurred by the Franchisee for the distance exceeding two hundred fifty feet (250'), or requiring any non-standard construction, such as street cuts, asphalt covering, concrete cutting, etc. Actual installation costs include reasonable actual labor or hourly service charges (including wages, benefits and payroll taxes) and material costs incurred by Franchisee for the additional work beyond two hundred and fifty feet (250'), together with a reasonable charge for overhead.

3.2 *Exceptions to Performance:* The Franchisee shall not be excused from the timely performance of its obligations as set forth in Section 3.1, except: (a) for periods of Force Majeure; (b) for period of delay caused by actions or inactions of any government instrumentality or public utility including condemnation; (c) for periods of delay caused by waiting for utility providers to service, monitor, or provide access to utility poles, underground conduit, manholes or other facilities necessary for Franchisee to meet its obligations; and (d) for periods of delay resulting from Franchisee's inability to obtain authority to access Public Rights-of-Way in the Franchise Area. The Franchisee may refuse to provide Cable Service: (w) in developments or buildings subject to claimed exclusive arrangements with other providers; (x) in developments or buildings that Franchisee cannot access under reasonable terms and conditions after good faith negotiation, as determined by the Franchisee; (y) Franchisee is unable to obtain from property owners any necessary easements, permits and agreements necessary to provide service; and (z) in developments or buildings that 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.

3.3 *Availability of Cable Service:* Franchisee shall not discriminate between or among any individuals in the availability of Cable Service based upon income in accordance with section 621(a)(3) of the Communications Act, 47 U.S.C. § 541(a)(3), or based upon race or

ethnicity. Subject to Section 9.9, it shall be the right of all Persons to receive Cable Service so long as such Person's financial or other obligations to the Franchisee are satisfied; provided, however, that the Franchisee may deny service for good cause, including but not limited to theft of Franchisee's services, financial history with Franchisee, vandalism of its property, or abuse or harassment of its representatives.

3.4 *Cable Service to Municipal Buildings:* Subject to Section 3.2, Comcast shall make available without charge within the Franchise Area, one service outlet activated for Basic Service and Digital Starter or its equivalent, and provide the same number of converters as currently provided as of the Effective Date of this Agreement to each of the approximately 325 public schools, public libraries, and Municipal Buildings currently served by the Franchisee as of the Effective Date of this Agreement (including moving service provided to these current locations to new facilities, located in the Franchise Area, if requested) without charge, and, upon written request from the District, one service outlet activated for Basic Service and the most commonly subscribed to tier other than Basic Service, plus three (3) converters that enable viewing of the activated service to any newly acquired or constructed public schools, public libraries, and Municipal Buildings, as designated by the District in writing to Franchisee ("Additional Buildings") so long as such Additional Buildings do not exceed five (5) per calendar year during the Term and Extended Term (if applicable) of the Franchise; provided, however, that if it is necessary to extend Franchisee's trunk or feeder lines more than two hundred fifty feet (250') solely to provide Cable Service to any such school or public building, the District shall have the option either of paying Franchisee's costs for such extension in excess of two hundred fifty feet (250'), or of releasing Franchisee from the obligation to provide Service to such building. Furthermore, while Franchisee does not have an obligation to provide more than one outlet per public building, although not required, Franchisee shall be permitted to recover, from any school or other public building owner entitled to free service, the cost of installing more than one outlet, inside wiring, or a Service outlet requiring more than two hundred fifty feet (250') of drop cable; provided, however, that Franchisee shall not charge for the provision of Basic Service to the additional Service outlets once installed, but may charge for equipment required to receive Basic Service that is in addition to the primary Service outlet. Cable Service may not be resold or otherwise used in contravention of Franchisee's rights with third parties regarding Programming or for any other purpose not specifically agreed to in this Franchise. Equipment provided by Franchisee, if any, shall be replaced at retail rates if lost, stolen or damaged. In the event of relocation of any of the public schools, public libraries, and Municipal Buildings provided Service under this Agreement, the District shall pay for any relocation costs that require Franchisee to extend its trunk or feeder lines more than two hundred fifty feet (250').

3.5 *Leased Access Channels:* In accordance with applicable law, to the extent Comcast offers Leased Access Channels, upon receiving a written request, Comcast must provide the District with Comcast's form contract and rates for Leased Access Channels. Comcast shall provide this information to the District within thirty (30) days of the request.

3.6 *Parity with Neighboring Jurisdictions:* If Comcast provides a new Cable Service on a commercially deployed basis in the Region, then Comcast, within thirty-six (36) months, shall provide such Cable Service in the Franchise Area, unless Franchisee reasonably

determines and demonstrates in writing to the District that doing so would not be Economically and Technically Feasible and Viable such that there is insufficient Subscriber demand for such Service(s). Nothing in this Section 3.6 shall be construed to require identical Programming throughout the Region, including without limitation PEG and other non-commercial channels and must-carry signals or Programming signals, products or Cable Services that are being temporarily provided on a trial basis.

SECTION 4 SYSTEM OPERATION

4. SYSTEM OPERATION

4.1 *Cable System Tests and Inspections:*

4.1.1 The Franchisee shall perform all tests necessary to demonstrate compliance with the requirements of the Franchise, and to ensure that the Cable System is operating as required. Tests shall be conducted to evaluate the extent to which the Cable System complies with all applicable technical standards established by the FCC. In the event of any amendment to the FCC's technical performance standards or testing requirements, the Franchisee agrees to come into compliance with those standards and requirements, within the time period specified by the FCC.

4.1.2 The Franchisee shall conduct tests referred to in Subsection 4.1.1 on the Cable System on a schedule that complies with applicable FCC rules currently in effect or in effect in the future. In consultation with the District, the Cable System monitor test points shall be established in accordance with good engineering practices, and tests shall be conducted in accordance with industry best practices and any applicable FCC rules to ensure compliance with all applicable technical standards throughout all parts of the Cable System.

4.1.3 Tests shall be supervised by the Franchisee's senior engineer or designee, who shall sign all records of tests provided to the District.

4.1.4 Should the Franchisee upgrade or rebuild the Cable System, the District shall have the right to witness and review any tests performed on newly constructed, upgraded or rebuilt segments of the Cable System to ensure compliance with applicable FCC rules. The Franchisee shall provide the District with at least two (2) business days' notice of, and opportunity to observe, any such tests performed on the Cable System. Subject to the confidentiality requirements of Section 10.3, the District shall have the right to witness and/or review such tests, except in cases of emergencies. The District shall further have the right to have independent consultants employed by the District witness and review such tests. The parties will cooperate through use of non-disclosure agreements and other means to protect Franchisee's proprietary and confidential information from public disclosure, to the extent permitted by law. Repeated and unexcused failures to comply with notice provisions shall constitute a material breach and subject Franchisee to liquidated damages.

4.1.5 The Franchisee shall provide the District, upon written request, with copies of written reports on all regular tests performed pursuant to Section 4.1 within forty-five (45) days of completing such tests.

4.1.6 If any test indicates that any part or component of the Cable System fails to meet applicable requirements, the Franchisee, without requirement of additional notice or request from the District, shall take corrective action, retest the locations and advise the District of the action taken and results achieved, and supply the District with a copy of the results within thirty (30) days from the date corrective action was completed.

4.1.7 The District may, for good cause shown, waive or limit the system test and inspection provisions in this Article (other than those required by federal law or regulation).

SECTION 5 SYSTEM FACILITIES

5. SYSTEM FACILITIES

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

5.1.1 Pursuant to applicable federal law, the Cable System will transmit high quality and reliable Cable Services to all Subscribers throughout the Franchise Term and Extended Term (if applicable).

5.1.2 The System shall have the same or greater capabilities as all other Cable Systems operated by the Franchisee serving jurisdictions contiguous to the District of Columbia which have populations equal to or greater than the District, and in no event no less capabilities than the Franchisee's current Cable System which is capable of passing frequencies of at least eight hundred sixty (860) megahertz (MHz) cable bandwidth.

5.1.3 Protection against outages due to power failures, so that back-up power is available at a minimum for at least twenty-four (24) hours at the Headend, and conforming to industry standards, but in no event rated for less than three (3) hours, at each power supply site.

5.1.4 Facilities and equipment of good and durable quality generally used in high quality, reliable systems of similar design.

5.1.5 Facilities and equipment sufficient to cure violations of any applicable FCC technical standards and to ensure that the Cable System remains in compliance with the standards specified in subsections 5.1.16.

5.1.6 Facilities and equipment as necessary to maintain, operate, and evaluate the Cable System to comply with any applicable FCC technical standards

5.1.7 All facilities and equipment designed to be capable of continuous twenty-four (24) hour daily operation in accordance with applicable FCC standards except as caused by a Force Majeure event.

5.1.8 All facilities and equipment designed, built and operated in such a manner as to comply with all applicable FCC requirements regarding (i) consumer electronic equipment and (ii) interference with the reception of off-the-air signals by a subscriber.

5.1.9 All facilities and equipment designed, built and operated in such a manner as to protect the safety of the Cable System workers and the public.

5.1.10 Sufficient trucks, tools, testing equipment, monitoring devices and other equipment and facilities and trained and skilled personnel required to enable the Franchisee to substantially comply with D.C. Cable Law, and applicable FCC customer service standards.

5.1.11 All facilities and equipment required to properly test the Cable System and conduct an ongoing and active program of preventive maintenance and quality control and to be able to quickly respond to customer complaints and resolve system problems.

5.1.12 Design capable of interconnecting with other cable systems in the Franchise Area as set forth in Section 5.2 of this Agreement.

5.1.13 If applicable, antenna supporting structures (towers) shall be designed in accordance with Title 6 of the District Code and, painted, lighted, erected and maintained in accordance with all applicable rules and regulations of the Federal Aviation Administration, the Federal Communications Commission, and all other applicable codes and regulations.

5.1.14 Facilities and equipment at the Headend shall allow the Franchisee to transmit or cablecast signals in substantially the form received, without substantial alteration or deterioration. For example, the Headend should include equipment that will transmit color video signals received at the Headend in color, stereo audio signals received at the Headend in stereo, and a signal received with a secondary audio track with both audio tracks. Similarly, all closed-captioned programming (including programming with video description) retransmitted over the Cable System shall include the closed-captioned signal in a manner that renders that signal available to Subscriber equipment used to decode the captioning.

5.1.15 Shall provide adequate security provisions in its Subscriber site equipment to permit parental control over the use of Cable Services on the System. Such equipment will at a minimum offer as an option that a Person ordering programming must provide a personal identification number or other means provided by the Franchisee only to a Subscriber. Provided, however, the Franchisee shall bear no responsibility for the exercise of parental controls and shall incur no liability to the District for any Subscriber's or viewer's exercise or failure to exercise such controls.

5.1.16 The Cable System must conform to or exceed all applicable FCC technical performance standards, and any other future generally applicable technical performance standards, which the District may be permitted by a change in federal law to enforce, and shall substantially conform in all material respects to applicable sections of the following standards and regulations to the extent such standards and regulations remain in effect and are consistent with accepted industry procedures:

5.1.16.1 Occupational Safety and Health Administration (OSHA) Safety and Health Standards;

5.1.16.2 National Electrical Code;

5.1.16.3 National Electrical Safety Code (NESC);

5.1.16.4 Obstruction Marking and Lighting, AC 7017460 i.e., Federal Aviation Administration;

5.1.16.5 Constructing, Marking and Lighting of Antenna Structures, Federal Communications Commission Rules, Part 17;

5.1.16.6 Title 6 (“Housing and Building Restrictions and Regulations”) of the District Code; and

5.1.16.7 District Department of Transportation Standard Specifications for Highway and Structures;

provided that the District may enforce any District statute or regulation without showing that a violation is substantial.

5.2 Interconnection:

5.2.1 At the request of the District, the Franchisee shall, to the extent permitted by applicable law and its contractual obligations to third parties, negotiate in good faith an interconnection agreement with any other franchised cable system in the District for the PEG Channels on the Cable System. All terms and conditions must be mutually agreed to in writing by the parties including sharing of costs, if applicable.

5.2.2 The Franchisee shall notify the District prior to any interconnection of the Cable System.

5.2.3 The Franchisee shall in good faith cooperate with the District in implementing interconnection for PEG Channels with other Cable Systems contiguous to the boundaries of the District of Columbia if requested by the District at the District’s cost, including but not limited to any ongoing maintenance, repair, upgrade or replacement costs.

5.3 *Emergency Alert System:*

5.3.1 Franchisee shall comply with the EAS requirements of the FCC in order that emergency messages may be distributed over the System.

5.4 *Relocation:*

5.4.1 The District shall have the right to require Franchisee to relocate any of Franchisee's Cable System within the District's Rights of Way when the public convenience or public interest would be served by such a change, and the expense thereof shall be paid by Franchisee. Should Franchisee fail to relocate any such facilities by a reasonable date established by the District, in no event less than thirty (30) days, absent a public safety emergency, the District may effect such relocation , and the expense thereof shall be paid by Franchisee, including all costs and expenses incurred by the District due to Franchisee's delay. The District shall use reasonable efforts to minimize the impact on Franchisee’s facilities related to any relocation. Nothing herein shall prevent Franchisee from participating in any alternative funding for relocation. In the event that the City or any public or quasi-public entity reimburses costs for other occupants of the Public Ways which this Section 5.4 imposes on the Franchisee, Franchisee shall be entitled to reimbursement to the extent other occupants of the Public Way are

reimbursed. It will not be a breach of this Agreement for Franchisee to request that the District or such public or quasi-public entity, as the case may be, bear some or all of the Franchisee's costs.

SECTION 6 PEG SERVICES

6. PEG SERVICES

6.1 *PEG Set Aside:*

6.1.1 In order to ensure universal availability of public, educational and government (PEG) Access programming in the District, Franchisee shall make all PEG Channels available on the tier of service to which all subscribers must subscribe (currently the Basic Service tier), or if there is no such tier, the PEG channels will be provided to every Subscriber without charge beyond the charge the Subscriber pays for the Cable Services and equipment the Subscriber receives. The PEG Channels include six (6) standard definition (SD) PEG Channels and the high definition (HD) PEG Channels described in Section 6.1.12 below. The programming to be carried on each of the PEG Channels, and transmitted from the corresponding PEG Origination Points (as defined below), made available by the Franchisee pursuant to this section, is reflected in Exhibit A.

6.1.2 The Franchisee shall maintain all of its facilities in the District necessary to connect its Cable System to the locations (the "PEG Origination Points") set forth in Exhibit A of this Agreement.

6.1.3 The Franchisee's obligations under Section 6.1, including its obligation to install all facilities necessary to connect its Cable System to the PEG Origination Points and transmit signals originating therefrom, shall be subject to the provision by the District or any entity responsible for managing a PEG Origination Point, without charge to the Franchisee and in a timely manner, of the following: (1) suitable space, environmental conditions, electrical power supply, access, and pathways within the facilities located at each PEG Origination Point; (2) video signals in a form that is compatible with the Cable System; and (3) any other cooperation from and access to the facilities of the District of any entity responsible for managing a PEG Origination Point as are reasonably necessary for the Franchisee to fulfill the obligations stated herein.

6.1.4 Nothing in this Section 6 shall be interpreted to require the Franchisee to obtain PEG programming from any origination point located outside the Franchise Area.

6.1.5 Franchisee shall provide the SD PEG Channels so that the SD PEG Channels are viewable by the Subscriber without the need for additional equipment other than the equipment that is required by every Subscriber to view other Cable Service programming on the tier(s) of Cable Service which include(s) the SD PEG Channels now or in the future. Each SD PEG Channel shall be delivered to Subscribers without material degradation so that each SD PEG Channel is as accessible, recordable, viewable and available at a quality equal to the quality of the twenty (20) most popular commercial cable channels; provided, Comcast is not required to deliver a signal in a higher quality format than is delivered to Comcast.

6.1.6 Subject to Subsection 6.1.5, Franchisee shall encode and transmit the PEG Channels from the PEG Origination Point where Franchisee acquires the signal to Subscribers in

a manner that ensures that the signals originally provided to Franchisee at the PEG Origination Point experience no greater degradation during such encoding and transmission than do any other signals on the Cable System, regardless of where they originate or are inserted into the Cable System. If Franchisee makes changes to its Cable System or signal transmission technology which directly and detrimentally affect the signal quality or the transport of the PEG Channels, Franchisee shall, at its own expense, make any necessary changes at the District's PEG Origination Points so that the PEG facilities and equipment may be used as intended with respect to the PEG Channels specified in this Section and so that the quality levels specified herein are maintained.

6.1.7 With respect to service issues concerning PEG Channel transmission, Franchisee shall respond to all trouble reports from the District within four (4) hours and shall commence necessary repairs within twenty-four (24) hours under Normal Operating Conditions. If such repairs cannot be completed within twenty-four (24) hours, the Franchisee shall notify the District as to the reason(s) for the delay and provide an estimated time of repair. Franchisee shall provide the District with contact information which shall be the single point of contact for Franchisee on service issues concerning PEG Channel transmission.

6.1.8 The District hereby authorizes Franchisee to transmit PEG Channel programming within and without the District's jurisdictional boundaries.

6.1.9 If a PEG Channel is not yet being utilized by the District, Franchisee may utilize such PEG Channel, in its sole discretion, until such time as the District elects to utilize the PEG Channel for its intended purpose.

6.1.10 The Franchisee reserves the right to program any PEG Channel which was being utilized by the District but has ceased to carry programming of any type (including text only programming) for a period of three (3) continuous months. The Franchisee may use the unused PEG Channel until such time as the District notifies the Franchisee in writing that it elects to utilize the PEG Channel for its intended purpose. The Franchisee then has ninety (90) calendar days to make the Channel available to the District.

6.1.11 *Advertising:* Franchisee shall provide certain advertising time to the District for the PEG Channels in accordance with terms and conditions to be set forth in a letter from an authorized representative of Comcast and provided to the District within thirty (30) days following the Effective Date .

6.1.12 *High Definition (HD) PEG Channels:* In addition to the SD PEG Channels provided for in Section 6, Franchisee shall, at no cost to the District, activate for PEG use by the District four (4) existing SD PEG Channels of the District's choosing for simultaneous transmission in HD format on the following schedule: (i) three (3) HD format PEG Channels within ninety (90) days after the Effective Date, and (ii) one (1) additional HD format PEG Channel within one hundred and twenty (120) days after the Effective Date. The District shall be responsible for acquiring, at its cost, all equipment necessary to produce and deliver the PEG HD Programming in the format as determined by Franchisee, including the cost of any necessary return line upgrades.

6.1.12.1 The District shall be responsible for providing the HD PEG Channel signals in an HD digital format compatible with Franchisee's equipment in the Cable System to the demarcation point at the designated point of origination for the HD PEG Channels.

6.1.12.2 With respect to signal quality, Franchisee shall not be required to carry an HD PEG Channel in a higher quality format than that of the HD PEG Channel signal delivered to Franchisee.

6.1.12.3 Viewing HD PEG Channels may require Subscribers to buy or lease special equipment, available to all Subscribers, and subscribe to those tiers of Cable Service, upon which HD PEG channels are made available, but any Subscriber who can view an HD signal delivered via the Cable System at a receiver shall also be able to view the HD PEG Channels at that receiver, without additional charges or equipment. Franchisee is not required to provide free HD equipment to Subscribers, including complimentary government and educational accounts, nor modify its equipment or pricing policies in any manner.

6.1.12.4 The District or any designated PEG Channel provider is responsible for acquiring all equipment necessary to produce programming in HD.

6.1.12.5 Franchisee shall provide all necessary transmission equipment from the PEG Origination Point, at Franchisee's Headend and through Franchisee's distribution system, in order to deliver the HD PEG Channels to Subscribers. The Franchisee shall be responsible for the costs of all transmission equipment, including HD encoder or decoder equipment, and multiplex equipment, required in order for Franchisee to receive and distribute the Franchisee's HD PEG Channel signal. The District shall be responsible for the actual cost of any resulting necessary upgrades to the video return line required to support HD transmission, but any additional costs associated with upgrading the line, including as a result of changes to the Cable System or relocation of System facilities shall be borne by Franchisee.

6.1.12.6 There shall be no restriction on Franchisee's technology used to deploy and deliver HD signals. Franchisee may implement HD carriage of the PEG channel in any manner (including selection of compression, utilization of Internet Protocol, and other processing characteristics) that produces a signal quality for Subscribers without material degradation so that each HD Channel is as accessible, recordable, viewable and available at a quality equal to the quality of the twenty (20) most popular commercial HD cable channels carried on the Cable System.

6.2 *PEG Channel Assignments:* The Franchisee shall carry the programming on each of the respective SD PEG Channels on the channel numbers as indicated in Exhibit A. The Parties shall mutually agree in writing to the assignment of specific channel numbers for HD PEG Channels, and if the Parties cannot agree, channel numbers will be assigned a number near the other local broadcast stations in HD format if such channel positions are not already taken, or if that is not possible, near news/public affairs programming channels in HD format, or such other location as is reasonably agreeable to the District. The Franchisee shall not arbitrarily or capriciously change channel assignments, and the Franchisee shall minimize the number of such changes; provided, however, that the Franchisee may change such channel assignments as it deems appropriate so long as the PEG Channel is assigned a number near the other local

broadcast stations in a similar format if such channel positions are not already taken, or if that is not possible, near news/public affairs programming channels in a similar format, or such other location as is reasonably agreeable to the District and (i) the Franchisee gives the PEG entity ninety (90) days' notice of such change (if practicable) but in no event less than forty-five (45) days, and (ii) the Franchisee provides, free of charge, public announcements of such changes that shall include (A) to the extent Franchisee has advertising availability, advertising such PEG channel changes on advertising inserts on local channels carrying non-satellite programming at least thirty (30) seconds per day for the time period of thirty (30) to fifteen (15) days prior to such change and two (2) minutes per day for the fourteen (14) days prior to such change any such public announcement inventory used in accordance with this Section will be deducted from the inventory provided to the District in Section 6.1.11 above, and (B) providing notice of such changes in at least two (2) monthly Subscriber bill messages or inserts prior to such change (if practicable) but in no event less than one (1) monthly Subscriber bill insert; provided, however, that such bill inserts shall not be necessary in the event the Franchisee provides the requisite notice of such changes to all Subscribers in a letter separate from their bill (such mailing may cover all affected PEG entities, provided that each is prominently featured). Except for PEG Channel relocations due to factors not within the Franchisee's control, including changes in the channel designation of must carry Channels or other federal or District legal requirements, if Franchisee relocates PEG Channel(s), then Franchisee shall pay the District ten thousand dollars (\$10,000) to assist in "rebranding" the PEG Channel(s). This is not a per channel payment; rather, this is a payment per relocation instance.

6.3 *Onscreen Menus and Programming Guides.* The Franchisee shall carry on its onscreen menus and programming guides the channel names, individual program names, individual program descriptions, accessibility information (availability of closed captioning and video description) and other information for the PEG Channels in the same manner and level of detail as carried for local broadcast channels, provided that Franchisee will be responsible for providing the designations and instructions necessary to ensure the channels will appear on the programming guides throughout the District and any necessary headend costs and any third party programming guide vendor costs associated therewith, and the District shall be responsible for providing programming information to the Franchisee, or if the Franchisee uses a third party Programming guide vendor, to that vendor. Any costs incurred by the District or charged by a third party Programming guide vendor shall be paid by the District.

6.4 *PEG Indemnification:* The District shall require all local producers and users of any of the PEG Channels or related video facilities to agree in writing to authorize Franchisee to transmit PEG programming consistent with this Agreement and to defend and hold harmless Franchisee and the District, 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 laws, rules, regulations or other requirements of local, District, other state, or federal authorities; 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 result from the use of a PEG facility or Channel.

6.5 *Commercial Programming/Commercial Advertisements.* The District or its licensees, assigns, or agents shall not transmit on the PEG Channels commercial programming or commercial advertisements to the extent that they would constitute competition with the Franchisee for such commercial programming or commercial advertisements, subject to the following: For purposes of this subsection, "Commercial Programming or Commercial Advertisements" shall mean programming or advertisements for which the District receives payment from a third party (a party other than the District or the Franchisee), but shall not include announcements indicating that programming is underwritten by a commercial entity, such as the underwriting announcements typically displayed by the public broadcasting system.

**SECTION 7
PEG/INET GRANT**

7. PEG/INET GRANT

7.1 *PEG/INET Grant:*

7.1.1 Franchisee shall provide a grant to the District to be used for PEG capital support ("PEG/INET Grant") in accordance with applicable law. The annual PEG/INET Grant payment, along with a brief summary of the Subscriber information upon which it is based, shall be delivered to the District within sixty (60) days after the end of each calendar year during the Franchise Term and Extended Term (if applicable).

7.1.2 The annual PEG/INET Grant shall be two percent (2%) of Franchisee's Gross Revenues and shall be payable as follows: (i) One percent (1%) of Franchisee's Gross Revenues shall be paid to the District for capital support and allocation among the PEG Entities, and (ii) one percent (1%) of Gross Revenues shall be paid to the operations of the Public Access Corporation. The annual PEG/INET Grant payments will be paid quarterly at the same time as Franchisee pays the franchise fees to the District pursuant to Section 8.1.

7.1.3 The parties agree that all facilities, equipment, and ongoing PEG/INET Grant payments provided to the District by Franchisee in connection with PEG Channels and the Institutional Network, and all equipment services or facilities required by this Agreement and by any separate Institutional Network agreement with the District are excluded from the meaning of the term "franchise fee" as defined by the Communications Act, D.C. Cable Law, and this Agreement.

7.2 The Franchisee shall be allowed to recover from Subscribers the amount of the PEG/INET Grant specified in Section 7.1.2 as a separate line item(s) on each Subscriber's bill. Without limiting the foregoing, if allowed under federal law, Franchisee may also list as a separate line-item or otherwise pass through interconnection costs to Subscribers as a separately billed line item(s) on each Subscriber's bill. Franchisee shall not label or otherwise describe the recovery of these costs on the customers' bills as a tax levied by any government.

SECTION 8 FRANCHISE FEES

8. FRANCHISE FEES

8.1 *Payment to the District:* Franchisee shall pay to the District a Franchise fee of five percent (5%) of annual Gross Revenues. In accordance with section 622(b) of the Communications Act, 47 U.S.C. § 542(b), the twelve (12) month period applicable under the Franchise for the computation of the Franchise Fee shall be a calendar year. Such payments shall be paid no later than forty-five (45) days following the end of the calendar quarter.

8.2 *Supporting Information:* For each Franchise Fee payment, Franchisee shall provide by electronic filing a report prepared by a representative of Franchisee, reflecting the total amount of quarterly Gross Revenues for the payment period and showing the basis for the computation. The District shall have the right to reasonably require further supporting information.

8.3 *Limitation on Franchise Fee Actions:* The parties agree that the period of limitation for recovery of any Franchise Fee payable hereunder shall be four (4) years from the date on which payment by Franchisee is due, or the District reasonably could have discovered a shortfall, whichever occurs last; provided, however, that nothing in this provision shall be construed to extend the document retention periods set forth in Sections 8.6 and 10.1.

8.4 Allocation of Revenues Among Bundled Services.

8.4.1 To the extent revenues are received by Franchisee for the provision of a bundled or combination of services which includes Cable Services and non-Cable Services, Franchisee shall allocate revenue among the services on a pro rata basis calculated by comparing the bundled service price to the sum of the published rate card charges for each of the services, except as otherwise required by specific federal or District law.

8.4.2 Equipment included in the bundled, tied or combined price shall not be reduced and franchise fees shall be based on the equipment's full rate card charges. This calculation shall be applied to every bundled or combined Cable Service from which Franchisee derives revenues in the District. The District reserves its right to review and to challenge Franchisee's calculations.

8.4.3 The District acknowledges that Franchisee keeps its books in accordance with Generally Accepted Accounting Principles (GAAP). If Franchisee believes governing accounting principles as promulgated and defined by the Financial Accounting Standards Board ("FASB"), Emerging Issues Task Force ("EITF") and/or the U.S. Securities and Exchange Commission ("SEC") require modification of the requirements in this definition, Franchisee will explain and document the modifications it seeks to the District.

8.4.4 Resolution of any disputes over the classification of revenue should first be attempted by agreement of the Parties, but should no resolution be reached, the Parties agree to mediate their differences.

8.5 If the Franchisee bundles Cable Service with Non-Cable Service, the Franchisee agrees that it will not intentionally or unlawfully allocate revenue from these services for the purpose of evading the Franchise Fee payments under this Agreement, or utilize other entities for the purpose of evading the Franchise fee payments under this Agreement. In the event that the Franchisee or any Affiliate bundles, ties or combines Cable Services and non-Cable Services so that Subscribers pay a single fee or receive a discount on the Cable Services, the Cable Services Gross Revenues shall be determined based on a pro rata allocation of the total discount applied to the bundled services, comparing the total prices at the time of initial purchase for those services as specified in Franchisee's rate cards when those products are sold on a standalone basis to the bundled price. If Franchisee does not offer a component of the bundled package separately, it shall declare a stated retail value for each component as reflected on its books and records or based on reasonable comparable prices for the service for the purpose of determining Franchise Fees based on the package discount. The District reserves the right to require Franchisee to provide written support for allocations and to direct Franchisee to modify allocations if it finds that they were made for the purpose of evading or have the effect of evading the Franchise Fee payments under this Agreement. However, the parties agree that tariffed telecommunications services that cannot be discounted under District or federal law or regulations are excluded from the bundled allocation obligations in this Section.

8.6 Subject to the requirements of Sections 10.1, 10.2, 10.3 and 10.4 of this Agreement and the following sentence, Franchisee shall be responsible for making available to the District, all records necessary to confirm the accurate payment of Franchise Fees. The District's right to copy documents (or have copies made) under this Section 8.6 shall be limited to documents reasonably necessary to conduct an audit and such documents may be redacted to the extent required to comply with any applicable District or federal privacy laws or regulations. Franchisee shall maintain such records for 4 years, provided that, if the District commences an audit within that two-year period, Franchisee shall continue to maintain any records that have been requested by the District for the duration of any audit in progress at the end of that 4-year period. The District shall conduct all audits expeditiously, and neither the District nor Franchisee shall unreasonably delay the completion of an audit. The District's audit expenses shall be borne by the District unless settlement of the audit results in the payment to the District increasing by four percent (4%) or more in the audited period, in which case the reasonable and customary cost of any third party independent auditor, together with any additional amounts due the District as a result of such audit settlement, shall be paid by Franchisee to the District. The audit costs and any additional amounts due shall be paid by the Franchisee with its next quarterly Franchise Fee payment pursuant to Section 8.1 after a written notice to Franchisee by the District of the underpayment. Such notice shall include a copy of the audit report. Provided, however, Franchisee's obligation to pay or reimburse the District's audit expenses for any third-party independent auditor, as set forth above, 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 District, such amount shall be subject to interest charges computed from the due date as set forth in Section 8.10. If the audit determines that there has been an overpayment by Franchisee, Franchisee may credit any overpayment against its next quarterly payment under Section 8.1. No auditor employed by the District shall be compensated on a success-based

formula, e.g., payment based on a percentage of an underpayment, if any. The District shall not conduct an audit more frequently than once every two years.

8.7 *Reservation of Rights:* No acceptance of any such payment by the District shall be construed as an accord and satisfaction that the amount paid is in fact the correct amount, nor shall such acceptance of any payment be construed as a release of any claim that the District may have for further or additional sums payable under the provisions of this Agreement.

8.8 *Itemization:* If the Franchisee chooses to designate that portion of a Subscriber's bill attributable to the amount of any compensation payment to be made by the Franchisee or any other Person (including payments made on behalf of any other Person for whose Services the Franchisee bills Subscribers) to the District pursuant to this Agreement, it shall do so in a manner that does not mischaracterize the nature of such compensation payment and is consistent with federal law. Franchisee shall upon written request provide a sample bill containing such a designation, or a modification thereof, to OCTFME at such time as the bill is provided to Subscribers.

8.9 *Ordinary Business Expense:* Except as otherwise provided by law, nothing contained in this Section 8 or elsewhere in this Agreement shall prevent the Franchisee or any Affiliate from treating the compensation and other payments that it, they or either of them may pay pursuant to this Agreement as an ordinary expense of doing business and, accordingly, from deducting such payments from gross income in any District, state or federal income tax return.

8.10 *Interest on Late Payments:* In the event that any payment required by this Agreement is not actually received by the District on or before the applicable date fixed in this Agreement, interest thereon shall accrue from such date at a rate equal to the then-prevailing prime rate of interest charged by the District's primary depository bank.

8.11 *Method of Payment:* All payments by the Franchisee to the District pursuant to this Agreement shall be made payable to the D.C. Treasurer and shall be delivered to OCTFME.

8.12 *No Limitation on Taxing Authority:* Nothing in this Agreement shall be construed to limit any authority of the District 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, fees and charges of a general nature which Franchisee shall be required to pay to the District or to any District or federal agency or authority, as required herein or by law, all of which shall be separate and distinct obligations of Franchisee. 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, unless it is a tax from the District. Franchisee agrees that it will not seek to offset against the Franchise Fee or the PEG/I-Net Grant set forth herein any amount owed as a result of any tax, fee, or assessment currently imposed by the District, nor to offset against any such tax, fee, or assessment the amounts of the Franchise fee or PEG/I-Net Grant.

8.13 Nothing in this Agreement is intended to preclude the Franchisee from exercising any right it may have to challenge the lawfulness of any tax, fee, or assessment imposed by the District or any state or federal agency or authority or intended to waive any

rights the Franchisee has under section 622 of the Communications Act, 47 U.S.C. § 542, nor is it intended to waive any rights Franchisee may have to withhold payment of taxes during a challenge of such taxes if permitted by law.

8.14 If the franchise is terminated or revoked prior to its expiration date, the Franchisee shall file with the Office, within not less than 30 days following the date of termination or revocation, a financial statement clearly showing the gross revenues received by the cable operator since the end of the previous fiscal quarter. The cable operator shall pay the franchise fee due at the time the statement is filed.

SECTION 9 CUSTOMER SERVICE

9. CUSTOMER SERVICE

9.1 Comcast shall comply in all respects with all applicable FCC Customer Service regulations (including, but not limited to, 47 CFR 76.309) as amended from time to time, and these standards shall apply to the Franchisee to the extent it is providing Cable Services over its Cable System in the Franchise Area.

9.2 *Telephone Availability:* The Franchisee shall maintain a toll-free number to receive all calls and inquiries from Subscribers in the Franchise Area and/or residents regarding Cable Service. The Franchisee shall provide bilingual (English and Spanish) service via telephone calls. Franchisee representatives trained and qualified to answer questions related to Cable Service in the Franchise Area so that Subscribers' complaints are addressed quickly, professionally, and politely must be available to receive reports of Service Interruptions twenty-four (24) hours a day, seven (7) days a week, and to receive other inquiries such as billing and service questions for at least 50 hours per week, except to the extent such requirement is affected by or subject to any contractual agreement(s) between the Franchisee and any Person other than the District. The Franchisee shall provide written notice of its telephone availability hours, and any changes thereto, to the District.

9.2.1 Franchisee may use an Automated Response Unit (ARU) or Voice Response Unit (VRU) to distribute calls. If a foreign language routing option is provided, and the Subscriber does not enter an option, the menu will default to the first tier menu of English options. If the Franchisee uses an ARU or VRU, the system shall provide a clearly indicated opportunity to speak to a customer service representative.

9.2.1.1 Franchisee shall provide a Spanish language routing option. Franchisee is free to provide other foreign language routing options.

9.2.1.2 After the first tier menu (not including a foreign language rollout) has run through three times, if customers do not select any option, the ARU or VRU will forward the call to a queue for a live representative. The Franchisee may reasonably substitute this requirement with another method of handling calls from customers who do not have touch-tone telephones.

9.2.2 With respect to System Outages known by the Franchisee, Franchisee will provide up-to-date information on the status of the outage and the efforts to correct the problem to OCTFME.

9.2.3 Under Normal Operating Conditions, calls received by the Franchisee shall be answered within thirty (30) seconds. If the call needs to be transferred, transfer time shall not exceed thirty (30) seconds. Under Normal Operating Conditions, the Franchisee shall meet this standard for at least ninety percent (90%) of the calls it receives at all call centers receiving calls from Subscribers, as measured on a cumulative quarterly calendar basis. Measurement of this standard shall include all calls received by the Franchisee at all call centers

receiving calls from Subscribers, whether they are answered by a live representative, by an automated attendant, or abandoned after thirty (30) seconds of call waiting.

9.2.4 Under Normal Operating Conditions, callers to the Franchisee shall receive a busy signal no more than three (3%) percent of the time during any calendar quarter.

9.2.5 When answering telephone calls from Subscribers, each customer service representative shall identify himself or herself by name.

9.2.6 Franchisee shall provide TDD/TTY service, or similar technology with trained customer service representatives, who shall be available during Normal Business Hours and shall be able to provide services for hearing impaired customers at no charge

9.2.7 Franchisee shall keep records as necessary to show compliance with Section 9.2.

9.3 *Installation and Service Appointments:* All installations will be in accordance with FCC rules, including but not limited to, appropriate grounding, connection of equipment to ensure reception of Cable Service, and the provision of required consumer information and literature to adequately inform the Subscriber in the utilization of the Franchisee-supplied equipment and Cable Service.

9.3.1 The Standard Installation shall be performed within seven (7) business days after an order is placed as long as the dwelling unit is within one hundred and twenty five feet (125') of an existing drop serving the property. If an existing cable drop is not present, the Standard Installation shall be performed within fourteen (14) business days after an order is placed. Under Normal Operating Conditions, the Franchisee shall meet this standard for at least ninety-five percent (95%) of the Standard Installations it performs, as measured on a cumulative quarterly calendar basis, excluding customer requests for connections later than these timeframes.

9.3.2 Upon installation, Franchisee shall provide a Subscriber a copy of the terms of service, if any exists.

9.3.3 A Person or the District who requests the installation or activation of Standard Installation of Cable Service from Franchisee shall have the right at no charge to rescind the request at any time prior to physical installation at the Subscriber's premises or the commencement of Service. However, the right of rescission shall expire once the Subscriber actually receives the requested Service.

9.3.3.1 The Franchisee will offer Subscribers "appointment window" alternatives for arrival to perform installations, Service Calls and other activities. Appointment windows shall be no longer than four (4) hour scheduled time blocks during Normal Business Hours as determined by the Franchisee, usually beginning at 8:00 AM, unless it is deemed appropriate to begin earlier by the Franchisee and location management or subscriber. These hour restrictions do not apply to weekends or outside Normal Business Hours. On Saturdays, a minimum of 50% of the appointments will be offered to Subscribers with morning or afternoon

alternatives to perform installations, Service Calls and other Cable Service related activities. The appointment window may be longer only if the Subscriber consents. Franchisee may schedule appointments outside of Normal Business Hours for the express convenience of the Subscriber. Franchisee may not cancel an appointment after the close of business the day before a scheduled appointment.

9.3.3.2 Subject to Normal Operating Conditions, Franchisee will perform Service Calls from 8 a.m. to 7 p.m. weekdays and from 8 a.m. to 5 p.m. weekends and will perform installations and other Cable Service related activities from 8 a.m. to 5 p.m. weekdays and Saturdays.

9.3.3.3 Franchisee shall ensure that its records and work orders accurately reflect the appointment windows given to Subscribers.

9.3.3.4 Franchisee shall inform a Subscriber at the time an appointment is scheduled of its Service procedures, and required payments.

9.3.3.5 Franchisee shall complete Standard Installations during a single appointment to the Subscriber's address, if possible. If a subsequent appointment is needed to complete an installation, Franchisee shall inform the Subscriber and shall schedule the appointment for the earliest mutually available time period.

9.3.3.6 Prior to an appointment period, Franchisee shall contact the Subscriber to confirm the appointment.

9.3.3.7 If the Subscriber is unavailable during the scheduled appointment time or window, Franchisee shall contact the customer to reschedule the appointment.

9.3.4 The Franchisee shall use due care in the process of installation and shall restore the Subscriber's property to substantially the same condition as prior to installation. Such restoration shall be undertaken and completed as soon as reasonably possible after the damage is incurred.

9.4 *Service Interruptions and Outages:* The Franchisee shall notify the District of any System Outage of the Cable Service.

9.4.1 The Franchisee shall exercise its best efforts to limit any interruption of Cable Service for the purpose of maintaining, repairing, or constructing the Cable System to the shortest period of time, to the greatest extent reasonably possible. Except in an emergency or for interruptions of five (5) minutes or less, the Franchisee may schedule an interruption of Service after 7:00 a.m. and before 12:00 midnight, only after notifying OCTFME and notifying affected Subscribers as set forth herein. Franchisee shall notify OCTFME of the scheduled interruption of Cable Service at least seventy-two (72) hours in advance, which period shall include at least one business day. Franchisee shall provide notice to Subscribers of the interruption at least forty-eight (48) hours in advance, unless OCTFME authorizes a shorter period.

9.4.2 Notwithstanding the foregoing, Franchisee may perform modifications, repairs and upgrades to the Cable System between 12.01 a.m. and 7 a.m. which may interrupt Service without notice as described in 9.4.1.

9.4.3 Franchisee shall maintain sufficient repair and maintenance capacity so as to be able to meet the requirements of this subsection.

9.4.4 Franchisee representatives who are capable of responding to Service Interruptions must be available to respond twenty-four (24) hours a day, seven (7) days a week.

9.4.5 Under Normal Operating Conditions, the Franchisee must Respond to a call from a Subscriber regarding a Service Interruption or other service problems within the following time frames:

9.4.5.1 Within twenty-four (24) hours, including weekends, of receiving Subscriber calls respecting Service Interruptions in the Franchise Area.

9.4.5.2 The Franchisee must begin actions to correct all other Cable Service problems the next business day after notification by the Subscriber or the District of a Cable Service Interruption.

9.4.6 Under Normal Operating Conditions, the Franchisee shall meet the standard in Subsection 9.4.5 for at least ninety-five percent (95%) of the Service Calls it completes, as measured on a cumulative quarterly calendar basis.

9.4.7 With respect to service issues concerning Cable Services provided pursuant to Section 3.4, Franchisee shall Respond to all inquiries from the District within four (4) hours and shall commence necessary repairs within twenty-four (24) hours under Normal Operating Conditions. If such repairs cannot be completed within twenty-four (24) hours, the Franchisee shall notify the District in writing as to the reason(s) for the delay and provide an estimated time of repair. Franchisee shall provide the District with contact information for single point of contact for Franchisee on Cable Services and issues. Contact information shall include the contact's name, address, business telephone, facsimile numbers and e-mail address. If any contact information changes, the Franchisee will inform the District as soon as reasonably possible.

9.5 *Credits:* Under Normal Operating Conditions, the Franchisee shall provide a credit upon Subscriber request when all Channels received by that Subscriber are out of service for a period of four (4) consecutive hours or more. The credit shall equal, at a minimum, a proportionate amount of the affected Subscriber(s) current monthly bill. In order to qualify for the credit, the Subscriber must promptly report the problem and allow the Franchisee to verify the problem if requested by the Franchisee. If Subscriber availability is required for repair, a credit will not be provided for such time, if any, that the Subscriber is not reasonably available.

9.5.1 Franchisee will have the ability to issue service credits in addition to those required by Section 9.5, at its sole discretion, to address customer complaints.

9.5.2 If a System Outage or Service Interruption materially affects a pay-per-view or special event for any period of time, Franchisee shall grant, upon Subscriber request, the affected Subscriber a credit equal to the full value of the pay-per-view or special event.

9.6 *Complaints:* Under Normal Operating Conditions, the Franchisee shall investigate Subscriber complaints referred by the District within five (5) business days. The Franchisee will attempt to contact the Subscriber within forty-eight (48) hours. The Franchisee shall notify the District of those matters that necessitate an excess of five (5) business days to resolve, but those matters must be resolved within fifteen (15) days of the initial District referral. The District may require reasonable documentation to be provided by the Franchisee to substantiate the request for additional time to resolve the problem. For purposes of this Section, "resolve" means that the Franchisee shall perform those actions, which, in the normal course of business, are necessary to investigate the Subscriber's complaint and advise the Subscriber of the results of that investigation. Franchisee agrees to update the District via electronic means on the closure of any complaint submitted by the District and on the status via verbal or electronic means.

9.6.1 Franchisee shall establish clear, written procedures for addressing complaints, whether the complaints are made orally, in person, by telephone, by electronic means, or in writing.

9.6.2 Franchisee shall make the complaint resolution procedures available at no charge to Subscribers upon request. Franchisee shall make available the complaint resolution procedures at its Service Center(s), and on its website.

9.6.3 Upon Subscriber request, Franchisee shall refer customer inquiries or complaints to an appropriate supervisor who shall address the Subscriber's concerns during such call or shall at least contact the Subscriber within twenty-four (24) hours after the referral.

9.6.4 Franchisee shall file a copy of its complaint resolution procedures with the OCTFME.

9.6.5 Subject to the confidentiality and privacy provisions of Section 10 of this Agreement, Franchisee shall assist OCTFME in its investigation of a Subscriber's complaint by providing any documents, materials, statements of fact, or other types of information reasonably requested by OCTFME consistent with the D.C. Cable Law or this Agreement.

9.7 *Billing:* Subscriber bills must be itemized to describe Cable Services purchased by Subscribers and related equipment charges. Bills shall clearly delineate activity during the billing period, including optional charges, rebates, credits, and aggregate late charges. In accordance with applicable federal law, Franchisee shall, without limitation as to additional line items, be allowed to itemize as separate line items, Franchise Fees, taxes and/or other governmentally imposed fees. The Franchisee shall maintain records of the date and place of mailing of bills.

9.7.1 Bills shall also include:

9.7.1.1 The date on which payment is due from a Subscriber;

9.7.1.2 The billing period over which each chargeable service is billed, including any prorated period due to the installation or disconnection of service;

9.7.1.3 The date when an applicable late fee would be assessed;

9.7.1.4 The amount of current billing and appropriate credits of past due balances;

9.7.1.5 The name and address of the Franchisee;

9.7.1.6 The telephone number of the Franchisee's customer service center; and

9.7.1.7 The telephone number and website address of OCTFME for unresolved customer service disputes.

9.7.2 If Franchisee itemizes Franchise Fees or other governmental fees attributable to the total bill, Franchisee shall ensure that the itemization is in accordance with federal law.

9.7.3 Franchisee shall render bills monthly, except where service is for less than one (1) month and has been prorated.

9.7.4 The Subscriber bill of every Subscriber with a current account balance sending payment directly to Franchisee shall provide the Subscriber fifteen (15) days from the bill date on the bill to the payment due date specified on the bill. A specific due date shall be listed on the bill of every Subscriber whose account is current. Delinquent accounts may receive a bill which lists the due date as upon receipt; however, the current portion of that bill shall not be considered past due except in accordance with Section 9.7.1 above.

9.7.5 Any Subscriber who, in good faith, disputes all or part of any bill shall have the option of withholding the disputed amount without disconnect or late fee being assessed, or notification of collection agencies until five (5) days after the dispute is resolved or such other applicable date as provided by federal law and the D.C. Cable Law, whichever is later, provided that:

9.7.5.1 The Subscriber pays all undisputed charges;

9.7.5.2 The Subscriber provides notification of the dispute to Franchisee within five (5) days prior to the due date; and

9.7.5.3 The Subscriber cooperates in determining the accuracy and/or appropriateness of the charges in dispute.

9.7.5.4 It shall be within the Franchisee's sole discretion to determine when the dispute has been resolved.

9.7.6 The billing dispute resolution procedure shall commence when a Subscriber contacts Franchisee, whether in person, by telephone, by electronic means, or in writing, to address an alleged billing error. If a Subscriber contacts the District, the District shall promptly notify the Franchisee that the dispute resolution procedure has commenced and shall refer the case to the Franchisee for resolution. Once notified, Franchisee shall promptly contact the Subscriber regarding the dispute.

9.7.7 Franchisee shall promptly undertake whatever review is necessary to resolve the dispute, and, under Normal Operating Conditions, shall initiate investigation and resolution within five (5) business days after receipt of the notice. Franchisee must respond to a written complaint from a subscriber establishing a billing dispute within thirty (30) days after receipt. Final resolution shall not be unreasonably delayed.

9.7.8 Franchisee shall waive a late charge with respect to a disputed amount if the matter is found in favor of the Subscriber.

9.7.9 Franchisee may refer a delinquent account to a collection agency after reasonable unsuccessful attempts to collect the account. Franchisee shall promptly notify the collection agency to discontinue further collection actions promptly after the Subscriber pays the outstanding amount.

9.7.10 Franchisee may recover a reasonable fee for all checks returned due to insufficient funds.

9.7.11 Franchisee shall not charge a Subscriber for Cable Service or equipment that the Subscriber has not affirmatively requested.

9.7.12 A bill shall not be considered delinquent until at least ten days (10) days have elapsed after the due date on the bill and payment has not been received by the Franchisee.

9.7.13 The Franchisee shall provide a telephone number and address on the bill for Subscribers to contact the Franchisee.

9.7.14 The Franchisee shall forward a copy of any Cable Service related billing inserts or other mailing sent to Subscribers to the District upon request.

9.8 The Franchisee shall provide all Subscribers with the option of paying for Cable Service by check or an automatic payment option where the amount of the bill is automatically deducted from a checking account designated by the Subscriber. Franchisee may in the future, at its' discretion, permit payment by using a major credit card on a preauthorized basis. Based on credit and/or payment history, at the option of the Franchisee, the payment alternative may be limited. Franchisee shall make good faith efforts to adopt automatic payment systems to permit Subscribers to pay bills electronically via the Internet (both through the Franchisee's website and via electronic payment procedures of other financial institutions).

9.9 *Deposits, Refunds and Credits:* The Franchisee may require refundable deposits from Subscribers: 1) with a poor credit or poor payment history; 2) who refuse to provide credit history information to the Franchisee; or 3) who rent Subscriber equipment from the Franchisee, so long as such deposits are applied on a non-discriminatory basis. The deposit the Franchisee may charge Subscribers with poor credit or poor payment history or who refuse to provide credit information may not exceed an amount equal to an average Subscriber's monthly charge multiplied by six (6). The maximum deposit the Franchisee may charge for Subscriber equipment is the cost of the equipment which the Franchisee would need to purchase to replace the equipment rented to the Subscriber. Franchisee shall pay interest on deposits if required by law.

9.9.1 The Franchisee shall refund or credit the Subscriber for the amount of the deposit collected for service and or equipment, which is unrelated to poor credit or poor payment history after one year and provided the Subscriber has demonstrated good payment history during this period.

9.9.2 Franchisee shall refund a deposit made by a Subscriber within forty-five (45) days after disconnection of Service, return of equipment and payment of final bill.

9.9.3 Refund checks will be issued promptly but no later than either the Subscriber's next billing cycle following resolution of the request or within thirty (30) days following the resolution of the event giving rise to the refund, (e.g. equipment return and final bill payment), whichever is earlier.

9.9.4 If any Subscriber terminates any monthly Service prior to the end of a prepaid period, a proportionate portion of any prepaid Subscriber service fee for such period, using the number of days as a basis, will be refunded or credited to Subscriber by Franchisee.

9.9.5 If a credit to a Subscriber is required pursuant to this Agreement, or federal law, the Franchisee shall provide the credit to the affected Subscriber's account within the next available billing cycle after the determination that the Subscriber is entitled to a credit, or in no event more than thirty (30) days after the determination that the Subscriber is entitled to a credit. In the case of a Subscriber who has disconnected his or her account and no account balance exists, Franchisee shall issue payment equal to the credit to which the former Subscriber would otherwise be entitled within thirty (30) days after the determination that the Subscriber is entitled to the credit. In the case of a Subscriber who has disconnected his or her account and an account balance exists, to the extent that a credit exceeds the outstanding balance, the Franchisee shall pay the difference to the subscriber within thirty (30) days after the determination that the former Subscriber is entitled to the credit. In the case of disconnections, the Franchisee may condition the issuance of credits and payments upon the return of the Franchisee's equipment based on the Franchisee's policies and procedures.

9.9.6 Bills shall be considered paid when appropriate payment, as determined by the Franchisee is received by the Franchisee. Appropriate time considerations, as determined by the Franchisee shall be included in the Franchisee's collection procedures to assure that payments due have been received before late notices or termination notices are sent.

9.10 *Rates, Fees and Charges:* The Franchisee shall not, except to the extent permitted by law, impose any fee or charge for Service Calls to a Subscriber's premises to perform any repair or maintenance work related to Franchisee equipment necessary to receive Cable Service, except where such problem is caused by the Subscriber (including, but not limited to a situation in which the Subscriber reconnects Franchisee equipment incorrectly) or by the failure of the Subscriber to take reasonable precautions to protect the Franchisee's equipment (for example, a dog chew).

9.10.1 The District reserves the right to regulate Franchisee's rates, but only to the extent permitted by federal law. In addition, the District acknowledges that on the Effective Date, for purposes of Section 623 of the Communications Act, 47 U.S.C. § 543, Franchisee is subject to effective competition as defined in section 623 of the Communications Act, 47 U.S.C. § 543.

9.10.2 Franchisee shall make available for lease, or otherwise, necessary equipment for Subscribers to utilize Cable Service provided by Franchisee, such as set-top boxes and remote control devices. Franchisee shall supply a parental control device or other security provisions upon request at a charge consistent with applicable law.

9.10.3 Consistent with paragraph 9.10.2, at a Subscriber's request, Franchisee shall exchange faulty set-top boxes at the Subscriber's address without charge. In such cases, Franchisee shall provide another set-top box, and ensure that it is working properly.

9.10.4 Within thirty (30) days after the disconnection of Cable Service, Franchisee shall make available arrangements for the return of equipment at the Subscriber's address, such as pickup upon disconnection, or a satisfactory equivalent, such as the provision of a postage prepaid mailer, or permit the return of equipment to a location designated by Franchisee. Franchisee shall give the Subscriber a receipt showing the date and time of the return of the equipment to Franchisee in person, or by Franchisee pick up. When equipment is returned, Franchisee shall promptly test the equipment to determine damage and notify Subscriber within seven (7) days. Otherwise, subsequent claims of damages shall be deemed waived.

9.10.5 Franchisee may hold a Subscriber at fault for unreturned equipment if, within the time set forth in subsection 9.10.4:

9.10.5.1 The Subscriber refuses to make or keep arrangements for equipment pickup at the Subscriber's address; or

9.10.5.2 The Subscriber failed to avail themselves of alternative arrangements for the return of equipment; or

9.10.5.3 The Subscriber failed to return the equipment to Franchisee's Service Center.

9.10.6 Franchisee may charge the Subscriber or deduct from the Subscriber's deposit the retail value of the equipment if equipment is lost, damaged, not returned, or stolen.

9.10.7 If Franchisee seeks to charge the Subscriber for lost, stolen, unreturned, or damaged equipment, Franchisee shall provide written notice to the Subscriber of the amount charged. Written notice may be provided in Subscriber's bill or by other means.

9.10.8 Franchisee shall keep records showing the number of Subscriber complaints regarding lost, stolen, or damaged equipment.

9.10.9 Subject to federal law, Franchisee shall allow the connection or use of compatible navigation devices (for example, set-top boxes and interactive equipment), provided that the equipment does not cause harm to the Cable System and is not used for unauthorized access to the Franchisee's services.

9.11 *Disconnection/Denial of Service:* Subject to the qualifications set out in subsection 9.11.1 of this Agreement, Franchisee may terminate a Subscriber's Service if the subscriber fails to pay his bill within thirty-six (36) days after the Franchisee mails the applicable bill to the Subscriber and if the Franchisee has provided the notice described in subsection 9.11.1 to the Subscriber.

9.11.1 The Franchisee shall not terminate Cable Service for nonpayment of a delinquent account unless the Franchisee provides notice of the delinquency and impending termination at least ten (10) days prior to the proposed final termination. The notice shall be provided to the Subscriber to whom the Cable Service is billed. The notice of delinquency and impending termination may be part of a billing statement or other reasonable means.

9.11.2 Cable Service terminated in error must be restored without charge within twenty four (24) hours of notice from the Subscriber. If a Subscriber was billed for the period during which Cable Service was terminated in error, a credit shall be issued to the Subscriber if the Service Interruption was reported by the Subscriber.

9.11.3 Nothing in these standards shall limit the right of the Franchisee to deny Cable Service for non-payment of previously provided Cable Services, refusal to pay any required deposit, theft of Cable Service, damage to the Franchisee's equipment, abusive and/or threatening behavior toward the Franchisee's employees or representatives, or refusal to provide credit history information or refusal to allow the Franchisee to validate the identity, credit history and credit worthiness via an external credit agency.

9.11.4 Every notice of termination of Service shall include all of the following:

9.11.4.1 The name and address of the Subscriber whose account is delinquent;

9.11.4.2 The current account balance and the amount in arrears;

9.11.4.3 The total amount required to be paid to avoid discontinuance of service, with reconnection charges if applicable;

9.11.4.4 The date by which the payment shall be made; and

9.11.4.5 The telephone number to contact the Franchisee.

9.11.5 A Subscriber may at any time request a disconnection of Service. Franchisee shall disconnect Service at no charge to the Subscriber, except that the Subscriber may be obligated to pay an outstanding account balance and any applicable termination or equipment charges.

9.11.6 For billing purposes only, Franchisee shall consider a disconnection to be effective no later than the next business day after Franchisee receives the Subscriber's request to discontinue Service or at a later date specified by the Subscriber for the disconnection of services. However, Franchisee may impose appropriate charges or penalties if a Subscriber fails to return equipment consistent with Franchisee policies and procedures and pay any outstanding balance and any applicable termination charges.

9.11.7 Franchisee shall complete all disconnections requested by Subscribers within ten (10) days of the Subscriber's request, unless the Subscriber requests a later date for disconnection.

9.11.8 Upon Subscriber request, Franchisee will pick up equipment at Subscribers' premises. Franchisee may impose a Subscriber charge for such pick up.

9.11.9 Franchisee may only charge a Subscriber for the downgrade of a Service to the extent permitted by federal law.

9.11.10 When Franchisee initiates an involuntary termination at a Subscriber's residence for non-payment, Franchisee shall attempt to notify the Subscriber regarding the pending termination prior to the termination of Service.

9.11.11 If Franchisee receives the outstanding account balance by close of business the day prior to scheduled termination, Franchisee shall not terminate the Subscriber's Cable Service.

9.11.12 If Franchisee terminates Service for non-payment, Franchisee shall provide written notice by mail or by other means that shall provide the following:

9.11.12.1 Inform the Subscriber that Service has been terminated;

9.11.12.2 Describe the outstanding amount of the account as of the termination date and applicable reconnection charges; and

9.11.12.3 Provide the Subscriber with the Franchisee's telephone number.

9.11.13 Franchisee may immediately terminate Service to a Subscriber without prior notice if a Subscriber has damaged, destroyed, or unlawfully tampered with the Franchisee's Cable System; a Subscriber receives unauthorized Cable Service from Franchisee; or where Subscriber has provided fraudulent information to the Franchisee.

9.11.14 If a Subscriber voluntarily disconnects Service and Franchisee intends to remove its cable home wiring from the Subscriber's premises, Franchisee shall remove the cable home wiring in accordance with the applicable procedures specified in 47 C.F.R. § 76.802, as amended from time to time.

9.12 *Service Centers:* The Franchisee shall maintain at least one (1) customer service center ("Service Center") in the District of Columbia. At a minimum, such Service Center shall allow Subscribers on a walk-in basis to file complaints; ask questions regarding bills or service; pay bills; request, upgrade or terminate Services; and pick up or drop off equipment. The Service Center shall be open during Normal Business Hours for a minimum of fifty (50) hours per week, including at least four (4) hours on Saturdays. In addition, the Franchisee shall provide for locations throughout the District of Columbia where Subscribers may pay their bills. Any physical location required under this paragraph shall be accessible to persons with disabilities and shall be in compliance with the Americans with Disabilities Act.

9.12.1 Franchisee shall post hours of operation at its local office(s).

9.12.2 Franchisee shall operate its Service Center and, train its employees, so that Subscribers' complaints are addressed quickly, professionally, and politely.

9.12.3 With regard to mobility-limited Subscribers, upon Subscriber request, Franchisee shall arrange for pickup and/or replacement of converters or other equipment at Subscriber's address or by a satisfactory equivalent (such as the provision of a mailer).

9.12.4 The District recognizes the business interest of the Franchisee to provide customer service to its Spanish-speaking customers at its Service Center(s). The Franchisee commits to make best efforts to have at least one Spanish-speaking customer service representative available during hours of Service Center operation.

9.13 *Communication with Subscribers:* All Franchisee personnel, contractors and subcontractors contacting Subscribers or potential Subscribers outside the office of the Franchisee shall wear a clearly visible identification card bearing their name and photograph. The Franchisee shall make reasonable effort to account for all identification cards at all times. In addition, all Franchisee representatives shall wear appropriate clothing while working at a Subscriber's premises. Every service vehicle of the Franchisee and its contractors or subcontractors shall be clearly identified as such to the public. Specifically, Franchisee vehicles shall have the Franchisee's logo plainly visible. The vehicles of those contractors and subcontractors working for the Franchisee shall have the contractor's/subcontractor's name plus markings (such as a magnetic door sign) indicating they are under contract to the Franchisee.

9.13.1 In connection with a transaction between Franchisee and a Subscriber that involves a visit to a Subscriber's address, Franchisee shall provide the Subscriber a written receipt via email or paper copy describing the transaction and the date and time thereof.

9.13.2 All employees of Franchisee who come into contact with Subscribers shall be courteous, knowledgeable, and helpful and shall provide effective and satisfactory service in all contacts with Subscribers.

9.13.3 Franchisee shall ensure that its customer service representatives and salespersons (including contractors) are knowledgeable of the requirements established by this Section 9.13, and the information included under subsection 9.13.7.

9.13.4 The Franchisee shall send annual notices to all Subscribers informing them that any complaints or inquiries not satisfactorily handled by the Franchisee may be referred to the District.

9.13.5 All notices identified in this Section shall be by either:

9.13.5.1 Direct mail or a separate document included with a billing statement or included on the portion of the monthly bill that is to be retained by the Subscriber; or

9.13.5.2 A separate electronic notification.

9.13.6 The Franchisee shall provide reasonable notice to the OCTFME and Subscribers of any pricing changes (excluding sales discounts, new products or offers) and, subject to the forgoing, any significant changes in Cable Services, including channel line-ups. Such notice must be given to Subscribers and OCTFME a minimum of thirty (30) days in advance of such changes if within the control of the Franchisee. The Franchisee shall provide a copy of the Subscriber notice to the OCTFME including how and where the notice was given to Subscribers.

9.13.7 The Franchisee shall provide information to all Subscribers about each of the following items at the time of installation of Cable Services, annually to all Subscribers, at any time upon request, and, subject to Subsection 9.13.6, at least thirty (30) days prior to making significant changes in the information required by this Section if within the control of the Franchisee:

9.13.7.1 Listing and description of the products and Cable Service offered;

9.13.7.2 Prices and options for Cable Services and conditions of subscription to Cable Services. Prices shall include those for Cable Service options, equipment rentals, program guides, installation, downgrades, late fees and other fees charged by the Franchisee related to Cable Service;

9.13.7.3 Installation and maintenance policies including, when applicable, information regarding the Subscriber's in-home wiring rights during the period Cable Service is being provided;

9.13.7.4 Channel positions of Cable Services offered on the Cable System;

9.13.7.5 Complaint procedures, including the name, address and telephone number of the District but with a notice advising the Subscriber to initially contact the Franchisee about all complaints and questions;

9.13.7.6 The availability of a parental control device or other security provisions;

9.13.7.7 Franchisee practices and procedures for protecting against invasion of privacy;

9.13.7.8 The address and telephone number of the Franchisee's office to which complaints may be reported;

9.13.7.9 The telephone number of Franchisee's customer service department;

9.13.7.10 The website address for the Franchisee's website used for customer services;

9.13.7.11 A general explanation of other communications devices that may be used in conjunction with the system;

9.13.7.12 The Franchisee's policies governing service outages and repair service, including time periods by which repairs for reception problems and other service problems shall be made;

9.13.7.13 Franchisee procedures for resolution of billing disputes and for service changes, including but not limited to upgrade, downgrade or termination of cable services, including any charges therefore; and

9.13.7.14 A statement that all Franchisee employees and contractors who come into contact with Subscribers at the Subscribers' premises wear an identification card that includes the employees name and photograph.

9.13.8 Notices of changes in rates shall indicate the Cable Service new rates and old rates, if applicable.

9.13.9 Notices of changes of Cable Services and/or Channel locations shall specify, as applicable, the service or services affected; the new rate, charge term or condition, the specific channel location, and the hours of operation of the Cable Service if the Cable Service is only offered on a part-time basis. In addition, should the channel location, hours of operation, or existence of other Cable Services be affected by the introduction of a new Cable Service, such information must be included in the notice.

9.13.10 Franchisee shall provide to OCTFME upon request, a listing of its Service Center holiday schedule for the upcoming year.

9.13.11 In addition to the customer notification, Franchisee shall post notice of the significant service changes at its Service Center at least thirty (30) days prior to the change and shall maintain the notices until at least fourteen (14) days after the date of the service change.

9.13.12 A copy of notices required in this Subsection 9.13.7 will be given to the District in advance of distribution to subscribers if the reason for notice is due to a change that is within the control of Franchisee and as soon as reasonably possible.

9.13.13 Franchisee shall provide written notice of changes to Subscribers in billing messages, inserts, or other communications.

9.13.14 Franchisee shall make available at its Service Center(s), the information required by Section 9.13.7.

9.13.15 Franchisee shall post on its website the location(s) of its Service Center(s).

9.13.16 All promotional materials advertising Cable Services to Subscribers and the general public shall be accurate and not misleading.

9.13.17 Franchisee shall clearly and accurately disclose to Subscribers prices and terms for all services, including the prices of pay-per-view and pay-per-event programming before an order is accepted.

9.13.18 In order that Subscribers are fully apprised of the charges they may incur, Franchisee shall note that advertised rates are subject to additional taxes and fees.

9.14 Restoration of Property.

9.14.1 *Restoration of District Property:* When installing, repairing or disconnecting Cable Service, any District property damaged or destroyed by the Franchisee's employees or agents shall be promptly repaired or replaced by the Franchisee and restored to substantially the same condition as prior to damage.

9.14.2 *Restoration of Subscriber Property:* The Franchisee shall ensure that Subscriber premises are restored to substantially the same condition as prior to damage if damaged by the Franchisee's employees or agents in any respect in connection with the installation, repair or disconnection of Cable Service.

9.14.3 When installing, repairing or disconnecting Cable Service, Franchisee's personnel shall clean all areas surrounding a work site and ensure that all cable materials have been disposed of properly.

9.15 *Privacy Protection.* The Franchisee shall comply with section 631 of the Communications Act, 47 U.S.C. § 551, and section 1002 of the D.C. Cable Law, D.C. Official Code § 34-1260.02.

9.16 *Prevention of Reception of Undesired Services.* The Franchisee shall comply with section 640 of the Communications Act, 47 U.S.C. § 560. In addition, the Franchisee shall inform Subscribers at the time of subscription and at least once annually thereafter, by individual written notice, (i) that they are entitled, upon request and without charge, to receive full blockage of any undesired audio or video programming to which they do not subscribe and (ii) how to make such a request.

9.17 *Fees and Charges:* Each fee, charge, deposit or associated term or condition imposed by the Franchisee or any Affiliate for (i) any equipment, installation or other activity subject to section 623 of the Communications Act, 47 U.S.C. § 543 and the rules and regulations issued in connection therewith or (ii) any Service shall be consistent with the requirements of such provision. The Franchisee shall not change the services it offers or the rates it charges therefor without meeting all requirements of applicable federal law.

9.18 *Hearing Impaired Individuals:* The Franchisee shall provide equipment which facilitates the reception of Services by hearing-impaired individuals consistent with federal and District law.

SECTION 10 REPORTS & RECORDS

10. REPORTS AND RECORDS

10.1 *Open Books and Records*: For the purposes of Sections 10.1 to 10.4, the term Franchisee includes Affiliates and other affiliated entities solely to the extent necessary to allow enforcement of the Franchise. Upon no less than thirty (30) days written notice to the Franchisee, the District shall have the right to inspect and copy, at a mutually agreed location in the Franchise Area, Franchisee's books and records in whatever form maintained, including without limitation electronic records, to the extent such books and records relate to the Cable System or to the Franchisee's provision of Cable Service in the Franchise Area and are reasonably necessary to ensure compliance with the terms of this Franchise. Such inspection and copying may be performed at any time during Normal Business Hours, and shall be conducted in a manner that will not unreasonably disrupt Franchisee's normal operations. Such notice shall specifically reference the purpose of the review, so that Franchisee may organize the necessary books and records for appropriate access by the District. Franchisee shall not be required to maintain any books and records for Franchise compliance purposes longer than four (4) years.

Rather than arrange for inspection and copying by the District, Franchisee shall, whenever possible, deliver copies of pertinent documents and other records directly to the District for inspection. Such copies shall whenever possible be provided in usable electronic form provided on a USB flash drive or similar storage device. Notwithstanding anything to the contrary set forth herein, Franchisee shall not be required to disclose any of its books and records not relating to the provision of Cable Service in the Franchise Area or provide information that would, in Franchisee's reasonable discretion, disclose the location of Franchisee's facilities, or any portions or categories thereof, within the Franchise Area. Notwithstanding the forgoing, Franchisee shall make the maps required pursuant to Subsection 10.7.5 available upon request by the District upon reasonable prior written notice. Franchisee shall not be required to provide Subscriber information in violation of section 631 of the Communications Act, 47 U.S.C. § 551.

10.2 *Voluminous Records*: Subject to Section 10.1 and Section 10.3 herein, if any books, records or other requested documents are too voluminous, not available locally in the District of Columbia, or for security reasons cannot be copied and moved, then the Franchisee may request that the inspection take place at a location mutually agreed to by the District and the Franchisee, provided that (i) the Franchisee must make necessary arrangements for copying documents selected by the District after its review; and (ii) the Franchisee must pay all travel and additional copying expenses incurred by the District (above those that would have been incurred had the documents been produced in the Franchise Area) in inspecting those documents or having those documents inspected by its designee. Any travel or other expenses that the Franchisee must reimburse, exclusive of audit expenses, shall not exceed five thousand dollars (\$5,000) per year.

10.3 *Confidential Books and Records*: If the Franchisee reasonably believes that any of the information to be provided pursuant to this Agreement is confidential, the Franchisee

must: (i) specifically identify and clearly mark the information that is confidential; and (ii) upon written request from the District, provide a statement attesting to the reason(s) Franchisee believes the information is confidential. Representatives and/or agents and/or designees of the District may be requested by Franchisee to execute a non-disclosure agreement prior to the provision by Franchisee of certain confidential information provided such representatives and/or agents are permitted to do so under applicable law. If Franchisee believes that any information in oral form provided pursuant to this Agreement is confidential, the Franchisee shall confirm the confidential nature of the information in writing within ten (10) days of making the information available to the District. The District shall promptly destroy or return to Franchisee all information identified as confidential upon the conclusion of the inquiry or audit at issue as permitted under applicable law.

The District shall protect any information identified as confidential from disclosure to the extent permissible by law, including, without limitation, the terms of the District of Columbia Freedom of Information Act, D.C. Official Code §§ 2-531 et seq. If the District believes it must disclose any confidential information in the course of enforcing this Franchise, or for any other reason, it shall advise the Franchisee in advance so that Franchisee can take appropriate steps to protect its interests.

Nothing in this section shall pertain to any documents, records, or any other information submitted by the Franchisee to a public body pursuant to any legal obligation other than this Agreement. Further, nothing in this section shall prohibit use of information in System construction maps for the District's record-keeping and Public Rights-of-Way management purposes, provided that the District complies with the confidentiality requirements of this Agreement.

If the District receives a demand from any Person for disclosure of any information designated by Franchisee as confidential, the District shall, so far as consistent with applicable law, advise Franchisee and provide Franchisee with a copy of any written request by the party demanding access to such information within a time sufficient to allow Franchisee to seek a court order to protect such information. In no event shall the District be required to delay release of such confidential information beyond the deadlines imposed by the D.C. Freedom of Information Act or other applicable law. Unless otherwise ordered by a court or agency of competent jurisdiction, the District agrees that, to the extent permitted by District and federal law, it shall deny access to any of Franchisee's information designated as confidential, as set forth above, to any Person.

10.4 The Franchisee shall take all reasonable steps required to ensure that it is able to provide the District with all information that must be provided or may be requested under this Agreement including the issuance of appropriate subscriber privacy notices. The Franchisee shall be responsible for redacting any data that applicable law prevents it from providing to the District. Nothing in this Section shall be read to require a Franchisee to violate federal or District law protecting subscriber privacy.

10.5 *Annual Franchisee Report:* Unless this requirement is waived in whole or in part by the District, no later than April 30th of each year during the Term and Extended Term (if

applicable) of this Agreement, the Franchisee shall submit a written report (in electronic form unless not possible for technical reasons, in which case hard copy is permissible) to the District, for the matters designated herein for the prior calendar year:

10.5.1 A summary of the previous calendar year's activities in development of the Cable System, including but not limited to descriptions of new or discontinued Cable Services;

10.5.2 A report that includes the number of homes in the Franchise Area where Cable Service was provided during that year;

10.5.3 Compliance with all requirements related to PEG Channels, including PEG financial support, and signal quality and transmission on the PEG Channels, as provided in Section 6 hereof;

10.5.4 Compliance with all requirements in Section 3.4 of this Agreement; such report shall include a list of the sites provided with Cable Services at no charge;

10.5.5 Any notices or other information provided to Subscribers about the Franchisee's privacy policies and other protections of Subscriber privacy unless such information is available on Franchisee's website and Franchisee provides a link to where the information can be viewed online;

10.5.6 A report answering the following questions and providing the following information (for purposes of this Section 10.5.6, the Franchisee may exclude Affiliates that do not operate a Cable System in the Washington, D.C. Designated Market Area (as defined by Nielsen Media Research, Inc.)): (a) Has an adverse finding been made or an adverse final action been taken by any court or administrative body with respect to the Franchisee or any Affiliate in a civil, criminal or administrative proceeding, brought under the provisions of any law or regulation related to the following: any felony; revocation, suspension or involuntary transfer of any authorization (including cable franchises) to provide communications services; communications-related antitrust or unfair competition; fraudulent statements to another government unit; or employment discrimination? (b) If the answer to (a) is "Yes," fully describe the Persons and matter(s) involved, including an identification of any court or administrative body and any proceeding (by dates and file numbers, if applicable) and the disposition of such proceeding; (c) Is the Franchisee or any Affiliate currently a party in any pending matter of a type described in (a)? (d) If the answer to (c) is "Yes," fully describe the Persons and matter(s) involved, including an identification of any court or administrative body and any proceeding (by dates and file numbers, if applicable) and the disposition of such proceeding;

10.5.7 A current list of any person or entity with an ownership interest in the Franchisee of five (5) percent or more as reflected in the annual report of Franchisee's corporate parent, which may be satisfied by the Annual Report SEC Form 10K;

10.5.8 A copy of the Franchisee's rules, regulations and policies available to Subscribers, including but not limited to (i) all Subscriber rates, fees and charges; (ii) copies of the Franchisee's contract or application forms for Cable Services; (iii) a detailed summary of the

Franchisee's policies concerning the processing of Subscriber complaints; and (iv) delinquent Subscriber disconnect and reconnect policies; and

10.5.9 A financial report consisting of (a) a copy of the annual report of Franchisee's parent company; and (b) a statement of any change in ownership of Franchisee to the extent that the Franchisee's or its parents' Annual Report SEC Form 10k contains such information, Franchisee may satisfy these requirements by filing copy of such Form 10k with the District.

10.6 *Quarterly Report.* No later than the forty-fifth (45th) day after the end of each calendar quarter during the Term and Extended Term (if applicable) of this Agreement, the Franchisee shall submit a written report (in electronic form unless not possible for technical reasons, in which case hard copy is permissible) to the District, for the matters designated herein for the prior calendar quarter showing the following broken down on a monthly basis:

10.6.1 Customer service data, showing the following, broken down on a monthly basis, for all call centers receiving calls from Subscribers except for temporary telephone numbers set up for national promotions; subject to consumer privacy requirements, underlying activity will be made available to the District for review upon reasonable written request:

10.6.1.1 Percentage of calls answered within thirty (30) seconds;

10.6.1.2 Percentage of calls transferred within thirty (30) seconds;

10.6.1.3 Total calls for which a busy signal is received;

10.6.1.4 Percentage of time customers received busy signal;

10.6.1.5 Percentage of Standard Installations completed within the seven (7) day period, excluding those requested outside of the seven (7) day period by the Subscriber;

10.6.2 A report showing the number of service calls received on a monthly basis, sorted by a descriptive code indicating the actual service calls that were resolved during that quarter, including any property damage to the extent such information is available to the Franchisee;

10.6.3 Percentage of Service Interruption calls responded to within twenty-four (24) hours;

10.6.4 A report of all unplanned System Outages for each month, including total number of System Outages and the affected area and duration of each System Outage;

10.6.5 A summary description of the documented Subscriber complaints received during the preceding quarter, broken down by calendar month. Such summary shall include the number and category of Subscriber complaints received during the calendar month and shall include the following:

10.6.5.1 Number of complaints referred to Franchisee by the District resolved within fifteen (15) days.

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

10.7.1 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. Complaints recorded shall not be limited to complaints requiring an employee service call;

10.7.2 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;

10.7.3 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 acknowledgement 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;

10.7.4 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 acknowledgement, and the date and time service was extended; and

10.7.5 A map showing the area of coverage for the provisioning of Cable Services.

10.8 *Report on Change in Location of Service Center.* The Franchisee shall notify the District not less than thirty (30) days prior to changing the location of its Service Center(s) within the District of Columbia.

10.9 *Report on Lawsuits:* Not later than thirty (30) days after the Franchisee receives service of a complaint for which it is a defendant in a judicial proceeding in law or equity pertaining to the System or this Franchise, the outcome of which could have a material adverse effect on the Franchisee, the System or its operation, the Franchisee shall provide the District with a copy of the complaint.

10.10 *Availability to the District:* At the request of the Mayor, the Council or the Executive Director of the OCTFME, and with reasonable written notice, appropriate representative(s) of the Franchisee with relevant expertise in the designated subjects shall, absent extraordinary circumstances, attend and participate at any meeting or hearing regarding this Agreement, the Cable System or the Franchise. The Franchisee representative(s) will bring to the meeting or hearing such documents that are reasonably requested.

10.11 *Communication with Regulatory Agencies:* Within fifteen (15) days of filing with a regulatory agency, the Franchisee shall make available to the District a copy of any document filed by the Franchisee with a regulatory agency (other than publicly available

information) that materially and expressly pertains to the District with respect to the provision of Cable Service. Franchisee is deemed to comply with D.C. Cable Law § 906, D.C. Official Code § 34-1259.06 when the Franchisee makes available to the District (upon request) any document the Franchisee files or receives from any regulatory agency that materially and expressly pertains to the District with respect to the provision of Cable Service.

10.12 *File for Public Inspection:* Throughout the Term and Extended Term (if applicable) of this Agreement, the Franchisee shall maintain, in a file available for public inspection during Normal Business Hours at the Franchisee's appointed location within the District of Columbia, all documents required to be made available to the public by 47 C.F.R. part 76, subpart U.

**SECTION 11
INSURANCE AND INDEMNIFICATION**

11. INSURANCE AND INDEMNIFICATION

11.1 *Insurance:*

11.1.1 Franchisee shall maintain in full force and effect, at its own cost and expense, the following insurance coverage:

11.1.1.1 Commercial General Liability Insurance insuring the Franchisee with respect to the construction, operation and maintenance of the Cable System, and the conduct of the Cable Service business in the District of Columbia in the minimum combined single limit of five million dollars (\$5,000,000) per occurrence. Such commercial general liability insurance must include coverage for all of the following: premises-operations, explosion and collapse hazard, underground hazard, products/completed operations hazard, contractual liability, broad form property damage, independent contractors, and personal injury. The limits required above may be satisfied with a combination of primary and excess coverage.

11.1.1.2 Automobile Liability Coverage, with a minimum limit of liability of two million dollars (\$2,000,000) per occurrence combined single limit for personal injury and property damage coverage. The policy must include coverage for owned and leased automobiles.

11.1.1.3 Workers' Compensation Insurance according to the statutes of the District of Columbia, including Employer's Liability, \$100,000 per accident for injury, \$100,000 per employee for disease, \$500,000 policy limit.

11.1.2 Such policy or policies shall insure (i) the Franchisee and (ii) the District and its officers, boards, commissions, elected officials, agents, contractors and employees against insurable liability of the Franchisee except Worker's Compensation and Employer's Liability Insurance.

11.1.3 The liability insurance policy or policies required by this Section shall be maintained by the Franchisee throughout the Term and Extended Term (if applicable) of this Agreement and for one hundred twenty (120) days thereafter. Prior to the expiration of said policy, the Franchisee shall obtain one (1) or more replacement insurance policies and shall furnish copies of the certificate of insurance to the District. Each of the required insurance policies shall be with insurers authorized or permitted to do business in the District of Columbia, with an A-: VII or better rating for financial condition and financial performance by Best's Key Rating Guide, Property/Casualty Edition.

11.1.4 The Franchisee shall provide the District with certificates of insurance providing evidence of all coverage required of this Agreement upon execution of this Agreement, following an adverse material change or any time the Franchisee obtains new insurance policies. An adverse material change shall include, but not be limited to, instances in

which the insurance coverage is diminished or reduced, or is otherwise no longer sufficient to insure Franchisee's liability.

11.1.5 The District may review the amounts of any insurance policies under the Agreement and shall have the right to require reasonable adjustments to such insurance policies to account for inflation.

11.1.6 All Commercial General and Automobile Liability Insurance policies shall by endorsement name the District, its elected and appointed officials, officers, boards, commissions, commissioners, and employees as additional insureds as their interest may appear. Such additional insured requirement shall be noted on the certificates of insurance provided to the District.

11.2 *Indemnification:*

11.2.1 Subject to the provisions below, the Franchisee shall, at its sole cost and expense, indemnify, hold harmless, and defend the District, its elected and appointed officials, officers, boards, commissions, commissioners, agents, and employees, against any and all claims, suits, causes of action, proceedings, and judgments, whether for damages or otherwise arising out of or alleged to arise out of the installation, construction, operation, or maintenance of the Cable System or the provision of Cable Service, including but not limited to any claim against the Franchisee for invasion of the right of privacy, defamation of any Person, firm or corporation, or the violation or infringement of any copyright, trade mark, trade name, service mark, or patent, or of any other intellectual property right of any Person, firm, or corporation.

11.2.2 This indemnity does not apply to programming carried on any PEG Channel or Channels leased pursuant to section 612 of the Communications Act, 47 U.S.C. § 532, or to operations of the PEG Channels to the extent such operations are carried out by the District or a Person other than the Franchisee or its agents.

11.2.3 The District shall give the Franchisee written notice of its obligation to indemnify the District under Section 11.2 as soon as possible, but in no event more than thirty (30) days after the date the District receives notice, or otherwise is made aware, of a claim, suit, cause of action, or proceeding for which the Franchisee is obligated to indemnify the District. Such notice shall in any event be delivered to Franchisee sufficiently in advance of the time for Franchisee's response to a claim in order that Franchisee will be able to respond in a timely manner and the defense against such claim will not be prejudiced. The District shall take action necessary to avoid entry of a default judgment if such action is needed before the District provides the Franchisee notice; provided, however, that no such action shall in any way prejudice or harm the Franchisee.

11.2.4 Notwithstanding the foregoing, Franchisee shall not indemnify the District, for: (i) acts which constitute willful misconduct or negligence of the District, its officers, agents, employees, attorneys, consultants, or independent contractors, including any PEG entity; or (ii) for any activity or function conducted by the District or any Person other than Franchisee in connection with PEG Access, or EAS.

11.2.5 With respect to Franchisee's indemnity obligations set forth in Subsection 11.2.1, Franchisee shall provide the defense of any claims, suits, causes of action, or proceedings brought against the District by selecting counsel of Franchisee's choice to defend the claim, subject to the consent of the District, which shall not unreasonably be withheld. Nothing herein shall be deemed to prevent the District from cooperating with the Franchisee and participating in the defense of any litigation by its own counsel at its own cost and expense, provided however, that after consultation with the District, Franchisee shall have the right to defend, settle or compromise any claim, suit, cause of action, or proceeding arising hereunder, so long as any settlement includes a full release of the District, and Franchisee shall have the authority to decide the appropriateness and the amount of any such settlement. In the event that the District 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 District shall in no event exceed the amount of such settlement. In the event the Franchisee fails, after notice pursuant to Subsection 11.2.3, to undertake the District's defense of any claims required under this Section 11.2, Franchisee's indemnification shall also include the District's reasonable attorneys' fees incurred in defending against any such claim.

11.2.6 The District shall at no time be liable for any injury or damage occurring to any Person or property from any acts or omissions of Franchisee in the construction, maintenance, use, operation or condition of the Cable System. The District shall not and does not by reason of this Agreement assume any liability whatsoever of the Franchisee for injury to Persons or damage to property caused by Franchisee.

11.2.7 The District and its officers, agents, employees, attorneys, consultants, or independent contractors, including any PEG entity, shall be responsible for their own acts of willful misconduct or negligence or breaches of obligation for which each of them is legally responsible, subject to any and all defenses and limitations of liability provided by law, or for any activity or function conducted by the District or any Person other than Franchisee in connection with PEG Access or EAS.

11.2.8 Nothing in this Agreement shall be construed to waive the District's governmental immunity.

11.2.9 Both parties acknowledge the applicability of section 635(a) of the Communications Act, 47 U.S.C. § 555(a).

11.3 *Hazardous Substances:*

11.3.1 Franchisee shall comply with all applicable laws, statutes, regulations and orders concerning hazardous substances relating to Franchisee's Cable System in the District's Public Rights of Way.

11.3.2 Franchisee shall maintain and inspect its facilities located in the District's Public Rights of Way and immediately inform the District of any release of hazardous substances. Upon reasonable notice to Franchisee, or without notice if the District is otherwise legally permitted to inspect Franchisee's facilities without first providing notice, the District may inspect Franchisee's facilities in the District's Public Rights-of-Way to determine if any release

of hazardous substances has occurred, or may occur, from or related to Franchisee's facilities. In removing or modifying Franchisee's facilities as provided in this Franchise, Franchisee shall also remove all residue of hazardous substances related thereto; provided, however, this Agreement does not create any new or independent duty to remove such substances.

11.3.3 Franchisee agrees, consistent with applicable law, to indemnify the District against any claims, costs, and expenses, of any kind, whether direct or indirect, incurred by the District arising out of a release of hazardous substances arising from, connected to or incident to Franchisee's facilities in the District's Public Rights-of-Way.

SECTION 12
TRANSFER OF FRANCHISE

12. TRANSFER OF FRANCHISE

12.1 Subject to the provisions of this Section, the Franchisee shall apply to the District for approval of a Transfer, which shall be defined as: (i) any transaction in which any change is proposed with respect to ten percent or more for voting interests or twenty-five percent or more for non-voting interests of the ownership of the Franchisee; or (ii) any transaction which will result in a change of ownership or Control of the Cable System, the Cable System assets, or the Franchise. Within thirty (30) days of receiving request for consent, the District shall, in accordance with FCC rules and regulations, notify Franchisee in writing of the additional information, if any, it requires to determine the legal, financial, and technical qualifications of the transferee or new controlling party. If the District has not taken action on Franchisee's request for consent within one hundred twenty (120) days after receiving such request, consent shall be deemed given. Application shall be made by submitting FCC Form 394 or such other form as the FCC may prescribe for that purpose. The application shall be made at least one hundred twenty (120) calendar days prior to the contemplated effective date of the transaction. Subject to the confidentiality provisions of Sections 10.1 and 10.3, if applicable, such application shall contain complete information on the proposed transaction, including details of the legal, financial, and technical qualifications of the transferee. At a minimum, the following information must be included in the application:

12.1.1 All information and forms required under federal law;

12.1.2 Any shareholder reports or filings with the Securities and Exchange Commission that pertain to the transaction;

12.1.3 A report detailing any changes in ownership or voting or nonvoting interests of over five percent;

12.1.4 Other information necessary to provide a complete and accurate understanding of the financial position of the Cable System and the proposed transferee before and after the proposed transaction;

12.1.5 Complete information regarding any potential impact of the transaction on Subscriber rates and service; and

12.1.6 Any contracts that relate to the proposed transaction as it effects Cable Service in the Franchise Area and, upon request by the District, all documents and information that are related or referred to therein and which are necessary to understand the proposed transaction.

12.2 To the extent not prohibited by federal law, the District may: (i) grant approval; (ii) grant approval subject to conditions directly related to concerns relevant to the transactions; (iii) deny approval of any such transactions; or (iv) not take action, in which case the

transactions shall be deemed granted pursuant to section 617 of the Communications Act, 47 U.S.C. § 537.

12.3 *Waiver of Transfer Application Requirements:* To the extent consistent with federal law, the District may waive in writing any requirement that information be submitted as part of the transfer application, without thereby waiving any rights the District may have to request such information after the application is filed.

12.4 *Subsequent Approvals:* The District's approval of or consent to a Transfer in one instance shall not render unnecessary approval of any subsequent transaction.

12.5 *Approval Does Not Constitute Waiver:* Approval by the District of a Transfer shall not constitute a waiver or release of any of the rights of the District under this Agreement, whether arising before or after the date of the Transfer. A Transfer does not release any default or noncompliance that may have occurred prior to the Transfer. Any such default or noncompliance shall become the responsibility of the new franchisee, unless the District otherwise expressly agrees in writing.

12.6 *No Consent Required for Transfers Securing Indebtedness:* The Franchisee shall not be required to file an application or obtain the consent or approval of the District for a transfer in trust, by mortgage, by other hypothecation, by assignment of any rights, title, or interest of the Franchisee in the Franchise or Cable System in order to secure indebtedness.

12.7 Before approving any Transfer, the District shall consider the legal, financial, and technical qualifications of the proposed transferee to hold the Franchise and operate the System. No application for a Transfer shall be granted unless the proposed transferee agrees in writing that it will abide by and accept all terms of this Agreement, and that it will assume the obligations, liability, and responsibilities for all acts and omissions, known and unknown, of the previous Franchisee under this Agreement for all purposes, including renewal.

12.8 *No Consent Required For Any Affiliate Transfer.* The Franchisee shall not be required to file an application or obtain the consent or approval of the District for (i) any transfer of an ownership or other interest in Franchisee, the Cable System, or the Cable System assets to the parent of Franchisee or to another Affiliate of Franchisee; (ii) transfer of an interest in the Franchise or the rights held by the Franchisee under the Franchise to the parent of Franchisee or to another Affiliate of Franchisee; (iii) any action which is the result of a merger of the parent of the Franchisee; or (iv) any action which is the result of a merger of another Affiliate of the Franchisee. However, the Franchisee will notify the District within thirty (30) days if at any time a Transfer covered by this subsection occurs.

12.8.1 For Transfers described in Section 12.8 that do not involve the transfer of (i) an ownership interest in the Cable System or the assets of the Cable System; or (ii) the transfer of the Franchise itself to another entity, the new controlling entity shall agree in writing, within thirty (30) days after the time of the notice required by Section 12.8, that it will not take any action to impede the Franchisee from satisfying all obligations under this Agreement.

12.8.2 For Transfers described in 12.8, other than those described in Subsection 12.8.1, Franchisee shall provide at least ninety (90) days prior written notice of any such Transfer (“Ninety Day Notice Transfer”), including a brief description of the transaction, the assets or interests to be transferred, and the identity of the transferee. With respect to such Ninety Day Notice Transfers, the transferee shall agree in writing that it will abide by and accept all terms of this Agreement, and that it will assume the obligations, liabilities, and responsibility for all acts and omissions, known and unknown, of the previous Franchisee under this Agreement for all purposes, including, without limitation, renewal of the Franchise. Within a reasonable time after receiving notice that a Ninety Day Notice Transfer has occurred, the District shall be responsible for furnishing the Franchisee with a letter acknowledging the proposed transfer and whether the District is satisfied with the legal, financial, and technical qualifications of the transferee. In the case of a Ninety Day Notice Transfer, Franchisee shall guarantee all of the obligations that this Agreement imposes on the holder of the Franchise until the District provides the Franchisee with the letter acknowledging the Transfer and confirming that the District has found the legal, financial, and technical qualifications of the transferee to be satisfactory.

SECTION 13
RENEWAL OF FRANCHISE

13. RENEWAL OF FRANCHISE

13.1 The District and Franchisee agree that any proceedings undertaken by the District that relate to the renewal of this Franchise shall be governed by and comply with the provisions of section 626 of the Communications Act, 47 U.S.C. § 546, if and to the extent it may apply at time of renewal. Subject to section 626 of the Communications Act, the District reserves the right to grant or deny renewal of the Franchise granted herein in accordance with applicable federal law. Any renewal may be based upon the Franchisee's agreement to comply fully with the terms of the renewed franchise agreement.

13.2 Notwithstanding anything to the contrary set forth herein, Franchisee and the District agree that at any time during the term of the then current Franchise, while affording the public appropriate notice and opportunity to comment, the District and Franchisee may agree to undertake and finalize informal negotiations regarding renewal of the then current Franchise and the District may grant a renewal thereof.

SECTION 14
ENFORCEMENT & TERMINATION OF FRANCHISE

14. ENFORCEMENT AND TERMINATION OF FRANCHISE

14.1 This Section contains the enforcement and termination process pertaining to this Agreement and the Franchise. The respective authority and obligations of OCTFME and the Council are exclusive to each.

14.2 *Time of the Essence:* Whenever this Agreement sets forth a time for an act to be performed by or on behalf of the Franchisee, the time shall be deemed of the essence and the Franchisee's failure to perform within the time provided shall, in all cases, be sufficient grounds for the District to invoke the remedies available under the terms and conditions of this Agreement.

14.3 *Revocation:* If at any time during the Term or Extended Term (if applicable) of the Franchise upon consideration of OCTFME's finding, the Council determines that the Franchisee is in substantial default of a material term or condition of this Agreement or the D.C. Cable Law and the Franchisee has failed to cure the substantial material default after due notice and opportunity to cure, the Council may revoke this Agreement pursuant to Section 14.8 herein.

14.4 *Notice of Violation:* If at any time the District believes that Franchisee has not complied with the terms of this Agreement or the D.C. Cable Law, OCTFME shall then notify Franchisee in writing with reasonable particularity of the nature of the alleged noncompliance (for purposes of this Section, the "Noncompliance Notice").

14.5 *Franchisee's Right to Cure or Respond:* The Franchisee shall, within thirty (30) days after receipt of such notice or such longer period of time as OCTFME may specify in such notice, either: (i) cure such alleged failure and provide to OCTFME a written explanation and evidence of such cure; (ii) in a written response to OCTFME, present facts and arguments in refutation or excuse of such alleged failure; or (iii) in the event that, by its nature, such noncompliance cannot be cured within such thirty (30) day period, in a written response to OCTFME, state that such alleged failure will be cured and set forth the reasonable steps and time schedule for accomplishing such cure. Upon cure of any noncompliance, OCTFME shall provide written confirmation that such cure has been effected.

14.6 *District Evaluation.* OCTFME, on behalf of the District, shall determine (a) whether a failure to comply with a provision of this Agreement or the D.C. Cable Law has occurred; (b) whether such failure is excusable; and (c) whether such failure has been cured or will be cured by the Franchisee in a manner and in accordance with a schedule acceptable to OCTFME. In connection with such determination, OCTFME may consider the Franchisee's performance during or prior to the Term and Extended Term (if applicable) of this Franchise, to substantiate a pattern or practice of the Franchisee's failure to comply with a specific material provision of this Agreement.

14.7 If OCTFME determines that further action to enforce this Agreement or the D.C. Cable Law is appropriate, OCTFME may take any action set forth herein including seeking (i) an injunction, (ii) specific performance, (iii) monetary damages, (iv) liquidated damages, or (v) recommending that the Council revoke the Franchise pursuant to Section 14.8. If OCTFME determines to take any action set forth in this Section 14.8, OCTFME shall provide written notice of its determination to the Franchisee and to the Council. In the event OCTFME recommends that the Council revoke the Franchise as set forth in Section 14.8, OCTFME shall prepare the written report to the Council to specifically address the substantial material default of a material provision of the Franchise that has occurred and recommending revocation of the Franchise. These rights and remedies are in addition to and cumulative with any and all other rights or remedies, existing or implied, now or hereafter available to the District at law or in equity in order to enforce the provisions of this Agreement, except that nothing herein shall be interpreted to permit the District to exercise such rights and remedies in a manner that permits duplicative recovery from or payments by the Franchisee. Franchisee reserves its rights to challenge in a court of competent jurisdiction any action taken by the OCTFME and/or the District.

14.7.1 *Liquidated Damages*: The District may impose the following liquidated damages for the specified violations of this Agreement or the D.C. Cable Law. Because such violations will result in injury to the District and its residents, and because it is and will be impracticable to determine the actual amount of such damage in the event of delay or nonperformance, and the District and the Franchisee agree that the liquidated damages in the amounts set forth below are fair and reasonable compensation for such injuries:

14.7.1.1 For failure to provide Cable Service as required by Sections 3.1, 3.2, and 3.3 of this Agreement: Two hundred fifty dollars (\$250) per day for each day the violation continues;

14.7.1.2 For failure to comply with the reporting requirements as set forth in Sections 9 and 10 of this Agreement: Five hundred dollars (\$500) per day for each day the violation continues;

14.7.1.3 For failure to provide PEG/INET Grant pursuant to Section 7.2 of this Franchise: Five hundred dollars (\$500) per day, in addition to the amount of the unpaid fee provided, however, that liquidated damages may not be collected during any period of time that interest charges are being levied in accordance with Section 8.9;

14.7.1.4 For failure to meet FCC Customer Service Standards (47 CFR 76.309), Five Hundred Dollars (\$500) for each quarter the violation continues if such standards are not met according to the terms in which such standards are established in Section 9 of this Agreement;

14.7.1.5 For failure to furnish or maintain the Security as required by Section 14.10: One hundred dollars (\$100) per day for each day the violation continues;

14.7.1.6 For failure to adhere to the technical performance standards set forth in Section 4 of this Agreement: Two hundred fifty dollars (\$250) per day for each day such failure continues;

14.7.1.7 For a Transfer without required approval: Two thousand dollars (\$2,000) per day for each day the violation continues.

14.7.1.8 For purposes of any liquidated damages assessments, all similar violations or failures arising out of the same factual events affecting multiple Subscribers shall be assessed as a single violation, and a violation or a failure may only be assessed under any single one of the above-referenced categories. Violations or failures shall not be deemed to have occurred or commenced until they are deemed not cured as provided in Section 14.5.

14.7.2 The amount of all liquidated damages per annum shall not exceed one hundred thousand dollars (\$100,000) in the aggregate.

14.7.3 The exercise of any right or remedy set forth in Section 14.7 by the District shall not release the Franchisee from its obligations or from any liability under this Agreement, except (i) with regard to any violation for which liquidated damages are paid as provided in Section 14.7.1, (ii) as expressly provided for in this Agreement, or (iii) as necessary to avoid duplicative recovery from or payments by the Franchisee or its surety(s).

14.7.4 To the extent that the District elects to assess liquidated damages and such liquidated damages have been paid to the satisfaction of the District, such damages shall be the District's sole and exclusive remedy. Nothing in this Section is intended to preclude the District from exercising any other right or remedy with respect to (i) a violation that continues past the time the District stops assessing liquidated damages for such violation or (ii) the District's use of a past portion of a continuing violation to support a claim of substantial material default of a material provision of the Franchise, one (1) of the elements of which is a continuing or repeated violation of this Agreement. Further, the Franchisee's payment of such liquidated damages shall not preclude the District from considering the violations for which such liquidated damages were paid in any decision the District makes on whether to renew this Franchise pursuant to section 626 of the Communications Act, 47 U.S.C. § 546, or otherwise.

14.7.5 The Franchisee shall pay any assessment of liquidated damages promptly, but in no event later than thirty (30) days after the date of OCTFME's notice of assessment pursuant to Section 14.7 unless: (1) the Franchisee seeks review of OCTFME's assessment by the Mayor within thirty (30) days after receipt of notice of OCTFME's assessment, and (2) the Council reverses or modifies OCTFME's assessment within forty-five (45) days after the Franchisee has timely requested Mayoral review. OCTFME may submit additional information to the Mayor in response to the Franchisee's request for Mayoral review. If the Mayor fails to take any action within the forty five (45) day period or the Franchisee fails to request Mayoral review within the thirty (30) day period, OCTFME's assessment shall be deemed to be ratified, and the Franchisee shall comply with OCTFME's assessment within five (5) business days of the end of the applicable time period specified above. If the Franchisee fails to pay the full amount of liquidated damages by that date, OCTFME may draw upon the Security in accordance with its terms.

14.7.6 The costs associated with payment of liquidated damages pursuant to this Agreement shall not be passed through to Subscribers in any form, itemized on Subscriber bills, or, for rate regulation purposes, attributed to capital costs, operating expenses or external costs of the Cable System.

14.8 *Revocation:* Following any recommendation of revocation by OCTFME, should the Council seek to revoke this Franchise, the Council shall give written notice to Franchisee of such intent. The notice shall set forth the specific nature of the noncompliance. The Franchisee shall have sixty (60) days from receipt of such notice to object in writing and to state its reasons for such objection. In the event the District has not received a satisfactory response from Franchisee, the Council may then seek termination of the Franchise at a public hearing. The District shall cause to be served upon the Franchisee, at least thirty (30) business days prior to such Council public hearing, a written notice specifying the time and place of such hearing and stating its intent to revoke the Franchise.

14.8.1 At the designated hearing, Franchisee shall be provided a fair opportunity for full participation, including the right to be represented by legal counsel, and to introduce relevant evidence.

14.8.2 If the Council determines that the Franchise shall be revoked, the Council shall promptly provide Franchisee with a copy of the Council's formal action revoking the Franchise. Franchisee may appeal such determination of the Council to an appropriate court. Franchisee shall be entitled to such relief as the court finds appropriate. Such appeal must be taken within thirty (30) days of Franchisee's receipt of the determination of the franchising authority.

14.8.3 The District may, at its sole discretion, take any lawful action which it deems appropriate to enforce the District's rights under the Franchise in lieu of revocation of the Franchise.

14.9 *Revocation or Termination Not a Waiver:* The revocation or termination of this Agreement shall not, for any reason, operate as a waiver or release of any obligation or liability of the Franchisee, the District or any other Person, as applicable, incurred or accrued prior to the date of such revocation or termination.

14.10 *Security:* Throughout the Term and Extended Term (if applicable) of this Agreement the Franchisee shall provide to the District and maintain as Security a performance bond for the performance of its obligations under this Agreement in the amount of one million dollars (\$1,000,000), and a letter of credit in the amount of one hundred thousand dollars (\$100,000.). The Franchisee shall provide the District with a copy of the performance bond and letter of credit substantially in the form of Exhibit B. In the event that a performance bond or letter of credit provided pursuant to the Agreement is not renewed or is cancelled, Franchisee shall provide new security pursuant to this Section 14 within thirty (30) days of such cancellation or failure to renew. Neither cancellation, nor termination nor refusal by surety to extend the bond, nor inability of Franchisee to file a replacement bond or replacement security for its obligations, shall constitute a loss to the District recoverable under the bond.

14.10.1 This Security shall serve as security for: (i) the faithful and timely performance of the Franchisee's obligations pursuant to this Agreement and any costs, losses or damages incurred by the District as a consequence of the Franchisee's performance or nonperformance of the terms and conditions of this Agreement; (ii) any expenditure (excluding any outside attorneys' fees for enforcement of this Agreement), damage or loss incurred by the District occasioned by the Franchisee's failure to comply with all rules, regulations, orders, permits and other directives of the District issued pursuant to this Agreement; (iii) all payments due the District from the Franchisee pursuant to this Agreement; (iv) any Liquidated Damages pursuant to Section 14.7.1; and (v) any costs, losses or damages incurred by the District as a result of revocation for cause due to a substantial material default of a material provision of the Franchise pursuant to Section 14.8. Notwithstanding the foregoing, the Franchisee shall have thirty (30) days to pay any amount of applicable liability to the District prior to any withdrawal of any amount from this Security by the District. The withdrawal of amounts from this Security shall constitute a credit against the amount of the applicable liability of the Franchisee to the District but only to the extent of said withdrawal.

14.10.2 Within fifteen (15) business days after receipt of notice from the District that any amount has been withdrawn from the Security, as provided in Subsection 14.10.1 hereof, the Franchisee shall restore the Security to the full amount specified in Section 14.10 hereof and provide to the District evidence satisfactory to the District that the Franchisee has done so. If a court determines that said withdrawal by the District was improper, the District shall restore the improperly withdrawn amount to the Security, together with interest, from the date of the withdrawal at an annual rate equal to the prime interest rate of the District's primary depository bank.

14.10.3 Within five (5) business days after each of the foregoing withdrawals, the District shall notify the Franchisee of the date and amount thereof.

14.10.4 *Return of Security*: Upon termination of this Agreement for any reason or the Franchise granted herein, the Franchisee shall be entitled to the return of the Security deposited pursuant to Section 14.10 hereof, or such portion thereof as remains on deposit at said termination, provided that all offsets necessary to compensate the District for any uncured failure to comply with any provision of this Agreement have been taken by the District.

14.11 Franchise Termination: Upon completion of the Term (or Extended Term if applicable) of this Agreement or upon the revocation of this Franchise pursuant to Section 14.8 and the exhaustion of any judicial remedies, if a new, extended, or renewed Franchise is not granted to the Franchisee by the District or if the Franchisee does not have other governmental authorization to use the Public Rights-of-Way, the Franchisee's authority to use the Public Rights-of-Way granted pursuant to Section 2.1 shall terminate, and subject to federal law, the D.C. Cable Law shall control the respective rights of Franchisee and the District post-termination.

SECTION 15
MISCELLANEOUS PROVISIONS

15. MISCELLANEOUS PROVISIONS

15.1 *Actions of Parties:* In any action by the District 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.

15.2 *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.

15.3 *Preemption:* In the event that, after the Effective Date, federal law, rules, or regulations preempt a provision or limit the enforceability of a provision of this Agreement, then the Franchisee shall promptly notify OCT of such fact. Upon receipt of such notification, the District, acting in good faith, shall determine whether such federal law, rules, or regulations have a material and adverse effect on this Agreement. If the District, acting in good faith, determines that such federal law, rules, or regulations do not have a material and adverse effect on this Agreement, then the Franchisee shall comply with such federal law, rules, or regulations. If the District, acting in good faith, determines that such federal law, rules, or regulations would materially frustrate or impede the ability of the Franchisee to carry out its obligations pursuant to, or carry out the purposes of, this Agreement, and would deprive either Party of a material benefit intended to be provided by the Agreement, then the Franchisee and the District shall enter into good faith negotiations to enable the Franchisee to perform substituted obligations and Services to restore the material benefit or its equivalent, or make such other modifications to the Franchise so that the consideration promised and exchanged by the District and the Franchisee remain substantially the same after the modification, as it existed prior to the events and circumstances leading to the Franchisee's notification pursuant to this section.

15.4 *Force Majeure:* Franchisee shall not be held in default under, or in noncompliance with, the provisions of the Franchise, nor suffer any enforcement or penalty relating to noncompliance or default, where such noncompliance or alleged defaults occurred or were caused by a Force Majeure. In the event that a Force Majeure affects only part of the Franchisee's ability to perform, the Franchisee shall continue to perform to the extent it is able to do so and shall take all steps reasonably within its power to mitigate the effects of the Force Majeure and to correct such effects as rapidly as possible.

15.5 *Notices:* Unless otherwise expressly stated herein, notices required under the Franchise shall be mailed first class, postage prepaid, or via nationally recognized overnight courier to the addressees below. Each party may change its designee by providing written notice to the other party.

Notices to Comcast shall be mailed to:

Comcast of the District, LLC
900 Michigan Avenue NE
Washington, DC 20017
Attention: Government Affairs Department

With copies:

Comcast Cable
1301 McCormick Drive, 4th Floor
Largo, MD 20774
Attention: Government Affairs Department

And to:

Comcast Cable Northeast Division
676 Island Pond Road
Manchester, NH 03109
Attention: Government Affairs Department

Notices to the District shall be mailed to:

Director
D.C. Office of Cable Television, Film, Music and Entertainment
1899 9th St., NE
Washington, DC 20018

With a copy to:

General Counsel
D.C. Office of Cable Television, Film, Music and Entertainment
1899 9th St., NE
Washington, DC 20018

15.6 *Entire Agreement*: This Franchise and the Exhibits hereto constitute the entire agreement between Franchisee and the District, and it supersedes all prior or contemporaneous agreements, representations or understandings (whether written or oral) of the parties regarding the subject matter hereof, provided however that between the date of execution by the Franchisee and the Effective Date, the Franchisee shall comply with the terms and conditions of the Previous Franchise Agreement.

15.7 *Amendments*: This Franchise shall not be modified except by written instrument duly authorized and executed by both parties. Either party may at any time request amendments to this Franchise including amendments relating to advancements in technology. Amendments to this Franchise become effective subject to written agreement of the parties appropriate to protect the public interest and applicable law.

15.8 *Captions*: The captions and headings of sections and subsections 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.

15.9 *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 District 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 and Extended Term (if applicable) of the Franchise.

15.10 *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.

15.11 *Modification*: This Franchise shall not be modified except by written instrument executed by both parties

15.12 *Single Point of Contact for the District*: Franchisee shall provide the District with contact information for an individual who shall be the single point of contact for Franchisee on Cable Services and issues. Contact information shall include the contact's name, address, business telephone and facsimile numbers, and e-mail address. If any contact information changes, the Franchisee will inform the District as soon as reasonably possible.

15.13 *Employment*: Franchisee shall comply with all applicable federal and District laws and regulations affording non-discrimination in employment to all individuals, regardless of their race, color, religion, age, sex, national origin, sexual orientation or physical disability. Franchisee shall comply with all applicable requirements of the Americans with Disabilities Act, 42 U.S.C. § 12101 et seq. Franchisee agrees that, upon written request by the District, Franchisee shall give documentary evidence as to the steps it took to ensure that a good faith effort was made by it to comply with this Section.

15.13.1 *First Source and Employment of District of Columbia Residents*: Franchisee and the District Department of Employment Services (DOES) will enter, into a mutually acceptable First Source Agreement. D.C. Cable Law § 405(a)(9), D.C. Official Code § 34-1254.05(a)(9), as applicable to Franchisee, shall be deemed satisfied upon execution of such an agreement by Franchisee and the District, and execution of the First Source Agreement shall also satisfy the requirements of D.C Cable Law § 405(a)(9), D.C. Code § 34-1262.03.

15.14 *Procurement*: Franchisee and the District Department of Small and Local Business Development will enter into a mutually acceptable Certified Business Enterprise (CBE) Agreement regarding contracting with, and procuring from, local, small, and disadvantaged business enterprises. D.C. Cable Law § 405(a)(8), D.C. Official Code § 34-1254.05(a)(8), as applicable to Franchisee, shall be deemed satisfied upon execution of such an agreement by Franchisee and the District.

15.15 *Independent Review:* The District 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 reference to any doctrine calling for ambiguities to be construed against the drafter of the Agreement.

15.16 *Maintain Existence:* The Franchisee will preserve and maintain its existence, its business and all of its rights and privileges necessary or appropriate for the normal conduct of said business. The Franchisee shall maintain its good standing in the District of Columbia and continue to qualify to do business and remain in good standing in each jurisdiction in which it conducts business.

15.17 *Financial Condition:* The Franchisee shall, throughout the Term and Extended Term (if applicable) of this Agreement and thereafter, for as long as the Franchisee is required to construct, operate, maintain, upgrade, rebuild and enhance the System pursuant to this Agreement, maintain adequate financial resources to perform all obligations pursuant to this Agreement.

15.18 *No Agency:* The Franchisee shall conduct the work to be performed pursuant to this Agreement as an independent contractor and not as an agent of the District.

15.19 *Claims under Agreement:* The District and the Franchisee agree that, except to the extent inconsistent with Section 635 of the Communications Act (47 U.S.C. § 555) (or any successor provision), any and all claims asserted by or against the District arising under this Agreement or related thereto shall be filed either in a court of the United States located in the District of Columbia ("Federal Court") or in a court of the District of Columbia ("D.C. Court"). To effectuate this agreement and intent, the Franchisee agrees that if the District initiates any action against the Franchisee in Federal Court or in D.C. Court, service of process may be made on the Franchisee by registered mail addressed to the Franchisee at its office in the Franchise Area, which is specified for receipt of notices pursuant to this Agreement, or to such other address as the Franchisee may provide to the District in writing.

15.20 *No Third Party Beneficiaries:* Nothing in this Agreement is intended to confer third-party beneficiary status on any member of the public, Person or private entity not a party to this Agreement and any such member of the public, Person or private entity shall not have third party status hereunder to enforce the terms of this Agreement.

15.21 *Computation of Time:* Unless otherwise provided, the first day to be counted under this Agreement when a period of time begins with the occurrence of an act, event or default is the day after the day on which the act, event or default occurs. When computing a period of time, the last day of such period is included in the computation, and any required action must be taken on or before that day. It is immaterial whether the first day of a time period is a holiday.

IN WITNESS WHEREOF, the party of the first part, by its Mayor of the District of Columbia, thereunto duly authorized, has caused the corporate name of said District to be hereunto signed and the corporate seal of said District to be hereunto affixed and the party of the second part, by its officers thereunto duly authorized, has caused its name to be hereunto signed and its seal to be hereunto affixed as of the date and year first above written.

DISTRICT OF COLUMBIA

By: 
Mayor

Date: March 14, 2019

COMCAST OF THE DISTRICT, LLC


By: 
Name: MARY E. McLaughlin
Title: RSVP

EXHIBIT A

PEG CHANNEL ASSIGNMENTS and PEG ORIGINATION POINTS

PEG Chanel Assignments

PEG Channels	Set Top Box Channels
DCC – DC Council	13, 1084
DCN – DC Network	16, 1086
DKN – DC Knowledge	99, 1091
DCTV – DC Public Access	95, 1070
DCTV – DC Public Access 2	96, 1071
UDC – Univ. of DC Channel	98, 1090

PEG Origination Points

Three (3) District of Columbia Government Channels:
DC Office of Cable Television, Film, Music and Entertainment
1899 9th Street, NE
Washington, DC 20018

One (1) University of the District of Columbia Channel:
University of the District of Columbia
4410 Connecticut Ave., NW
Washington, DC 20008

Two (2) District of Columbia Public Access Channels:
Public Access Corporation (PAC)
901 Newton Street, NE
Washington, DC 20017

EXHIBIT B

PERFORMANCE 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 Oblige), in the full and just sum of _____ Dollars (\$ _____), 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 Oblige have entered into a Franchise Agreement dated _____ which is hereby referred to and made a part hereof.

WHEREAS, said Principal is required to perform certain obligations under said Agreement.

WHEREAS, the Oblige has agreed to accept this bond as security against default by Principal of performance of its obligations under said Agreement 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, Oblige shall deliver to Surety a written statement of the details of such default within one hundred eighty (180) days after the Oblige shall learn of the same, 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 Oblige 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 Oblige.

(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. The automatic extension of this bond does not constitute a termination or cancellation of the 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 _____, 2007.

Principal

Surety

By: _____

By: _____
Attorney-in-Fact

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





SUMITOMO MITSUI
BANKING CORPORATION

DRAFT

277 Park Avenue
New York, NY 10172
Tel: (212) 224-4000

IRREVOCABLE LETTER OF CREDIT NO. L/C NO. LG/MIS/NY-129120

BENEFICIARY:
THE DISTRICT OF COLUMBIA GOVERNMENT
C/O DC OFFICE OF CABLE TELEVISION, FILM, MUSIC & ENTERTAINMENT
1899 9TH ST NE
WASHINGTON, DC 20018

APPLICANT:
COMCAST CORPORATION
ATTN: TREASURY DEPARTMENT
ONE COMCAST CENTER
PHILADELPHIA, PA 19103

AMOUNT: USD 100,000.00 (ONE HUNDRED THOUSAND UNITED STATES DOLLARS AND 00/100)

EFFECTIVE DATE: [MONTH DD], 2018

EXPIRATION DATE: [MONTH DD], 2019 EXTENDABLE AS SET FORTH BELOW

LADIES/GENTLEMEN:

WE HAVE ESTABLISHED OUR IRREVOCABLE STANDBY LETTER OF CREDIT IN YOUR FAVOR FOR AN AGGREGATE AMOUNT NOT EXCEEDING USD 100,000.00 (ONE HUNDRED THOUSAND UNITED STATES DOLLARS AND 00/100) TO EXPIRE AT OUR COUNTERS ON [MONTH DD], 2019.

THIS LETTER OF CREDIT IS AVAILABLE BY BENEFICIARY'S DATED STATEMENT REFERENCING SUMITOMO MITSUI BANKING CORPORATION LETTER OF CREDIT NUMBER LG/MIS/NY-129120 INDICATING AMOUNT OF DEMAND/CLAIM AND PURPORTEDLY SIGNED BY AN AUTHORIZED PERSON OF YOUR COMPANY READING AS FOLLOWS:

"WE HEREBY DEMAND PAYMENT OF USD _____ REPRESENTING FUNDS DUE US AS COMCAST CORPORATION HAS FAILED TO PERFORM ITS DUTIES PURSUANT TO THE CABLE FRANCHISE AGREEMENT BY AND BETWEEN THE DISTRICT OF COLUMBIA GOVERNMENT, WASHINGTON, DC AND COMCAST CORPORATION."

IN ANY EVENT ANY AMOUNT DRAWN HEREUNDER MAY NOT EXCEED THE AMOUNT STATED IN THE LETTER OF CREDIT.

IT IS A CONDITION OF THIS LETTER OF CREDIT THAT IT SHALL BE AUTOMATICALLY EXTENDED WITHOUT AMENDMENT FOR ADDITIONAL 12 MONTH PERIODS FROM THE PRESENT OR EACH FUTURE EXPIRATION DATE, UNLESS AT LEAST 30 DAYS PRIOR TO THE CURRENT EXPIRY DATE



SMBC

SUMITOMO MITSUI
BANKING CORPORATION

DRAFT

277 Park Avenue
New York, NY 10172
Tel: (212) 224-4000

WE SEND NOTICE IN WRITING TO YOU VIA RECOGNIZED DOCUMENT DELIVERY SERVICE OR COURIER SERVICE OR CERTIFIED MAIL TO YOUR ADDRESS ABOVE, THAT WE ELECT NOT TO AUTOMATICALLY EXTEND THIS LETTER OF CREDIT FOR ANY ADDITION PERIOD. HOWEVER, IN NO EVENT SHALL THIS LETTER OF CREDIT BE AUTOMATICALLY EXTENDED BEYOND THE FINAL EXPIRY DATE OF [MONTH DD, YYYY]. UPON SUCH NOTICE TO YOU, YOU MAY DRAW ON US AT SIGHT FOR AN AMOUNT NOT TO EXCEED THE BALANCE REMAINING IN THIS LETTER OF CREDIT WITHIN THE THEN-APPLICABLE EXPIRY DATE, BY YOUR SWIFT OR PRESENTATION OF YOUR DRAFT AND DATED STATEMENT PURPORTEDLY SIGNED BY ONE OF YOUR OFFICIALS READING EXACTLY AS FOLLOWS:

"THE AMOUNT OF THIS DRAWING USD _____ REPRESENTED FUNDS DUE US AS WE HAVE RECEIVED NOTICE FROM SUMITOMO MITSUI BANK CORPORATION OF THEIR DECISION NOT TO AUTOMATICALLY EXTEND LETTER OF CREDIT NUMBER LG/MIS/NY-129120 AND THE UNDERLYING OBLIGATION REMAINS OUTSTANDING."

ALL CORRESPONDENCE AND ANY DRAWINGS PRESENTED IN CONNECTION WITH THIS LETTER OF CREDIT MUST ONLY BE PRESENTED TO US AT 277 PARK AVENUE, NEW YORK, NEW YORK 10172, ATTENTION: TRADE CREDIT SERVICES DEPARTMENT. THE NUMBER AND THE DATE OF OUR CREDIT AND THE NAME OF OUR BANK MUST BE QUOTED ON ALL DRAFTS REQUIRED.

EXCEPT AS OTHERWISE SPECIFIED HEREIN, THE LETTER OF CREDIT IS SUBJECT TO THE INTERNATIONAL STANDBY PRACTICES (1998), INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION NO. 590 (THE "ISP").

AS TO MATTERS NOT ADDRESSED BY THE ISP, THIS LETTER OF CREDIT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAWS.

SUMITOMO MITSUI BANKING CORPORATION
NEW YORK BRANCH

BY: _____
NAME: ZORAYA GONZALEZ
TITLE: DIRECTOR