OPEN VIDEO SYSTEM FRANCHISE AGREEMENT

between

The District of Columbia

and

Starpower Communications, LLC

EFFECTIVE DATE: MARCH 14, 2019

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THIS AGREEMENT, executed in duplicate this 14th day of March, 2019, by and between THE DISTRICT OF COLUMBIA (hereinafter referred to as the "District"), by the Mayor of the District, party of the first part, and STARPOWER COMMUNICATIONS, LLC (hereinafter referred to as the "Company"), party of the second part:

W I T N E S S E T H:

WHEREAS, Pursuant to the D.C. Cable Law (as defined in SECTION 1 hereof), as amended, the District, acting through the Council (as defined in SECTION 1 hereof), has the power to grant and renew franchises for Cable Services (as defined in SECTION 1 hereof) within the District delivered via an Open Video System; and

WHEREAS, Pursuant to the federal Cable Act (as defined in SECTION 1 hereof), the Congress established certain cable franchising procedures and standards in order to, among other purposes, encourage the growth and development of cable systems, assure that cable systems are responsive to the needs and interests of the local community, assure that cable communications provide and are encouraged to provide the widest possible diversity of information services and other services to the public and assure that access to Cable Service is not denied to any Person (as defined in SECTION 1 hereof) and the Congress, in the Telecommunications Act of 1996, made certain requirements of the Cable Act also applicable to Open Video Systems; and

WHEREAS, The District and the Company entered into an Open Video System Franchise Agreement ("Prior Agreement") that was approved by both the Mayor and the Council, that commenced on June 28, 2005, for a term of five years; and

WHEREAS, in early 2010, the Company requested from the District a renewal of the Prior Agreement and began engaging the District in negotiations regarding the renewal of that franchise; and

WHEREAS, On June 29, 2010, the Council considered and unanimously approved the proposed transfer of control of the Company to Yankee Cable Acquisition, LLC; and

WHEREAS, The District and the Company agreed to and did extend the term of the Prior Agreement from June 28, 2010 until no later than December 28, 2010, in accordance with the terms of the Prior Agreement; and

WHEREAS, the Company continues to operate an Open Video System under the Prior Agreement pending agreement a renewal of a new Open Video System Agreement franchise; and

WHEREAS, On June 28, 2017, the Council considered and unanimously approved the proposed transfer of control of the Company to Radiate Holdings, L.P. which is itself controlled by Radiate Holdings, GP, LLC ("RHGP"); and

WHEREAS, the District and the Company have reached agreement as a result of arms-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 Company's nonexclusive renewed franchise to operate an Open Video System on the terms and conditions set forth in this Agreement; and

WHEREAS, the Council adopted an Act approving this Agreement and granting Company a non-exclusive renewal franchise to operate an Open Video System on the terms and conditions set forth in this Agreement; and

NOW, THEREFORE, In consideration of the foregoing clauses, which clauses 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:

SECTION 1
DEFINED TERMS

For purposes of this Agreement, the following terms, phrases, words and their derivations shall have the meanings set forth in this Section, unless the context clearly indicates that another meaning is intended. When not inconsistent with the context, words used in the present tense include the future tense, words used in the plural number include the singular number, and words used in the singular number include the plural number. All capitalized terms used in the definition of any other term shall have their meaning as otherwise defined in this SECTION 1.

1.1 "Abandonment" means the cessation, by act or failure to act of the Company or any Affiliated Person, of the provision of all, or substantially all, of the Services then being provided over the System to Subscribers or the District for seven (7) or more consecutive days, except if due to an event beyond the control of the Company as set forth in Section 14.4 hereof.

1.2 "Actual Cost" means the cost to the Company or an Affiliated Person of (i) the equipment and (ii) the materials and labor of any construction, maintenance or other services provided by the Company or such Affiliated Person. Actual Cost shall not include any markup on such equipment, materials or labor.

1.3 "Affiliated Person" means any Person who, directly or indirectly, owns or controls, is owned or controlled by, or is under common ownership or control with the Company.

1.4 "Agreement" means this Open Video System Franchise Agreement, together with the Appendix(ces) attached hereto and all amendments or modifications hereof.

1.5 "Attorney General" means the Attorney General for the District of Columbia, the Attorney General 's designee or any successor thereto.

1.6 "Basic Service" means the lowest tier of Cable Service which includes the retransmission of local television broadcast signals as well as the PEG Channels required by this Agreement.

1.7 "Business Day" means any day which is not a Holiday.

1.8 "Cable Act" means the Cable Communications Policy Act of 1984, approved October 30, 1984 (98 Stat. 2779; 47 U.S.C. §§ 521-573) and any amendments thereto, including the Telecommunications Act of 1996 (110 Stat. 56, 47 U.S.C. §§ 151 et seq.).

1.9 "Cable Communications System" means any 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 the Communications Act of 1934, approved June 19, 1934 (48 Stat. 1070; 47 U.S.C. § 201 et seq.), as amended, except that such facility shall be considered a cable system (other than for purposes of Section 621(c) of the Cable 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 is certified by the FCC pursuant to Section 653 of the Cable Act (47 U.S.C. § 573) (or any successor thereto) and the rules promulgated thereunder; or (E) any facilities of any electric utility used solely for operating its electric utility systems. The foregoing definition of "Cable Communications System" shall not be deemed to circumscribe the valid authority of any governmental body, including the District, to regulate the activities of any other communications system or provider of communications services.

1.10 "Cable Service" means: (A) the one-way transmission to Subscribers of (i) video programming or (ii) other programming service, and (B) Subscriber interaction, if any, which is required for the selection or use of such video programming or other programming service. For the purposes of this definition, "video programming" is programming provided by, or generally considered comparable to programming provided by, a television broadcast station; and, "other programming service" is information that a cable operator makes available to all subscribers generally.

1.11 "Channel" means a band of frequencies in the electromagnetic spectrum utilizing various means of transmission (including, without limitation, optical fibers or any other means now available or that may become available), which band of frequencies is capable of carrying one (1) or more video Signals, audio Signals, voice Signals or data Signals.

1.12 "Closing" means the event described in Section 2.2 hereof.

1.13 "Company" means Starpower Communications, LLC.

1.14 "Control" means the ability to exercise de jure or de facto control over the day to day policies and operations or the management of the Company's affairs.

1.15 "Council" means the Council of the District of Columbia, its designee or any successor to the legislative powers of the present Council.

1.16 "D.C. Cable Law " means 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 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 Starpower Communications, LLC Open Video System Franchise Act of 2018, (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.

1.17 "D.C. Treasurer" means the Treasurer of the District, the Treasurer's designee or any successor thereto.

1.18 "DDOT" means the Department of Transportation of the District, its designee or any successor thereto.

1.19 "Digital Service" means a Service which is transmitted in a digital format.

1.20 "Digital Television Channel" means a Channel which is transmitted in a digital format; which utilizes digital compression and encryption technologies; and which occupies sufficient bandwidth to enable the transmission of a high-quality television program at the System's standard compression level(s).

1.21 "Director" means the director of the Office of Cable Television, Film, Music and Entertainment, the director's designee or any successor thereto.

1.22 "District" means the government of the District of Columbia or, as appropriate in the case of specific provisions of this Agreement, any board, bureau, authority, agency, commission or department of, or any other entity of or acting on behalf of, the District of Columbia government or any officer, official, employee or agent thereof, any designee of any of the foregoing, or any successor thereto.

1.23 "Downstream" means the direction of Signals on the System from any location and going toward a Subscriber.

1.24 "Economically and Technically Feasible and Viable" means 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 Company has a reasonable likelihood of being operated on reasonably profitable terms.

1.25 "Educational Channel" means a PEG Channel on the System which the Company shall make available to the District, at no charge, for use as provided in Section 4.1.13 hereof and Appendix A to this Agreement.

1.26 "Effective Date" means the date on which this Agreement shall take effect, as further defined in Section 2.1 herein.

1.27 "FCC" means the Federal Communications Commission, its designee or any successor thereto.

1.28 "Franchise Area" means all the area within the boundaries of the District of Columbia for which the PROW are under the jurisdiction of the District.

1.29 "Governmental Channel" means a PEG Channel on the System which the Company shall make available to the District, at no charge, for use as provided in Section 4.1.6 hereof and Appendix A to this Agreement.

1.30 "Gross Revenue" means all revenue, as determined in accordance with generally accepted accounting principles, which is derived by the Company and by each Affiliated Person from the operation of the System to provide Cable Services, including, without limitation, late fees and other revenues that may be posted in the general ledger as an offset to an expense account and all earned and accrued revenues. Gross Revenue shall also include, to the extent it is received by the Company, all revenue of any other Person, including, without limitation, PEG Channel programmers or UVPPs, which is derived from the operation of the System to provide Cable Services. Gross Revenue, for purposes of Section 8.1 hereof, shall also specifically include: (i) the fair market value of any nonmonetary (i.e., barter) transactions between the Company and any Affiliated Persons but not less than the customary prices paid in connection with equivalent transactions conducted with Persons who are not Affiliated Persons; (ii) revenue received by the Company which represents or can be attributed to a Subscriber fee or a payment for the use of the System for the sale of merchandise through any Service distributed over the System; (iii) franchise fees received from Subscribers; (iv) any revenue generated by the Company or by any Affiliated Person through any means which has the effect of avoiding the payment of compensation that would otherwise be paid to the District for the Franchise granted herein, (v) allocated revenue from bundles services as described in Section 8.1.2; and (vi) any revenue from Subscriber equipment sold or leased by the Company or an Affiliated Person. Gross Revenue shall also include all advertising revenue which is derived, directly or indirectly, by the Company, any Affiliated Person or any other Person from or in connection with the sale of advertising on the System. Advertising revenues from an Affiliated Person shall be grossed up as if the Company had received the advertising revenue directly, if the advertising revenue received from the Affiliated Person is only net advertising revenue. Notwithstanding the preceding sentence, standard and reasonable commissions retained by a regional interconnect that is an Affiliated Person may be excluded from Gross Revenue.

Gross Revenue shall not include: (i) any compensation awarded to the Company based on the District's condemnation of property of the Company; (ii) the revenue of any Person, including, without limitation, a supplier of programming to the Company, to the extent that said revenue is also included in Gross Revenue of the Company; (iii) the revenue of the Company or any other Person which is generated directly from the sale of any merchandise through any Service distributed over the System (other than that portion of such revenue which represents or can be attributed to a Subscriber fee or a payment for the use of the System for the sale of such merchandise (such as, for example, the portion of such payment attributable to a commission for the Company or an Affiliated Person), which portion shall be included in Gross Revenue); (iv) taxes imposed by law on Subscribers which the Company is obligated to collect (it being acknowledged that franchise fees under this Agreement are not considered taxes); (v) amounts collected by the Company from Subscribers on behalf of PEG Channel programmers, other than Affiliated Persons, or UVPPs, to the extent that all of the amounts collected (in excess of the amounts deducted pursuant to Section 8.1.7 hereof and paid to the District) are passed on by the Company to said programmers; (vi) the revenue of any Affiliated Person which represents standard and reasonable amounts paid by the Company to said Affiliated Person for ordinary and necessary business expenses of the Company, including, without limitation, professional service fees and insurance or bond premiums; (vii) advertising commissions deducted by advertising agencies (other than an agency which is an Affiliated Person) before advertising revenues are paid over to the Company; (viii) to the extent consistent with generally accepted accounting principles, consistently applied, actual bad debt write-offs; and (ix) investment income.

1.31 "Holiday" means Saturday, Sunday, officially recognized Federal or District legal holidays and any other day on which the District's offices are closed and not reopened before 5:30 p.m.

1.32 "Inspector General" means the Inspector General of the District, the Inspector General's designee or any successor thereto.

1.33 "Liability" or "Liabilities" means any and all encumbrances, defects of title, easements, mortgages, security interests or agreements, pledges, liens, charges, damages, expenses, penalties, fines, costs, conditional sales agreements, title retention agreements, claims, assessments, restrictions, liabilities, obligations, debts, commitments, undertakings, taxes, covenants, attorneys' and other fees and responsibilities of every kind and character, known and unknown, contingent or otherwise, or arising or existing by operation of law, by judicial decree or judgment, by contract or otherwise, including, without limitation, those evidenced by contracts, agreements, memoranda, indentures, mortgages and security agreements and conditional sales and other title retention agreements. "Liability" or "Liabilities" shall also mean any damage or loss to any real or personal property of, or any injury to or death of, any Person or the District.

1.34 "Local Ad Insertion Channel" means any Channel on the Subscriber Network on which the Company or any Affiliated Person, or any Person on behalf of or authorized by the Company or any Affiliated Person, sells time for local commercial

advertisements which are inserted by the Company or any Affiliated Person at a headend, hub or other local facility serving the System.

1.35 "Marketing Plan" means the marketing plan described in Section 4.1.2 hereof to be developed by the Company to inform Subscribers of a change in the frequency allocation, Channel assignment of a PEG Channel.

1.36 "Material Provision" means any provision in this Agreement, the breach of which has a material effect on the rights or benefits either party to this Agreement has secured pursuant to this Agreement.

1.37 "Mayor" means the chief executive officer of the District, the Mayor's designee or any successor to the executive powers of the present Mayor.

1.38 "Noncable Service" means any Service which is distributed over the System, other than a Cable Service.

1.39 "Non-Residential Subscriber" means a Subscriber, other than a Residential Subscriber, who lawfully receives any Service the Company provides through its System.

1.40 "OCTFME" means the Office of Cable Television, Film, Music and Entertainment, its designee or any successor thereto.

1.41 "OHR" means the Office of Human Rights of the District, its designee or any successor thereto.

1.42 "Open Video System" means the cable facilities, including the set of closed transmission paths and associated signal generation, reception, and control equipment, that are designed to provide Cable Service to multiple subscribers within the District, and which the FCC, in accordance with Section 653 of the Cable Act (47 U.S.C. § 573) (or any successor thereto), has certified as compliant with Title VI of the Cable Act and its rules.

1.43 "PEG Channel" mean the Digital Television Channels supplied to the District and other PEG Entities pursuant to Section 4.1.1 hereof.

1.44 "PEG Direct Connections" mean the direct connection links provided to PEG Entities by the Company pursuant to Section 4.1.4 of this Agreement.

1.45 "PEG Direct Connection Capacity" means the capacity provided over the PEG Direct Connections.

1.46 "PEG Entity" means the District, the Public Access Corporation, UDC, the Public Schools and such other entities as OCTFME may designate from time to time.

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

1.48 "Physically Challenged" shall mean any individual with a physical disability or handicap.

1.49 "Public Access Corporation" means the Public Access Corporation established and operated pursuant to Title II, Section 302 of the D.C. Cable Law (D.C. Official Code § 34-1253.02) or any successor thereto.

1.50 "Public Channel" means a PEG Channel on the Subscriber Network which the Company shall make available to the Public Access Corporation, at no charge, for use as provided in Section 4.1.12 hereof.

1.51 "Public Rights-of-Way" or "PROW" means: 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.

1.52 "Public Schools" means the public school system of the District, its designee and any successor thereto.

1.53 "Region" shall mean the District of Columbia; Montgomery County and Prince George's County, Maryland; the City of Alexandria and Arlington County and Fairfax County, Virginia; and any incorporated municipalities within such counties.

1.54 "Resident" means an occupant who: (i) resides in a dwelling which has or is entitled to receive from the District a residential certificate of occupancy, including, without limitation, a private dwelling or a multiple dwelling; or (ii) has continuously resided in the same building for at least six (6) months or who takes occupancy pursuant to a lease (or other similar arrangement) of at least sixty (60) days duration, including, but not limited to, occupants of any buildings not included in subsection (i) above, and including occupants of hotels, apartment houses, one (1) and two (2) family dwellings, apartment hotels, motels, lodging or rooming houses, rectories, convents, monasteries, school dormitories, hospitals, prisons, reformatories, nursing homes, residential psychiatric facility, clinics, orphanages, day nurseries, homes for the aged and sanitariums, whether or not such buildings have or are entitled to receive from the District residential certificates of occupancy, provided, however, that (a) with respect to prisons, reformatories and residential psychiatric facilities, the Company's obligation shall be only to provide Services to common areas in such facilities, to the extent that the Company can obtain the consent of such prison, reformatory or residential psychiatric facility for the provision of such Services, and (b) in the case of any other commercial or institutional facility (such as a hotel, a dormitory, a hospital, a nursing home, etc.), the Company shall negotiate the terms of providing Services to Residents in such institutional facility.

1.55 "Residential Subscriber" means a Resident who lawfully receives any Service on the Subscriber Network, except to the extent that such Services are used by such Subscriber in connection with a trade, business or profession, either directly or indirectly, unless such use is incidental. "Service" means (i) any Cable Service, including

any Basic Service, or any other service, whether originated by the Company or any other Person, which is offered to any Person in conjunction with, or distributed over, the System, but shall not include any service distributed over the System by a UVPP; and (ii) any Noncable Service provided for public, educational or governmental use.

1.56 "Service Related Activity" means any activity or function associated with the production or distribution of any Service over the System, including, without limitation, use of studio or other facilities or equipment, billing, audience promotion or installation or lease of equipment.

1.57 "Subscriber" means any Person lawfully receiving any Service provided by the Company by means of or in connection with the System, whether or not a fee is paid for such Service.

1.58 "Subscriber Network" means that portion of the System over which Services are provided primarily to Residential Subscribers.

1.59 "System" means, subject to Section 12.6 hereof, the Open Video System which is to be constructed, operated and maintained by the Company pursuant to this Agreement, to the extent present in the PROW, but shall not include any facilities or equipment in connection with the Open Video System that are under the exclusive ownership or control of a UVPP. In addition, the System shall include any facilities provided by the Company to the District or for the use of the District.

1.60 "Two-Way" means that the headend, cables, hubs, distribution plant, amplifiers and other technical components of the System have the requisite equipment in place to pass video, audio, voice and/or data Signals in both directions simultaneously.

1.61 "UDC" means the University of the District of Columbia, its designee and any successor thereto.

1.62 "Unaffiliated Video Programming Provider" or "UVPP" as defined in 47 CFR 76.1500 (c) means a video programming provider over the Company's Open Video System that is not affiliated with the Company.

1.63 "Upstream" means the direction of Signals on the System from any location and going toward a headend, hub or other distribution facility of the System.

SECTION 2
GRANT OF AUTHORITY

2.1 Effective Date. The Franchise granted to the Company pursuant to this Agreement, which as provided in Section 2.4.1 hereof is a nonexclusive franchise, shall commence on the date on which completion of the Closing hereof (hereinafter referred to as the "Effective Date") described in the following Section 2.2 hereof occurs, provided that the Company meets each of the conditions precedent set forth in such Section.

2.2 Closing. Term and Termination of Agreement

2.2.1 Closing. This Agreement shall be executed and the obligations herein shall commence on the Closing of this Agreement. The Closing shall be held on a date and at a location to be specified by the Mayor, but in no event later than thirty (30) days after the end of the Congressional review period described in Section 2.2.1(i) below. At the Closing, the Mayor and the Company shall execute, by signing, this Agreement, provided that, prior to such execution by the Mayor, the following conditions have occurred unless the District has waived the Closing condition in question:

(i) Council Act. The Council shall have adopted an act approving this Agreement, and the period for congressional review shall have passed without Congress taking action to disapprove, amend or modify such act;

(ii) Representations and Warranties. The Company shall have provided the District with a certificate executed by an authorized officer of the Company, certifying that the representations and warranties made by the Company in this Agreement are true and correct as of the Closing;

(iii) Performance Bond. The Company shall have furnished to the District the performance bond, pursuant to Section 5.10 hereof, or, in the event that the issuer will not issue the bond until this Agreement has been fully executed, the Company shall have furnished to the District the form of the performance bond, pursuant to Section 5.10 hereof accompanied by a letter from the issuer stating that it shall issue a bond in the form of the performance bond not later than thirty (30) days after the Effective Date;

(iv) Liability Insurance Policy. The Company shall have secured its liability insurance policy (or policies) pursuant to Section 11.2.1 hereof and shall have delivered the certificate(s) of insurance to OCTFME and the Mayor's Office of Legal Counsel, together with evidence that the premiums for such policy (or policies) have been paid, that such policy (or policies) shall be in effect on or before the Effective Date, and that such policy (or policies) is (or are) in accordance with Section 11.2 hereof;

(v) Permitting and Licensing Compliance. DDOT shall have certified that the Company is in compliance with all applicable permitting and licensing requirements under District law which are enforced or administered by DDOT;

(vi) Local Employment Plan. The Company shall have entered into a First Source Agreement with the Department of Employment Services, pursuant to Section 6.4 hereof, and such First Source Agreement shall have been transmitted to the Council in connection with its review of this Agreement;

(vii) Memorandum of Understanding/Local Businesses. Company 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 Section 405(a)(8), D.C. Official Code § 34-1254.05(a)(8), as applicable to Company, shall be deemed satisfied upon execution of such an agreement by Company and the District.

(viii) Clean Hands Certification. The Company shall have provided the certification required by D.C. Official Code § 47-2863(b).

2.2.2 Submission of Closing Documents. The Company shall submit to OCTFME at least five (5) copies of each document required to be submitted or approved prior to the Closing pursuant to Section 2.2 hereof. The documents shall be submitted to OCTFME in labeled volumes. Any document requiring review or approval by a District agency other than or in addition to OCTFME shall be forwarded by OCTFME to the appropriate District agency or to the Council for such review and/or approval no later than 5 business days before Closing. If any document required to be submitted prior to the Closing pursuant to Section 2.2 hereof is modified after submission to OCTFME and prior to the Closing, the Company shall submit to OCTFME prior to the Closing an additional five (5) copies of such document as modified.

2.2.3 Term of Agreement. This Agreement shall remain in effect from the Effective Date of this Agreement to the termination of this Agreement, as provided in Section 2.2.4 hereof, which period of time is herein referred to as "the term of this Agreement."

2.2.4 Termination. The termination of this Agreement shall occur upon the earliest to occur of: (i) the revocation of the Franchise granted pursuant to this Agreement as provided in Section 12.4 hereof; (ii) an Abandonment of the System; or (iii) subject to Section 2.2.5 hereof, the expiration of the term of the Franchise as set forth in Section 2.3.3 hereof, or otherwise.

2.2.5 Termination Not a Waiver. The termination of this Agreement (in any way specified in Section 2.2.4 hereof) shall not, for any reason, operate as a waiver or release of any obligation or Liability of the Company or any other Person, as applicable, incurred or accrued prior to the date of such termination. This Section 2.2.5 and Sections 8.1.8, 9.7.1, 9.7.2, 12.2, 12.5, 12.6, 14.14, 14.15, 14.17 and 14.20 shall survive the termination of this Agreement. If the Company continues to operate all or any part of the System after the expiration of the term of the Franchise, without renewal, then (i) this Section 2.2.5 shall not be construed to waive or release any obligation or Liability of the Company arising out of such continued operations and (ii) the Company shall comply with the terms and conditions of this Agreement, including but not limited to all compensation and other payment provisions of this Agreement. Any such continued operation shall in no way be construed as a renewal or other extension of this Agreement or the Franchise granted pursuant to this Agreement except to the extent provided in Section 2.3.4 hereof.

2.3 Nature of Franchise, Term, Grant of Franchise, and Effect of Termination

2.3.1 Nature of Franchise.

On the Effective Date, the Company's nonexclusive Franchise for the occupation and use of the PROW within the Franchise Area for the construction, operation, maintenance, upgrade, rebuild, enhancement, repair and removal of the System, for the purpose of providing Cable Services in accordance with the provisions of this Agreement, shall commence. The Franchise granted herein shall, consistent with Sections 9.2, 14.7.1, and 14.20 hereof, be subject to the terms and conditions of this Agreement.

2.3.2 Noncable Services.

The Franchise granted herein does not authorize the Company to provide any Noncable Services, provided that this limitation shall not limit the use of the in-kind benefits provided by the Company in accordance with terms and conditions to be set forth in a letter from an authorized representative of Company and provided to the District within thirty (30) days following the Effective Date, and the PEG Channels by the PEG Entities. The Company's provision of Noncable Services shall be subject to separate additional approval by the District if required by applicable law. Any use of the System for Noncable Services shall be reported in writing to OCTFME at least fifteen (15) days after the Company has begun such use. Nothing in this Agreement shall be interpreted to prevent the District from imposing additional lawful conditions, including additional compensation provisions, for use of the PROW if the Company provides any service other than Cable Service.

2.3.3 Franchise Term. Unless the Franchise is earlier terminated pursuant to Section 2.2.4 hereof, the Franchise shall remain in force for a period of ten (10) years, and shall expire on March 14, 2029 which is herein referred to as "the term of the Franchise." The term of the Franchise may be extended for an additional five (5) years (the "Extended Term"), in accordance with the provisions of Section 2.3.3.1.

2.3.3.1 Five Year Extension. The term of the Franchise shall be extended for an additional five (5) years upon the mutual consent of the District and the Company. The District shall base its determination upon the results of a compliance review which considers whether the Company has complied with the requirements of the Franchise. If the District determines that an extension of the term of the Franchise 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 of the Franchise, that the Company 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 Company 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 term of the Franchise shall not be extended pursuant to this Section

2.3.3.1. If the District does not provide the Extension Certification to the Company by the date that is 36 months prior to the end of the term of the Franchise, the Franchise term shall not be extended pursuant to this Section 2.3.3.1. At any point between 36 months and 30 months prior to the expiration of the term of the Franchise or Extended Term, as applicable, the Company may assert its rights to renewal proceedings in accordance with Section 626 of the Communications Act, 47 U.S.C. § 546.

2.3.4 Limited Extension due to Negotiations. Upon the expiration of the Franchise, if the Company 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 term of the Franchise, the parties may mutually agree to extend the term of the Agreement to allow for timely completion of the renewal proceedings.

2.3.5 Renewal. The District reserves the right to grant or deny renewal of the Franchise granted herein; provided that any renewal may be based upon the Company's agreement to comply fully with the terms of the renewed franchise and agreement.

2.3.6 Effect of Termination. In the event of a termination as set forth in Section 2.2.4 hereof, and except as provided in Section 2.2.5, the term of the Franchise shall expire and the Franchise shall be revoked; all rights of the Company in the Franchise shall cease, with no value allocable to the Franchise itself; and the rights of the District and the Company to the System, or any part thereof, shall be determined as provided in Sections 12.5 and 12.6 hereof.

2.4 Conditions and Limitations on Franchise

2.4.1 Not Exclusive. Nothing in this Agreement shall affect the right of the District to grant to itself or any Person a franchise, consent or right to occupy and use the PROW, or any part thereof, for the construction, operation or maintenance of all or any part of a Cable Communications System or an Open Video System or similar systems within the Franchise Area or elsewhere in the District or for any other purpose.

2.4.2 Public Works and Improvements. Nothing in this Agreement shall abrogate the right of the District (or any board, authority, commission, public benefit corporation or other public or quasi-public entity) to perform any public works or public improvements of any description, including, without limitation, all work authorized by the Washington Metropolitan Area Transit Authority (WMATA). In the event that the System interferes with the construction, operation, maintenance or repair of such public works or public improvements, the Company shall, at its own cost and expense, protect or promptly alter or relocate the System, or any part thereof, as directed by the District. In the event that the Company refuses or neglects to so protect, alter or relocate all or part of the System, the District shall, in its sole discretion, have the right to break through, remove, alter or relocate, without notice to the Company, all or any part of the System without any Liability to the Company, and the Company shall pay to the District the costs

incurred in connection with such breaking through, removal, alteration or relocation. Nothing in this Section 2.4.2 shall be construed to limit the District's ability to act in emergencies pursuant to Section 706 of the D.C. Cable Law (D.C. Official Code § 34-1257.06). In the event that the District or any public or quasi-public entity reimburses costs for other occupants of the PROW which this Section 2.4.2 imposes on the Company, it will not be a breach of this Agreement for the Company to request that the District or such public or quasi-public entity, as the case may be, bear some or all of the Company's costs.

2.4.3 No Waiver. Nothing in this Agreement shall be construed as a waiver of any laws, regulations or rules of the District or of the District's right to require the Company or any Person using the System to secure the appropriate permits or authorizations for such use, provided that the fees and charges imposed upon the Company for any such permit or authorization shall be the standard fees or charges generally applicable to all Persons for such permits or authorizations, and any such standard fee or charge: (i) shall not, for purposes of Section 653(c)(2)(B) of the Cable Act (47 U.S.C. § 573(c)(2)(B)), be considered a fee in lieu of the "franchise fee" permitted under Section 622(g)(1) of the Cable Act (47 U.S.C. § 542(g)(1)); (ii) shall fall within the exception to the term "franchise fee" pursuant to Section 622(g)(2)(A) of the Cable Act (47 U.S.C. § 542(g)(2)(A)); and (iii) shall not be an offset against the compensation or other payment the Company, an Affiliated Person or other Person is required to pay to the District or any other entity pursuant to SECTION 4 and Section 8.1 hereof.

2.4.4 Closing of PROW. Nothing in this Agreement shall be construed as a waiver or release of the rights of the District in and to the PROW. In the event that all or part of the PROW within the Franchise Area are closed, all rights and privileges granted pursuant to this Agreement with respect to such PROW, or any part thereof so closed, shall cease upon the effective date of such closing, and the Company shall remove its facilities and equipment from such PROW. However, if such closing of any PROW is undertaken for the benefit of any private Person, the District shall, as appropriate, condition its consent to such closing of such PROW on the agreement of such private Person to (i) grant the Company the right to continue to occupy and use such PROW or (ii) reimburse the Company for its reasonable costs to relocate the affected part of the System.

2.4.5 Construction of Agreement. Company 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 prevail. Nothing herein shall be construed to limit the scope or applicability of federal law, including Section 625 of the Communications Act, 47 U.S.C. § 545.

SECTION 3
VOLUNTARY SERVICE OBLIGATIONS

3.1 Provision of Service.

3.1.1 Parity with Neighboring Jurisdictions. If the Company or an Affiliated Person provides a new Cable Service on a commercially deployed basis to any area of the Region, then the Company, within twenty-four (24) months, shall provide such Cable Services on the System unless the Company reasonably determines and demonstrates in writing to the District, within twelve (12) months of such commercial deployment, that doing so would not be Economically and Technically Feasible and Viable.

3.1.2 Onscreen Menus and Programming Guides. Company 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. The Company will be responsible for providing the designations and instructions necessary to ensure the channels will appear on the programming guides throughout the District. The Company will also pay for any initial headend costs and initial third party programming guide vendor costs. The District shall be responsible for providing programming information to the Company, or if the Company uses a third party Programming guide vendor, to that vendor. Any costs incurred by or charged to the District by a third party Programming guide vendor shall be paid by the District.

3.1.3 Non-Discrimination. In offering Services on the Subscriber Network, the Company shall not unlawfully discriminate in the availability of Services or in the rates, terms and conditions thereof. All fees, charges, deposits and other terms and conditions must be applied fairly and uniformly to all Subscribers in the Franchise Area. It shall be the right of all Subscribers to receive continuously all available Services insofar as their financial and other obligations to the Company are honored, provided, however, that the Company may refuse or condition service to any Person for good cause (based upon such Person's actions, behavior or conduct). The obligations set forth in the preceding two (2) sentences shall include, without limitation, the obligation to ensure that (i) access to any Service is not denied to any group of potential Subscribers because of the income of the Residents of the area in which such group resides, geographic location or any other unlawfully discriminatory criteria; and (ii) hearing-impaired individuals have access to Services. The Company may enter into or maintain any "bulk rate" agreements permitted under applicable law. Nothing in this paragraph shall be construed to prevent the Company from charging a Non-Residential Subscriber the Company's Actual Cost to connect such Non-Residential Subscriber to the Subscriber Network, provided that, in the event multiple Subscribers share the same connection to the Subscriber Network at the time of installation, the Company shall allocate its Actual Cost fairly and uniformly among such Subscribers. Nothing contained in this paragraph shall prohibit the Company from offering, to the extent permitted by applicable law: (i) discounts to senior

citizens or economically disadvantaged groups; (ii) different charges for Residential Subscribers than for Non-Residential Subscribers; (iii) sales promotions and other discounts or reduced charges for a reasonable period of time, which are offered to all Residential Subscribers or all Non-Residential Subscribers, as the case may be, for the same length of time although the start date of such promotions, discounts or reduced charges may be staggered such that the offer may begin for the last Subscriber to whom they are offered up to six (6) months after the start date for the first Subscriber to whom they are offered; or (iv) any discounts, promotions or reduced charges allowed by law or regulation.

Nothing in this Section 3.1.3 is intended to prevent the Company from reasonably conditioning its provision of Services to a Person with an impaired credit history. Such restrictions shall be lifted to the extent such Person demonstrates to the Company's reasonable satisfaction that such Person subsequently has established a positive payment history (i.e., that such Person has paid his, her or its bills in full and on time).

3.1.4 Special Obligation for Interactive Services. Subject to Section 3.1.3 hereof, the Company shall not discriminate in the deployment of interactive Services in the District of Columbia on the basis of the income of the Residents of any area, and the Company shall comply at all times with applicable law relating to nondiscrimination.

In addition, while the Company and the District acknowledge that the throughput rate of the cable modem service will vary as a result of a number of different factors, the Company shall not discriminate in the quality of the cable modem service provided to Subscribers on the basis of the income of the Residents of any area in the District of Columbia. For the purposes of this Section 3.1.4, throughput shall mean the actual amount of useful and non-redundant information which is received by the end user after being transmitted or processed.

3.1.5 Requests for Service. The Company shall fulfill all requests for Services (including any upgrades to inside wiring necessary to transmit the full range of its Services for Residential Subscribers living in multiple dwelling unit buildings) within the time periods set forth in applicable law. The Company shall charge its standard installation fee to Residents for installation of connections that do not require in excess of two hundred fifty (250) feet of underground trenching per drop, or two hundred fifty (250) feet of aerial wiring per drop. In each case in which the Company needs to obtain access to property for providing or upgrading its Services, the Company shall adhere to the requirements of all applicable federal and District law.

3.1.6 Channel Capacity. The Subscriber Network shall be capable of passing frequencies of at least eight hundred sixty (860) MHz cable bandwidth. The Subscriber Network shall have a Downstream bandwidth of at least eight hundred eight (808) MHz, ranging from fifty-two (52) MHz to eight hundred sixty (860) MHz. The Subscriber Network shall also be capable of providing over two hundred (200) Digital Services, which may include television, audio, data and cable modem services. The Upstream bandwidth shall be not less than thirty-five (35) MHz, ranging from five (5)

MHz to forty (40) MHz and, as of the Effective Date, is anticipated to be used exclusively for digital Signals.

3.2 Rate Publication. The current Cable Services and Rate Report, which shall be attached as Appendix B to this Agreement, shall be delivered at the Closing and shall represent an accurate statement as of the Effective Date of the Cable Services offered and the rates therefor. The Company shall provide OCTFME with notice of changes to its rates or services the earlier of the time specified in Section 907 of the D.C. Cable Law (D.C. Official Code § § 34-1259.07) or the time at which notice of such changes is provided to the Company's customers.

3.3 Cooperation with Office of the Chief Technology Officer. The Company agrees to work with the District toward an agreement that would facilitate the expansion of DC-Net within areas served by the Company. Such an agreement or agreements may include allowance of overlashing of Company facilities by DC-Net with its own fiber and access to Company's underground conduit where space may be available. Any agreement would be subject to conditions of pole and conduit licenses and agreements that govern Company use of space on or in utility owned facilities.

3.4 Cable Service to Municipal Buildings. During the Term, Company shall make available without charge within the Franchise Area, one service outlet activated for the most commonly subscribed to Cable Service tier to each District owned or operated facility (including recreational centers, public libraries, and buildings used for municipal purposes) designated by the District in writing, not to exceed ninety-nine (99) governmental facilities including the any recreational centers currently served by the Company (including moving service provided to these locations in the Franchise Area, if requested, at the District's expense); provided, however, that if it is necessary to extend Company's infrastructure more than two hundred fifty feet (250') solely to provide Cable Service to any such government facilities, the District shall have the option either of paying Company's costs for such extension in excess of two hundred fifty feet (250'), or of releasing Company from the obligation to provide Cable Service to such building. Furthermore, while Company does not have an obligation to provide more than one outlet per public building, although not required, Company shall be permitted to recover, from any District facility entitled to free service, the cost of installing more than one outlet, custom inside wiring. The Company shall not charge for the provision of Cable Service to the additional Cable Service outlets once installed, but may charge for equipment required to receive Service that is in addition to the primary Cable Service outlet. Equipment provided by Company, 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 Cable Service under this Agreement, the District shall pay for any relocation costs that require Company to extend its infrastructure more than two hundred fifty feet (250').

SECTION 4
PUBLIC SERVICES

4.1 PEG Channels

4.1.1 Minimum Channels. At all times throughout the term of this Agreement, the Company shall make available to the District, for the transmission of television, data, audio and video Signals for the purpose of public, educational and governmental ("PEG") access, at least eight (8) PEG Channels in standard-definition ("SD") and the four (4) high definition ("HD") PEG Channels described in Section 4.1.7 hereof, plus two (2) more HD PEG Channels if requested pursuant to Section 4.1.7. All PEG Channels shall be made available to Subscribers free of charge 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. In addition, the Company, without charge, shall make up to eight (8) Digital Television Channels available to the District as follows: one (1) such Digital Television Channel shall be made available not later than sixty (60) days after each time the Company receives from OCTFME either a notice for such Digital Television Channel or a notice that such Digital Television Channel shall be the Training Channel described in Section 4.1.15 hereof. If the Company upgrades the System to be capable of passing frequencies of one (1) GHz or greater during the term of the Franchise, the Company, without charge, shall make up to four (4) additional such Digital Television Channels (for a total of twelve (12) additional Digital Television Channels, or twenty (20) in all) available to the District as follows: one (1) such Digital Television Channel shall be made available not later than sixty (60) days after each time the Company receives from OCTF4.ME either a notice for such Digital Television Channel or a notice that such Digital Television Channel shall be the Training Channel described in Section 4.1.15 hereof.

The equipment needed for digital compression and other processing equipment required for all Digital Television Channels provided pursuant to this Section 4.1, except for Subscriber converters, shall be supplied by the Company without charge. The PEG Channels shall be allocated to the PEG Entities as specified in Section 4.1.3.

4.1.2 Channel Assignments; Channel Change.

The PEG Channels shall be distributed at the Channel assignments specified in Appendix C hereof. The Company shall not arbitrarily or capriciously change Channel assignments, and the Company shall seek to minimize changes in such Channel assignments; provided, however, that the Company 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) In the event the Company elects to change the Channel assignment of any PEG Channel, the Company shall (a) provide each affected PEG Entity with notice at least ninety (90) days prior to such change and (b) in cooperation with, but without expense to, each affected PEG Entity, develop and implement the details of the Marketing Plan outlined in Section 4.1.2(ii) hereof, which shall be subject to OCTFME review and comment, to inform Subscribers of such change.

(ii) Such Marketing Plan shall provide for the following components:

(a) The Company shall provide, at the Company's expense, at least thirty (30) days' notice of such change, in monthly bills or another mailing sent to Subscribers (such mailing may cover all affected PEG Entities, provided that each is prominently featured).

(b) At the Company's expense (which expense shall include the cost of production of one (1) notice), the Company shall insert on one (1) or more Local Ad Insertion Channels, selected by the Company after consideration of the affected PEG Entities' requests and subject to availability, notices provided by the affected PEG Entities of up to thirty (30) seconds in duration. Such notices shall be run a total of ten (10) times per day (five (5) times between 6:00 a.m. and 6:59 p.m. and five (5) times between 7:00 p.m. and 11:00 p.m.) during the thirty (30) days preceding, thirty (30) days following and the day of the change (i.e., the Company shall provide the affected PEG Entities with a total of 610 spots per change).

(c) Without charge to the District, the Company shall insert an on-hold message concerning such change on the Company's telephone system; such message shall prominently feature all affected PEG Entities.

(d) The Company shall make full payment for costs, limited to Ten Thousand Dollars ($10,000.00), reasonably and actually incurred by each PEG Entity operating an affected Channel and associated with the replacement of stationery, letterhead, business cards, promotional materials, Channel identification materials, mailings, etc., the replacement of which is caused by the Company's change of Channel assignment of the affected PEG Entity. Nevertheless, in the case of the first change affecting a Government Channel, the limit on reimbursement of OCTFME shall be Twenty-Five Thousand Dollars ($25,000.00), regardless of whether one (1) Government Channel or more than one (1) is affected; for any subsequent change, the limit on reimbursement of OCTFME shall be Ten Thousand Dollars ($10,000.00), regardless of whether one (1) Government Channel or more than one (1) is affected. At the option of each affected PEG Entity, such payments shall be made either to such PEG Entity or its vendor(s); in either case, such payments shall be made

not later than thirty (30) days after receipt of an invoice from such PEG Entity or its vendor(s).

(iii) Not later than sixty (60) days after the date of a change covered by Section 4.1.2(i) hereof, the Company shall certify to OCTFME in writing or shall submit such other written evidence satisfactory to OCTFME that the notices required by Sections 4.1.2(i)-(ii) hereof were provided on time and in the required manner.

(iv) Notwithstanding Section 4.1.2(i) hereof, if the change in Channel assignment does not result from the election of the Company, the affected PEG Entities, taken as a whole, and the Company shall each pay one half (½) of the costs incurred, pursuant to the Marketing Plan, by the Company for contracted goods and services or by the PEG Entities. In such a circumstance, each affected PEG Entity may waive its right to take advantage of any of the minimum components of such Marketing Plan in exchange for not having to contribute towards the cost of such component.

4.1.3 Allocation of PEG Channels.

The PEG Channels shall be allocated as follows:

(i) Two (2) Digital Television Channels allocated to the District pursuant to Section 4.1.1 shall be Public Channels and shall be under the jurisdiction of the Public Access Corporation;

(ii) Two (2) Digital Television Channels allocated to the District pursuant to Section 4.1.1 shall be Educational Channels; OCTFME and UDC shall each have jurisdiction over one (1) Educational Channel;

(iii) Two (2) Digital Television Channels allocated to the District pursuant to Section 4.1.1 shall be Governmental Channels; the Mayor and Council shall each have jurisdiction over one (1) Government Channel; and

(iv) All remaining PEG Channels allocated to the District pursuant to Section 4.1.1 shall be further allocated to the PEG Entities by OCTFME and such rules or regulations as may be promulgated by OCTFME.

4.1.4 Interconnection; Headend and Hub Equipment. To enable interconnection of the PEG Entities' production and distribution facilities with the Subscriber Network and other locations, the Company shall provide and maintain, at its own expense, operational direct connection links from certain locations to the headend or other locations, as specified in Appendix C to this Agreement. Such direct connection links shall consist of (i) sufficient fibers from the interconnecting hubs or the other endpoints into the buildings at such specified locations, and vice versa, to permit the addition of other PEG Channels, as provided elsewhere in this SECTION 4, to be produced or distributed from such locations as well as (ii) the allocation of sufficient fiber

along the Company's ring as necessary to transport the traffic between the endpoints of each link. Not later than sixty (60) days after receiving from OCTFME a notice for an additional Digital Television Channel pursuant to Section 4.1.1 of this Agreement, the Company shall provide an operational direct connection link between such Service's point of production or distribution, as specified by the PEG Entity programming such Service, and the headend or such other facility as needed to distribute such Service over the Subscriber Network; the PEG Entity programming such Service shall pay the Company the Actual Cost of the provision and installation of such direct connection link, but the Company shall provide maintenance for such direct connection link at its own expense. In the event that the Company changes the location of its headend or other facilities and such change requires a new connection for one or more of the direct connection links discussed in this Section, the Company, at its own expense, shall directly connect each then-directly connected PEG Entity location with such new headend or other facility prior to activating the new headend or other facility. In addition, the Company, at its own expense, shall supply and maintain at the headend, hubs and the locations specified in Appendix C to this Agreement all processors, encoder/decoders, transmitters, receivers and any associated equipment necessary for the appropriate PEG Entity to transmit programming on each PEG Channel.

In the event that any PEG Entity changes a location listed in Appendix C, and not later than one hundred twenty (120) days after receiving notice of the new location from the affected PEG Entity, the Company shall directly connect the new location with the Subscriber Network at the headend. The Company shall perform the first such move of each single end of each direct connection link listed in Appendix C or installed pursuant to the third sentence of the first paragraph of this Section 4.1.4 at its own expense, provided that, during the term of the Franchise, the Company shall pay an Actual Cost not to exceed Thirty Thousand Dollars ($30,000.00) for such move. In the event that any PEG Entity, for which the Company previously has provided interconnection at the Company's expense, requests a subsequent move of such single end of each direct connection link, the Company shall, not later than one hundred twenty (120) days after receiving such request and at the expense of the PEG Entity, directly connect the new location with the Subscriber Network at the headend if, prior to the move, such location was connected to the Subscriber Network, or with such other location with which the old location was directly connected pursuant to the preceding paragraph.

The direct connection links described in the preceding two (2) paragraphs shall be described as the PEG Direct Connections, and the capacity provided thereon shall be described as PEG Direct Connection Capacity.

At its own cost, the Company shall supply and maintain all hardware and equipment (including, but not limited to, digital compression and processing equipment such as encoder/decoders) at the headend, hubs and PEG Entities' production and distribution sites that are necessary for the appropriate PEG Entity to transmit programming on all of its PEG Channels and over the PEG Direct Connections. (With respect to the PEG Direct Connections, the parties intend the preceding sentence to permit the PEG Entities to use the hardware and equipment supplied by the Company to

transmit their programming over the PEG Direct Connections in digitally transmitted format, which the Company shall digitize further at the headend as necessary.) If a PEG Entity develops a new Service that requires the Company to purchase new equipment not currently used in the Company's normal course of business, the PEG Entity shall pay the Company for the Actual Cost of the acquisition, maintenance and installation of such equipment. The PEG Entity's use of the Company's equipment shall not degrade the quality of or interfere with the Company's normal use, provided that the Company shall supply sufficient equipment to avoid any reasonably anticipated degradation or interference.

The Company's interconnection, headend and hub facilities and patching equipment shall directly, automatically and without any delay perceptible to the recipient transmit the Signals of any Service, including live and interactive transmissions, provided by any PEG Entity over PEG Channels on the Subscriber Network. This paragraph shall not be interpreted to require the Company to provide, at its own expense, equipment at PEG Entity production and distribution sites other than those sites specified in Appendix C to this Agreement.

The Company shall provide to the PEG Entities all equipment associated with the PEG Direct Connections and described in Section 4.1 of this Agreement either at the Company's own expense or, if so required under this Agreement, at its Actual Cost.

4.1.5 Signal Quality. Company shall provide the PEG Channels so that the 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 PEG Channels now or in the future. Each PEG Channel shall be delivered to Subscribers without material degradation so that each 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; Company is not required to deliver a signal in a higher quality format than is delivered to Company.

Subject to the foregoing, Company shall encode and transmit the PEG Channel signals along the PEG Direct Connections from the point where Company acquires the signal to Subscribers in a manner that ensures that the signals originally provided to Company experience no greater degradation during such encoding and transmission than do any other signals on the System, regardless of where they originate or are inserted into the System. If Company makes changes to its System or signal transmission technology which directly and detrimentally affect the signal quality or the transport of the PEG Channels, Company shall, at its own expense, make any necessary changes at the District's 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.

The Company, via its or an Affiliated Person's Network Operations Center(s) ("NOC(s)"), through the status monitoring system described in Appendix C hereof, shall monitor the continuity of the PEG Direct Connections. In the event of any outages or

other failures of such an interconnection or the headend or hub facilities, the Company shall respond within four (4) hours of receiving notice by telephone to a Company-designated telephone number or in writing from a PEG Entity; at all times, the Company shall have provided up-to-date written notice to each PEG Entity of such telephone number and the name and contact information (e.g., facsimile telephone number, mail address and electronic mail address) for the person(s) to receive such communications. The Company shall restore service through such failed interconnection or facility as soon as reasonably possible, but not later than twenty-four (24) hours after such receipt of notice from a PEG Entity, provided that, as consistent with and subject to Section 14.4 hereof, such time may be extended to account for any delays and failures beyond the control of the Company.

In the event that the Company makes any change in the System or in Signal delivery that affects signal quality or transmission, the Company shall ensure, at its expense, that the signal quality of PEG Channels is not diminished or adversely affected by such change.

In the event the Company upgrades the headend or signal processing equipment for at least thirty percent (30%) of the combined basic and expanded basic tier Channels, or at an earlier time by mutual consent, then the Company, at its expense, shall upgrade such equipment for the PEG Direct Connections. Further, the Company shall upgrade, at its expense, the transport and terminal equipment for the PEG Direct Connections when it has upgraded the transport and terminal equipment for the top quarter (¼) of commercial broadcast Channels (measured in terms of signal quality on the Subscriber Network). An equipment change shall be viewed as an upgrade for purposes of this paragraph if a significant improvement in operational functionality, reliability or signal quality would result.

4.1.6 Use of Governmental Channels. The Governmental Channels placed under the jurisdiction of the Mayor and the Council shall be used for any purpose permitted by applicable law, as limited by Section 4.2.4 hereof. The Company shall not exercise editorial control over programming or distribution of Services over any Governmental Channel used by any Person(s), except where the Company is utilizing any such Governmental Channel pursuant to the fallow time rules described in Section 4.1.14 hereof. OCTFME may designate one (1) or more additional PEG Entities to use Governmental Channels.

4.1.7 HD PEG Capacity and Associated Equipment. Company shall, at no cost to the District, activate four (4) HD PEG Channels for use by the District, for transmission in HD format of channels 10 (DCTV), 13 (DCC), 16 (DCN), and 18 (DKN). 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. Within the same period, Company shall also, at no cost to the District, provide all

equipment necessary to deliver the HD signal upstream from any PEG origination site without any alteration or deterioration. In addition, within sixty (60) days of a written request of the District, Company shall, at no cost to the District, activate two (2) additional HD PEG Channels for use by the District upon the same terms as the initial four (4) HD PEG Channels. The District may request these two (2) HD PEG Channels separately or jointly.

4.1.8 Channel Content. The content of programming on any requested HD PEG Channel shall be a simulcast of the existing SD PEG Channel in HD format.

4.1.9 HD Delivery Requirements. Company shall deliver the HD signal to subscribers so that it is viewable without degradation, provided that it is not required to deliver a PEG Channel at a resolution higher than the highest resolution used in connection with the delivery of local broadcast signals to the public. Company may implement HD carriage of the PEG Channel in any manner (including selection of compression, utilization of IP, and other processing characteristics) that produces a signal as accessible, functional, useable and of a quality equivalent from the perspective of the viewer to other HD Channels carried on the System.

4.1.10 Subscriber Equipment. The District acknowledges that HD programming may require the viewer to have special viewer equipment (such as an HDTV and an HD-capable digital/receiver), but any subscriber who can view an HD signal delivered via the System at a receiver shall also be able to view the HD PEG channels at the receiver, without additional charges or equipment. By agreeing to make PEG available in HD format, Company is not agreeing to provide free HD equipment to customers including complimentary accounts, nor to modify its equipment or pricing policies in any manner. The District acknowledges that not every customer may be able to view HD PEG programming (for example, because they do not have an HDTV in their home or have chosen not to take an HD-capable receiving device from Company or other equipment provider) on every television in the home.

4.1.11 Continuation of Existing PEG Channels. Company shall continue to provide the PEG Channels required under Section 4.1.1 of this Agreement. Company acknowledges that nothing in this Agreement, including the District's right to obtain additional HD Channels, permits Company to discontinue or degrade the delivery of any PEG Channel as that Channel is delivered on the Effective Date.

4.1.12 Use of Public Channels. Subject to Section 4.2.4 hereof, the Public Channels placed under the jurisdiction of the Public Access Corporation shall be used for the purpose of distributing Services by the public. The Company shall not exercise editorial control over programming or distribution of Services over any Public Channel used by any Person(s), except where the Company is utilizing any

such Public Channel pursuant to the fallow time rules described in Section 4.1.14 hereof or except as otherwise permitted by Section 611(e) of the Cable Act (47 U.S.C. § 531(e)) (or any successor thereto). In the event there is any fallow time on

any Public Channel, OCTFME may allocate such Public Channel(s) for governmental or educational use.

4.1.13 Use of Educational Channels. Subject to Section 4.2.4 hereof, the Educational Channels placed under the jurisdiction of UDC or any other PEG Entity designated by OCTFME shall be used for nonsectarian educational purposes. (It shall be understood that the nonsectarian educational purposes requirement shall not preclude a sectarian institution from producing, offering or otherwise participating in programming that would be deemed nonsectarian but for the production, offering or participation by the sectarian institution.) The Company shall not exercise editorial control over programming or distribution of Services over any Educational Channels used by any Person(s), except where the Company is utilizing any such Educational Channel pursuant to the fallow time rules described in Section 4.1.14 hereof or except as otherwise permitted by Section 611(e) of the Cable Act (47 U.S.C. § 531(e)) (or any successor thereto). In the event there is any fallow time on any Educational Channel, OCTFME may allocate such Educational Channel(s) for governmental or public use. OCTFME may designate one (1) or more additional PEG Entities to use Educational Channels.

4.1.14 Fallow Time. OCTFME shall prescribe rules and regulations regarding the use of fallow time on PEG Channels by the Company consistent with applicable law.

4.1.15 Training Channel. The Company agrees to cooperate with the District to provide video training programming to the District's workforce. The District will provide all of the content and programming of the Training Channel. Specifically, as requested by OCTFME, the Company shall provide to the District, at the Company's expense, digital cable converters encoded to receive a special training Digital Television Channel (the "Training Channel"), provided that the Company shall not be obligated to provide more than seventy-five (75) such digital cable converters unless the District pays the Company's Actual Cost for the additional digital cable converters. Only the digital cable converters provided to the District under this Section 4.1.15, and no other digital cable converter issued by the Company, shall be authorized to receive the Training Channel. The Training Channel shall be one (1) of the PEG Channels provided by the Company pursuant to Sections 4.1.1 or hereof and shall be transmitted from OCTFME's studio facilities to the headend via one (1) of the PEG Direct Connections described in Section 4.1.4 hereof. Such PEG Direct Connection, the Training Channel and its Signals shall be treated like any other PEG Direct Connection, PEG Channel and PEG Signal (respectively) for purposes of Sections 4.1.4-4.1.5 hereof.

4.1.16 Subscriber Reception of PEG Channels. The Company shall make available a digital cable converter, which permits the Subscriber to receive all PEG Channels (except the Training Channel) but no other Digital Service, to each Subscriber who would not otherwise receive PEG Channels because the Subscriber does not subscribe to the Company's Digital Services. After the Company receives

from OCTFME a notice which authorizes the first use of a PEG Digital Service, the Company shall announce this availability to each such Subscriber (i) at the time of any request for Service and (ii) not less than annually thereafter. The Company shall not charge for the use of such limited digital cable converters (exclusive of any applicable security deposit, which shall not exceed the security deposit for full-service digital cable converters) more than eighty percent (80%) of its normal monthly charge for full-service digital cable converters.

4.1.17 Advanced Services. In a timely fashion, the Company shall notify the District of the technical characteristics of the methodology for offering a commercially deployed advanced Service, including, but not limited to, an interactive Service or a video-on-demand Service, in order to allow for the process set forth in this Section 4.1.17. Thereafter, at the request of the District, the Company shall meet with one (1) or more PEG Entities to discuss the potential for the PEG Entities to use such advanced Service functionality. Should the Company agree to provide such advanced Service functionality, the Company shall provide any necessary equipment if requested by the PEG Entities, and the PEG Entities shall reimburse the Company for its Actual Cost for any such equipment.

4.2 PEG Channels: Resources, Rules and Regulations.

4.2.1 Capital Funding. The Company shall pay to the District an amount equal to one percent (1%) of Gross Revenue as capital support for the PEG Entities. All such payments shall be made quarterly, at the same time as the Company pays the franchise fee to the District pursuant to Section 8.1.

4.2.2 Other Support. In addition to the payments required pursuant to Section 4.2.1 hereof, the Company shall pay to the Public Access Corporation ongoing support of one percent (1%) of Gross Revenue. Said payments shall be made quarterly, directly to the Public Access Corporation, at the same time as the Company pays the franchise fee to the District pursuant to Section 8.1 hereof.

4.2.3 PEG Resources and Other Contributions Not Franchise Fees. All facilities, equipment and ongoing annual support payments in connection with PEG Channels shall be for the benefit of the District and its residents. The Company acknowledges that all contributions, services, equipment, facilities, support, resources and other activities to be paid for or supplied by the Company pursuant to or in connection with its performance under this SECTION 4 and to this Agreement are for the benefit of all Subscribers and the public. The Company agrees that such contributions, services, equipment, facilities, support, resources and other things of value are not within the meaning of the term "franchise fee" as defined by Section 622(g)(1) of the Cable Act (47 U.S.C. § 542(g)(1)) (or any successor thereto), are not payments in lieu of franchise fees for purposes of Section 653(c)(2)(B) of the Cable Act (47 U.S.C. § 573(c)(2)(B)), and are within one (1) or more exclusions to the term "franchise fee" provided by Section 622(g)(2)(A)-(D) of the Cable Act (47 U.S.C. § 542(g)(2)(A)-(D)) (or any successor thereto). The Company further agrees that such contributions, services, equipment, facilities, support, resources and other things of value shall not be deemed to

be: (i) "Payments-in-kind" or involuntary payments chargeable against the compensation to be paid to the District by the Company pursuant to Section 8.1 hereof or (ii) part of the compensation to be paid to the District by the Company pursuant to Section 8.1 hereof.

4.2.4 Restrictions on Use of PEG Contributions. The District and the Company agree that the equipment, facilities, PEG Channels and PEG Direct Connection Capacity provided by the Company through in-kind contributions or cash support pursuant to Sections 4.1-4.2 of this Agreement shall be used solely for noncommercial PEG purposes or for any other purpose to which the Company might agree in writing. Such noncommercial PEG purposes shall include, but not be limited to, the following:

(i) Each PEG Entity may lease its PEG Channels for a fee to other PEG Entities, governmental entities or nonprofit organizations, but not to other programmers, provided that such lessees shall not use the PEG Channels in any manner prohibited by this Section 4.2.4. In addition, any Governmental Channel may carry programming promoting tourism or other economic development in the District, and any Public or Educational Channel may carry programming (such as auctions, telethons and similar programming) to raise funds to support its or any other PEG Entity's programming operations, a governmental entity or a nonprofit organization.

(ii) The foregoing limitations shall not prevent the District or the Public Access Corporation from (1) making available, for a fee or otherwise, programming, information or data created or collected by the District or (2) providing production and post-production services to the public for a fee or otherwise.

4.2.5 Rules and Regulations. Rules and regulations adopted by the Public Access Corporation shall govern the use of all Public Channels, including all matters related to governance, management, time, equipment, facilities and other services. Such rules and regulations shall ensure that: (i) the Public Channels shall be available for the purposes set forth in Section 4.1.6 hereof; (ii) at least a portion of the programming time on the Public Channels shall be available for use by the general public on a first-come, first-served, nondiscriminatory basis, subject to appropriate time, place and manner requirements, and no charges shall be imposed for Public Channel time or playback of prerecorded programming on such Public Channels; and (iii) charges, if any, for production costs shall be set at the lowest reasonable level necessary to cover the Public Access Corporation's costs for the provision of such services. Such rules and regulations may be modified by the Public Access Corporation during the term of this Agreement.

4.2.6 Ratings. The Company shall promptly provide copies of any ratings information it obtains on a regular basis from a third party concerning viewership of PEG Channels to OCTFME (for Cable Services provided on any Governmental or Educational Channel) and to the Public Access Corporation (for Cable Services provided on any Public Channel), provided, however, that with respect to any such ratings, the Company shall redact any personally identifiable information prior to providing such

information to OCTFME and/or the Public Access Corporation, as applicable. The preceding sentence shall not apply to any information the Company receives from an ascertainment it has commissioned in connection with the renewal of the Franchise or to any information the Company generates on its own in connection with such renewal.

4.3 Other Public Services

4.3.1 Services for Physically Challenged Persons. The Company shall comply with applicable law regarding access to Services by Physically Challenged persons.

4.3.2 Advertising. The Company shall provide, on an annual basis over the course of each year of the term of the Franchise, Four Thousand Seven Hundred and Thirteen (4,713) thirty-second advertising spots on the System to the District for noncommercial public, educational or governmental purposes, provided that the Company shall have the right to designate the Channel(s) and time slot(s) for such advertisements; provided that ads will be inserted on a run of schedule basis throughout the day (i.e., day and evening) and are subject to preemption by paid advertisements from clients. The District may request that ads appear on certain of the programming networks on which the Company inserts advertisements on the System, but the Company has the final right to determine the Channel(s) on which such advertisements shall appear. All District requests for such advertising time on behalf of any PEG entity shall be coordinated with the Company through OCTFME. The Company will provide the District affidavits on a quarterly basis verifying the number of insertions which aired during such quarter and identifying the PEG Entity requesting such advertisement through OCTFME. Advertising time not used by the District within a calendar year shall not be carried over or credited to any future calendar year, and the District shall not be entitled to any payment in lieu of such unused advertising time.

SECTION 5
CONSTRUCTION AND
TECHNICAL REQUIREMENTS

5.1 General Requirement. Throughout the term of this Agreement (and for such other time as it may take the Company to remove the System pursuant to Section 12.5 hereof), the Company agrees to comply with each of the terms set forth in this SECTION 5 governing construction and technical requirements for any construction, repair, maintenance, upgrade, rebuild, enhancement and removal of the System and any other lawful requirements or procedures pertaining to construction and technical requirements which are specified by the District and consistent with this Agreement. The Company further agrees to maintain the System such that it meets the minimum technical specifications set forth in Appendix A to this Agreement throughout its term.

5.2 Quality. The Company shall construct, operate, and maintain a state-of the-art system. All work involved in the construction, operation, repair, maintenance, upgrade, rebuild, enhancement and removal of the System shall be performed in a safe, thorough and reliable manner using materials of good and durable quality. The Company

shall comply with the specifications set forth in the most recently published edition of DDOT's Standard Specifications for Highways and Structures (currently, this is the 2013 edition; DDOT's administrative issuances; the National Electrical Code (as it may be amended from time to time); and the National Electrical Safety Code (as it may be amended from time to time). If, at any time, it is determined by the District or any other agency or authority of competent jurisdiction that, consistent with applicable law, any part of the System, including, without limitation, any means used to distribute Signals over or within the System, is harmful to the health or safety of any person, then the Company shall, at its own cost and expense, promptly, or within a reasonable time period specified by the District or such agency or authority, correct all such conditions. The Company shall notify OCTFME and the Directors of the District of Columbia Emergency Management Agency (or any successor thereto) and of the District of Columbia Department of Health (or any successor thereto) promptly, but in no event longer than twenty-four (24) hours, of any determination or finding by an agency or authority of competent jurisdiction that any part of the System is harmful to the health or safety of any person.

5.3 Licenses and Permits. The Company shall have the sole responsibility for obtaining, at its own cost and expense, all permits, licenses or other forms of approval or authorization necessary to construct, operate, maintain, repair, upgrade, rebuild, enhance or remove the System, or any part thereof, prior to commencement of any such activity. Such costs and expenses shall be of general applicability and shall not be unduly discriminatory against cable operators or subscribers. In the event of an emergency which poses a serious risk to life or public safety, the Company may carry out any necessary work to the extent consistent with applicable law.

5.4 New Grades or Lines. If the grades or lines of any PROW within the Franchise Area are changed at any time during the term of this Agreement, then the Company shall, at its own cost and expense and within ten (10) days from actual or constructive notice from the District, or such longer time period as may be specified by the District, protect, alter or relocate the System, or any part thereof, so as to conform with such new grades or lines. In the event that the Company refuses or neglects to so protect, alter or relocate all or part of the System within the time period specified by or pursuant to this Section 5.4, the District shall have the right to break through, remove, alter or relocate all or any part of the System without any Liability of the District to the Company, and the Company shall pay to the District the costs incurred in connection with such breaking through, removal, alteration or relocation. In the event that the District reimburses costs for other occupants of the PROW which this Section 5.4 imposes on the Company, it will not be a breach of this Agreement for the Company to request that the District bear some or all of the Company's costs.

5.5 Protect Public Property and Landmarks. In connection with the construction, operation, maintenance, repair, upgrade, enhancement, rebuild or removal of the System, the Company shall, at no cost or expense to the District or other appropriate authorities, protect any and all existing structures belonging to the District, the federal government, the Washington Metropolitan Area Transit Authority and any

other public or quasi-public entity, and all federally and locally designated landmarks and districts, as well as all other structures within any designated landmark district. The Company shall not alter any public structure in the PROW without prior approval of the District and all other appropriate authorities. Any such alteration shall be made by the Company, at no cost or expense to the District or such other appropriate authorities, and in a manner reasonably prescribed by the District and all other appropriate authorities. Pursuant to Section 704(f) of the D.C. Cable Law (D.C. Official Code § 34-1257.04(f)), the District shall perform any permanent restorations of the PROW at the Company's expense. For other replacements, repairs and restorations, the Company agrees that it shall be liable, at no cost or expense to the District or such other appropriate authorities, to replace or repair and restore, in a manner and within a reasonable time period as may be specified by the District and all other appropriate authorities, any PROW or any public structure involved in the construction, operation, maintenance, repair, upgrade, enhancement, rebuild or removal of the System that may become disturbed or damaged as a result of any work thereon by or on behalf of the Company pursuant to this Agreement. In the event the District or other appropriate authorities do not specify the manner of replacement, repair or restoration, the Company shall replace, repair or restore the PROW or public structure, within thirty (30) days, to good condition consistent with industry standards and the requirements of the most recent edition of DDOT's Standard Specifications of Highways and Structures (currently, this is the 2013 edition, which was published by the District of Columbia Department of Transportation). In the event the Company refuses or neglects to replace, repair or restore any PROW or any public structure, the District shall have the right to replace, repair or restore such PROW or structure, and the Company shall pay to the District the costs incurred in connection with such replacement, repair or restoration.

5.6 No Obstruction. In connection with the construction, operation, maintenance, repair, upgrade, rebuild, enhancement or removal of the System, the Company shall not obstruct the PROW, subways, railways, passenger travel, river navigation or other traffic to, from or within the Franchise Area without the prior consent of all appropriate public or private authorities.

5.7 Movement of Cables, Wires and Other Equipment. The Company shall, upon written notice delivered not less than ten (10) days in advance by the District or any Person holding a permit that authorizes an activity that requires movement of cables, wires or other equipment, move its cables, wires and other equipment to allow the permitted activity (including, but not limited to, movement of a structure) to be completed in a timely manner. The Company may impose a charge, not to exceed its Actual Cost, on any such permit holder other than the District, for any such movement of its cables, wires and other equipment. This Section 5.7 shall not be construed to be a limitation on Section 2.4.2 hereof.

5.8 Safety Precautions. The Company shall, at its own cost and expense, undertake all necessary and appropriate efforts to prevent accidents at its work sites, including the placing and maintenance of proper guards, fences, barricades, watchmen and suitable and sufficient lighting. The Company shall comply with the Occupational

Safety and Health Act of 1970, approved December 29, 1970 (84 Stat. 1590; 29 U.S.C. §§ 651-78), as amended, (or any successor thereto), and any other applicable law pertaining to occupational safety and health.

5.9 No Interference with Facilities or Equipment. In the construction, operation, maintenance, repair, upgrade, rebuild, enhancement or removal of the System, the Company shall not interfere with or damage the cables, wires and equipment of the District or any Person, including but not limited to utilities, other Cable Communications Systems, Open Video Systems, master antenna systems, satellite master antenna systems and similar systems. In the event the Company interferes with or damages such cables, wires or equipment, and the Company and the Person whose property has been interfered with or damaged cannot resolve the matter by agreement, the Company agrees to mediation by OCTFME. In the event of a final court decision not subject to further appeal, which decision concludes that the Company interfered with or damaged the cable, wires or equipment of the District or any Person, the District may consider whether such finding constitutes a material breach of this Agreement under Section 12.3.3 hereof should the District find that (i) the Company willfully interfered in a grossly material fashion with the operations of a competitor or (ii) such finding, together with other interference, establishes a pattern of interference by the Company. This Section 5.9 is intended to address the normal installation, repair and maintenance practices of the Company. This Section 5.9 is not intended to prohibit the Company from taking any action that is consistent with applicable law to remove, use or dispose of the facilities of another provider.

5.10 Performance Bond

5.10.1 Establishment. To guarantee the restoration of any portion of the PROW disturbed by any construction, upgrade, rebuild or enhancement of the System undertaken during the term of this Agreement, and for the other purposes specified in Section 5.10.3 hereof, the Company shall arrange for, and shall maintain throughout the term of this Agreement, at its sole cost and expense, a performance bond solely for the protection of the District, with a corporate surety and trust company that: (i) is listed as a certified company in the most recent version, as of the Effective Date, of the Department of the Treasury's Listing of Approved Sureties (Department Circular 570), or any successor thereto; (ii) has a per-bond underwriting limitation, as set forth in such Listing, of not less than Twenty Million Dollars ($20,000,000.00); and (iii) is otherwise acceptable to the Mayor's Office of Legal Counsel, as provided in Sections 5.10.2 through 5.10.6 hereof.

Before any change in the performance bond (including, but not limited to, its issuer, amount or terms and conditions, whether or not such change is explicitly contemplated by this Section 5.10) takes effect, (i) the Mayor's Office of Legal Counsel shall have approved the form of the new bond if the form is being changed and (ii) the Company shall furnish the new bond to the Mayor's Office of Legal Counsel, with a copy to OCTFME.

5.10.2 Amount. The amount of the performance bond shall be in a face amount of not less than One Million Dollars ($1,000,000). Such bond shall remain in effect during the term of this Agreement and such later date as provided in Section 12.5 hereof.

5.10.3 Indemnification. The performance bond shall indemnify the District, up to the full face amount of the bond, for: (i) the cost of restoration of the PROW disturbed by any construction, upgrade, rebuild or enhancement of the System in the Franchise Area; (ii) any loss or damage to any municipal structure during the course of any construction of the System; (iii) any other costs, losses or damages incurred by the District as a result of the Company's use of the PROW pursuant to this Agreement; and (iv) the removal of all or any part of the System from the PROW; provided, however, that the District may not seek recourse against such bond for any costs or damages for which the District has previously been compensated in full through the Guarantee or otherwise by the Company.

5.10.4 Form. The performance bond shall be in a form approved by the Attorney General and shall be furnished to the Mayor's Office of Legal Counsel, with a copy to OCTFME, on or before the Closing. Such initial bond and any replacement bond shall contain the following endorsement: "It is hereby understood and agreed that this bond may not be cancelled or not renewed by the surety nor may the intention to cancel or not to renew be stated by the surety until at least sixty (60) days' written notice to the Mayor's Office of Legal Counsel and OCTFME of the surety's intention to cancel or not renew this bond."

5.10.5 Responsibilities of the Company. If the Surety Cancels or Fails to Renew a Performance Bond prior to the effective date of any cancellation or failure to renew a performance bond by the surety, the Company shall obtain a replacement performance bond from a corporate surety and trust company that meets the requirements set forth in the first paragraph of Section 5.10.1 as of the effective date of such replacement performance bond, and is otherwise acceptable to the Mayor's Office of Legal Counsel. Such replacement performance bond shall be in a form approved by the Mayor's Office of Legal Counsel and, prior to such effective date, shall have been furnished to the Mayor's Office of Legal Counsel, with a copy to OCTFME.

5.10.6 Not a Limit on Liability. The acceptance by the District of the bond required by this Section 5.10 shall not limit the requirement of faithful performance by the Company pursuant to this Agreement or the Liability of the Company pursuant to this Agreement.

5.11 Interconnection. The Company shall construct, operate, maintain, repair, upgrade, rebuild and enhance the System such that it is capable of transmitting and receiving Signals to and from any other Cable Communications Systems or Open Video Systems in the District or the Region. At the request of the District, the Company shall consider whether it is commercially reasonable to interconnect the System with another Cable Communications System or Open Video System where such interconnection does not already exist. As part of such consideration, if an Affiliated Person does not operate

the other Cable Communications System or Open Video System, the Company shall initiate good-faith discussions with such operator regarding the commercial reasonableness of an interconnection.

SECTION 6
COMMITMENTS REGARDING EMPLOYMENT AND PURCHASING

6.1 Statement of Intent. The Company and the District acknowledge and agree that the Company, as an Open Video System operator, is bound by federal equal employment opportunity law, and the Company agrees to comply fully with such federal law, as set forth in Section 634 of the Communications Act, approved October 30, 1984 (98 Stat. 2806, 47 U.S.C. 554), and any implementing rules and regulations of the FCC, as set forth in Section 6.7 hereof. For purposes of this Section 6, "District Resident" means a natural person who is domiciled in the District of Columbia and who maintains a place of abode in the District of Columbia as his or her actual, regular and principal place of occupancy.

6.2 Right to Bargain Collectively. The Company shall recognize the right of its employees to elect to bargain collectively through representatives of their own choosing in accordance with applicable law.

6.3 No Discrimination. In accordance with the District of Columbia Human Rights Act, effective December 13, 1977 (D.C. Law 2-38; D.C. Official Code § 2-1401.01 et seq.) (or any successor thereto) ("DCHRA") and other applicable law, the Company shall not, on the basis of race, color, religion, national origin, sex, age, marital status, personal appearance, sexual orientation, family responsibilities, disability, matriculation or political affiliation or any other status or characteristic protected by the DCHRA: (i) fail or refuse to hire or discharge any individual; (ii) otherwise discriminate against any individual with respect to his or her compensation, terms, conditions or privileges of employment, including promotion; (iii) limit, segregate or classify its employees in any way which would deprive or tend to deprive any individual of employment opportunities or otherwise adversely affect his or her status as an employee; or (iv) discriminate against any individual in admission to or employment in any program established to provide apprenticeship or other training or retraining, including an on-the-job training program. During the term of this Agreement, the Company agrees to comply in all respects with all applicable laws pertaining to employment nondiscrimination.

6.4 First Source Requirements. Prior to Closing, the Company shall have entered into a First Source Agreement with the District of Columbia Department of Employment Services (or any successor agency) ("DOES"), and shall have submitted a copy of such First Source Agreement to OCTFME. The Company shall keep such First Source Agreement current throughout the term of the Agreement.

6.5 Local Employment. The Company shall use reasonable best efforts to employ District Residents consistent with the percentage hiring goal as set forth in the terms of its First Source Agreement with DOES.

6.6 Local Business. Company 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 Section 405(a)(8), D.C. Official Code § 34-1254.05(a)(8), as applicable to Company, shall be deemed satisfied upon execution of such an agreement by Company and the District. Company shall make a good faith effort to contract and procure at least thirty-five percent (35%) of its goods and services with local, small and disadvantaged business enterprises.

6.7 Equal Employment Opportunity. The Company shall comply with applicable law pertaining to equal employment opportunity, pursuant to Section 634 of the Cable Act (47 U.S.C. § 554) and the rules and regulations promulgated thereunder. The Company shall provide to OCTFME copies of any reports required to be submitted to the FCC pursuant to Section 634 of the Cable Act. Every year, no later than a date specified by OHR, and for as long as the Company operates the System, the Company shall submit to such agency the written plan(s) relating to equal employment opportunity and affirmative action required by such agency, consistent with the applicable rules and regulations of OHR pertaining to equal employment opportunity and affirmative action.

6.8 Enforcement. The Company shall take steps to ensure that the requirements of this Section 6 are adhered to by (i) the Company, (ii) its officers and employees and (iii) any Affiliated Person that is regularly performing functions in the District of Columbia with respect to the System that normally are performed by an operator in the operation of a Cable Communications System or Open Video System.

SECTION 7
ADDITIONAL SUBSCRIBER RIGHTS

7.1 Consumer Protection Standards. The Company shall comply in all respects with all applicable customer service and other consumer protection requirements set forth in applicable law.

7.2 Privacy Protection. The Company shall comply with Section 631 of the Cable Act (47 U.S.C. § 551) (or any successor thereto), Section 1002 of the D.C. Cable Law (D.C. Official Code § 34-1260.02), and any other applicable law and regulations pertaining to privacy.

7.3 No Interference with Consumer Equipment. The Company and any Affiliated Person shall comply with applicable law regarding a Subscriber's ability to utilize consumer equipment of the Subscriber's choosing, provided such consumer equipment does not cause interference with or otherwise degrade the Company's System.

7.4 Prevention of Reception of Undesired Services. The Company agrees to comply with Section 640 of the Cable Act (47 U.S.C. § 560) (or any successor thereto).

7.5 Service Centers. The Company 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 and get information regarding bills or service; pay bills; request, upgrade or terminate Services; and pick up or drop off equipment. Subject to Section 9.2 hereof, the required Service Center shall be open for not less than six (6) hours on Saturday, in addition to any other periods required by applicable law. In addition, the Company shall operate not less than one (1) location in each ward of the District of Columbia where Subscribers may pay their bills (receiving credit for doing so as if the payment had been made at the Service Center), provided that the Company shall not have to do so for a ward containing a Service Center. The Company shall use best efforts to maintain such locations at places other than a liquor store.

7.6 Customer Service Representative. The Company shall maintain at least one (1) customer service representative who will provide customer service assistance to District residents who want to file complaints; ask questions and get information regarding bills or service; pay bills; request upgrade or terminate service; request a service call; and resolve escalated customer complaints including those forwarded to the Company by OCTFME.

SECTION 8
COMPENSATION AND OTHER PAYMENTS

8.1 Compensation

8.1.1 Franchise Fees. As compensation for the Franchise, the Company shall pay to the District an amount equal to five percent (5%) of Gross Revenue. All such payments pursuant to this Section 8.1.1 shall be made on a quarterly basis and shall be remitted simultaneously with the submission of the Company's quarterly report required pursuant to Section 8.1.2 hereof.

8.1.2 Allocation of Revenues Among Bundled Services.

(i) To the extent revenues are received by Company for the provision of a bundled or combination of services which includes Cable Services and Noncable Services, Company 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.

(ii) 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 Company derives revenues in the District. The District reserves its right to review and to challenge Company's calculations.

(iii) If the Company bundles Cable Service with Noncable Service, the Company agrees that it will not intentionally or unlawfully allocate such revenue 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 Company or any Affiliated Person bundles, ties or combines Cable Services and Noncable 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 Company's rate cards when those products are sold on a standalone basis to the bundled price. If Company 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 Company to provide written support for allocations and to direct Company 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.

8.1.3 Payment Due. The Company shall submit to OCTFME, with copies to the D.C. Treasurer, a report, in such form and containing such detail as OCTFME and the Company shall agree, not later than thirty (30) days after the last day of each March, June, September and December throughout the term of this Agreement setting forth the Gross Revenue for the quarter ending on said last day of such month. The report shall contain a reconciliation between the Gross Revenue shown in the report and the financial statements for the Company, prepared in accordance with generally accepted accounting principles, over the relevant time period. In the event of any transfer of the System to any Person pursuant to this Agreement, the Company, as an additional condition to the approval of any such transfer, shall remit to the District prior to the effective date of the transfer the balance due of the payment required by Section 8.1.1 based on the Gross Revenue as of the date of the transfer.

8.1.4 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. All amounts paid shall be subject to audit and recomputation by the District.

8.1.5 Itemization. If the Company chooses to designate that portion of a Subscriber's bill attributable to the amount of any compensation payment to be made by the Company or any other Person (including payments made on behalf of any other Person for whose Services the Company 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 applicable law. Not less than thirty (30)

days prior to mailing a bill containing such a designation (or a modification thereof) for the first time, the Company shall submit to OCTFME a sample bill showing the proposed contents of such designation. The Company shall consider any comments received from OCTFME on the sample bill.

8.1.6 Ordinary Business Expense. Nothing contained in this Section 8.1 or elsewhere in this Agreement shall prevent the Company or any Affiliated Person 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.

8.1.7 Payments to Be Made to the District. If the Company collects from Subscribers any amounts to be paid to any Person, including a UVPP, for the provision of Services, excluding (unless otherwise agreed by the Company and OCTFME) Internet access and similar online Services, on the System or in connection with the System, the Company shall deduct five percent (5%) from such amounts and include such deducted amounts in its payment to the District pursuant to Section 8.1.1 hereof and include such payments in its report pursuant to Section 8.1.2 hereof. If any Person other than the Company, including a UVPP, directly collects such amounts from Subscribers, excluding (unless otherwise agreed by the Company and OCTFME) revenues received for Internet access and similar online Services, that would constitute Gross Revenue if received directly by the Company, the Company shall include in its contract, or other arrangement with such Person, a provision which provides that the Company will collect on behalf of the District from such Person and shall remit to the District on a quarterly basis an amount equal to five percent (5%) of such amounts collected from Subscribers, together with a quarterly report similar in form and content to the report referred to in Section 8.1.2 hereof, and that the District may enforce such provision against the Company or directly against such Person.

8.1.8 Franchise Fee Audits. At any time during the term of the Franchise or for six (6) years after the receipt of a payment pursuant to Section 8.1.1 and 8.1.2 hereof, whichever is later, the District, at its expense, may conduct an audit or review, pursuant to Section 9.6 hereof, of the payments by the Company or any other Affiliated Person (to the extent its revenues constitute Gross Revenue hereunder) required by this Section 8.1. At the District's request, the Company shall provide the source documents that support the franchise fee calculation for the time period(s) being audited and a reconciliation between the Gross Revenue on which the franchise fee is based and the financial statements for the Company, prepared in accordance with generally accepted accounting principles. Within thirty (30) days after notice from the District of any underpayment by the Company, the Company (i) shall pay such underpayment to the District, with interest calculated at the rate specified in Section 8.4 hereof, and shall pay to the PEG Entities any corresponding underpayment in support required by Sections 4.2.1 and 4.2.2 hereof, with interest calculated at the rate specified in Section 8.4 hereof, or (ii) shall notify the District in writing that it does not agree with the results of the audit and the reasons therefor. To the extent the parties disagree about

the results of the audit pursuant to the preceding sentence, each party reserves the right to exercise all its rights and remedies under this Agreement and applicable law. If the audit or review permitted by this Section 8.1.8 results in any underpayment to the District or to the PEG Entities which exceeds four percent (4%) of the total amount due to the District or the PEG Entities from the Company over the time period audited or reviewed, the Company shall pay the District's costs of such audit or review. The District shall have a reasonable period of time to complete the audit or review and to accept the audit or review as accurate and final; at the end of such period, it shall issue an audit closure notice to the Company. Notwithstanding the issuance of such notice, the District shall have the right to reopen such audit or review for a period of twelve (12) months after the date of such notice or at any time upon the discovery that the Company or an Affiliated Person has provided fraudulent information or acted in bad faith during the course of the audit or review. There shall be no more than one (1) audit for each fiscal year in any twelve (12) month period, except in extraordinary circumstances.

8.2 Future Costs. The Company shall pay a fee in the amount of Thirty Thousand Dollars ($30,000.00) to cover administrative costs of the District in connection with the consideration of each transfer requiring Council approval as described in Sections 10.1 or 10.2. Such fee shall constitute the full amount owed pursuant to Title II, Section 502 of the D.C. Cable Law (D.C. Official Code § 34-1255.02). Such fee 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 System. Payments of such fees, costs and expenses shall not be deemed payments in lieu of franchise fees for purposes of Section 653(c)(2)(B) of the Cable Act (47 U.S.C. §573(c)(2)(B)), and such payments shall not be deemed to be (i) "payments-in-kind" or involuntary payments chargeable against the compensation to be paid to the District by the Company pursuant to Section 8.1 hereof or chargeable against the payments to any PEG Entity by the Company pursuant to Section 4.2 hereof, or (ii) part of the compensation to be paid to the District by the Company pursuant to Section 8.1 hereof or part of the payments to any PEG Entity by the Company pursuant to Section 4.2 hereof.

8.3 Not Franchise Fees. The Company expressly acknowledges and agrees that:

(i) Except for the payments expressly required by Section 8.1 hereof, none of the payments or contributions made by, or the services, equipment, facilities, support, resources or other activities to be provided or performed by the Company pursuant to this Agreement, or otherwise in connection with the construction, operation, maintenance, repair, removal, upgrade, rebuild or enhancement of the System (including specifically, but not by way of limitation, such payments, contributions, services, equipment, facilities, support, resources or other activities as described in or provided for in Section 4 hereof and in Appendices C, to this Agreement) are franchise fees chargeable against the compensation payments to be paid to the District by the Company pursuant to Section 8.1 hereof; and

(ii) As applicable, except for the compensation payments to the District expressly required by Section 8.1 hereof, each of the payments or contributions made by, or the services, equipment, facilities, support, resources or other activities to be provided by the Company, are within the exclusions from the term "franchise fee" set forth in Section 622(g)(2) of the Cable Act (47 U.S.C. § 542(g)(2)) (or any successor thereto) and, accordingly, are not payments in lieu of franchise fees for purposes of Section 653(c)(2)(B) of the Cable Act (47 U.S.C. § 573(c)(2)(B)); and

(iii) The compensation payments due from the Company to the District pursuant to Section 8.1 hereof, shall take precedence over all other payments, contributions, services, equipment, facilities, support, resources or other activities to be paid or supplied by the Company pursuant to this Agreement; and

(iv) The compensation and other payments to be made pursuant to this SECTION 8 of this Agreement shall not be deemed to be in the nature of a tax, and shall be in addition to any and all taxes of general applicability or other fees or charges which the Company or any Affiliated Person shall be required to pay to the District or to any state or federal agency or authority. Unless the District agrees otherwise, neither the Company nor any Affiliated Person shall have or make any claim for any deduction or other credit of all or any part of the amount of the compensation or other payments to be made pursuant to this Agreement from or against any District or other governmental taxes of general applicability (including (a) any such tax, fee or assessment imposed on both utilities and cable operators or their services but not including a tax, fee or assessment which is unduly discriminatory against cable operators or cable subscribers or (b) income taxes) or other fees or charges which the Company or any Affiliated Person is required to pay to the District or other governmental agency. Each of the compensation, other payments, taxes and other fees and charges shall be deemed to be separate and distinct obligations of the Company and Affiliated Persons; and

(v) Neither the Company nor any Affiliated Person shall apply or seek to apply all or any part of the amount of any District or other governmental taxes or other fees or charges of general applicability (including any such tax, fee or assessment imposed on both utilities and cable or Open Video System operators or their services but not including a tax, fee or assessment which is unduly discriminatory against Open Video System operators or Open Video System subscribers) as a deduction or other credit from or against any of the compensation or other payments to be made pursuant to this Agreement, each of which shall be deemed to be separate and distinct obligations of the Company and Affiliated Persons.

Nothing in this Agreement is intended to preclude the Company from exercising any right it may have to challenge the lawfulness of any tax imposed by the District or any state or federal agency or authority.

8.4 Interest on Late Payments. In the event that any payment required by this Agreement is not actually received by the District or any PEG Entity 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 Industrial Bank, N.A. (or such other bank as may be selected by agreement of the D.C. Treasurer and the Company) for commercial loans, such rate to be compounded daily.

8.5 Method of Payment. All payments by the Company to the District pursuant to this Agreement shall be made payable to the D.C. Treasurer and shall be delivered to OCTFME.

SECTION 9
OVERSIGHT AND REGULATION

9.1 Oversight. The District shall have regulatory oversight over the System, including, but not limited to, the right to regulate and inspect the construction, maintenance, repair, upgrade, rebuild, enhancement and removal of the System, and all parts thereof to ensure compliance with the terms and conditions of this Agreement and applicable law. The Company shall establish and maintain managerial and operational standards, procedures, records and controls to enable the Company to be, at all times throughout the term of this Agreement, in compliance with each term and condition of this Agreement. Notwithstanding the foregoing provision, but subject to Section 9.7.2 hereof with respect to documents pertaining to financial matters, the Company shall retain such records for a period of not less than three (3) years.

9.2 District Reservation of Authority. To the extent consistent with federal law, the District, including OCTFME, reserves the right to adopt or issue such statutes, rules, regulations, orders or other directives governing the Company or the System as it shall find necessary or appropriate in the exercise of its police power or other governmental power, and the Company expressly agrees to comply with all such lawful statutes, rules, regulations, orders or other directives. No rule, regulation, order or other directive issued shall constitute an amendment to this Agreement. In addition to other rights reserved in this section, the District reserves its rights to enact and enforce laws to prohibit or regulate exclusive contracts and anticompetitive acts that have the purpose or effect of limiting competition for the provision of Cable Service or services similar to Cable Service, including exclusive programming agreements, and exclusive contracts with vendors to provide equipment, materials or services. The Company reserves its Constitutional contract rights as applicable to its rights and obligations as set forth in the Agreement.

9.3 Meetings or Hearings

9.3.1 Council Meetings or Hearings. At the request of the Council, the Company's General Manager (or the person holding the equivalent position if there is no General Manager) and other personnel of the Company with relevant expertise in the designated subjects shall, absent extraordinary circumstances, attend and participate as witnesses at any meeting or hearing held by the Council regarding the System, this Agreement or the Franchise. The Company personnel shall bring to such meeting or hearing any documents requested by the Council, including any documents reasonably known by the Company to be responsive to the Council's request even if such documents are not specifically identified by such request. Any confidential or proprietary information or documents requested for such meeting or hearing pursuant to this Section 9.3.1 may be provided to the Council in advance of the meeting or hearing. Whether they are provided at or in advance of the meeting or hearing, any such confidential or proprietary information or documents shall be subject to Section 9.7.2(iv) of this Agreement.

9.3.2 OCTFME Meetings. At the request of the Director, the Company's General Manager (or the person holding the equivalent position if there is no General Manager) and other personnel of the Company with relevant expertise in the designated subjects shall, absent extraordinary circumstances, attend and participate in any meeting held by the Director regarding the System, this Agreement or the Franchise. Company personnel shall bring to such meeting any documents requested by OCTFME, including any documents reasonably known by the Company to be responsive to OCTFME's request even if such documents are not specifically identified by such request, which are relevant to determining compliance with this Agreement or applicable law. Any confidential or proprietary information or documents requested for or provided at such meeting pursuant to this Section 9.3.2 shall be subject to Section 9.7.2(iv) of this Agreement.

9.4 General Provisions Regarding Reports

9.4.1 Additional Information. Within a reasonable period of time, as determined by OCTFME, after a request of the Council, Attorney General, Director of the Mayor's Office of Legal Counsel or OCTFME, the Company shall, subject to the provisions of Section 9.7.2(iv) hereof with respect to the processing of confidential and proprietary information, submit to the requesting party any information reasonably required to demonstrate compliance with the terms and conditions of this Agreement or applicable law. Notwithstanding the foregoing, Company will provide all reports required by applicable law.

9.4.2 Format. The Company shall transmit to OCTFME, by means of such method and in such format as OCTFME may specify, after consultation with the Company, all information OCTFME requests consistent with this Agreement, including, without limitation, the information required to be submitted by applicable law. In the event that OCTFME's staff and the Company's personnel disagree regarding such specification of the format of a report, the issue shall be referred to the Director and the

Company's General Manager (or a person in an equivalent or higher position) for resolution. The Company shall inform OCTFME, at the beginning of any report submitted, of all changes in calculations, methodology, time periods used and any other changes that may adversely affect OCTFME's ability to compare previous reports to the report in question.

9.4.3 Deadline for Submission. Unless otherwise specified, any report or other provision of information required under any provision of this Agreement shall be due to OCTFME within thirty (30) days of the event that triggers the reporting requirement.

9.4.4 Supplemental Information Requests. If OCTFME, in its reasonable discretion, determines that it needs additional information to clarify the data contained in a report submitted by the Company or any Affiliated Person that submitted the report, OCTFME must submit such supplemental information request within ninety (90) days of receipt of the Company's or Affiliated Person's original report. Notwithstanding the preceding sentence, extenuating circumstances may warrant a longer time within which OCTFME may submit such supplemental information request (such extenuating circumstances shall include, but not be limited to, discrepancies among reports in a chronological series which lead to questions about the earlier reports). Subject to Section 9.7.2(iv) of this Agreement, the Company or such Affiliated Person shall provide the requested information to OCTFME as soon as reasonably possible but in no event later than thirty (30) days after receipt of such request, except that extenuating circumstances approved by OCTFME may justify a longer period of time.

9.4.5 Designated Officers and Employees. Throughout the term of this Agreement, the General Manager of the Company or a person in an equivalent position, or such other person whom the Company designates in writing to OCTFME, shall be responsible for overseeing the Company's reporting obligations pursuant to this Agreement and for responding to the District's questions regarding the Company's compliance with the terms and conditions of this Agreement. The Company must, within five (5) days of a change in the designation of such responsible person, notify OCTFME in writing of such change.

9.5 Required Annual Report. Within one hundred and twenty (120) days following the end of each Company's fiscal year during the term of this Agreement, the Company shall submit an annual report to OCTFME. OCTFME, after consultation with the Company, may reasonably specify the form of and details covered by any such annual report, provided that the failure of OCTFME so to specify shall not relieve the Company of its obligation to submit such report annually to OCTFME. In the event that OCTFME's staff and the Company's personnel disagree regarding such specification of the form of or details covered by a report, the issue shall be referred to the Director and the Company's General Manager (or a person in an equivalent or higher position) for resolution.

Such report shall, in reasonable detail, specifically address, at a minimum, the following areas, and shall state whether there has been any material change in the

information or plans regarding such areas from the information or plans the Company previously has provided to the District:

(i) compliance with any plans or specifications submitted by the Company in connection with any construction, upgrades, rebuilds and enhancements of the System, as provided in SECTION 5 hereof;

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

(iii) 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;

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

(v) A report answering the following questions and providing the following information: (a) Has an adverse finding been made or an adverse final action been taken by any court or administrative body with respect to the Company 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 Company 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;

(vi) A copy of the Company's rules, regulations and policies available to Subscribers, including but not limited to (i) all Subscriber rates, fees and charges; (ii) copies of the Company's contract or application forms for Cable Services; (iii) a detailed summary of the Company's policies concerning the processing of Subscriber complaints; and (iv) delinquent Subscriber disconnect and reconnect policies;

(vii) compliance with all requirements related to PEG Channels, including support for PEG Entities, PEG Direct Connections and signal quality and transmission on the PEG Channels, as provided in Sections 4.1 and 4.2 hereof and Appendix C to this Agreement; and

(viii) a financial report consisting of (a) if a public company, a copy of the publicly available annual financial report with respect to the fiscal year most recently ended for each of the Company's parent companies that produce such reports and (b) on a confidential basis, subject to the provisions of Section 9.7.2(iv) hereof, a copy of the Company's annual financial statements, including its balance sheet and income statement.

9.6 Quarterly Reports. No later than the forty-fifth (45^{th}) day after the end of each calendar quarter during the Term and Extended Term (if applicable) of this Agreement, the Company 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:

9.6.1 Customer Service Data. 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:

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

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

(iii) Total calls for which a busy signal is received;

(iv) Percentage of time customers received busy signal;

(v) Percentage of installations completed within the seven (7) day period, excluding those requested outside of the seven (7) day period by the Subscriber;

(vi) A report showing the number of Cable 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 Company;

(vii) Percentage of Cable Service interruption calls responded to within twenty-four (24) hours;

(viii) 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;

(ix) 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:

(a) Number of complaints referred to Company by the District resolved within fifteen (15) days; and

(b) Number of complaints referred to Company by the District unresolved within fifteen (15) days.

9.7 Books and Records/Audit

9.7.1 Books and Records. Subject to Section 631 of the Cable Act (47 U.S.C. § 551) (or any successor thereto) and Section 1002 of the D.C. Cable Law (D.C. Official Code § 34-1260.02), for any period as may be required by the last sentence in Section 9.1 or by Section 9.7.2(iii) hereof), the Company shall maintain complete and accurate books of account and records of the business, ownership and operations of the Company with respect to the System and reflected in the calculation of Gross Revenue. Such books of account and records shall include, without limitation, books of account and records adequate to enable the Company to demonstrate that it is, and has been, in compliance with each term and condition of this Agreement and applicable law.

9.7.2 Right of Inspection. Subject to Section 631 of the Cable Act (47 U.S.C. § 551) (or any successor thereto) and Section 1002 of the D.C. Cable Law (D.C. Official Code § 34-1260.02), OCTFME, the Attorney General for the District of Columbia, the Director of the Mayor's Office of Legal Counsel, and the Inspector General or their designated representative(s) shall have the right to inspect, examine or audit, during normal business hours and upon twenty-four (24) hours' notice to the Company (five (5) Business Days' notice in the case of audits), which shall include at least one (1) Business Day, unless extenuating circumstances warrant a longer period of time, all those documents, records and other information which are reasonably necessary or appropriate to determine compliance with this Agreement or applicable law or are reasonably related to the terms and conditions of this Franchise.

(i) All such documents, records and other information of the Company to which this Section 9.7.2 refers shall be made available at a mutually agreed upon location within fifty (50) miles of OCTFME's office in order to facilitate said inspection, examination or audit.

(ii) Provided that the request is not unreasonably voluminous and subject to Section 9.7.2(iv) of this Agreement, OCTFME, the Attorney General for the District of Columbia, the Director of the Mayor's Office of Legal Counsel, the Inspector General or their designated representative(s) shall have the right to require the production and delivery, at the sole expense of the Company, of all such documents, records and information to the offices of such agency, official or representative(s). The Company shall complete such production and delivery within twenty-one (21) Business Days after receipt of such request, unless

extenuating circumstances, as approved by the requesting body, which approval may not be unreasonably withheld or delayed, warrant a longer or shorter period of time.

(iii) All such documents which pertain to financial matters which may be the subject of an audit by the District shall be retained by the Company for a minimum of six (6) years following termination of this Agreement.

(iv) Access by the District to any of the documents, records or other information covered by this Section 9.7.2(iv), or otherwise to be provided to the District under this Agreement, shall not be denied by the Company on the grounds that such documents, records or other information are alleged by the Company to contain confidential or proprietary information, provided that this requirement shall not be deemed to constitute a waiver of the Company's right under Title 2 of the District of Columbia Administrative Procedure Act (also known as the Freedom of Information Act of 1976), effective March 29, 1977 (D.C. Law 1-96; D.C. Official Code § 2-531 et seq.), as amended, or other applicable law to assert that the confidential or proprietary information contained in such documents, records or other information should not be disclosed to unauthorized Persons, provided further that the public body receiving such documents, records or other information has agreed to protect such documents, records or other information in the manner described in Section 9.7.2(v) hereof. The District agrees that OCTFME shall protect such documents, records or other information in such manner. To invoke the right to such protections with respect to a document, record or other information or to a portion thereof, the Company shall physically mark each page of such document, record, other information or portion in a manner that conspicuously indicates that such page contains confidential or proprietary information and shall provide such document, record or other information to the public body with a cover letter invoking such right.

Solely for the purpose of determining whether documents, records or other information submitted by the Company to a public body solely pursuant to this Agreement are subject to disclosure under Title 2 of the District of Columbia Administrative Procedure Act or other applicable law, the District agrees, to the maximum extent permitted by applicable law, that disclosure of (a) financial information of the Company or an Affiliated Person in detail not otherwise available to the general public, (b) System construction maps which are not otherwise available to the general public or (c) the number of Subscribers to a particular Service or tier of Service (but not the total number of Subscribers) if such number is not otherwise available to the general public, may result in substantial harm to the competitive position of the Company within the meaning of Title 2 of the District of Columbia Administrative Procedure Act. Nothing in Sections 9.7.2(iv) - 9.7.2(v) hereof shall pertain to any documents, records or other information submitted by the Company to a public body pursuant to any legal obligation other than this Agreement. Further, nothing in Sections 9.7.2(iv)-

9.7.2(v) hereof shall prohibit use of information in System construction maps for the District's record-keeping and PROW management purposes.

For purposes of Sections 9.7.2(iv) - 9.7.2(v) hereof, an unauthorized Person is a Person other than a public body, which public body has agreed to protect such documents, records or other information in the manner described in Section 9.7.2(v) hereof, and such public body's officials, employees and contractors who have use for such documents, records or other information in the exercise of the District's rights under this Agreement; and a public body shall be a "public body" as that term is defined in Section 3(18A) of the District of Columbia Administrative Procedure Act, effective April 27, 2001 (D.C. Law 13-283; D.C. Official Code § 2-502(18A)), as amended, (or any successor thereto).

(v) Upon the assertion by the Company of a right under Title 2 of the District of Columbia Administrative Procedure Act or other applicable law that confidential or proprietary information contained in documents, records or other information received by a public body under this Agreement should not be disclosed to unauthorized Persons, such public body shall

(a) protect such documents, records or other information from disclosure to unauthorized Persons pursuant to such public body's procedures for handling confidential and proprietary information obtained from outside the government unless otherwise ordered by a court of competent jurisdiction;

(b) provide notice to the Company not less than two (2) Business Days after receiving any request from an unauthorized Person for such documents, records or other information;

(c) determine, in consultation with the Director of the Mayor's Office of Legal Counsel, whether such documents, records or other information is protected under applicable law from disclosure to unauthorized Persons; and

(d) if such public body determines that such documents, records or other information is not so protected, provide the Company with not less than four (4) Business Days' notice before disclosing such documents, records or other information to an unauthorized Person so that the Company shall have an opportunity to seek judicial relief enjoining such disclosure, provided that such notice period may be shortened to the extent necessary for such public body to comply with an order of a court of competent jurisdiction; after the expiration of such notice period, such public body shall not have to continue to comply with Clause (a) of this Section 9.7.2(v).

Notwithstanding Section 14.5 hereof, any notice to be provided to the Company pursuant to this Section 9.7.2(v) shall be provided by hand delivery and electronic mail to the General Manager's attention.

The Company shall serve such public body with a copy of any court filing it makes seeking to enjoin disclosure of such documents, records or other information to an unauthorized Person.

(vi) During normal business hours and consistent with any notice or other requirement provided by this Agreement, OCTFME or its designated representative(s) may inspect and examine any other aspect of the System, including the facilities and equipment thereof.

SECTION 10
RESTRICTIONS AGAINST ASSIGNMENT AND OTHER TRANSFERS

10.1 Transfer of Interest. Subject to the provisions of this Section, the Company 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 Company; or (ii) any transaction which will result in a change of ownership or Control of the System, the System assets, or the Franchise. Within thirty (30) days of receiving request for consent, the District shall notify Company 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 Company'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, and/or any form that is the functional equivalent to the FCC Form 394 as the District may specify. 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:

(i) all information and forms required under federal law;

(ii) any shareholder reports or filings with the Securities and Exchange Commission that pertain to the transaction;

(iii) a report detailing any changes in ownership or voting or nonvoting interests of over five percent;

(iv) other information necessary to provide a complete and accurate understanding of the financial position of the System and the proposed transferee before and after the proposed transaction;

(v) complete information regarding any potential impact of the transaction on Subscriber rates and service; and

(vi) 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.

10.2 District's Discretional Authority. 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.

10.3 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.

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

10.5 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.

10.6 No Consent Required for Transfers Securing Indebtedness. The Company 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 Company in the Franchise or System in order to secure indebtedness.

10.7 Transferee's Assumption of Obligations. 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 Company under this Agreement for all purposes, including renewal.

10.8 No Consent Required For Any Affiliate Transfer. The Company 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 Company, the System, or the System assets to the parent of Company or to another Affiliate of Company; (ii) transfer of an interest in the Franchise or the rights held by the Company under the Franchise to the parent of Company or to another Affiliate of Company; (iii) any action which is the result of a merger of the parent of the Company; or (iv) any action which is the result of a merger of another Affiliate of the Company. However, the Company will notify the District within thirty (30) days if at any time a Transfer covered by this subsection occurs.

10.8.1 For Transfers described in Section 10.8 that do not involve the transfer of (i) an ownership interest in the System or the assets of the 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 10.8, that it will not take any action to impede the Company from satisfying all obligations under this Agreement.

10.8.2 For Transfers described in 10.8, other than those described in Subsection 10.8.1, Company 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 Company 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 Company 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, Company shall guarantee all of the obligations that this Agreement imposes on the holder of the Franchise until the District provides the Company 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 11
LIABILITY AND INSURANCE

11.1 Liability and Indemnity

11.1.1 Company. As between the District and the Company, except as provided in Section 11.1.6 hereof, the Company shall be responsible for any Liability of the District or the PEG Entities occasioned by any act or failure to act of the Company, any Affiliated Person, or any officer, employee, agent or subcontractor of either the Company or any Affiliated Person in connection with the construction, operation, maintenance, repair, upgrade, enhancement or removal of the System and arising out of or in connection with the construction, operation, maintenance, repair, upgrade,

enhancement, rebuild or removal of the System; any Service Related Activity; or the distribution of any Service over the System. The Company shall, at its own cost and expense, replace, repair or restore any damaged property to its prior condition and shall pay compensation in the event of any personal injury, death or property damage occasioned by any act or failure to act of the Company, any Affiliated Person, or any officer, employee, agent or subcontractor of either the Company or any Affiliated Person in connection with the construction, operation, maintenance, repair, upgrade, enhancement or removal of the System. Nothing in this Section 11.1.1 is intended to permit third parties to file claims to enforce this Section 11.1.1; rather, the parties intend that only the District may take action to enforce this Section 11.1.1.

11.1.2 No Liability of the District for Liability of the Company. The District, its officers, employees, agents, attorneys, consultants and independent contractors shall not be liable for any Liability of the Company, any Affiliated Person or any other Person, arising out of or in connection with the construction, operation, maintenance, repair, upgrade, rebuild, enhancement or removal of, or other action or event with respect to, the System, any Service Related Activity or the distribution of any Service over the System.

11.1.3 Moving Wires, Etc. The District may, at any time, in case of fire, disaster or other emergency, in its sole discretion, cut or move any of the wires, cables, fibers, amplifiers, appliances or other parts of the System, in which event the District shall not incur any Liability to the Company, any Affiliated Person or any other Person. When reasonable circumstances permit, the Company shall be consulted prior to any such cutting or movement of its wires, cable, fibers, amplifiers, appliances or other parts of the System. All costs to repair or replace such wires, cables, amplifiers, appliances or other parts of the System shall be borne by the Company.

11.1.4 No Liability for Public Work, Etc. Neither the District nor its officers, employees, agents, attorneys, consultants or independent contractors shall have any Liability to the Company or any Affiliated Person for any Liability as a result of or in connection with the protection, breaking through, movement, removal, alteration or relocation of any part of the System, by or on behalf of the Company or the District, in connection with any emergency or in connection with any public work; public improvement; alteration of any municipal structure; any change in the grade or line of any PROW; or the elimination, discontinuation and closing of any PROW, as provided in Sections 2.4.2 [Public Works and Improvements], 2.4.4 [Closing of PROW], 5.4 [New Grades or Lines], 5.5 [Protect Public Property and Landmarks] or 11.1.3 [Moving Wires, Etc.] hereof. (The parties understand that, pursuant to such sections, the District will be performing such work only in an emergency or in such circumstances where the Company fails to perform such work as required by such sections.)

11.1.5 No Liability for Damages. The District, its officers, employees, agents, attorneys, consultants and independent contractors shall have no Liability to (i) the Company, (ii) any Affiliated Person or (iii) any other Person, to the extent there is privity between such other Person and either the Company or an Affiliated Person, for

any money damages as a result of the lawful exercise of the rights of the District to approve or disapprove the grant, amendment, renewal or transfer of the Agreement or the Franchise.

11.1.6 Indemnification of the District. The Company and each Affiliated Person shall: (i) defend, indemnify and hold harmless the District, its officers, employees, agents, attorneys, consultants and independent contractors from and against all Liabilities, special, incidental, consequential, punitive and all other damages, costs and expenses (including, but not limited to, reasonable attorneys' fees and witness fees) arising out of or in connection with: (a) the construction, operation, maintenance, repair, upgrade, enhancement, rebuild or removal of, or any other action or event with respect to, the System or any Service Related Activity or (b) the distribution of any Service over the System, except as provided in Section 11.1.7 hereof and (ii) cooperate with the District, by providing, at no charge to the District, such nonfinancial assistance as may be requested by the District, in connection with any claim arising out of or in connection with the selection of the Company for, or the negotiation or award of, this Agreement. In any action in which the Company defends the District, the Company shall consult with the District prior to proposing, accepting or rejecting a settlement and prior to filing any pleading which might estop the District with respect to any question of fact or law. The District shall have the right, at its option, with regard to Liabilities subject to indemnification under this Section 11.1.6, to participate in its own defense by engaging, at its own expense, its own attorneys, experts and consultants. In the event the District and the Company disagree about whether to settle a case for which the Company must indemnify the District under this Section 11.1.6, the issue shall be referred to the Director, the Attorney General and the Company's General Manager (or a person in an equivalent or higher position) for resolution. The Company shall not be required to indemnify the District for settlements entered into by the District without the Company's prior knowledge and consent. The Company shall, at its own cost and expense, replace, repair or restore any damaged property to its prior condition and shall pay compensation in the event of any personal injury, death or property damage occasioned by any act or failure to act of the Company, any Affiliated Person, or any officer, employee, agent or subcontractor of either the Company or any Affiliated Person in connection with the construction, operation, maintenance, repair, upgrade, enhancement or removal of the System. Nothing in this Section 11.1.6 is intended to permit third parties to file claims to enforce this Section 11.1.6; rather, the parties intend that only the District may take action to enforce this Section 11.1.6.

11.1.7 Limitations. As between the District and the Company or any Affiliated Person, the foregoing Liability and indemnity obligations of the Company pursuant to this Section 11.1 shall not apply to: (i) any willful misconduct or gross negligence of any District officer, employee, agent, attorney, consultant or independent contractor proximately causing any claim or damages; (ii) any Liability arising out of the content of Services over the Governmental Channels to the extent that such claim does not arise out of an act or failure to act by the Company; or (iii) any Liability arising out of the content of Services over Public Channels and Educational Channels to the extent that such claim does not arise out of an act or failure to act by the Company.

11.2 Insurance

11.2.1 Specifications. At or before the Closing, the Company shall, at its own cost and expense, obtain a liability insurance policy or policies, in a form acceptable to the Director of the Mayor's Office of Legal Counsel and the Office of Risk Management, together with evidence acceptable to the Attorney General, demonstrating that the premiums for said policy or policies have been paid and evidencing that said policy or policies shall take effect and be furnished at or before the Effective Date. Such policy or policies shall be issued by companies duly authorized by the Superintendent of Insurance of the District to do business in the District and acceptable to the Attorney General. Such companies must carry a rating by A.M. Best Company of not less than "A." Such policy or policies shall insure (i) the Company and (ii) the District and its officers, boards, commissions, elected officials, agents, contractors and employees (through appropriate endorsements if necessary) against each and every form of Liability of the Company referred to in SECTION 5 and Section 11.1 hereof in the minimum combined amount of Five Million Dollars ($5,000,000.00) for bodily injury and property damage and a maximum deductible of One Million Dollars ($1,000,000.00) as aggregated across all policies of any given type of liability insurance. The District and its officers, boards, commissions, elected officials, agents, contractors and employees shall be named as additional insureds by such policies.

Prior to the expiration of any liability insurance policy the Company obtains pursuant to this Section 11.2.1, the Company shall provide to OCTFME, the Office of Risk Management and to the Director of the Mayor's Office of Legal Counsel evidence acceptable to the Director of the Mayor's Office of Legal Counsel of such policy's renewal or replacement. Further, the Company shall report to OCTFME, the Office of Risk Management and the Director of the Mayor's Office of Legal Counsel any modification or discontinuation of coverage under any such policy (together with a plan to correct such modification or discontinuation) within two (2) Business Days of its occurrence.

11.2.2 Period of Coverage. The liability insurance policy or policies required by Section 11.2.1 hereof shall be maintained by the Company throughout the term of this Agreement and such other period of time during which the Company operates or is engaged in the removal of the System, whichever period is longer, and for one hundred twenty (120) days thereafter. Each such liability insurance policy shall contain the following endorsement: "It is hereby understood and agreed that this policy may not be cancelled or not renewed nor the intention not to renew be stated until thirty (30) days after receipt by the District, by registered mail, of a written notice of such intent to cancel or not to renew." Not later than thirty (30) days prior to said cancellation, the Company shall obtain one (1) or more replacement insurance policies in a form acceptable to the Director of the Mayor's Office of Legal Counsel and shall furnish copies of the certificate of insurance to the Director of the Mayor's Office of Legal Counsel and to OCTFME.

11.2.3 Increased Insurance Coverage. The District may, after consulting with the Company, alter the minimum limitation of the liability insurance policy or policies required in Section 11.2.1 hereof to account for inflation.

11.2.4 Liability Not Limited. The legal Liability of the Company or any Affiliated Person to the District or any Person for any of the matters which are the subject of the liability insurance policy or policies required by this Section 11.2, including, without limitation, the Company's indemnification obligation set forth in Section 11.1.6 hereof, shall not be limited by such insurance policy or policies nor by the recovery of any amounts thereunder, except to the extent necessary to avoid duplicative recovery from or payment by the Company.

SECTION 12
SPECIFIC RIGHTS AND REMEDIES

12.1 Not Exclusive. The Company agrees that the District shall have the specific rights and remedies set forth in this SECTION 12. 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 Company. Such rights and remedies shall not be exclusive, but each and every right and remedy specifically provided or otherwise existing or given may be exercised from time to time and as often and in such order as may be deemed expedient by the District. Except as provided in Section 12.3.3 hereof, the exercise of one (1) or more rights or remedies shall not be deemed a waiver of the right to exercise at the same time or thereafter any other right or remedy nor shall any such delay or omission be construed to be a waiver of or acquiescence to any default. The exercise of any such right or remedy by the District shall not release the Company from its obligations or from any Liability under this Agreement, except (i) with regard to any breach for which liquidated damages are paid as provided in Section 12.3.3, (ii) as expressly provided for in this Agreement or (iii) as necessary to avoid duplicative recovery from or payments by the Company.

12.2 Guarantee

12.2.1 Obligation to Provide and Maintain Guarantee. Throughout the term of this Agreement, or for as long as the Company operates the System or until the Company completes the removal of the System, whichever period is longest, and for at least one hundred twenty (120) days thereafter, Radiate Holdings, GP, LLC ("RHGP") shall maintain a Guarantee of Performance, attached as Exhibit D hereto.

12.3 Liquidated Damages

12.3.1 Liquidated Damages. The Company shall be liable to the District or the specified intended third-party beneficiary for the amounts specified in this Section 12.3.1 for any of the following failures set forth as 12.3.1(i), (ii), and (iii) below

by the Company to comply with the provisions of this Agreement, unless, within twenty (20) Business Days after receipt of notice by the Company from OCTFME, or such longer period as OCTFME shall specify, the Company has cured the failure in a manner acceptable to OCTFME, resolved the matter to the satisfaction of OCTFME, presented facts and argument in refutation or excuse of each such failure or matter that satisfy OCTFME or provided a cure plan and schedule that satisfy OCTFME. At the option of OCTFME, such amounts may be recovered from the Guarantor and paid to the District (in addition to the withdrawals authorized by any other Section of this Agreement) or shall be paid in such other manner as may be determined by OCTFME.

For the liquidated damages set forth in Sections 12.3.1(ii) and Section 12.3.1(iii) hereof, the first day for which damages may be assessed, if there has been no cure after the end of the applicable cure period, shall be the day after the twentieth (20^{th}) Business Day after receipt by the Company of the notice required in the preceding paragraph even if OCTFME has specified an applicable cure period longer than the default period of twenty (20) Business Days. For the liquidated damages set forth in Sections 12.3.1(ii) hereof, the first day for which damages may be assessed, if there has been no cure after the end of the applicable cure period, shall be the day after the end of the applicable cure period, including any time specified by OCTFME beyond the default period of twenty (20) Business Days.

For the liquidated damages set forth in this Section 12.3.1, the maximum period for assessing liquidated damages for each single occurrence of non-compliance shall be one hundred thirty (130) days.

For the following breaches, the liquidated damages shall be the following amounts:

(i) Failure to provide data, documents, records, reports or information to the District, pursuant to the terms of this Agreement: Five Hundred Dollars ($500.00) per day, for each day that such failure continues;

(ii) Failure to provide any of the capital grants, equipment and other support for the PEG Channels pursuant to SECTION 4 hereof, including, but not limited to, compliance with the Marketing Plan provisions of Section 4.1.2 hereof: Five Hundred Dollars ($500.00) per day per affected PEG Entity, payable to the affected PEG Entity as directed by OCTFME, for each day that such failure occurs or continues; and

(iii) Failure to furnish or maintain the performance bond as required by Section 5.10 hereof: One Hundred Dollars ($100.00) per day for each day that such failure occurs or continues.

The Company agrees that each of the foregoing failures set forth in this Section 12.3.1 shall result in injuries to the District and its residents, businesses and institutions, the compensation for which will be difficult to ascertain and to prove. Accordingly, the Company and the District agree that the liquidated damages in the

amounts set forth above are fair and reasonable compensation for such injuries. The Company agrees that the foregoing amounts are liquidated damages, not a penalty or forfeiture, and are within one (1) or more exclusions to the term "franchise fee" provided by Section 622(g)(2)(A)-(D) of the Cable Act (47 U.S.C. § 542(g)(2)(A)-(D)). Further, the payment of such liquidated damages shall not be deemed to be: (i) "Payments-in-kind" or involuntary payments chargeable against the compensation to be paid to the District by the Company pursuant to Section 8.1 hereof or chargeable against the payments to any PEG Entity by the Company pursuant to Section 4.2 hereof; or (ii) part of the compensation to be paid to the District by the Company pursuant to Section 8.1 hereof or part of the payments to any PEG Entity by the Company pursuant to Section 4.2 hereof. Nothing contained in this Section 12.3.1 shall be construed to permit duplicative recovery from or payment by the Company.

12.3.2 No Pass-Through of Liquidated Damages. The costs associated with payment of liquidated damages pursuant to Section 12.3 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 System.

12.3.3 Availability of Additional Remedies; Breach Procedures Not Applicable. To the extent that the District elects to assess liquidated damages as provided in this Section 12.3 and such liquidated damages have been paid to the satisfaction of OCTFME, such damages shall be the District's sole and exclusive remedy. Nothing in this Section 12.3.3 is intended to preclude the District from exercising any other right or remedy with respect to (i) a breach that continues past the time the District stops assessing liquidated damages for such breach or (ii) the District's use of a past breach or past portion of a continuing breach to support a claim of material breach or another claim, one (1) of the elements of which is a previous, continuing or repeated violation of this Agreement or applicable law. Further, the Company's payment of such liquidated damages shall not preclude the District from considering the breaches for which such liquidated damages were paid in any decision the District makes on whether to renew this Franchise. The procedures set forth in Section 12.3.1 hereof shall apply to liquidated damages and the withdrawal of any such liquidated damages from the Performance Bond. The breach procedures set forth in Section 12.4.2 hereof shall apply solely to the remedies for material breach set forth in Section 12.4.1 hereof.

12.4 Material Breach

12.4.1 Remedies for Material Breach.

(i) In the event of breach of a Material Provision of this Agreement, including (i) any substantial breach that is not cured within thirty (30) days of written notice; or (ii) any persistent failure by the Company to comply after having received written notice of a failure to comply, then, in accordance with the procedures provided in Section 12.4.2 hereof, the District may, at any time during the term of this Agreement, to the extent lawful and in addition to any other remedies the District may have under this Agreement or at law or in equity, take any or all of the following actions:

(a) Require the Company to take such actions, which are reasonably related to the cure of the breach, that the District deems appropriate in the circumstances; and/or

(b) Seek money damages from the Company as compensation for such material breach (it being acknowledged that seeking money damages for a material breach shall not preclude seeking money damages for a breach which is not material); and/or

(c) Revoke the Franchise granted pursuant to this Agreement by termination of this Agreement pursuant to Section 12.5 hereof, provided that, such revocation and termination shall not take effect for a period of one (1) year after notice thereof is given to the Company if the Company notifies the District in writing (within thirty (30) days of receipt of the notice of termination and revocation) that (A) the Company shall use its best efforts, during such period, to find a purchaser for the System, which purchaser shall be subject to the approval of the District pursuant to Section 10 hereof, and (B) the Company shall provide evidence on a monthly basis to OCTFME of its attempts to find such a purchaser provided that nothing in this section 12.4.1 shall be construed to abridge the Council's authority to exercise its emergency legislative powers; and/or

(d) Require due and timely performance of the obligations of the Company by the Guarantor pursuant to the Guarantee.

(ii) In addition to all other remedies granted or available to the District, the District may seek, to the extent appropriate under law, (a) the restraint by injunction of the violation, or attempted or threatened violation, by the Company of any terms or provisions of this Agreement or (b) a decree or order compelling performance by the Company of any term or provision herein.

(iii) This Section 12.4 shall apply instead of the remedy set forth in Title II, Section 1303 of the D.C. Cable Act (D.C. Official Code § 34-1263.03).

12.4.2 Material Breach Procedures. The District shall exercise the rights provided in Section 12.4.1 hereof in accordance with the procedures set forth below, which procedures shall not be applicable to other remedies in this Agreement:

(i) OCTFME shall notify the Company, in writing, of an alleged failure to comply with a Material Provision of this Agreement, which notice shall specify the alleged failure with reasonable particularity. The Company shall, within twenty (20) Business Days after receipt of such notice or such longer period of time as OCTFME may specify in such notice, either: (a) cure such alleged failure and provide to OCTFME a written explanation and evidence of such cure; (b) in a written response to OCTFME, present facts and arguments in refutation or excuse of such alleged failure; or (c) in a written response to

OCTFME, state that such alleged failure will be cured and set forth the method and time schedule for accomplishing such cure.

(ii) OCTFME shall determine (a) whether a failure to comply with a Material Provision has occurred; (b) whether such failure is excusable; and (c) whether such failure has been cured or will be cured by the Company in a manner and in accordance with a schedule acceptable to OCTFME. In connection with such determination, OCTFME may consider the Company's performance during the term of this Franchise, to substantiate a pattern or practice of the Company's failure to comply with such Material Provision.

(iii) If OCTFME determines that a failure to comply with a Material Provision has occurred and that such failure is not excusable and has not been or will not be cured by the Company in a manner and in accordance with a schedule satisfactory to OCTFME, then OCTFME may (a) take any action set forth in Sections 12.4.1(i)(a), 12.4.1(i)(b), and 12.4.1(i)(d); or (b) submit a report to the Council, as provided in Sections (iv) below, recommending that the Council take any action set forth in Section 12.4.1(i). If OCTFME determines to take any action set forth in Sections 12.4.1(i)(a), or 12.4.1(i)(b) hereof, OCTFME shall provide written notice and a copy of its determination to the Company and to the Council. If OCTFME determines to take any action set forth in Section 12.4.1(i)(d) hereof, OCTFME shall also provide written notice and a copy of its determination to the Guarantor, and the remainder of this paragraph shall apply to the Guarantor as well as the Company. The Company shall comply with OCTFME's determination promptly, but in no event later than thirty (30) days after such determination, or such other time as may be specified by OCTFME, unless: (1) the Company seeks review of OCTFME's determination by the Council within twenty (20) days after receipt of notice of OCTFME's determination, and (2) the Council reverses or modifies OCTFME's determination within forty-five (45) days (excluding days that the Council is recessed or not in session) after the Company has timely requested Council review. OCTFME may submit additional information to the Council in response to the Company's request for Council review. If the Council fails to take any action within the thirty (30) day period, or the Company fails to request Council review in a timely manner, OCTFME's determination shall be deemed to be ratified, and the Company shall comply with OCTFME's determination within five (5) Business Days of such determination or such other period of time as may be specified by OCTFME. Any proceeding before the Council shall afford the Company such procedural rights as are available under the Council's rules and procedures.

(iv) In the event OCTFME recommends that the Council take any action set forth in Section 12.4.1(i)(c), OCTFME shall prepare a written report to the Council regarding the failure to comply with a Material Provision that has occurred and recommending the action that should be taken. OCTFME shall provide notice of such determination and a copy of such report to the Company at the time the report is transmitted to the Council. In the event the Council

determines that such failure has not occurred, or that such failure either has been or will be cured in a manner and in accordance with a schedule reasonably satisfactory to the Council, or that such failure is excusable, such determination shall conclude the investigation. In the event the Council determines that such failure has occurred, and has not been and will not be cured in a manner and in accordance with a schedule satisfactory to the Council, and that such failure is not excusable, the Council may take, or direct OCTFME to take, any of the actions provided in Section 12.4.1 hereof. Any final determination by the Council pursuant to this Section 12.4.2(iv) shall be subject to such judicial review as applies to legislative determinations.

12.5 Obligations upon Termination. In the event of any termination of this Agreement, the District may order the Company to cease all construction and operational activities in the PROW in a prompt, workmanlike and safe manner by a date to be specified by the District. In the event of such a termination, the Company shall maintain in full force and effect the performance bond required by Section 5.10 hereof and coverage under the liability insurance policies required by Section 11.2 hereof for a reasonable period following the date of termination, but in no event less than three (3) years following such date.

12.6 District's Right to Order Removal. In addition to its rights under Section 12.5 hereof, upon any termination, the District may, in its sole discretion in the event the System is not transferred pursuant to Section 10.3 hereof, but shall not be obligated to, direct the Company to remove, at the Company's sole cost and expense, all or any portion of the System from all PROW and other public property within the District, subject to the following:

(i) this provision shall not apply to buried cable which the District determines should not be removed;

(ii) in removing the System, or part thereof, the Company shall refill and compact, at its own expense, any excavation that shall be made by it and shall leave all PROW and other property in as good condition as that prevailing prior to the Company's removal of the System and without affecting, altering or disturbing in any way any electric, telephone or other utility cables, wires or attachments (except to the extent such affecting, altering or disturbing is permitted by an agreement between the Company and the applicable owner of the cable, wires or attachments), provided that, consistent with Section 34(f) of the D.C. Cable Law (D.C. Official Code § 34-1233(f)), the District shall perform any permanent restorations of the PROW at the Company's expense;

(iii) the District shall have the right to inspect and approve the condition of such PROW and public property after removal;

(iv) notwithstanding any other provisions of this Agreement, the performance bond, the Guarantee, liability insurance and indemnity provisions of this Agreement shall remain in full force and effect during the entire period of

removal and associated repair of all PROW and other public property (or during such longer period as may be required by any other provision of this Agreement);

(v) removal shall be commenced within thirty (30) days of the removal order by the District and shall be completed within twelve (12) months thereafter including all associated repair of all PROW and other public property; and

(vi) if, in the reasonable judgment of OCTFME, the Company fails to substantially complete such removal, including all associated repair of PROW and other public property, within twelve (12) months thereafter; then, to the extent not inconsistent with applicable law, the District shall have the right to: (a) declare that all rights, title and interest to those portions of the System within the District of Columbia (or outside the District of Columbia but used exclusively for the System) belong to the District with all rights of ownership, including, but not limited to, the right to operate the System or to effect a transfer of the System to another Person for operation; or (b)(1) authorize removal of the System, including all associated repair of PROW and other public property, by another Person at the Company's cost; and (2) declare that, to the extent not inconsistent with applicable law, any portion of the System within the District of Columbia (or outside the District of Columbia but used exclusively to serve Persons within the District of Columbia) not designated by the District for removal shall belong to and become the property of the District without compensation to the Company and the Company shall execute and deliver such documents, as OCTFME shall request, in form and substance acceptable to OCTFME, to evidence such ownership by the District.

Notwithstanding the foregoing, the Company may dispose of any portion of the System not designated by the District for removal during such twelve (12) month period, provided, however, that if the Company fails to complete the removal of the portion(s) of the System designated for removal by the District within such period, then all such portion(s) of the System not disposed of and all amounts collected for any portion(s) of the System disposed of by the Company during such period shall belong to the District, with no amount due to the Company.

SECTION 13
SUBSEQUENT ACTION

13.1 Procedure for Subsequent Action. In the event that, after the Effective Date, any court, agency, commission, legislative body or other authority of competent jurisdiction: (i) declares this Agreement invalid, in whole or in part, or (ii) requires the Company either to: (a) perform any act which is inconsistent with any provision of this Agreement or (b) cease performing any act required by any provision of this Agreement, including any obligations with respect to compensation or other financial obligations pursuant to this Agreement, then the Company shall promptly notify OCTFME of such fact. Upon receipt of such notification, the District, acting in good faith, shall determine whether such declaration or requirement has a material and adverse effect on this

Agreement. If the District, acting in good faith, determines that such declaration or requirement does not have a material and adverse effect on this Agreement, then the Company shall comply with such declaration or requirement. If the District, acting in good faith, determines that such declaration or requirement would materially frustrate or impede the ability of the Company to carry out its obligations pursuant to, and the purposes of, this Agreement, then the Company and the District shall enter into good faith negotiations to enable the Company to perform obligations and provide Services for the benefit of the District and others equivalent to those immediately prior to such declaration or requirement, to the maximum extent consistent with said declaration or requirement. In connection with such negotiations, the District and the Company shall consider whether the circumstances existing at that time are such that the Company, as a direct result of such declaration or requirement, should not or cannot perform obligations and provide Services for the benefit of the District and others which are equivalent to those performed and provided immediately prior to such declaration or requirement.

13.2 Reservation of Rights. To the extent that any statute, rule, regulation, or any other law is enacted, adopted, repealed, amended, modified, changed or interpreted in any way during the term of this Agreement so as to enhance the District's authority with regard to Open Video System-related matters, or the District's authority with respect to Open Video Systems, then, upon either party's request, the Company and the District shall enter into good faith negotiations regarding how, if at all, this Agreement should be modified to reflect such change in law.

13.3 Other Open Video System Franchise Granted on More Favorable Terms

13.3.1 Basis for Request. The Company enters into this Agreement with the understanding and on the representation that the District shall act fairly and reasonably in the event that, pursuant to the Cable Act, the District, subsequent to the Effective Date of this Agreement, grants, renews or renegotiates one (1) or more other franchises for the operation of an Open Video System in the Franchise Area ("Other OVS Franchise").

To the extent the District does not have lawful authority over the relevant benefits and burdens described in the following paragraph, the term "Other OVS Franchise" as used in this Section 13 shall not include municipally owned Open Video Systems, video dialtone systems or similar systems.

If the Company believes the agreement pursuant to which such Other OVS Franchise may be granted (hereinafter the "Other OVS Franchise Agreement") bestows benefits and imposes burdens on the franchisee which, as an economic or operational matter, on balance, are materially more advantageous to such third party than the benefits bestowed and burdens imposed on the Company by this Agreement are to the Company, then, at any one (1) time but not sooner than the effective date of the Other OVS Franchise or later than eighteen (18) months after the effective date of the Other OVS Franchise, the Company may request that OCTFME make a determination to such effect; in the event of such a determination, the Company may request renegotiation of the terms and conditions of this Agreement as provided below. The discharge in bankruptcy of any

obligations of the Other OVS Franchise Agreement shall not be a basis for the Company to request such a determination.

13.3.2 Procedure

(i) In the event of such a request, OCTFME shall determine within sixty (60) days whether the Other OVS Franchise Agreement bestows benefits and imposes burdens on the third party which, as an economic or operational matter, on balance, are materially more advantageous to the third party than the benefits and burdens imposed by this Agreement are to the Company. The Company may submit to OCTFME a written statement of those factors it believes to be relevant to such inquiry.

(ii) If OCTFME determines that the Other OVS Franchise Agreement bestows benefits and imposes burdens on the third party which, on balance, are materially more advantageous to the third party than the benefits bestowed and burdens imposed by this Agreement are to the Company, then upon the Company's request, OCTFME and the Company shall enter into good faith negotiations to modify this Agreement to bestow benefits and impose burdens which, on balance, create overall economic comparability between this Agreement and the Other OVS Franchise Agreement.

(iii) If OCTFME and the Company have not completed this negotiation within six (6) months, or if OCTFME determines that the Other OVS Franchise Agreement does not bestow benefits and impose burdens on the third party which, on balance, are materially more advantageous to the third party than the benefits bestowed and burdens imposed by this Agreement are to the Company, then the Company may petition the Council for appropriate relief under appropriate rules of procedure the Council may have in effect at the time.

SECTION 14
MISCELLANEOUS

14.1 Appendices. The Appendices to this Agreement, attached hereto, and all portions thereof and exhibits thereto, are, except as otherwise specified in such Appendices, incorporated herein by reference and expressly made a part of this Agreement.

14.2 Action Taken by District. Any action to be taken by the District and/or OCTFME pursuant to this Agreement shall be taken in accordance with the applicable provisions of District law, as said law may be amended or modified throughout the term of this Agreement.

14.3 Entire Agreement. This Agreement, including all Appendices hereto, along with any other document executed on the Effective Date, embody the entire understanding and agreement of the District and the Company with respect to the subject matter hereof and merges and supersedes all prior representations, agreements and

understandings, whether oral or written, between the District and the Company with respect to the subject matter hereof, including, without limitation, all prior drafts of this Agreement and any Appendix to this Agreement and any and all written or oral statements or representations by any official, employee, agent, attorney, consultant or independent contractor of the District or the Company, provided, however, that between the date of execution by the Company and the Effective Date, the Company shall comply with the terms and conditions of the Prior Agreement.

14.4 Delays and Failures Beyond Control of Company. Notwithstanding any other provision of this Agreement, the Company shall not be liable for delay in the performance of, or failure to perform, in whole or in part, its obligations pursuant to this Agreement due to strike, war or act of war (whether an actual declaration of war is made or not), insurrection, riot, act of public enemy, accident, fire, flood or other act of God, manufacturing delays or delays in delivery due to conditions that would otherwise relieve the Company from liability under this Section 14.4, loss of utility service or facilities; any act, order or decree of any governmental agency or judicial body; any moratoria on construction projects imposed by the District; sabotage or other such events, provided the Company and Affiliated Persons have exercised all due care in the prevention thereof, to the extent that such causes or other events are beyond the control of the Company. In the event that any such delay in performance or failure to perform affects only part of the Company's capacity to perform, the Company shall perform to the maximum extent it is able to do so and shall take all steps within its power to correct such cause(s) as rapidly as possible. The Company agrees that in correcting such cause(s), it shall take all reasonable steps to do so in as expeditious a manner as possible. The Company shall notify OCTFME in writing of the occurrence of an event covered by this Section 14.4 within five (5) Business Days of the time at which the Company learns of its occurrence, provided that a failure to send such notice shall not negate an otherwise excusable delay.

14.5 Notices. Every notice, order, petition, document or other direction or communication to be served upon the District or the Company shall be in writing and shall be sufficiently given if sent by U.S. mail (with a copy via or electronic mail), or by personal delivery with written evidence of receipt. Every such communication to the Company shall be sent to its office at the location most recently specified pursuant to this Section 14.5 hereof, or to such other location in the District as the Company may designate from time to time. Every communication from the Company shall be sent to the individual, agency or department designated in the applicable section of this Agreement, unless it is to "the District," in which case such communication shall be sent to the Director of OCTFME at 1899 9th Street, N.E., Washington, D.C. 20018, or such other address as may be specified by OCTFME. Any documents that are required by this Agreement to be sent to the Attorney General shall be sent to 441 4th Street, N.W., Suite 1100 South, Washington, D.C. 20001, or such other address as may be specified by the Attorney General. Any documents that are required by this Agreement to be sent to the Director of the Mayor's Office of Legal Counsel shall be sent to 1350 Pennsylvania Avenue, N.W., Suite 407, Washington, D.C. 20004, or such other address as may be specified by the Director of the Mayor's Office of Legal Counsel. Notwithstanding any other provision of this Section 14.5, any notice OCTFME is required to give to the

Company pursuant to Section 12.2 hereof for which a cure period is ten (10) days or less must be served by personal delivery, overnight mail service or facsimile transmission.

14.6 Additional Representations and Warranties. In addition to the representations, warranties and covenants of the Company to the District set forth elsewhere herein, the Company represents and warrants to the District and covenants and agrees (which representations, warranties, covenants and agreements shall not be affected or waived by any inspection or examination made by or on behalf of the District) that, as of the Closing:

14.6.1 Organization, Standing and Power. The Company is a limited liability company, duly organized, validly existing and in good standing under the laws of Delaware, and is duly authorized to do business in the District. The Company has all requisite power and authority to own or lease its properties and assets, to conduct its businesses as currently conducted and to execute, deliver and perform this Agreement and all other agreements entered into or delivered in connection with or as contemplated hereby. Certified copies of the Company's organizational documents, as amended to date, have been delivered to OCTFME and are complete and correct. The Company is qualified to do business and is in good standing in each jurisdiction in which it conducts business.

14.6.2 Authorization; Non-Contravention. The execution, delivery and performance of this Agreement and all other agreements entered into in connection with the transactions contemplated hereby have been duly, legally and validly authorized by all necessary action on the part of the Company and the Company has furnished the District with a certified copy of the resolutions of the board of directors or managing member(s), as the case may be, of the Company, authorizing the execution and delivery of this Agreement. This Agreement and all other agreements entered into in connection with the transactions contemplated hereby have been duly executed and delivered by the Company and constitute (or upon execution and delivery will constitute) the valid and binding obligations of the Company, and are enforceable (or upon execution and delivery will be enforceable) in accordance with their respective terms, subject to the qualifications that the availability of the remedy of specific enforcement, of injunctive relief or of other equitable relief is subject to the discretion of the court before which any proceeding therefor may be brought, and that the enforcement of the rights and remedies created hereby is subject to bankruptcy, insolvency, reorganization and similar laws of general application affecting the rights and remedies of creditors and secured parties, provided that nothing in the foregoing qualifications is intended to diminish or affect the rights and remedies of the District under this Agreement at law or in equity. The Company has obtained the requisite authority to approve, authorize, execute and deliver this Agreement and to consummate the transactions contemplated hereby and the Company warrants that no other proceeding or other action is necessary on the part of the Company to approve and authorize the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby. The Company has not made any representations, warranties or agreements inconsistent with or with respect to the subject

matter of this Agreement. Neither the execution and delivery of this Agreement by the Company nor the performance of its obligations contemplated hereby will:

(i) conflict with, result in a material breach of or constitute a material default under (or with notice or lapse of time or both result in a material breach of or constitute a material default under) (a) any governing document of the Company or, to the Company's knowledge, any shareholders' agreement or other similar agreement among security holders or other owners of the Company or (b) any statute, regulation, agreement, judgment, decree, court or administrative order or process or any commitment to which the Company is a party or by which it (or any of its properties or assets) is subject or bound;

(ii) result in the creation of, or give any party the right to create, any material lien, charge, encumbrance or security interest upon the property and assets of the Company that would have a material adverse effect on the operation of the System or the financial condition of the Company or the System; or

(iii) terminate, modify or accelerate, or give any third party the right to terminate, modify or accelerate, any provision or term of any contract, arrangement, agreement, license agreement or commitments, except for any event which individually or in the aggregate would not have a material adverse effect on the business, properties or financial condition of the Company or the System.

14.6.3 Consent. No consent, approval or authorization of, or declaration or filing with, any public, governmental or other authority (including, without limitation, the FCC or any other federal agency or any District, state, county or municipal agency, authority, commission or council, and, if applicable, public service commissions and other entities) on the part of the Company is required for the valid execution and delivery of this Agreement or any other agreement or instrument executed or delivered in connection herewith.

14.6.4 Compliance with Law. The Company is in material compliance with all applicable law and the Company has obtained all government licenses, permits and authorizations necessary for the operation and maintenance of the System.

14.6.5 Litigation; Investigations. There is no civil, criminal, administrative, arbitration or other proceeding, investigation or claim (including, without limitation, proceedings with respect to unfair labor practice matters or labor organization activity matters or involving the granting of a temporary or permanent injunction) pending or threatened against the Company (i) at law or in equity or (ii) before any foreign, federal, District, state, county, municipal or other governmental department, commission, board, bureau, court, agency or instrumentality or any arbitrator(s), that, if decided adversely to the Company would (a) have a material adverse effect on the business, operation, properties, assets or financial condition of the Company or the System, or (b) question the validity or prospective validity of this Agreement, of any essential element upon which this Agreement depends or of any action to be taken by the Company. The Company is not subject to any outstanding order, writ, injunction or

decree which materially and adversely affects or will affect the business, operation, properties, assets or financial condition of the Company.

14.6.6 Full Disclosure. Without limiting the specific language of any other representation and warranty herein, all information furnished by the Company which is contained in (i) this Agreement or its Appendix(ces); and (ii) any other document executed on the Effective Date is, as of the Effective Date, accurate and complete in all material respects and does not contain any untrue statement of a material fact or omit any material fact necessary to make the statements therein not misleading.

14.6.7 Fees. The Company has paid all franchise, license or other fees and charges which have become due pursuant to any prior franchise or permit and has made adequate provisions for any such fees and charges which have accrued.

14.6.8 Licenses and Permits. The Company has duly secured all material permits and licenses in connection with the design, construction, operation, maintenance, repair, upgrade, rebuild or enhancement of the System, or any part thereof, from, and has filed all required registrations, applications, reports and other documents with, the FCC. Further, no event has occurred which could (i) result in the revocation or termination of any such license or authorization, or (ii) materially and adversely affect any rights of the Company. No event has occurred which permits, or after notice or lapse of time or both would permit, revocation or termination of any such license or which materially and adversely affects or, so far as the Company can now foresee, will materially and adversely affect the System or any part thereof. The Company has obtained all material leases, easements and equipment-rental or other agreements necessary for the maintenance and operation of the System as now conducted.

14.7 Additional Covenants. Until the termination of this Agreement and the satisfaction in full by the Company of its obligations under this Agreement, in consideration of the Franchise granted herein, the Company agrees that it will comply with the following affirmative covenants, unless the District otherwise consents in writing:

14.7.1 Compliance with Laws; Licenses and Permits. Consistent with Sections 9.2 and 14 of this Agreement, the Company shall comply with: (i) all applicable laws, rules, regulations, orders, writs, decrees and judgments (including, but not limited to, those of the FCC and any other federal, state or local agency or authority of competent jurisdiction); and (ii) all laws and all rules, regulations, orders, writs, decrees, judgments or other directives of the District, including OCTFME, issued pursuant to this Agreement or applicable law. The Company shall have the sole responsibility, at its own cost, for obtaining all permits, licenses and other forms of approval or authorization necessary to construct, operate, maintain, upgrade, rebuild, enhance, replace or repair the System, or any part thereof.

14.7.2 Maintain Existence. The Company 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 Company 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.

14.7.3 Condition of System. All of the material properties, assets and equipment of the System are, and all such items added in connection with any construction, upgrade, rebuild or enhancement, will be maintained in good repair and proper working order and condition, consistent with the technical specifications set forth in Appendix A to this Agreement, throughout the term of the Agreement and for any time period in which the Company continues to operate the System.

14.7.4 Inconsistent Contracts. The Company shall not enter into any agreement or contract, compliance with which would prevent the Company from performing its obligations under this Agreement.

14.8 Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted transferees and assigns. All of the provisions of this Agreement apply to the Company, its successors and assigns.

14.9 No Waiver; Cumulative Remedies. Subject to the conditions and limitations established in this Agreement, the failure of the District on one or more occasions to exercise a right or to require compliance or performance under this Agreement, the D.C. Cable Law, 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, nor to excuse Company from complying or performing. Except as otherwise provided in this Agreement, the rights and remedies provided herein are cumulative and not exclusive of any remedies provided by law or in equity, and nothing contained in this Agreement shall impair any of the rights of the District under applicable law, subject in each case to the terms and conditions of this Agreement. A waiver of any right or remedy by either party at any one (1) time shall not affect the exercise of such right or remedy or any other right or other remedy by such party at any other time. In order for any waiver to be effective, it must be in writing and it must be explicit, not implied. The failure of the District to take any action in the event of a material breach by the Company shall not be deemed or construed to constitute a waiver of or otherwise affect the right of the District to take any action permitted by this Agreement at any other time in the event that such material breach has not been cured, or with respect to any other material breach by the Company, provided that this sentence is not intended to change or affect the application of the last sentence of Section 626(d) of the Cable Act (47 U.S.C. § 546(d)) (or any successor to such sentence).

14.10 No Opposition. By execution of this Agreement the Company accepts the validity of the terms and conditions of this Agreement (including all Appendices) in their entirety and hereby waives and relinquishes, to the maximum extent permitted by applicable law, any and all rights it (or they) has (or have) as of the Effective Date, or may have had prior to the Effective Date, in law or in equity, to assert in any manner, at any time or in any forum that this Agreement, the Franchise granted pursuant to this Agreement or the processes and procedures pursuant to which this Agreement was

entered into and the Franchise was granted are not consistent with applicable law as of the Effective Date.

14.11 Partial Invalidity. If any section, subsection, sentence, clause, phrase or other portion of this Agreement is, for any reason, declared invalid, in whole or in part, by any court, agency, commission, legislative body or other authority of competent jurisdiction, such portion shall be deemed a separate, distinct and independent portion. Except as provided in SECTION 13 hereof, such declaration shall not affect the validity of the remaining portions hereof, which other portions shall continue in full force and effect.

14.12 Headings and Interpretation. The headings contained in this Agreement are to facilitate reference only, do not form a part of this Agreement and shall not in any way affect the construction or interpretation hereof. Terms such as "hereby," "herein," "hereof," "hereinafter," "hereunder" and "hereto" refer to this Agreement as a whole and not to the particular sentence or paragraph where they appear, unless the context otherwise requires. The term "may" is permissive; the terms "shall" and "will" are mandatory, not merely directive. All references to any gender shall be deemed to include all others, as the context may require. Terms used in the plural include the singular, and vice versa, unless the context otherwise requires. "Number" shall include "amount" and vice versa.

14.13 No Agency. The Company shall conduct the work to be performed pursuant to this Agreement as an independent contractor and not as an agent of the District.

14.14 Governing Law. This Agreement shall be deemed to be executed in the District of Columbia, and shall be governed in all respects, including validity, interpretation and effect, and construed in accordance with the laws of the District of Columbia, as applicable to contracts entered into and to be performed entirely within that jurisdiction.

14.15 Survival of Representations and Warranties. After the term of the Agreement and any extension thereof, the District may seek any lawful remedy for any breach by the Company or any Affiliated Person of any representation or warranty made by such Person and contained in this Agreement, provided that such breach occurred during the term of the Agreement or any extension thereof or, for a representation or warranty specifically limited to being true as of the Effective Date, that such breach occurred as of the Effective Date.

14.16 Delegation of District Rights. Except where this Agreement specifies that an action is to be taken by the Council or the Director of the Mayor's Office of Legal Counsel, the Mayor reserves the right to delegate and redelegate, from time to time, any of District's rights or obligations under this Agreement to any body, organization or official. Except where this Agreement specifies that an action is to be taken by the Council, the Director of the Mayor's Office of Legal Counsel, or a specific District government agency or where the Mayor informs the Company that such rights or

obligations have been delegated to a certain body, organization or official, the Mayor delegates to OCTFME the rights and obligations under this Agreement held or to be performed by the District. The Mayor may redelegate any right or obligation (other than those assigned to or held by the Council or the Director of the Mayor's Office of Legal Counsel). Any such additional delegation by the Mayor shall be effective upon publication in the D.C. Register if publication is required, or upon written notice by OCTFME to the Company of such action. Upon receipt of such notice by the Company, the Company shall be bound by all terms and conditions of the delegation not in conflict with this Agreement. Any such delegation, revocation or redelegation, no matter how often made, shall not be deemed an amendment to this Agreement or require any consent of the Company. Nothing in this Section 14.16 shall be construed to prevent the Council from delegating any fact-finding function, including, but not limited to, the hearing of evidence, in support of a decision that must be made by the Council under this Agreement, provided that the Council is the entity that shall adopt the final findings of fact and conclusions of law for the District (subject to any subsequent judicial process under applicable law).

14.17 Claims Under Agreement. The District and the Company agree that any and all claims asserted by or against the District arising under this Agreement or related thereto shall be heard and determined 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 Company agrees that if the District initiates any action against the Company in Federal Court or in D.C. Court, service of process may be made on the Company either in person, wherever such Company may be found, or by registered mail addressed to the Company at its office in the Franchise Area, which is specified for receipt of notices pursuant to Section 14.5 of this Agreement, or to such other address as the Company may provide to the District in writing.

14.18 Modification. Except where this Agreement (including the Appendix(ces)) specifies that an Appendix to this Agreement may be modified without the approval of both parties, no provision of this Agreement nor any Appendix to this Agreement shall be amended or otherwise modified, in whole or in part, except by an instrument in writing, duly authorized and executed by the District and the Company.

14.19 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.

14.20 Applicable Law; Priority of District Laws. As used in this Agreement, "applicable law" shall include the Constitution of the United States; federal and District statutes, rules and regulations; the administrative and judicial decisions interpreting the preceding sources of law and federal and District common law.

(i) To the extent the D.C. Cable Law, the rules and regulations promulgated by the Council and OCTFME thereunder and the administrative and judicial decisions interpreting the D.C. Cable Law and such rules and regulations answer a question left to "applicable law" under this Agreement, such statute, rules and regulations and decisions shall take precedence over any other source of District law.

14.21 Currency. It is understood and agreed that all references to amounts, prices, dollars, etc., set forth in this agreement shall mean United States currency.

14.22 Time of the Essence. Time is of the essence in the execution and performance of each of the terms of this Agreement.

– end of page –
[signatures appear on the following page]

IN WITNESS WHEREOF, the party of the first part, by its Mayor and Chairman of the Council 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.

THE CITY OF WASHINGTON,
DISTRICT OF COLUMBIA

By _____
Mayor

STARPOWER COMMUNICATIONS, LLC

By _____
Name:
Title:

IN WITNESS WHEREOF, the party of the first part, by its Mayor and Chairman of the Council 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.

THE CITY OF WASHINGTON,
DISTRICT OF COLUMBIA

By _____
Mayor

STARPOWER COMMUNICATIONS, LLC

By _____
Name: Thomas K. Steel, Jr.
Title: Vice President