

HARFORD COUNTY BILL NO. 09-03

Brief Title Verizon Cable Franchise

is herewith submitted to the County Council of Harford County for enrollment as being the text as finally passed.

CERTIFIED TRUE AND CORRECT

Barbara J. O'Connor
Council Administrator

Date February 17, 2009

ENROLLED

Billy J. Gorman
Council President

Date February 17, 2009

BY THE COUNCIL

Read the third time.

Passed: LSD 09-6

Failed of Passage: _____

By Order

Barbara J. O'Connor
Council Administrator

Sealed with the County Seal and presented to the County Executive for approval this 18th day of February, 2009 at 3:00 p.m.

Barbara J. O'Connor
Council Administrator

BY THE EXECUTIVE

David R. Casig
COUNTY EXECUTIVE

APPROVED: Date February 19, 2009

BY THE COUNCIL



This Bill No. 09-03 As Amended having been approved by the Executive and returned to the Council, becomes law on February 19, 2009.

EFFECTIVE DATE: April 20, 2009

Barbara J. O'Connor
Barbara J. O'Connor,
Council Administrator

COUNTY COUNCIL
OF
HARFORD COUNTY, MARYLAND

BILL NO. 09-03

Introduced by Council President Boniface

Legislative Day No. 09-03 Date January 20, 2009

An ACT to grant a nonexclusive cable television franchise to Verizon Maryland, Inc., to operate a cable television system in Harford County; to accept and adopt as complete the franchise application; to incorporate the terms of the Franchise Agreement into this Act; and generally relating to the granting of the cable television franchise to Verizon Maryland, Inc.

By the Council, January 20, 2009

Introduced, read first time, ordered posted and public hearing scheduled

on: February 17, 2009

at: 6:30 p.m.

By Order: Barbara J. Conner, Council Administrator

PUBLIC HEARING

Having been posted and notice of time and place of hearing and title of Bill having been published according to the Charter, a public hearing was held on February 17, 2009, and concluded on February 17, 2009.

Barbara J. Conner, Council Administrator

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW. [Brackets] indicate matter deleted from existing law. Underlining indicates language added to Bill by amendment. Language lined through indicates matter stricken out of Bill by amendment.

**Bill No. 09-03
As Amended**

1 **WHEREAS**, the County Council, pursuant to Chapter 235 of the Harford County Code
2 and Article 25A, Section 5(B) of the Annotated Code of Maryland, as amended, is authorized to
3 grant one or more nonexclusive franchises to operate a cable television system within the County;
4 and

5 **WHEREAS**, the County Council has received an application from Verizon Maryland, Inc.,
6 for a cable television franchise within the County; and

7 **WHEREAS**, the County Council hereby accepts and adopts as complete the franchise
8 application submitted by Verizon Maryland, Inc., on or about December 23, 2008; and

9 **WHEREAS**, after evaluating the information submitted by Verizon Maryland, Inc., the
10 Council has determined that Verizon Maryland, Inc., is legally, technically and financially
11 qualified to construct, operate, and maintain a cable television system within the County for a term
12 of 15 years;

13 **WHEREAS**, the Council has determined that it is in the best interests of and consistent
14 with the health, safety and welfare of the citizens of the County to grant a cable television franchise
15 to Verizon Maryland, Inc., on the terms and conditions set forth in the attached Franchise
16 Agreement;

17 **NOW, THEREFORE:**

18 *SECTION 1. Be It Enacted By The County Council of Harford County, Maryland, that:*

19 A. Verizon Maryland, Inc., is granted a nonexclusive franchise to construct, operate
20 and maintain a cable television system within the County for a period of 15 years from the
21 Effective Date of this Act.

22 B. The County Executive and the County Council expressly reserve the right at all
23 times to exercise, in the interest of the public, full superintendence, regulation, and control in
24 respect to all matters connected to the grant consistent with the provisions of the attached Franchise
25 Agreement and to the full extent permitted by federal law.

**Bill No. 09-03
As Amended**

**Bill No. 09-03
As Amended**

1 C. The franchise application submitted by Verizon Maryland, Inc., on or about
2 December 23, 2008, and on file with the County Council office is hereby accepted and adopted as
3 complete by the County Council.

4 D. The Franchise Agreement attached hereto is hereby incorporated and made part of
5 this Act.

6 Section 2. *And Be It Further Enacted*, that this Act shall take effect 60 calendar days after it
7 becomes law, contingent upon the signing of the attached Franchise Agreement by the authorized
8 representative Verizon Maryland, Inc., and if the Franchise Agreement is not so signed, this Act
9 shall be null and void without the necessity of further action by the County Council.

EFFECTIVE DATE: April 20, 2009

The Council Administrator does hereby certify that fifteen (15) copies of this Bill are immediately available for distribution to the public and the press.

Council Administrator

**Bill No. 09-03
As Amended**

CABLE FRANCHISE AGREEMENT

BETWEEN

HARFORD COUNTY, MARYLAND

AND

VERIZON MARYLAND INC.

DATED: March 9, 2009

TABLE OF CONTENTS

1.	DEFINITIONS	2
2.	GRANT OF AUTHORITY; LIMITS AND RESERVATIONS	7
3.	PROVISION OF CABLE SERVICE	9
4.	SYSTEM OPERATION	11
5.	SYSTEM FACILITIES	11
6.	PEG SERVICES	13
7.	FRANCHISE FEES.....	16
8.	CUSTOMER SERVICE.....	17
9.	REPORTS AND RECORDS.....	17
10.	INSURANCE AND INDEMNIFICATION.....	19
11.	TRANSFER OF FRANCHISE.....	21
12.	RENEWAL OF FRANCHISE	22
13.	ENFORCEMENT AND TERMINATION OF FRANCHISE	22
14.	MISCELLANEOUS PROVISIONS	23
	EXHIBIT A – COUNTY BUILDINGS TO BE PROVIDED FREE CABLE SERVICE.....	28
	EXHIBIT B – SERVICE AREA	32
	EXHIBIT C – NON-DISCLOSURE AGREEMENT	34
	EXHIBIT D – CUSTOMER SERVICE STANDARDS	38
	EXHIBIT E – PERFORMANCE BOND	48

THIS CABLE FRANCHISE AGREEMENT (the "Agreement") is entered into by and between Harford County, a charter county duly organized under the applicable laws of the State of Maryland, by and through its County Council (the Local Franchising Authority or "LFA") and Verizon Maryland Inc. a corporation duly organized under the applicable laws of the State of Maryland (the "Franchisee").

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

WHEREAS, the LFA is a "franchising authority" in accordance with Title VI of the Communications Act (see 47 U.S.C. §522(10)) and is authorized to grant one or more nonexclusive cable franchises pursuant to Chapter 235 of the Harford County Code and Article 25A Section 5(B) of the Annotated Code of Maryland, as amended;

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

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

WHEREAS, Franchisee's Application for a Franchise was approved by the LFA's County Council simultaneously with the approval of this Agreement, and the LFA has considered and approved the financial, technical and legal qualifications of Franchisee, and has determined that Franchisee's plans for its Cable System are adequate, in a full public proceeding affording due process to all parties;

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

WHEREAS, the LFA has determined that the grant of a nonexclusive franchise to Franchisee is consistent with the public interest; and

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

NOW, THEREFORE, in consideration of the LFA's grant of a franchise to Franchisee, Franchisee's promise to provide Cable Service to residents of the Service Area of the LFA pursuant to and consistent with the Communications Act (as hereinafter defined) and this Agreement, pursuant

to the terms and conditions set forth herein, the promises and undertakings herein, and other good and valuable consideration, the receipt and the adequacy of which are hereby acknowledged,

THE SIGNATORIES DO HEREBY AGREE AS FOLLOWS:

1. **DEFINITIONS**

Except as otherwise provided herein, the definitions and word usages set forth in the Communications Act and, in the Cable Code, if not in conflict, are incorporated herein and shall apply in this Agreement. In addition, the following definitions shall prevail in the event of a conflict with the Cable Code:

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

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

1.3 *Additional Service Area*: Shall mean any such portion of the Service Area added pursuant to Section 3.1.3 of this Agreement.

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

1.5 *Bundled Services*: The combination of Cable Services and Non-Cable Service offered to Subscribers in a bundled package.

1.6 *Cable Code*: Chapter 235 of the Harford County Code.

1.7 *Cable Service or Cable Services*: Shall be defined herein as it is defined under Section 602 of the Communications Act, 47 U.S.C. § 522(6).

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

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

1.10 *Communications Act*: The Communications Act of 1934, as amended.

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

1.12 *Educational Access Channel*: An Access Channel available for the use by education institutions in the Franchise Area.

1.13 *Extended Service Area*: The portion of the Franchise Area as outlined in Exhibit B attached hereto.

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

1.15 *Force Majeure* : An event or events reasonably beyond the ability of Franchisee to anticipate and control. This includes, but is not limited to, severe or unusual weather conditions, strikes, labor disturbances, lockouts, war or act of war (whether an actual declaration of war is made or not), insurrection, riots, act of public enemy, actions or inactions of any government instrumentality or public utility including condemnation, accidents for which Franchisee is not primarily responsible, fire, flood, or other acts of God, or work delays caused by waiting for utility providers to service or monitor utility poles to which Franchisee's FTTP Network is attached, and the unavailability of materials and/or qualified labor to perform the work necessary and the replacement thereof would be commercially impracticable.

1.16 *Franchise*: The franchise granted by the Harford County Council as defined in Section 235-2 of the Cable Code.

1.17 *Franchise Area*: The unincorporated area (entire existing territorial limits) of the LFA and such additional areas as may be included in the territorial limits of the LFA during the term of the Franchise.

1.18 *Franchisee*: Verizon Maryland Inc., and its lawful and permitted successors, assigns and transferees.

1.19 *Government Access Channel*: An Access Channel available for the use of the LFA and other local governmental entities located in the Franchise Area.

1.20 *Gross Revenue*: All revenue which is derived by Franchisee from the operation of the Cable System to provide Cable Service in the Service Area. Gross Revenue from Bundled Services will be calculated as provided in Section 7.5. Gross Revenue includes, without limitation: all Subscriber and customer revenues earned or accrued net of bad debts, including revenue for: (i) Basic Service, other service tiers, video on demand and pay per view services, expanded services and premium services; (ii) all fees charged to any Subscribers for any and all Cable Service provided by Franchisee over the Cable System in the Franchise Area, including without limitation Cable Service related program guides, the installation, disconnection or reconnection of Cable Service; revenues from late or delinquent charge fees; cable franchise fee and FCC regulatory fee pass throughs to Subscribers paid by Subscribers to Franchisee; Cable Service related or repair calls; the provision of converters, remote controls, additional outlets and/or other Cable Service related Subscriber premises equipment, whether by lease or fee; (iii) revenues from the sale or lease of access channel(s) or channel capacity; and (iv) compensation received by Franchisee that is derived from the operation of Franchisee's Cable System to provide Cable Service with respect to commissions that are paid to Franchisee as compensation for promotion or exhibition of any products or services on the Cable System, such as "home shopping" or a similar channel, subject to the exceptions below. Gross Revenue includes a pro rata portion of all revenue derived by Franchisee pursuant to compensation

arrangements for advertising derived from the operation of Franchisee's Cable System to provide Cable Service within the Franchise Area, subject to the exceptions below. The allocation shall be based on the number of Subscribers in the Franchise Area divided by the total number of subscribers in relation to the relevant local, regional or national compensation arrangement. Advertising commissions paid to third parties shall not be netted against advertising revenue included in Gross Revenue.

Notwithstanding the foregoing, Gross Revenue shall not include:

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

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

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

1.20.4 Any revenues classified as Non-Cable Services revenue under federal or state law, it being agreed that as of the date of this Agreement such Non-Cable Services include, without limitation, revenue received from Telecommunications Services and revenue received from Information Services, including, without limitation, Internet Access service, electronic mail service and electronic message board service. Should revenue from any service provided by Franchisee over the Cable System be classified as a Cable Service by a final determination or ruling of any agency or court having jurisdiction, after the exhaustion of all appeals related thereto, the LFA shall be entitled, after notification to Franchisee, to amend this Agreement in the manner prescribed by this Agreement to include revenue from Franchisee's provision of such service as Gross Revenue, and Franchisee shall include revenue from such service as Gross Revenue on a going forward basis commencing with the next available billing cycle after the amendment.

1.20.5 Any revenue of Franchisee or any other Person which is received directly from the sale of merchandise through any Cable Service distributed over the Cable System, except for that portion of such revenue which is paid to Franchisee as a commission or a fee for cablecasting such programming.

1.20.6 The sale of Cable Services on the Cable System for resale in which the purchaser is required to collect cable franchise fees from purchaser's customer, provided that such fees are required to be remitted to the LFA;

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

1.20.8 Subject to Section 7.5, any foregone revenue which Franchisee chooses not to receive in exchange for its provision of free or reduced cost cable or other communications services to any Person, including without limitation, employees of Franchisee and public institutions or other institutions designated in the Franchise; provided, however, that such foregone revenue which Franchisee chooses not to receive in exchange for trades, barter, services or other items of value shall be included in Gross Revenue;

1.20.9 Sales of capital assets or sales of surplus equipment;

1.20.10 Program launch fees; and

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

1.21 *Information Services*: Shall be defined herein as it is defined under Section 3 of the Communications Act, 47 U.S.C. §153(20).

1.22 *Initial Service Area*: The portion of the Franchise Area as outlined in Exhibit B attached hereto.

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

1.24 *Local Franchise Authority (LFA)*: The County of Harford (acting by and through its County Council) or the lawful successor, transferee, or assignee thereof.

1.25 *Middle Service Area*: The portion of the Franchise Area as outlined in Exhibit B attached hereto.

1.26 *Non-Cable Services*: Any services that are not Cable Services.

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

1.28 *Normal Operating Conditions*: Those service conditions which are within the control of the Franchisee. Those conditions which are not within the control of the Franchisee include, but are not limited to, natural disasters, civil disturbances, power outages, telephone network outages, and severe or unusual weather conditions. Those conditions which are ordinarily within the control of the Franchisee include, but are not limited to, special promotions, pay-per-view events, rate increases, regular peak or seasonal demand periods, and maintenance or rebuild of the Cable System. See 47 C.F.R. § 76.309(c)(4)(ii).

1.29 *Offer*: Manifesting an intent and capability to provide Cable Service pursuant to this Agreement.

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

1.31 *Person*: Any individual, partnership, association, joint stock company, corporation, joint venture, governmental entity, trust or lawful trustee or the successor, assignee, transferee or personal representative thereof.

1.32 *Public Access Channel*: An Access Channel available for the use by the residents in the Franchise Area as determined by the LFA.

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

1.34 *Service Area*: All portions of the Franchise Area where Cable Service is being offered, including the Initial Service Area, Middle Service Area, Extended Service Area, and any Additional Service areas.

1.35 *Service Date*: The date that the Franchisee first provides Cable Service on a commercial basis directly to multiple Subscribers in the Franchise Area. The Franchisee shall memorialize the Service Date by notifying the LFA in writing of the same, which notification shall become a part of this Agreement.

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

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

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

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

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

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

1.42 *Transfer*:

1.42.1 Any transaction in which:

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

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

1.42.2 However, notwithstanding Sub-subsections 1.42.1.1 and 1.42.1.2 above, a Transfer shall not include transfer of an ownership or other interest in Franchisee to the parent of Franchisee or to another Affiliate of Franchisee; or transfer of an interest in the Franchise or the rights held by the Franchisee under the Franchise and/or this Agreement to the parent of Franchisee or to another Affiliate of Franchisee; or any action which is the result of a merger of the parent of Franchisee; or any action which is the result of a merger of another Affiliate of Franchisee (unless and to the extent such merger would result in a combination of two wireline Cable Service competitors in the Service Area).

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

2. GRANT OF AUTHORITY; LIMITS AND RESERVATIONS

2.1 *Grant of Authority*: Subject to the terms and conditions of this Agreement, the Communications Act and the Cable Code the LFA hereby grants Franchisee the right to own, construct, operate and maintain a Cable System along the Public Rights-of-Way within the Franchise Area, for the sole purpose of providing Cable Service. No privilege or power of eminent domain is bestowed by this grant; nor is such a privilege or power bestowed by this Agreement. The authority granted under the Franchise and this Agreement is pursuant to the LFA's Cable Code. Franchisee explicitly acknowledges and accepts the right of the LFA to issue the Franchise, and Franchisee agrees it shall not now or at any time hereafter challenge this right in any way, or in any court of competent jurisdiction. By its acceptance of the terms of the Franchise and this Agreement, except as may be otherwise provided in this Agreement, Franchisee specifically agrees to abide in all material respects with the lawful requirements of the Cable Code subject to Section 2.7.1 below, and with all applicable federal and state law.

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

2.3 *Term*: The Franchise and this Agreement shall become effective on the date that the Harford County Council's bill granting the Franchise and approving this Agreement becomes effective (the "Effective Date"). The parties shall memorialize the Effective Date in writing. The term of the Franchise and this Agreement shall be fifteen (15) years from the Effective Date unless the Franchise and this Agreement are earlier revoked or terminated as provided herein.

2.4 *Grant Not Exclusive*: The Franchise and the rights granted herein to use and occupy the Public Rights-of-Way to provide Cable Services shall not be exclusive, and the LFA reserves the

right to grant other franchises for similar uses or for other uses of the Public Rights-of-Way, or any portions thereof, to any Person, or to make any such use itself, at any time during the term of the Franchise. Any such rights which are granted shall not by their terms reduce or detract from the authority as granted under the Franchise and this Agreement.

2.5 *Franchise Subject to Federal and State Law:* Notwithstanding any provision to the contrary herein, the Franchise and this Agreement are subject to and shall be governed by all applicable provisions of federal and state law as they may be amended, including but not limited to the Communications Act.

2.6 *No Waiver:*

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

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

2.7 *Construction of Agreement:*

2.7.1 The provisions of this Agreement shall be liberally construed to effectuate their objectives. Franchisee is subject to the Cable Code in effect as of the Effective Date of this Agreement and to all reasonable and lawful exercises of police power by the County, provided that each of these authorities is applied in a manner consistent with Franchisee's rights under this Agreement. In the event of a conflict between the Cable Code and this Agreement, this Agreement shall prevail. The LFA shall not modify the terms and conditions of this Agreement by changes to the Cable Code enacted after the Effective Date. Any amendments to the Cable Code shall be consistent with state and federal law and shall not abrogate any contractual rights of Franchisee contained herein or impose any new obligations or duties on Franchisee that would be inconsistent with this Agreement.

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

2.8 *Police Powers:* Nothing in this Agreement shall be construed to prohibit the reasonable and lawful exercise of LFA's police powers. However, if the reasonable and lawful exercise of LFA's police power results in any material alteration of the terms and conditions of this Agreement, then the parties shall modify this Agreement to the mutual satisfaction of both parties to ameliorate the negative effects on Franchisee of the material alteration. Any modifications to this Agreement shall be in writing. If the parties cannot reach agreement on the above-referenced modification to this Agreement, then Franchisee may terminate this Agreement

without further obligation to the LFA notwithstanding anything to the contrary in the Cable Code.

2.9 Agreement Does Not Address Authority Other Than For Cable Service:

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

3. PROVISION OF CABLE SERVICE

3.1 Service Area:

3.1.1 Initial Service Area: Franchisee shall Offer Cable Service to all residential areas in the Initial Service Area and may make Cable Service available to businesses in the Initial Service Area, within three (3) years of the Service Date, except: (A) for periods of Force Majeure; (B) for periods of delay caused by the LFA; (C) for periods of delay resulting from Franchisee's inability to obtain authority to access rights-of-way in the Service Area; (D) in areas where developments or buildings are subject to claimed exclusive arrangements with other providers; (E) in areas, developments or buildings where Franchisee cannot access under reasonable terms and conditions after good faith negotiation; (F) in areas, developments or buildings where Franchisee is unable to provide Cable Service for technical reasons or which require non-standard Cable System facilities which are not available on a commercially reasonable basis; and (G) in areas where the residential household density does not meet the density and other requirements set forth in Sub-section 3.1.1.1 and Section 3.2.

3.1.1.1 Density Requirement: Franchisee shall make Cable Services available to residential dwelling units in all areas of the Service Area where the average density is equal to or greater than 30 residential dwelling units per mile as measured in strand footage from the nearest technically feasible point on the active FTTP Network trunk or feeder line, provided, however, that if the largest incumbent Cable Service operator in the Franchise Area is also required to do the same, Franchisee shall make Cable Service available to residential units in all areas of the Service Area where the average density is equal to or greater than 25 residential dwelling units per mile as measured in strand footage from the nearest technically feasible point on the active FTTP Network trunk or feeder line. Should, through new construction, an area within the Initial Service Area, the Middle Service Area or Extended Service Area meet the density requirements after the time stated for providing Cable Service as set forth in Subsections 3.1.1, 3.1.2, and 3.1.3 respectively, Franchisee shall provide Cable Service to such area within twelve (12) months of receiving written notice from the LFA that the density requirements have been met by the existence of the requisite number of residences per mile.

3.1.2 *Middle Service Area:* Franchisee shall Offer Cable Service to all residential areas of the Middle Service Area, and may make Cable Service available to businesses in the Middle Service Area, within five (5) years of the Service Date subject to the conditions of Subsection 3.1.1 above and other terms set forth herein.

3.1.3 *Extended Service Area:* Franchisee shall Offer Cable Service to all residential areas of the Extended Service Area, and may make Cable Service available to businesses in the Extended Service Area, within seven (7) years of the Service Date, subject to the conditions of Subsection 3.1.1 above and the other terms set forth herein, provided, however, that the Extended Service Area may be modified in whole or in part by Franchisee on not less than thirty (30) calendar days notice to the LFA and may be reduced only upon demonstrating to the LFA that it would be economically infeasible to serve an area within the Extended Service Area. The LFA shall not unreasonably refuse, delay or condition any such request for a modification of the Extended Service Area.

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

3.2 *Availability of Cable Service:* Franchisee shall make Cable Service available to all residential dwelling units and may make Cable Service available to businesses within the Service Area in conformance with Section 3.1 and Franchisee shall not discriminate between or among any individuals in the availability of Cable Service. In the areas in which Franchisee shall provide Cable Service, Franchisee shall be required to connect, at Franchisee's expense, other than a standard installation charge, all residential dwelling units that are within three hundred (300) feet of trunk or feeder lines not otherwise already served by Franchisee's FTTP Network. Franchisee shall be allowed to recover, from a Subscriber that requests such connection, actual costs incurred for residential dwelling unit connections that exceed three hundred (300) feet and actual costs incurred to connect any non-residential dwelling unit Subscriber.

3.3 *Cable Service to County Buildings:* Subject to 3.1, Franchisee shall provide, without charge within the Service Area, one service outlet activated for Basic Service to the fire stations, police stations, public schools, public libraries, and other buildings used for County purposes designated by the LFA in Exhibit A attached hereto, and newly acquired or constructed schools and County buildings in the Service Area designated hereafter during the term of the Franchise in writing to Franchisee; provided, however, that, except for Harford Community College as set forth in Exhibit A, if it is necessary to extend Franchisee's trunk or feeder lines more than three hundred (300) feet solely to provide service to any such school or public building, the LFA shall have the option either of paying Franchisee's direct costs for such extension in excess of three hundred (300) feet, or of releasing Franchisee from the obligation to provide service to such building. Franchisee shall not be required to provide Cable Service without charge to locations that are not staffed at all or are not fit or designed for occupancy. Furthermore, Franchisee shall be permitted to recover, from any school or other public building owner entitled to free service, the direct cost of installing, when requested to do so, more than one outlet, or concealed inside wiring, or a service outlet requiring more than three hundred

(300) feet of drop cable; provided, however, that Franchisee shall not charge for the Basic Service to the additional service outlets once installed and may charge for additional equipment for any additional outlets, except for the additional equipment for up to seven additional outlets in the County Council's existing building or any new County Council office building. In no event shall Franchisee be required to provide free service hereunder to more buildings than the number served by the incumbent cable operators in the Franchise Area without charge under their franchise agreements. Cable Service may not be resold or otherwise used in contravention of Franchisee's rights with third parties respecting programming. Equipment provided by Franchisee, if any, shall be replaced at retail rates if lost, stolen or damaged.

4. SYSTEM OPERATION

4.1 *Cable System Tests*: Inspection and testing under Sections 235-13.1C, D and E of the Cable Code will be satisfied in the following manner:

4.1.1 Franchisee shall conduct all applicable tests on the Cable System as required by the FCC. All tests shall be conducted in accordance with applicable federal rules.

4.1.2 Franchisee shall sign all records of tests provided to the LFA.

4.1.3 The LFA shall have the right to witness and/or review all federally mandated tests. Franchisee shall provide the LFA with reasonable notice of, and the opportunity to observe, any such tests performed. To the extent the LFA utilizes outside contractors or consultants for these purposes, such contractors and consultants shall sign a nondisclosure agreement in a form substantially similar to that attached as Exhibit C hereto prior to admittance to Franchisee's facilities and witness of such tests.

4.1.4 Franchisee shall retain written reports of any test results hereunder and shall submit the reports to the LFA upon request. The LFA shall have the same rights the FCC has to verify Franchisee's test data.

5. SYSTEM FACILITIES

5.1 *System Characteristics*: To satisfy Section 235-13.1 of the Cable Code Franchisee's Cable System shall meet or exceed the following requirements:

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

5.1.2 Modern design when built, utilizing an architecture that will permit additional improvements necessary for high quality and reliable service throughout the Franchise term. The FTTP Network shall initially utilize the ITU G.983 Passive Optical Network standard and have no active elements so as to make it more reliable.

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

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

5.1.5 Facilities and equipment sufficient to cure violations of any applicable FCC technical standards and to ensure that the Cable System remains in compliance with the standards specified in Subsection 5.1.14.

5.1.6 Facilities and equipment as necessary to maintain, operate, and evaluate the Cable System to comply with any applicable FCC technical standards, as such standards may be amended from time to time.

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

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

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

5.1.10 Sufficient trucks, tools, testing equipment, monitoring devices and other equipment and facilities and trained and skilled personnel required to enable Franchisee to substantially comply with applicable law, and this Agreement, including applicable customer service standards and including requirements for responding to system outages.

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

5.1.12 Design capable of interconnecting with other cable systems in the Franchise Area as set forth in Section 5.3 of this Agreement.

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

5.1.14 The Cable System must conform to or exceed all applicable FCC technical performance standards, as amended from time to time, and any other future applicable technical performance standards, which the LFA is permitted by a change in law to enforce, and shall substantially conform in all material respects to applicable sections of the following standards and regulations to the extent such standards and regulations remain in effect and are consistent with accepted industry procedures:

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

5.1.14.2 National Electrical Code;

5.1.14.3 National Electrical Safety Code (NESC);

5.1.14.4 Obstruction Marking and Lighting, AC 70/7460 i.e., Federal Aviation Administration;

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

5.1.14.6 The Harford County Building and Electrical Codes.

5.2 *General Description:* The Cable System shall, meet or exceed applicable FCC's technical standards (Subpart K of Part 76 of the FCC's Rules).

5.2.1 The FTTP Network fiber shall be initially designed utilizing splitters of no greater than thirty-two (32) homes per splitter. The FTTP Network shall be pass-through or passive.

5.2.2 Status monitoring capability shall be a feature of the electronics at the customer premises in the FTTP Network. The FTTP Network shall deliver fiber to an Optical Network Terminal ("ONT") at the Subscriber's premises. The ONT shall automatically measure optical signal levels (and other distortion measurements) at the Subscriber's premises.

5.3 *Interconnection:* Franchisee shall design its Cable System so that it may be interconnected with other cable systems in the Franchise Area at suitable locations as determined by Franchisee. Interconnection of systems may be made by direct fiber connection or other methods of equivalent quality.

5.4 *Emergency Alert System:* Franchisee shall comply with the Emergency Alert System ("EAS") requirements of the FCC in order that emergency messages may be distributed over the System.

5.5 *Restoration of County Property:* When installing, repairing or disconnecting Cable Service, any County property damaged or destroyed by the Franchisee's employees or agents shall be repaired or replaced by the Franchisee and restored to its pre-existing condition.

5.6 *Restoration of Private Premises:* Franchisee shall ensure that privately-owned premises are restored to their pre-existing condition if damaged by the Franchisee's employees or agents in connection with the installation, repair, or disconnection of Cable Service.

6. **PEG SERVICES**

6.1 *PEG Set Aside:*

6.1.1 In order to ensure universal availability of public, educational and government programming, Franchisee shall provide on the Basic Service Tier one dedicated Public

Access/Educational Access/ and dedicated Government Access Channel (the "PEG Channel"), and, three (3) reserved Access channels which may be activated in accordance with Subsection 6.1.3 below ("Reserved PEG Channels") (jointly the "PEG Access Channels") so long as all other Cable Service providers in the Franchise Area are required to provide the Reserved PEG Channels.

6.1.2 The programming to be carried on the PEG Access Channels set aside by Franchisee will be governmental, educational and public access in nature. LFA hereby authorizes Franchisee to transmit such programming within and outside of LFA jurisdictional boundaries. Franchisee specifically reserves its right to make or change channel assignments in its sole discretion. PEG Channel assignments shall be the same throughout the Cable System. PEG Channel assignments should not be changed unless there is good cause. In the event of such a reassignment, Franchisee shall provide notice of such change in at least two monthly Subscriber bill inserts prior to such change (if commercially practicable) but in no event less than one monthly Subscriber bill insert; provided, however, that such bill inserts shall not be necessary in the event Franchisee provides notice of such changes to all Subscribers in a letter separate from their bill or by a substantially equivalent means.

6.1.3 If the PEG Access Channels provided under this Article are not being utilized by the LFA, Franchisee may utilize such PEG Access Channels, in its sole discretion, until such time as LFA elects to utilize the PEG Access Channels for their intended purposes.

6.1.4 Subject to Section 6.2.2, the LFA may activate a Reserved PEG Channel during the term of this Agreement by providing Franchisee with written notice one hundred twenty (120) calendar days prior to the date it intends to activate any one or more of the Reserved PEG Channels which will originate from the PEG Access Interconnection Site or another existing Interconnection Site pursuant to Subsection 6.2.5 below, demonstrated by a finding of public need in accordance with Section 235-10D of the Cable Code, which programming for purposes of this calculation shall not include character-generated programming. The LFA's written notice shall specify the programming to be carried on such Reserve PEG Channels. Franchisee is hereby authorized to transmit the Reserved PEG Channels within and outside of the LFA. Franchisee shall assign the Reserved PEG Channel on its channel line-up as to the extent such channel assignment does not interfere with any pre-existing channels. The connection of the Reserved PEG Channel(s) activated pursuant to this Section shall be located at the PEG Access Interconnection Site or the Interconnection Site.

6.2 *PEG Direct Connection with LFA:* The LFA has designated Harford Community College, 399 Thomas Run Road, Bel Air, Maryland 21015, as the single point of interconnection for PEG Access Channel facilities with the Cable System (the "PEG Access Interconnection Site").

6.2.1 Subject to the successful completion of all required site preparation work by the LFA and provision of access to Franchisee for equipment, installation and provisioning, Franchisee shall, without charge to the LFA, provide upstream Access Channel transmission connections between its video channel aggregation point and the PEG Access Interconnection Site in order to permit the signals to be correctly routed from the PEG Access Interconnection Site for distribution to Subscribers. The LFA shall deliver the PEG content from any remote program origination points to the PEG Access Interconnection Site and generate a PEG signal suitable for interconnection.

6.2.2 The LFA shall provide to Franchisee at the PEG Access Interconnection Site a suitable video signal and a suitable audio signal in a mutually agreed upon format suitable for the PEG Access Channels. The video and audio signals provided to Franchisee shall be obtained directly from the LFA's facilities at the PEG Access Interconnection Site. Franchisee, upon receipt of the suitable video audio and video signals, shall provide, install and maintain in good working order only the equipment necessary for transmitting the PEG Access Channels signal to Franchisee's channel aggregation site for further processing for distribution to Subscribers. Franchisee's obligations with respect to such upstream transmission equipment and facilities shall be subject to the availability, without charge to Franchisee, of any third party consent that may be necessary to transmit such signals (including the incumbent cable provider), and of suitable required space, environmental conditions, electrical power supply, access, pathways, and facilities and such cooperation of the LFA or any third party as is reasonably necessary for Franchisee to fulfill such obligations. Franchisee's obligation shall be limited to building to the PEG Access Interconnection Site and paying only the reasonable incremental costs of creating the interconnection point, interconnecting to that point, and any continuing costs of maintaining the interconnection point.

6.2.3 Franchisee shall deliver such PEG Access Channel signals at a level of technical quality and reliability that is equivalent to the levels of technical quality and reliability applied by the Franchisee for signals of commercial channels transmitted to Subscribers as a part of Basic Service but is not responsible for the quality of any signal delivered by the LFA. Franchisee shall encode and transmit the PEG Channels from the PEG Origination Point where Franchisee acquires the signal to Subscribers in a manner that ensures that the signals originally provided to Franchisee at the PEG Origination Point experience no greater degradation during such encoding and transmission than do any other signals on the Cable System cablecast by the Franchisee to Subscribers as part of Basic Service, regardless of where they originate or are inserted into the Cable System. If Franchisee makes changes to the Cable System that require improvements to PEG Access facilities to continue to be used as they were intended under the terms of this Agreement, then Franchisee shall, without charge to the LFA, make such changes in either the equipment and facilities referred to in Subsection 6.2.1 or in the Franchisee's video channel aggregation point and distribution equipment and facilities in order to permit the continuation of such intended use.

6.2.4 Subject to Section 6.2.2, Franchisee shall, within one hundred eighty (180) calendar days of the Service Date or delivery of suitable video and audio signals, whichever is later, provide, install, and maintain in good working order the equipment necessary for transmitting such signals to Subscribers from the PEG Access Interconnection Site.

6.2.5 In the event that the LFA activates a Reserved PEG Channel from a site other than the PEG Access Interconnection Site, Franchisee shall obtain the programming for such Reserved PEG Channel via a dedicated fiber connection to the additional PEG interconnection site (the "Interconnection Site") so long as such connection is to a mutually agreeable public building located within the Franchise Area or another area within Harford County for which Franchisee has an effective cable franchise agreement and is within reasonable proximity to the Franchisee's FTTP trunk or feeder lines. Franchisee's obligations under this Subsection 6.2.5, including its obligation to provide upstream equipment and facilities necessary to transmit signals, is limited to one additional Interconnection Site and shall be subject to the requirements that are applicable to the PEG Access Interconnection Site in Subsections 6.2.1, 6.2.2 and 6.2.3 above and to the provision by the LFA, without charge to Franchisee, of access to PEG facilities and any other cooperation and access to facilities as are reasonably necessary for

the Franchisee to fulfill the obligations stated herein. Franchisee shall, within one hundred eighty (180) calendar days of the delivery of suitable video and audio signals, provide, install, and maintain in good working order the equipment necessary for transmitting such signals to Subscribers from the Interconnection Site.

6.3 LFA shall require all local producers and users of any of the PEG facilities or Channels to agree in writing to authorize Franchisee to transmit programming consistent with this Agreement and to defend and hold harmless Franchisee and the LFA, from and against any and all liability or other injury, including the reasonable cost of defending claims or litigation, arising from or in connection with claims for failure to comply with applicable federal laws, rules, regulations or other requirements of local, state or federal authorities; for claims of libel, slander, invasion of privacy, or the infringement of common law or statutory copyright; for unauthorized use of any trademark, trade name or service mark; for breach of contractual or other obligations owing to third parties by the producer or user; and for any other injury or damage in law or equity, which result from the use of a PEG facility or Channel.

6.4 To the extent permitted by federal law, the Franchisee shall be allowed to recover the costs arising from the provision of PEG services from Subscribers and to include such costs as a separately billed line item on each Subscriber's bill. Without limiting the foregoing, if allowed under state and federal laws, Franchisee may externalize, line-item, or otherwise pass-through interconnection costs to Subscribers.

7. FRANCHISE FEES

7.1 *Payment to LFA:* Franchisee shall pay to the LFA a Franchise fee of three percent (3%) of annual Gross Revenue. In accordance with Title VI of the Communications Act, the twelve (12) month period applicable under the Franchise for the computation of the Franchise fee shall be a calendar year. Such payments shall be made no later than forty-five (45) calendar days following the end of each calendar quarter. Franchisee shall be allowed to submit or correct any payments that were incorrectly omitted, and shall be refunded any payments that were incorrectly submitted, in connection with the quarterly Franchise fee remittances within 90 calendar days following the close of the calendar year for which such payments were applicable. In the event that the LFA should increase the Franchise fee pursuant to Section 235-13A of the Cable Code, and it is permitted by law, the LFA shall be entitled, upon ninety (90) calendar days' written notice to Franchisee, to require Franchisee to pay such higher amount up to a maximum of five percent (5%), and Franchisee agrees to pay such higher amount on a going forward basis, so long as other Cable Service providers in the Franchise Area are required to pay the same Franchise fee percentage that is imposed upon Franchisee.

7.2 If any Franchise fee payment is not made on or before the due date, Franchisee shall pay as additional compensation an interest charge, computed from the due date, at an annual rate equal to the annual commercial prime interest rate of the LFA's primary depository bank during the period such unpaid amount is owed, and no late charges shall be applied to Franchisee under Section 235-13D of the Cable Code.

7.3 *Audit and Supporting Information:* To satisfy Sections 235-13F and 235-13J of the Cable Code each Franchise fee payment shall be accompanied by a brief report prepared by a representative of Franchisee showing the basis for the computation. Subject to Sub-subsection

9.4.1.3, such reports shall not be required to include the number of Franchisee's Subscribers. Subject to the confidentiality requirements of Section 9.2 of this Agreement, Franchisee shall be responsible for making available to the LFA for inspection and audit, all records necessary to confirm the accurate payment of Franchise fees, whether the records are held by Franchisee or an Affiliate that collects or receives funds related to Franchisee's operation in the LFA subject to the payment of Franchise fees under this Agreement. Franchisee shall maintain such records for five (5) years provided that, if the LFA commences an audit within that five year period, Franchisee shall continue to maintain such records for the duration of any audit in progress at the end of that five year period. The LFA shall conduct all audits expeditiously, and neither the LFA nor Franchisee shall unreasonably delay the completion of an audit. The LFA's audit expenses shall be borne by the LFA unless the audit determines the payment to the LFA should be increased by five percent (5%) or more in the audited period, in which case the reasonable and documented out-of-pocket third-party costs of the audit, together with any additional amounts due the LFA as a result of such audit, shall be paid by Franchisee to the LFA with its next quarterly Franchise fee payment pursuant to Section 7.1 due after written notice to Franchisee by the LFA of the underpayment, which notice shall include a copy of the audit report, provided, however, that Franchisee's obligation to pay or reimburse the LFA's audit expenses shall not exceed an aggregate of thirty thousand dollars (\$30,000) per audit. If recomputation results in additional Franchise fees to be paid to the LFA, such amount shall be subject to interest charges computed from the due date, at the annual rate specified in Section 7.2 above. If the audit determines that there has been an overpayment by Franchisee, Franchisee may credit any overpayment against its next quarterly payment under Section 7.1. No auditor employed by the LFA shall be compensated on a success based formula, e.g., payment based on a percentage of an underpayment, if any. The LFA shall not conduct an audit more frequently than once every three years provided, however, that in the event of an underpayment of 5% or more in an audited period this limitation shall not apply to the subsequent audit period.

7.4 *Limitation on Franchise Fee Actions:* The period of limitation for recovery of any Franchise fee payable hereunder shall be five (5) years from the end of the fiscal year during which the Franchise fee payment was made.

7.5 *Bundled Services:* If Cable Services subject to the Franchise fee required under this Article 7 are provided to Subscribers in conjunction with Non-Cable Services, the Franchise fee shall be applied only to the value of the Cable Services, as reflected on the books and records of Franchisee in accordance with FCC or state public utility regulatory commission rules, regulations, standards or orders. Franchise will not intentionally or unlawfully allocate such revenue for the purpose of evading Franchise fee payments under this Agreement. The parties agree that tariffed telecommunication service rates that cannot be discounted by law or regulation are to be excluded from the bundled discount allocation basis.

8. CUSTOMER SERVICE

Customer Service Standards are set forth in Exhibit D, which shall be binding unless amended by written consent of the parties.

9. REPORTS AND RECORDS

9.1 *Open Books and Records:* Upon reasonable written notice to the Franchisee and with no less than thirty (30) calendar days written notice to the Franchisee, the LFA shall have the right to

inspect Franchisee's books and records pertaining to Franchisee's provision of Cable Service in the Franchise Area at any time during Normal Business Hours and on a nondisruptive basis, as are reasonably necessary to ensure compliance with the terms of this Agreement and the Cable Code. Such notice shall specifically reference the records the LFA desires to review, so that Franchisee may organize the necessary books and records for appropriate access by the LFA. Such ability shall satisfy the requirements of Section 235-17 B-C of the Cable Code. Franchisee's responsibility to provide financial information under Section 235-16A of the Cable Code will be limited to Gross Revenue for Franchise fee purposes. Any information requested by the LFA pursuant to Section 235-16F of the Cable Code shall be limited to the provision of Cable Services in the Franchise Area. Franchisee shall not be required to maintain any books and records for Franchise compliance purposes longer than five (5) years.

9.2 *Confidentiality*: Notwithstanding anything to the contrary set forth herein, Franchisee shall not be required to deliver copies of information that it reasonably deems to be proprietary or confidential in nature, nor disclose any of its or an Affiliate's books and records not relating to the provision of Cable Service in the Service Area. The LFA shall treat any information disclosed by Franchisee as proprietary and confidential and shall only disclose it to employees, representatives, and agents thereof who have a need to know, or in order to enforce the provisions hereof. The LFA shall treat as confidential any books, records, reports and information disclosed pursuant to this Agreement and the Cable Code hereunder that constitute proprietary or confidential information under federal or state law, to the extent Franchisee makes the LFA aware of such confidentiality. Franchisee shall be responsible for clearly and conspicuously stamping the word "Confidential" on each page that contains confidential or proprietary information, and shall provide a brief written explanation as to why such information is confidential under State or federal law. If the LFA believes it must disclose any such confidential information in the course of enforcing this Agreement, or for any other reason, it shall advise Franchisee in advance so that Franchisee can take appropriate steps to protect its interests. If the LFA receives a demand from any Person for disclosure of any information designated by Franchisee as confidential, the LFA shall, so far as consistent with applicable law, advise Franchisee and provide Franchisee with a copy of any written request by the party demanding access to such information within a reasonable time. Unless otherwise ordered by a court or agency of competent jurisdiction, the LFA agrees that, to the extent permitted by state and federal law, it shall deny access to any of Franchisee's information marked confidential as set forth above to any Person. Franchisee shall not be required to provide Subscriber information in violation of Section 631 of the Communications Act, 47 U.S.C. §551.

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

9.3.1 Records of all written complaints and those otherwise captured by Franchisee's complaint process for a period of three (3) years after receipt by Franchisee. The term "complaint" as used herein refers to complaints about any aspect of the Cable System or Franchisee's cable operations, including, without limitation, complaints about employee courtesy. Complaints recorded will not be limited to complaints requiring an employee service call. This shall fulfill the requirements of Section 235-11D(i) of the Cable Code;

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

9.3.3 Records of service calls for repair and maintenance for a period of three (3) years after resolution by Franchisee, indicating the date and time service was required, the date of

acknowledgment and date and time service was scheduled (if it was scheduled), and the date and time service was provided, and (if different) the date and time the problem was resolved;

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

9.3.5 A map showing the area of coverage for the provisioning of Cable Services and estimated timetable to commence providing Cable Service.

9.4 *Certain Cable Code Requirements:*

9.4.1 *Reporting Requirements:*

9.4.1.1 The information to be provided to the LFA pursuant to Section 235-11D(i) of the Cable Code will be satisfied by the records retention requirements of Section 9.3 above, and the information to be provided to the LFA pursuant to Sections 235-16 B and C of the Cable Code may be satisfied by providing (i) the number of homes passed by the Cable System which will be for each of Franchisee's wire centers serving the Franchise Area, (ii) the miles of cable distribution plant in service which will be for the FTTP Network plant, and (iii) a general description of the deployment of Cable Service availability in a form reasonably requested by the LFA.

9.4.1.2 In satisfaction of Section 235-16B of the Cable Code Franchisee shall upon request and with no less than thirty (30) calendar days' notice, but no more than once per year, have a representative of the Franchisee meet with representatives of the LFA, in multiple sessions as may be necessary or appropriate, to provide additional information on the status of Franchisee's deployment of Cable Services in the Franchise Area. During these meetings, the Franchisee representative will show the LFA representatives, for viewing only, a map showing the availability of Cable Services in the Franchise Area in satisfaction of the requirements of Section 235-16C of the Cable Code.

9.4.1.3 When Franchisee submits the annual report to the LFA pursuant to Section 235-16 of the Cable Code, but in no event earlier than ninety (90) calendar days after the end of Franchisee's fiscal year, it will also provide the aggregate number of Subscribers for all classes of service and such information shall be treated as confidential by the LFA as provided in Section 9.2 hereof.

9.4.1.4 The information required by Section 235-16E of the Cable Code shall only be provided upon request by the LFA and shall be limited to Franchisee.

9.4.2 *State and Federal Reports:* The copies to be delivered to the LFA under Section 235-16D of the Cable Code shall be provided upon request by the LFA and shall be limited to those public matters that materially pertain to the provision of Cable Service within the Franchise Area.

10. **INSURANCE AND INDEMNIFICATION**

10.1 *Insurance:*

10.1.1 Franchisee shall maintain in full force and effect, at its own cost and expense, during the Franchise term, the following insurance coverage:

10.1.1.1 Commercial General Liability Insurance in the amount of two million five hundred thousand dollars (\$2,500,000) combined single limit for property damage and bodily injury. Such insurance shall cover the construction, operation and maintenance of the Cable System, and the conduct of Franchisee's Cable Service business in the LFA.

10.1.1.2 Automobile Liability Insurance in the amount of two million five hundred thousand dollars (\$2,500,000 combined single limit for bodily injury and property damage coverage.

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

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

10.1.1.5 The limits required above may be satisfied with a combination of primary and excess coverage.

10.1.2 The LFA shall be included as an additional insured under each of the insurance policies required in this Article 10 except Worker's Compensation and Employer's Liability Insurance.

10.1.3 Franchisee shall not cancel any required insurance policy without obtaining alternative insurance in conformance with this Agreement and providing new Certificates of Insurance under Subsection 10.1.5.

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

10.1.5 Within thirty (30) calendar days of the Effective Date, Franchisee shall deliver to LFA Certificates of Insurance showing evidence of the required coverage. In no event shall Franchisee be required to provide copies of its insurance policies to the LFA.

10.1.6 This Section 10.1 satisfies and supersedes the requirements of Section 235-18 of the Cable Code.

10.2 *Indemnification:*

10.2.1 Franchisee agrees to indemnify, save and hold harmless, and defend the LFA, its elected and appointed officials, officers, boards and employees, from and against any liability for damages or claims resulting from the following to the extent caused by Franchisee: (i) the acts or omissions of Franchisee and its employees, officers, agents, contractors or subcontractors, arising out of the construction, installation, maintenance, operation, or removal of the Cable System, including without limitation damage to persons, real property, or personal property caused by the construction,

installation, operation, maintenance, or removal of any structure, equipment, wire, or cable; (ii) the acts or omissions of Franchisee, and its employees, officers, or agents, including any failure or refusal by Franchisee, and its employees, officers, agents, contractors or subcontractors to comply with any obligation or duty imposed on Franchisee by this Agreement or the Cable Code subject to this Agreement; (iii) copyright infringements; and (iv) any failure by Franchisee to secure consents from the owners, authorized distributors, or licensees of programs to be delivered by the Cable System, whether or not any act or omission complained of is authorized, allowed, or prohibited by the Cable Code or this Agreement, and provided that the LFA shall give Franchisee prompt written notice of its obligation to indemnify the LFA as soon as practicable after receipt of a claim or action pursuant to this Subsection and sufficiently in advance of the time for Franchisee's response to a third party claim in order that Franchisee will be able to timely respond and the defense against such claim will not be prejudiced. The LFA shall take action necessary to avoid entry of a default judgment if such action is needed before the LFA provides Franchisee notice; provided, however, that no such action shall in any way prejudice or harm Franchisee. Notwithstanding the foregoing, Franchisee shall not indemnify the LFA, for any damages, liability or claims resulting from the willful misconduct or negligence of the LFA, its officers, agents, employees, attorneys, consultants, independent contractors or third parties or for any activity or function conducted by any Person other than Franchisee in connection with PEG Access, use of any INET or EAS, or the distribution of any Cable Service over the Cable System.

10.2.2 With respect to Franchisee's indemnity obligations set forth in this Section 10.2, Franchisee shall provide the defense of any claims, suits, causes of action, or proceedings brought against the LFA by selecting counsel of Franchisee's choice to defend the claim, subject to the consent of the LFA, which shall not unreasonably be withheld. Franchisee shall keep the LFA and its counsel advised of the progress and the substance of the defense in a timely manner so that, if desired, the LFA can intervene to protect its rights and benefits. Nothing herein shall be deemed to prevent the LFA from cooperating with Franchisee and participating in the defense of any litigation by its own counsel at its own cost and expense, provided however, (i) if a final judgment is obtained against the LFA or one or more of its officers, employees or agents in a suit or action for which the LFA and its officers, employees and agents are entitled to be indemnified and held harmless under Subsection 10.2.1, Franchisee shall pay such judgment, including all costs and attorneys' fees, entered against the LFA and any of its officers, employees and agents; and (ii) Franchisee shall be entitled to settle a claim brought in a suit or action for which the LFA and its officers, employees and agents are entitled to be indemnified and held harmless hereunder, provided that, absent the release of the LFA and any other indemnified parties, Franchisee shall obtain the prior written approval of the LFA for any settlement of such claims against the LFA, which approval shall not be unreasonably withheld or unreasonably delayed. In the event that the terms of any such settlement do not include the release of the LFA and the LFA does not consent to the terms of any such settlement or compromise, Franchisee shall not settle the claim or action but its obligation to indemnify the LFA shall in no event exceed the amount of such settlement. In the event that Franchisee fails, after notice pursuant to Subsection 10.2.1, to undertake the LFA's defense of any claims encompassed within this Section 10.2, Franchisee's indemnification shall include, but is not limited to, the LFA's reasonable attorneys' fees, including fees for outside counsel hired to defend the LFA, incurred in defending against any such claim, suit, cause of action, or proceeding, any interest charges arising from any claim, suit, cause of action, or proceeding arising under this Agreement or the Cable Code.

10.2.3 The LFA shall at no time be liable for any injury or damage occurring to any Person or property from any acts or omissions of Franchisee in the construction, maintenance, use,

operation or condition of the Cable System. It is a condition of this Agreement that the LFA shall not and does not by reason of this Agreement assume any liability whatsoever of Franchisee for injury to Persons or damage to property; provided, however, the LFA shall be responsible for its own acts of willful misconduct or negligence, or breach of obligation committed by the LFA for which the LFA is legally responsible, subject to any and all defenses and limitations of liability provided by law.

11. TRANSFER OF FRANCHISE

Subject to Section 617 of the Communications Act, 47 U.S.C. § 537, no Transfer of the Franchise shall occur without the prior consent of the LFA, provided that such consent shall not be unreasonably withheld, delayed or conditioned. No such consent shall be required, however, for a transfer in trust, by mortgage, by other hypothecation, by assignment of any rights, title, or interest of the Franchisee in the Franchise or Cable System in order to secure indebtedness, or otherwise for transactions otherwise excluded under Section 1.42 above.

12. RENEWAL OF FRANCHISE

The LFA and Franchisee agree that any proceedings undertaken by the LFA that relate to the renewal of the Franchise shall be governed by and comply with the provisions of Section 626 of the Communications Act, 47 U.S.C. § 546.

13. ENFORCEMENT AND TERMINATION OF FRANCHISE

13.1 *Notice of Violations and Cure:* In order to apply the provisions of Section 235-27B(i) of the Cable Code, in the event that the LFA believes that Franchisee has not complied with the terms of this Agreement or applicable provision of the Cable Law, the LFA shall informally discuss any alleged noncompliance, violation or failure with Franchisee. As provided in Section 235-27B(i) of the Cable Code, if these discussions do not lead to resolution of the problem in a reasonable time and if the LFA wishes to pursue the matter further, the LFA shall notify Franchisee in writing of the exact nature of the alleged noncompliance (for purposes hereof, the "Noncompliance Notice"). Franchisee shall have thirty (30) days from receipt of the Noncompliance Notice to: (i) respond to the LFA, if Franchisee contests (in whole or in part) the assertion of noncompliance; (ii) cure such noncompliance; or (iii) in the event that, by the nature of the noncompliance, it cannot be cured within the thirty (30) day period, initiate reasonable steps to remedy such noncompliance and notify the LFA of the steps being taken and the projected date that they will be completed, provided, however, that if such alleged noncompliance creates a safety hazard placing members of the public in imminent danger, Franchisee shall commence cure promptly after notice. In the event that Franchisee fails to respond to the Noncompliance Notice, or in the event that the alleged default is not remedied within thirty (30) days or the date projected pursuant to clause (iii) above, the LFA may pursue any remedies available under this Agreement.

13.2 *Enforcement:* Subject to applicable federal and state law, in the event the LFA determines after the procedures above that Franchisee is in default of any provision of this Agreement, the LFA may:

13.2.1 Seek specific performance of any provision, which reasonably lends itself to such remedy, as an alternative to damages; or

13.2.2 Commence an action at law for monetary damages or seek other equitable relief; or

13.2.3 Exercise its rights under the Security Fund as described in Section 13.4; or

13.2.4 In the case of a substantial material default of a provision of this Agreement or the Cable Code to the extent applicable, seek to revoke the Franchise in accordance with the Cable Code as provided in Section 13.3. Section 235-19.1A(ii) of the Cable Code shall not apply to Franchisee.

13.3 *Revocation:* Should the LFA seek to revoke the Franchise after following the procedures set forth above in this Article 13, the LFA shall give written notice to Franchisee of such intent. The notice shall set forth the specific nature of the noncompliance. Franchisee shall have ninety (90) calendar days from receipt of such notice to object in writing and to state its reasons for such objection. In the event the LFA has not received a satisfactory response from Franchisee, it may then seek termination of the Franchise at a public hearing. The LFA shall cause to be served upon the Franchisee, at least thirty (30) calendar days prior to such public hearing, a written notice specifying the time and place of such hearing and stating its intent to revoke the Franchise. At the designated hearing, Franchisee shall be provided a fair opportunity for full participation, including the right to be represented by legal counsel, to submit information for inclusion in the record. Franchisee shall be permitted to record or make a transcript of such hearing. If the LFA determines that the Franchise shall be revoked, the LFA shall promptly provide Franchisee with written evidence decision setting forth its reasoning. To the extent permitted by applicable law, Franchisee may challenge such determination of the LFA to an appropriate court. Franchisee shall be entitled to such relief as the court finds appropriate. The LFA may, at its sole discretion, take any lawful action which it deems appropriate to enforce the LFA's rights under the Franchise in lieu of revocation of the Franchise, and, except as otherwise provided in this Agreement or the Cable Code, any action, proceeding or exercise of a right by the LFA under Sections 13.1 through 13.3 shall not constitute an election of remedies or a waiver of any other right the LFA may have, including the right to seek specific performance of any provision which reasonably lends itself to such remedy as an alternative to damages. In the event of a revocation of or a failure to renew the Franchise, Franchisee will take reasonable steps to transition Subscribers to another Cable Service provider.

13.4 *Security Fund:* Prior to the Service Date, in satisfaction of Section 235-19 of the Cable Code, Franchisee shall provide to the LFA as security for the performance of its obligations under this Agreement a security fund in the amount of Ten Thousand Dollars (\$10,000) in cash or in the form of the letter of credit reasonably satisfactory to the LFA or in form of a performance bond (the "Security Fund"). Notwithstanding anything to the contrary in Section 235-19 of the Cable Code, the following procedures shall apply to the Security Fund: (i) the LFA may not draw on the Security Fund until thirty (30) calendar days have passed after the LFA has provided Franchisee with written notice of its intent to make such withdrawal and the amount and the reasons therefor; (ii) in the event that the Security Fund is in the form of cash, amounts withdrawn from the Security Fund pursuant to this Section shall be replenished by Franchisee by delivering to the LFA or its designee for deposit in the Security Fund a cash amount equal to the amount so withdrawn within thirty (30) calendar days of its receipt of notice from the LFA of the date and amount of such withdrawal; (iii) in the event the Security Fund is in the form of a letter of credit, Franchisee shall replenish the Security

Fund by establishing a new letter of credit within thirty (30) calendar days of its receipt of notice from the LFA of the date and amount of such withdrawal; and (iv) within thirty (30) calendar days of receipt of the new letter of credit, the LFA shall return the previously issued letter of credit to Franchisee. If Franchisee posts a performance bond ("Performance Bond"), the Performance Bond shall be substantially in the form of Exhibit E attached hereto. In the event that a Performance Bond provided pursuant to this Agreement is not renewed or is cancelled, Franchisee shall provide new security pursuant to this Section within thirty (30) calendar days of such cancellation or failure to renew. Neither cancellation, nor termination nor refusal by surety to extend the Performance Bond, nor inability of Franchisee to file a replacement bond or replacement security for its obligations, shall constitute a loss to the LFA recoverable under the bond. Within five (5) calendar days after a draw, the LFA shall notify Franchisee of the date and amount of the draw from the Performance Bond.

14. MISCELLANEOUS PROVISIONS

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

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

14.3 *Preemption*: In the event that federal or state law, rules, or regulations preempt a provision or limit the enforceability of a provision of this Agreement, the provision shall be read to be preempted to the extent, and for the time, but only to the extent and for the time, required by law. In the event such federal or state law, rule or regulation is subsequently repealed, rescinded, amended or otherwise changed so that the provision hereof that had been preempted is no longer preempted, such provision shall thereupon return to full force and effect, and shall thereafter be binding on the parties hereto, without the requirement of further action on the part of the LFA.

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

14.5 *Notices*: Unless otherwise expressly stated herein, notices required under the Franchise, this Agreement and Sections 235-17A and 235-32 of the Cable Code shall be mailed first class, postage prepaid, to the addressees below. Each party may change its designee or address by providing written notice to the other party. Franchisee's office in Subsection 14.5.1, as may be modified, shall also constitute its principal office for the purposes of Section 235-17A of the Cable Code.

14.5.1 Notices to Franchisee shall be mailed to:

William H. Roberts
President
Verizon Maryland Inc.
1 East Pratt Street, 8E

Baltimore, MD 21202

14.5.2 with a copy to:

~~Jack H. White~~

John Raposa

Senior Vice President and General Counsel Verizon - Telecom

Verizon

1320 N. Courthouse Road

Room 8SE011

Arlington, VA 22201

~~One Verizon Way~~

~~Room VC43E010~~

~~Basking Ridge, NY 07920-1097~~

14.5.3 Notices to the LFA shall be mailed to:

County Council Administrator

212 South Bond Street

Bel Air, MD 21014

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

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

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

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

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

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

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

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

14.14 *LFA Information:* The LFA hereby requests that Franchisee include the LFA's name and address on and omit the LFA's telephone number from Franchisee's bills as permitted by 47 CFR 76.952.

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

14.16 *Certain Cable Code Provisions:* The LFA and Franchisee recognize and agree that due to the nature of the Franchisee's FTTP network and for other reasons, including the filing by Franchisee of an Application for a Franchise that the LFA has deemed to be adequate and complete, the following provisions of the Cable Code are not applicable to the Franchisee: 235-7; 235-10A, E and K; 235-14D; 235-26A and C; and 235-27.1B. In recognition of the fact that Franchisee is a Title II common carrier with authority to construct, own, operate and maintain Telecommunications Facilities and to provide Telecommunications Services pursuant to Communications Act and the laws of the State of Maryland, the matters referred to in Sections 235-9B-K, 235-14A-C, and 235-15 of the Cable Code shall not be applicable to Franchisee. However, the LFA retains whatever regulatory authority the LFA may have with respect to the FTTP Network facilities as Telecommunications Facilities under state and local law, including any Master Agreement for Construction in County Right-of-Ways that may be agreed to between the LFA and Franchisee.

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

14.18 *Jurisdiction and Venue:* Franchisee and the LFA agree that any court action to enforce or interpret the terms of this Agreement shall be brought and maintained exclusively in either the Circuit Court for Harford County, Maryland, or the U.S. District Court for the District of

Maryland, provided that the chosen forum has subject matter jurisdiction over the action and, in the case of an action originally brought in the Circuit Court, without prejudice to the exercise of any right of removal created by federal law.

14.19 *Employment*: In satisfaction of Section 235-20 of the Cable Code Franchisee shall comply with all applicable federal and state laws regarding labor practices and employment.

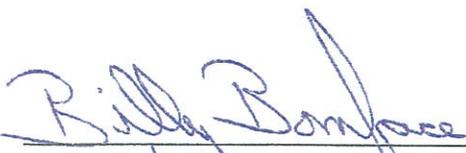
14.20 *Discriminatory Practices and Privacy Protection*: In satisfaction of Section 235-21 of the Cable Code Franchisee shall comply with all applicable federal and state laws regarding discrimination and privacy.

SIGNATURE PAGE FOLLOWS

AGREED TO THIS 9th DAY OF March, 2009.

LFA

Harford County, Maryland

By: 
Title COUNCIL PRESIDENT, HARFORD COUNTY

Verizon Maryland Inc.

By: 
William R. Roberts
President


FORM APPROVED
Attorney
Date 3-6-09

EXHIBITS

Exhibit A: County Buildings to be Provided Free Cable Service

Exhibit B: Service Area

Exhibit C: Non-Disclosure Agreement

Exhibit D: Customer Service Standards

Exhibit E: Performance Bond

ACORD™ CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
04/20/2009

PRODUCER
AON Risk Services Northeast, Inc.
New York NY Office
199 Water Street
New York NY 10038-3551 USA

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

PHONE-(866) 283-7122 FAX-(847) 953-5390

INSURED
Verizon Maryland, Inc.
140 West Street
New York NY 10007-2109 USA

INSURERS AFFORDING COVERAGE		NAIC #
INSURER A:	National Union Fire Ins Co of Pittsburgh	19445
INSURER B:	Illinois National Insurance Co	23817
INSURER C:	Insurance Company of the State of PA	19429
INSURER D:	New Hampshire Ins Co	23841
INSURER E:		

COVERAGES SIR applies per terms and conditions of the policy

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

LIMITS SHOWN ARE AS REQUESTED

INSR LTR	ADD'L INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE(MMDDYY)	POLICY EXPIRATION DATE(MMDDYY)	LIMITS	
A		GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY CLAIMS MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC	9723003 General Liability (Comm)	06/30/08	06/30/09	EACH OCCURRENCE	\$3,000,000
						DAMAGE TO RENTED PREMISES (Ea occurrence)	\$3,000,000
						MED EXP (Any one person)	
						PERSONAL & ADV INJURY	\$3,000,000
						GENERAL AGGREGATE	\$3,000,000
						PRODUCTS - COMP/OP AGG	\$3,000,000
A		AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON OWNED AUTOS	1607559 Auto Liability Verizon C 1607560 Auto Liability (MA) 1607561 Auto Liability- Verizon	06/30/08	06/30/09	COMBINED SINGLE LIMIT (Ea accident)	\$3,000,000
A				06/30/08	06/30/09	BODILY INJURY (Per person)	
A				06/30/08	06/30/09	BODILY INJURY (Per accident)	
						PROPERTY DAMAGE (Per accident)	
		GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT	
						OTHER THAN AUTO ONLY: EA ACC	
						AGG	
		EXCESS /UMBRELLA LIABILITY <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> DEDUCTIBLE <input type="checkbox"/> RETENTION				EACH OCCURRENCE	
						AGGREGATE	
A		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR / PARTNER / EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below	3621124 Worker Compensation AOS 3621131 OR 3621132 MI, NY, WI	06/30/08	06/30/09	<input checked="" type="checkbox"/> WC STATUTORY LIMITS	
A				06/30/08	06/30/09	E.L. EACH ACCIDENT	\$500,000
D				06/30/08	06/30/09	E.L. DISEASE-EA EMPLOYEE	\$500,000
						E.L. DISEASE-POLICY LIMIT	\$500,000
		OTHER					

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS
Verizon is a local exchange service provider that has poles, cable, fiber and conduit located throughout Harford County, Maryland. Harford County is included Additional Insured, where required by written contract, except for Workers Compensation and Employers Liability.

CERTIFICATE HOLDER

Harford County
Attn: Kristin Christian
212 South Bond Street
Bel Air MD 21014 USA

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

Aon Risk Services Northeast, Inc.

Holder Identifier :

Certificate No : 570034015096

Attachment to ACORD Certificate for Verizon Maryland, Inc.

The terms, conditions and provisions noted below are hereby attached to the captioned certificate as additional description of the coverage afforded by the insurer(s). This attachment does not contain all terms, conditions, coverages or exclusions contained in the policy.

INSURED

Verizon Maryland, Inc.
140 West Street
New York NY 10007-2109 USA

INSURER

ADDITIONAL POLICIES

If a policy below does not include limit information, refer to the corresponding policy on the ACORD certificate form for policy limits.

INSR LTR	ADD'L INSRD	TYPE OF INSURANCE	POLICY NUMBER POLICY DESCRIPTION	POLICY EFFECTIVE DATE	POLICY EXPIRATION DATE	LIMITS
		WORKERS COMPENSATION				
B			3621126 FL	06/30/08	06/30/09	
A			3621125 CA	06/30/08	06/30/09	
C			3621127 AR, MA, TN, VA	06/30/08	06/30/09	
A			3621128 NJ	06/30/08	06/30/09	
D			3621129 NY	06/30/08	06/30/09	
D			3621130 TX	06/30/08	06/30/09	

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS

EXHIBIT A**COUNTY BUILDINGS TO BE PROVIDED FREE CABLE SERVICE**

<u>Agency</u>	<u>Location</u>	<u>City</u>	<u>Function</u>
Harford County Government			
*County Administration	220 South Main Street	Bel Air MD 21014	Offices
*County Council & Dept. Public Works	212 South Bond Street	Bel Air MD 21014	Offices
*Public Works & Property Management	18 Office Street	Bel Air MD 21014	Offices
*Community Services	319 South Main Street	Bel Air MD 21014	Offices
*Office on Aging	145 South Hickory Avenue	Bel Air MD 21014	Offices
*Housing Agency	15 South Main Street	Bel Air MD 21014	Offices
*Human Resources	112 South Hays Street	Bel Air MD 21014	Offices
Facilities and Operations	611 North Fountain Green Road	Bel Air MD 21015	Offices and other operations
Extension Office	2335 Rockspring Road	Forest Hill MD 21050	Offices
Soil Conservation	19 Newport Drive	Forest Hill MD 21050	Offices
BRAC Office	1201 Technology Drive	Aberdeen MD 21001	Offices
*Core Service Agency	206 Hays Street	Bel Air MD 21014	Offices
Parks and Recreation Administration	702 North Tollgate Road	Bel Air MD 21014	Offices
Parks and Recreation-Facilities and Operations	1809 Fallston Road	Fallston MD 21047	Offices and Maintenance Facilities
Swan Harbor Farms-Parks and Rec	401 Oakington Road	Havre de Grace MD 21078	Offices
Division of Emergency Operations	2220 Ady Road	Forest Hill MD 21050	Offices
Harford County Senior Centers			
*Aberdeen Senior Center	7 Franklin Street	Aberdeen MD 21001	Senior Center
Edgewood Senior Center	1000 Gateway Road	Edgewood MD 21040	Senior Center
*Havre de Grace Senior Center	401 Lewis Lane	Havre de Grace MD 21078	Senior Center
Highland Senior Center	708 Highland Road	Highland MD 21154	Senior Center
McFaul Senior Center	25 W MacPhail Road	Bel Air MD 21014	Senior Center
Libraries			
*Aberdeen Branch	21 Franklin Street	Aberdeen MD 21001	Library
Abingdon Branch	2510 Tollgate Rd	Abingdon MD 21009	Library
*Bel Air Branch	100 E Pennsylvania Ave	Bel Air MD 21014	Library
Darlington Branch	1134 Main St	Darlington MD 21034	Library
Edgewood Branch	2205 Hanson Rd	Edgewood MD 21040	Library
Fallston Branch	1461 Fallston Rd	Fallston MD 21047	Library
*Havre de Grace Branch	120 N. Union Ave	Havre de Grace MD 21078	Library
Jarrettsville Branch	3722 Norrisville Rd	Jarrettsville MD 21084	Library
Joppatown	655 Towne Center Dr	Joppatown MD 21085	Library
Library Administration	1221 Brass Mill Rd	Riverside MD 21017	Library
Norrisville Branch	5310 Norrisville Rd	White Hall MD 21161	Library
Whiteford Branch	2407 Whiteford Rd	Whiteford MD 21160	Library
Board Of Education			
*Administration	102 S. Hickory Ave	Bel Air MD 21014	Offices
*Aberdeen High School	251 Paradise Road	Aberdeen MD 21001	School
*Aberdeen Middle School	111 Mt. Royal Ave	Aberdeen MD 21001	School
Abingdon Elementary School	399 Singer Rd	Abingdon MD 21009	School
*Bakerfield Elementary School	36 Baker Street	Aberdeen MD 21001	School

* These locations are outside of the Franchise Area, and Franchisee will provide free Cable Service to these locations under this Agreement only if and when Franchisee has an effective cable franchise agreement with the municipalities in which these sites are located, and such sites are in areas where Franchisee is providing Cable Service.

*Bel Air Elementary School	30 E. Lee St	Bel Air MD 21014	School
*Bel Air High School	100 Heighe St	Bel Air MD 21014	School
*Bel Air Middle School	90 Idlewild St	Bel Air MD 21014	School
C. Milton Wright High School	1301 N. Fountain Green Rd	Bel Air MD 21015	School
Church Creek Elementary School	4299 Church Creek Rd	Belcamp MD 21017	School
Churchville Elementary School	2935 Level Rd	Churchville MD 21028	School
Darlington Elementary School	2119 Shuresville Rd	Darlington MD 21034	School
Dublin Elementary School	1527 Whiteford Rd	Street MD 21154	School
Edgewood Middle School	2311 Willoughby Beach Rd	Edgewood MD 21040	School
Edgewood Elementary School	2100 Cedar Dr	Edgewood MD 21040	School
Edgewood High School	2415 Willoughby Beach Rd	Edgewood MD 21040	School
Emmorton Elementary School	2502 Tollgate Rd	Bel Air MD 21014	School
Fallston High School	2301 Carrs Mill Rd	Fallston MD 21047	School
Fallston Middle School	2303 Carrs Mill Rd	Fallston MD 21047	School
Forest Hill Elementary School	2407 Rocks Rd	Forest Hill MD 21050	School
Forest Lakes Elementary School	200 Osborne Pkwy	Forest Hill MD 21050	School
Fountain Green Elementary School	517 Fountain Green Rd	Bel Air MD 21015	School
*Hall's Cross Roads Elementary School	203 East Bel Air Avenue	Aberdeen MD 21001	School
Harford Technical High School	200 Thomas Run Rd	Bel Air MD 21015	School
*Havre de Grace Elementary School	600 S. Juniata St	Havre de Grace MD 21078	School
*Havre de Grace High School	700 Congress Ave	Havre de Grace MD 21078	School
*Havre de Grace Middle School	401 Lewis Lane	Havre de Grace MD 21078	School
Hickory Elementary School	2100 Conowingo Rd	Bel Air MD 21014	School
*Hillsdale Elementary School	810 Edmund St	Aberdeen MD 21001	School
*Homestead Wakefield Elementary School	900 S. Main Street	Bel Air MD 21014	School
Jarrettsville Elementary School	3818 Norrisville Rd	Jarrettsville MD 21084	School
John Archer School	100 Thomas Run Rd	Bel Air MD 21015	School
Joppatown Elementary School	407 Trimble Road	Joppa MD 21085	School
Joppatown High School	555 Joppa Farms	Joppa MD 21085	School
Magnolia Elementary School	901 Trimble Road	Joppa MD 21085	School
*Meadowdale Elementary School	910 Grace View Rd	Havre de Grace MD 21078	School
Norrisville Elementary School	5302 Norrisville Rd	White Hall MD 21161	School
North Bend Elementary School	1445 North Bend Rd	Jarrettsville MD 21084	School
North Harford Elementary School	120 Pylesville Rd	Pylesville MD 21132	School
North Harford High School	211 Pylesville Rd	Pylesville MD 21132	School
North Harford Middle School	112 Pylesville Rd	Pylesville MD 21132	School
Patterson Mill Middle and High School	85 Patterson Mill Rd	Bel Air MD 21015	School
Prospect Mill Elementary School	101 Prospect Mill Rd	Bel Air MD 21015	School
Ring Factory Elementary School	1400 Emmorton Rd	Bel Air MD 21014	School
Riverside Elementary School	211 Stillmeadow Rd	Joppa MD 21085	School
Roye Williams Elementary School	201 Oakington Rd	Havre de Grace MD 21078	School
Southampton Middle School	1321 Moores Mill Rd	Bel Air MD 21014	School
William S. James Elementary School	1 Laurentum Pkwy	Abingdon MD 21009	School
William Paca/ Old Post Elementary School	2706 Philadelphia Rd	Abingdon MD 21009	School
Youth's Benefit Elementary School	1901 Fallston Rd	Fallston MD 21047	School
Court Services			
*Circuit Court	20 West Courtland St	Bel Air MD 21014	Courthouse
*District Court	2 South Bond St	Bel Air MD 21014	Courthouse
*Child Advocacy Center	23 N. Main St.	Bel Air MD 21014	Offices
Health Department			
*Administrative Services	120 Hays St	Bel Air MD 21014	Offices
*Health Services	1 N. Main Street	Bel Air MD 21014	Offices
*Health Education and Planning	119 Hays Street	Bel Air MD 21014	Offices
Edgewood Clinic	1807 Pufaski Highway	Edgewood MD 21040	Clinic
*Havre de Grace Clinic	415 Pennington Ave.	Havre de Grace MD 21078	Clinic
Dental Clinic	2204 Hanson Road	Edgewood MD 21040	Clinic
*Addiction Services	5 N Main St.	Bel Air MD 21014	Clinic
Health Services	1321 Woodbridge Station Way	Edgewood MD 21040	Offices
Fire Companies			

*Aberdeen Fire Company	21 North Rogers Street	Aberdeen MD 21001	Fire Station
Abingdon Fire Company	3306 Abingdon Road	Abingdon MD 21009	Fire Station
*Bel Air Volunteer Fire Company	109 South Hickory Avenue	Bel Air MD 21014	Fire Station
Darlington Fire Company	2600 Castleton Road	Darlington MD 21034	Fire Station
Fallston Volunteer Fire and Ambulance Company	2201 Carrs Mill Road	Fallston MD 21047	Fire Station
Fallston Volunteer Fire and Ambulance Company	3108 Hunt Road	Fallston MD 21047	Fire Station
Jarrettsville Fire Company	3825 Federal Hill Road	Jarrettsville MD 21084	Fire Station
Jarrettsville Fire Company (Blackhorse)	4352 Norrisville Road	White Hall MD 21161	Fire Station
Joppa-Magnolia Fire Company	1403 Old Mountain Road South	Joppa MD 21085	Fire Station
Level Volunteer Fire Company	3633 Level Village Road	Havre de Grace MD 21078	Fire Station
Havre de Grace Ambulance Corps	1601 Level Road	Havre de Grace MD 21078	Fire Station
*Susquehanna Hose Company	1542 Chapel Road	Havre de Grace MD 21078	Fire Station
*Susquehanna Hose Company	547 451 N. Juniata Street	Havre de Grace MD 21078	Fire Station
*Susquehanna Hose Company	301 Market Street	Havre de Grace MD 21078	Fire Station
*Susquehanna Hose Company	125 N. Union Avenue	Havre de Grace MD 21078	Fire Station
*Susquehanna Hose Company	911 Revolution Street	Havre de Grace MD 21078	Fire Station
Law Enforcement			
*Sheriff's Headquarters	45 South Main Street	Bel Air MD 21014	Offices
Detention center	1030 N. Rockspring Road	Bel Air MD 21014	Prison
Northern Precinct	3722 Norrisville Road	Jarrettsville MD 21084	Police Station
Southern Precinct	1010 Gateway Road	Edgewood MD 21040	Police Station
Special Operations	104 Industry Lane	Forest Hill MD 21050	Offices
*Internal Affairs	206 Hays Street	Bel Air MD 21014	Offices
*Records Unit	101 S. Main Street	Bel Air MD 21014	Offices
Elections			
Elections Office	133 Industry Lane	Forest Hill MD 21050	Offices
Harford Community College			
Aberdeen Hall	401 Thomas Run Road	Bel Air MD 21015	Classrooms
Bel Air Hall	401 Thomas Run Road	Bel Air MD 21015	Classrooms
Chesapeake Center	401 Thomas Run Road	Bel Air MD 21015	Classrooms
Edgewood Hall	401 Thomas Run Road	Bel Air MD 21015	Classrooms
Fallston Hall	401 Thomas Run Road	Bel Air MD 21015	Classrooms
Havre de Grace Hall	401 Thomas Run Road	Bel Air MD 21015	Classrooms
Joppa Hall	401 Thomas Run Road	Bel Air MD 21015	Classrooms
Library	401 Thomas Run Road	Bel Air MD 21015	Library
Maryland Hall	401 Thomas Run Road	Bel Air MD 21015	Classrooms
Student Center	401 Thomas Run Road	Bel Air MD 21015	Student Center
Susquehanna Center	401 Thomas Run Road	Bel Air MD 21015	Classrooms
Harford Cable Network			
Harford Cable Network	399 Thomas Run Road	Bel Air MD 21015	Offices

EXHIBIT B
SERVICE AREA

The Initial Service Area, Middle Service Area and the Extended Service Area are shown in the map attached hereto.

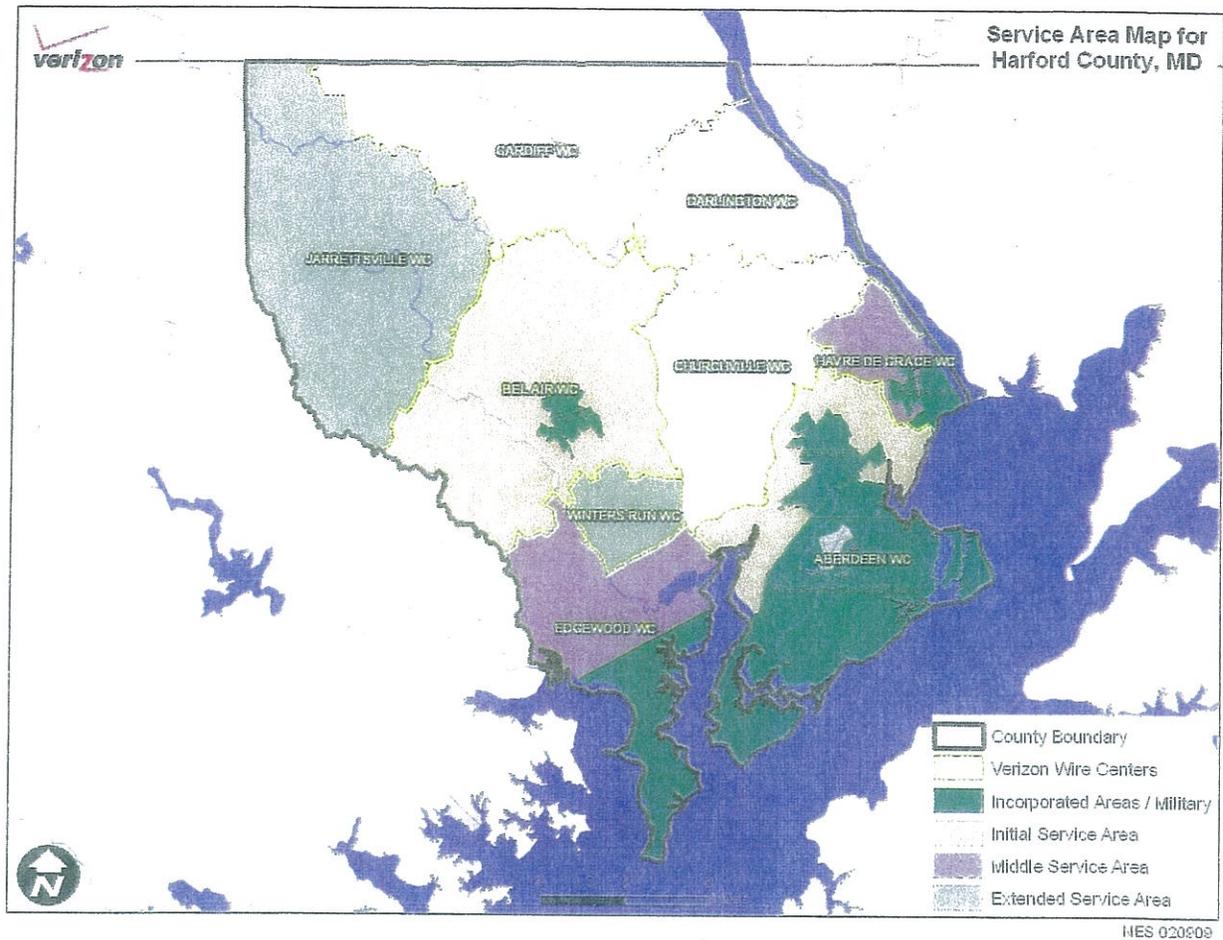


EXHIBIT C**SAMPLE NON-DISCLOSURE AGREEMENT**

THIS NON-DISCLOSURE AGREEMENT ("Agreement") is entered into by and between Verizon Maryland Inc., a corporation duly organized under the applicable laws of Maryland ("Verizon") and _____, having a place of business in _____ ("Consultant").

WHEREAS, on or about _____, the _____ ("LFA") granted a cable franchise (the "Franchise Agreement") to Verizon; and

WHEREAS, the LFA has contracted with the Consultant as an independent contractor to witness and review tests on behalf of the LFA (the "Consultancy").

NOW THEREFORE, considering these premises, Verizon and the Consultant agree as follows:

1. For purposes of this Agreement, "Confidential Information" shall mean any and all information, network designs and equipment, documents, data, correspondence, studies or other records or materials (including all information contained therein) which have been or will be provided, produced or made available to the Consultant by Verizon and its affiliates in connection with, or as the result of, the Consultant's access to Verizon property or otherwise and that are reasonably deemed by Verizon to be proprietary or confidential in nature, including, but not limited to, documents and records identified by, and protected from disclosure by applicable law. Documents which Verizon wishes to designate as "confidential" or "proprietary" shall be clearly so marked in such manner that the written matter is not obliterated or obscured.

2. Access to Confidential Information shall be limited to those individual representatives of the Consultant who are directly involved in the Consultancy and who have executed this Confidentiality Agreement ("Consultant's Staff"), and the Consultant assumes responsibility for compliance with the terms of this Confidentiality Agreement by its respective employees.

3. The Consultant and the Consultant's Staff that are signatories hereto agree not to disclose, publish, or disseminate to the public or to any individual not a signatory hereto (including, but not limited to, the United States government or any agency or department thereof) any Confidential Information (including notes taken therefrom), except as otherwise provided herein. The Consultant and the Consultant's Staff further agree to use any or all of the Confidential Information obtained hereunder only for purposes of the Consultancy. Notwithstanding anything else in this Confidentiality Agreement, Verizon understands that the Consultant must report the results of its findings, which may in part be based on review of Confidential Information, to the County. Consequently, Verizon understands that the Consultant may make reports to the County that will summarize its review of Verizon's Confidential Information and which will be presented in aggregate fashion, without disclosing the specifics of such information, and agrees that the presentation of aggregate non-specific information in this fashion does not violate the terms of this Agreement.

4. Notwithstanding any other provision of this Agreement, the Consultant may disclose or include Confidential Information in any report or materials prepared by the Consultant for the LFA, provided that any such report or materials shall disclose such information only to the extent necessary to convey essential information. If the Consultant intends to disclose or include

Confidential Information concerning specific network elements, designs or equipment, or any components thereof, in any such report or materials, the Consultant shall give Verizon at least fifteen (15) calendar days notice of such intent and provide specific identification of the network elements, designs or equipment to be disclosed or included. Upon receipt of notice, Verizon shall provide the following documentation to the Consultant and the LFA: (i) a statement attesting to the reason(s) Verizon believes the information is confidential; and (ii) a statement that the information is available for review by the LFA at a LFA-designated location. The Consultant shall thereafter redact all disclosure or inclusions of any such information in any report or materials prepared by the Consultant for the LFA.

5. Notwithstanding any other provision of this Agreement, this Agreement shall not apply to Confidential Information that:

(a) was previously known to the Consultant or Consultant's Staff without obligation of confidentiality;

(b) is obtained by the Consultant or Consultant's Staff after the date hereof from a third party that is lawfully in possession of such information and is not in violation of any contractual or legal obligation to Verizon or any third party with respect to such information;

(c) is or becomes part of the public domain through no fault of the Consultant or Consultant's Staff;

(d) is ordered to be disclosed by administrative or judicial action, provided that the Consultant, immediately after notice of such request for disclosure, notifies Verizon of such request to give Verizon sufficient time to seek a protective order or utilize other remedies to protect the Confidential Information; or,

(e) the Consultant is legally required to disclose; or,

(f) is approved for disclosure and release by written authorization by Verizon.

6. The Consultant shall give Verizon at least fifteen (15) business days notice of its desire to disclose, in the course of any judicial or administrative proceeding resulting from the Consultancy, any Confidential Information, including but not limited to any proffer of evidence. If any such disclosure is planned, the Consultant and Verizon shall meet for purposes of attempting, in good faith, to establish procedures that will accommodate the needs of the Consultant while at the same time ensuring the nondisclosure of Confidential Information other than to the extent necessary for purposes of the relevant proceeding. In the event of a failure to agree, the Consultant and Verizon will submit the issue of appropriate protection from disclosure to the appropriate court or administrative tribunal.

7. Nothing in this Confidentiality Agreement shall limit Verizon's right to seek greater protection for particular Confidential Information from a court of competent jurisdiction, including the right to seek to preclude access altogether. Nor shall anything in this Confidentiality Agreement limit or restrict Verizon's right to challenge the admissibility or use of any document or information in any administrative or judicial proceeding resulting from the Consultancy on any legitimate ground.

8. This Confidentiality Agreement shall become effective as of the earliest date on which the parties hereto execute this Confidentiality Agreement and shall, unless the parties hereto agree in writing to an earlier termination date, continue for a period of five (5) years. Once the Consultancy is completed, either party may terminate this Confidentiality Agreement upon ten (10) calendar days written notice to the other party. However, Verizon may terminate the Confidentiality

Agreement for the Consultant's or the Consultant's Staff's failure to comply with the terms and conditions of the Confidentiality Agreement, subject to the following steps:

Verizon shall provide notice to the Consultant, with copy of such notice also provided by Verizon to the LFA, of its intent to terminate the Confidentiality Agreement and indicate the reason or reasons for such termination;

The Consultancy shall be paused and the Consultant shall have reasonable opportunity to assure Verizon, to Verizon's satisfaction, that it is conducting the Consultancy in compliance with the terms and conditions of the Confidentiality Agreement; and,

Should Verizon then determine that the Consultant or Consultant's Staff cannot, will not, or is not complying with the terms and conditions of the Confidentiality Agreement, Verizon may then, following consultation with the LFA, terminate the Confidentiality Agreement.

9. All obligations regarding use and disclosure of Confidential Information shall survive and continue any termination, cancellation or expiration of this Confidentiality Agreement. Upon expiration or termination of this Agreement, the Consultant and Consultant's Staff shall, as may be requested by Verizon, destroy or return to Verizon all Confidential Information.

10. Nothing in this Confidentiality Agreement shall limit Verizon's right to deny access to certain properties or business records on the basis that the information sought is not reasonably related to the subject of the Consultancy, is subject to the attorney-client privilege, or constitutes attorney work product. Nor shall anything in this Confidentiality Agreement be construed to limit or restrict Verizon's right to challenge the admissibility or use of any of its business records in any administrative or judicial proceeding resulting from the Consultancy on any legitimate ground, including but not limited to competence, relevance, materiality, or privilege.

11. All notices or other communications required or permitted to be made or given hereunder shall be in writing and shall be mailed or delivered to the below addresses or at such other address as may be specified by the parties in writing:

For Verizon:

Name: _____

Title: _____

Company: _____

Address: _____

Telephone: _____

Facsimile: _____

For Consultant:

Name: _____

Title: _____

Company: _____

Address: _____

Telephone: _____

Facsimile: _____

12. The individuals executing this Agreement for and on behalf of the parties hereto represent that they are fully authorized and empowered to do so for and on behalf of their respective principals.

Executed on the respective dates set forth below:

VERIZON

Verizon Maryland, Inc.

Name: _____

Title: _____

Date: _____

CONSULTANT

Name: _____

Title: _____

Date: _____

EXHIBIT D

CUSTOMER SERVICE STANDARDS

These standards shall apply to Franchisee to the extent it is providing Cable Services over the Cable System in the Franchise Area, as well as the customer service requirements in the Cable Code to the extent they are consistent with this Exhibit D.

SECTION 1: DEFINITIONS

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

B. **Significant Outage**: A significant outage of the Cable Service shall mean any Service Interruption or System Malfunction lasting at least four (4) continuous hours that affects at least ten percent (10%) of the Subscribers in the Service Area.

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

D. **Standard Installation**: Installations where the subscriber is within three hundred (300) feet of trunk or feeder lines.

SECTION 2: TELEPHONE AVAILABILITY

A. The Franchisee shall maintain a toll-free number to receive all calls and inquiries from Subscribers in the Franchise Area and/or residents regarding Cable Service. Franchisee representatives trained and qualified to answer questions related to Cable Service in the Service Area must be available to receive reports of Service Interruptions twenty-four (24) hours a day, seven (7) days a week, and other inquiries at least forty-five (45) hours per week. Franchisee representatives shall identify themselves by name when answering this number.

B. The Franchisee's telephone numbers shall be listed, with appropriate description (e.g. administration, customer service, billing, repair, etc.), in the directory published by the local telephone company or companies serving the Service Area, beginning with the next publication cycle after acceptance of this Franchise by the Franchisee.

C. Franchisee may use an Automated Response Unit ("ARU") or a Voice Response Unit ("VRU") to distribute calls. If a foreign language routing option is provided, and the Subscriber does not enter an option, the menu will default to the first tier menu of English options.

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

D. Under Normal Operating Conditions, calls received by the Franchisee shall be answered within thirty (30) seconds. The Franchisee shall meet this standard for ninety percent (90%) of the calls it receives at all call centers receiving calls from Subscribers, as measured on a cumulative quarterly calendar basis. Measurement of this standard shall include all calls received by the Franchisee at all call centers receiving calls from Subscribers, whether they are answered by a live representative, by an automated attendant, or abandoned after 30 seconds of call waiting.

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

F. Commencing with the first calendar quarter or portion thereof ending after six (6) months from the Service Date, upon request from the LFA, but in no event more than once a quarter thirty (30) calendar days following the end of each quarter, the Franchisee shall report to the LFA the following for all call centers receiving calls from Subscribers except for temporary telephone numbers set up for national promotions:

(1) Percentage of calls answered within thirty (30) seconds as set forth in Subsection 2.D.

(2) Percentage of time customers received busy signal when calling the Verizon service center as set forth in Subsection 2.E.

Subject to consumer privacy requirements, underlying activity will be made available to the LFA for review upon reasonable request.

G. At the Franchisee's option, the measurements and reporting above may be changed from calendar quarters to billing or accounting quarters. The Franchisee shall notify the LFA of such a change at least thirty (30) calendar days in advance of any implementation.

SECTION 3: INSTALLATIONS AND SERVICE APPOINTMENTS

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

B. The Standard Installation shall be performed within seven (7) business days after the placement of the Optical Network Terminal (“ONT”) on the customer’s premises or within seven (7) business days after an order is placed if the ONT is already installed on the customer’s premises. If the ONT is not present, the Standard Installation shall be performed within fourteen (14) business days after an order is placed. For other than a Standard Installation, Franchisee shall provide the customer in advance with a total installation cost estimate and an estimated date of completion.

Commencing with the first calendar quarter or portion thereof ending after six (6) months from the Service Date, Franchisee shall meet this standard for ninety-five percent (95%) of the Standard Installations it performs, as measured on a calendar quarter basis, excluding customer requests for connection later than seven (7) business days after ONT placement or later than seven (7) business days after an order is placed if the ONT is already installed on the customer’s premises.

C. The Franchisee shall provide the LFA with a report upon request from the LFA, but in no event more than once a quarter thirty (30) calendar days following the end of each quarter, noting the percentage of Standard Installations completed within the seven (7) business day period, excluding those requested outside of the seven (7) business day period by the Subscriber. Subject to consumer privacy requirements, underlying activity will be made available to the LFA for review upon reasonable request.

At the Franchisee’s option, the measurements and reporting of above may be changed from calendar quarters to billing or accounting quarters. The Franchisee shall notify the LFA of such a change not less than thirty (30) calendar days in advance.

D. The Franchisee will offer Subscribers “appointment window” alternatives for arrival to perform installations, Service Calls and other activities of a maximum four (4) hours scheduled time block during appropriate daylight available hours, usually beginning at 8:00 AM unless it is deemed appropriate to begin earlier by location exception. At the Franchisee’s discretion, the Franchisee may offer Subscribers appointment arrival times other than these four (4) hour time blocks, if agreeable to the Subscriber. These hour restrictions do not apply to weekends.

SECTION 4: SERVICE INTERRUPTIONS AND OUTAGES

A. The Franchisee shall notify the LFA of any Significant Outage of the Cable Service.

B. The Franchisee shall exercise commercially reasonable efforts to limit any Significant Outage for the purpose of maintaining, repairing, or constructing the Cable System. Except in an emergency or other situation necessitating a more expedited or alternative notification procedure, the Franchisee may schedule a Significant Outage for a period of more than four (4) hours during any twenty-four (24) hour period only after the LFA and each affected Subscriber in the Service Area have been given fifteen (15) calendar days prior notice of the proposed Significant Outage. Notwithstanding the forgoing, Franchisee may perform modifications, repairs and upgrades to the

System between 12.01 a.m. and 6 a.m. which may interrupt service, and this Section's notice obligations respecting such possible interruptions will be satisfied by notice provided to Subscribers upon installation and in the annual subscriber notice.

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

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

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

(2) The Franchisee must begin actions to correct all other Cable Service problems the next business day after notification by the Subscriber or the LFA of a Cable Service problem.

E. Under Normal Operating Conditions, the Franchisee shall complete Service Calls within seventy-two (72) hours of the time Franchisee commences to Respond to the Service Interruption, not including weekends and situations where the Subscriber is not reasonably available for a Service Call to correct the Service Interruption within the seventy-two (72) hour period.

F. The Franchisee shall meet the standard in Subsection E. of this Section for ninety percent (90%) of the Service Calls it completes, as measured on a quarterly basis.

G. Commencing with the first calendar quarter or portion thereof ending after six (6) months from the Service Date, Franchisee shall provide the LFA with a report upon request from the LFA, but in no event more than once a quarter within thirty (30) calendar days following the end of each calendar quarter, noting the percentage of Service Calls completed within the seventy-two (72) hour period not including Service Calls where the Subscriber was reasonably unavailable for a Service Call within the seventy-two (72) hour period as set forth in this Section. Subject to consumer privacy requirements, underlying activity will be made available to the LFA for review upon reasonable request. At the Franchisee's option, the above measurements and reporting may be changed from calendar quarters to billing or accounting quarters. The Franchisee shall notify the LFA of such a change at least thirty (30) calendar days in advance.

H. Under Normal Operating Conditions, the Franchisee shall provide a credit upon Subscriber request when all Channels received by that Subscriber are out of service for a period of four (4) consecutive hours or more. The credit shall equal, at a minimum, a proportionate amount of the affected Subscriber(s) current monthly bill. In order to qualify for the credit, the Subscriber must promptly report the problem and allow the Franchisee to verify the problem if requested by the

Franchisee. If Subscriber availability is required for repair, a credit will not be provided for such time, if any, that the Subscriber is not reasonably available.

I. Under Normal Operating Conditions, if a Significant Outage affects all Video Programming Cable Services for more than twenty-four (24) consecutive hours, the Franchisee shall issue an automatic credit to the affected Subscribers in the amount equal to their monthly recurring charges for the proportionate time the Cable Service was out, or a credit to the affected subscribers in the amount equal to the charge for the basic plus enhanced basic level of service for the proportionate time the Cable Service was out, whichever is technically feasible or, if both are technically feasible, as determined by Franchisee provided such determination is non-discriminatory. Such credit shall be reflected on Subscriber billing statements within the next available billing cycle following the outage.

J. With respect to service issues concerning cable services provided to LFA facilities, Franchisee shall Respond to all inquiries from the LFA within four (4) hours and shall commence necessary repairs within twenty-four (24) hours under Normal Operating Conditions. If such repairs cannot be completed within twenty-four (24) hours, the Franchisee shall notify the LFA in writing as to the reason(s) for the delay and provide an estimated time of repair.

SECTION 5: CUSTOMER COMPLAINTS

Under Normal Operating Conditions, the Franchisee shall investigate Subscriber complaints referred by the LFA within five (5) business days. The Franchisee shall notify the LFA of those matters that necessitate an excess of five (5) business days to resolve, but those matters must be resolved within fifteen (15) calendar days of the initial complaint. The LFA may require reasonable documentation to be provided by the Franchisee to substantiate the request for additional time to resolve the problem. For purposes of this Section, "resolve" means that the Franchisee shall perform those actions, which, in the normal course of business, are necessary to investigate the Customer's complaint and advise the Customer of the results of that investigation.

SECTION 6: BILLING

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

B. Every Subscriber with a current account balance sending payment directly to Franchisee shall be given at least twenty (20) calendar days from the date statements are mailed to the Subscriber until the payment due date.

C. A specific due date shall be listed on the bill of every Subscriber whose account is current. Delinquent accounts may receive a bill which lists the due date as upon receipt; however, the current portion of that bill shall not be considered past due except in accordance with Subsection 6.B. above.

D. Any Subscriber who, in good faith, disputes all or part of any bill shall have the option of withholding the disputed amount without disconnect or late fee being assessed until the dispute is resolved provided that:

(1) The Subscriber pays all undisputed charges;

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

(3) The Subscriber cooperates in determining the accuracy and/or appropriateness of the charges in dispute.

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

E. Under Normal Operating Conditions, the Franchisee shall initiate investigation and resolution of all billing complaints received from Subscribers within five (5) business days of receipt of the complaint. Final resolution shall not be unreasonably delayed.

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

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

H. The Franchisee shall provide all Subscribers with the option of paying for Cable Service by check or an automatic payment option where the amount of the bill is automatically deducted from a checking account designated by the Subscriber. Franchisee may in the future, at its' discretion, permit payment by using a major credit card on a preauthorized basis. Based on credit history, at the option of the Franchisee, the payment alternative may be limited.

SECTION 7: DEPOSITS, REFUNDS AND CREDITS

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

B. The Franchisee shall refund or credit the Subscriber for the amount of the deposit collected for equipment, which is unrelated to poor credit or poor payment history, after one year and provided the Subscriber has demonstrated good payment history during this period. The Franchisee shall pay interest on other deposits if required by law.

C. Under Normal Operating Conditions, refund checks will be issued within the next available billing cycle following the resolution of the event giving rise to the refund, (e.g. equipment return and final bill payment).

D. Credits for Cable Service will be issued no later than the Subscriber's next available billing cycle, following the determination that a credit is warranted, and the credit is approved and processed. Such approval and processing shall not be unreasonably delayed.

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

SECTION 8: RATES, FEES AND CHARGES

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

B. The Franchisee shall provide reasonable notice to Subscribers of the possible assessment of a late fee on bills or by separate notice.

SECTION 9: DISCONNECTION /DENIAL OF SERVICE

A. Franchisee may terminate a Subscriber's service if the Subscriber fails to pay his bill within forty-five (45) days after Franchisee mails the applicable bill to the Subscriber if Franchisee has provided appropriate notice to the Subscriber pursuant to 9.B below.

B. Franchisee shall not terminate Cable Service for nonpayment of a delinquent account unless the Franchisee mails a notice of the delinquency and impending termination prior to the proposed final termination. The notice shall be mailed to the Subscriber to whom the Cable Service is billed. The notice of delinquency and impending termination may be part of a billing statement. In all cases, Franchisee shall provide the customer with at least ten (10) business days written notice prior to disconnections.

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

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

SECTION 10: COMMUNICATIONS WITH SUBSCRIBERS

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

B. All contact with a Subscriber or potential Subscriber by a Person representing the Franchisee shall be conducted in a courteous manner.

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

D. All notices identified in this Section shall be by either:

(1) A separate document included with a billing statement or included on the portion of the monthly bill that is to be retained by the Subscriber; or

(2) A separate electronic notification

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

F. The Franchisee shall provide information to all Subscribers about each of the following items at the time of installation of Cable Services, annually to all Subscribers, at any time upon request, and, subject to Subsection 10.E., at least thirty (30) calendar days prior to making significant changes in the information required by this Section if within the control of the Franchisee:

(1) Products and Cable Service offered;

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

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

(4) Channel positions of Cable Services offered on the Cable System;

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

(6) Procedures for requesting Cable Service credit;

(7) The availability of a parental control device;

(8) Franchisee practices and procedures for protecting against invasion of privacy; and

(9) The address and telephone number of the Franchisee's office to which complaints may be reported.

A copy of notices required in this Subsection 10.F. will be given to the LFA at least fifteen (15) calendar days prior to distribution to subscribers if the reason for notice is due to a change that is within the control of Franchisee and as soon as possible if not within the control of Franchisee.

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

H. Notices of changes of Cable Services and/or Channel locations shall include a description of the new Cable Service, the specific channel location, and the hours of operation of the Cable Service if the Cable Service is only offered on a part-time basis. In addition, should the channel location, hours of operation, or existence of other Cable Services be affected by the introduction of a new Cable Service, such information must be included in the notice.

I. Every notice of termination of Cable Service shall include the following information:

(1) The name and address of the Subscriber whose account is delinquent;

(2) The amount of the delinquency for all services billed;

(3) The date by which payment is required in order to avoid termination of Cable Service; and

(4) The telephone number for the Franchisee where the Subscriber can receive additional information about their account and discuss the pending termination.

J. Franchisee's obligation under Sections 235-11H of the Cable Code shall be satisfied by Franchisee establishing a conveniently located customer service center in Harford County or in a municipality located therein within six (6) months of Franchisee attaining a minimum of ten thousand (10,000) Subscribers in Harford County, including the municipalities located therein. Prior to attaining this level of Subscribers, Franchisee shall provide convenient alternative means for bill payment, and providing for the pick up or drop off of equipment by any one or more of (i) having a Franchisee representative going to the Subscriber's premises, (ii) using a pre-paid mailer, or (iii) establishing a location(s) for the pick up and drop off equipment.

EXHIBIT E
PERFORMANCE BOND

Franchise Bond

Bond No. _____

KNOW ALL MEN BY THESE PRESENTS: That (name & address) (hereinafter called the Principal), and (name and address) (hereinafter called the Surety), a corporation duly organized under the laws of the State of (state), are held and firmly bound unto (name & address) (hereinafter called the Obligee), in the full and just sum of _____ Dollars (\$ _____), the payment of which sum, well and truly to be made, the said Principal and Surety bind themselves, their heirs, administrators, executors, and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal and Obligee have entered into a Franchise Agreement dated _____ which is hereby referred to and made a part hereof, and the Franchise Agreement is subject to the "Cable Code" as defined and described in the Franchise Agreement

WHEREAS, said Principal is required to perform certain obligations under said Agreement and the Cable Code as may be applicable.

WHEREAS, the Obligee has agreed to accept this bond as security against default by Principal of performance of its obligations under said Agreement and/or the Cable Code during the time period this bond is in effect.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH that if the Principal shall perform its obligations under said Agreement, then this obligation shall be void, otherwise to remain in full force and effect, unless otherwise terminated, cancelled or expired as hereinafter provided.

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

1. In the event of default by the Principal, Obligee shall deliver to Surety a written statement of the details of such default not less than 60 calendar days prior to filing a claims notice on this bond, such notice to be delivered by certified mail to address of said Surety as stated herein.
2. This Bond shall be effective _____, ~~2008~~ 2009, and shall remain in full force and effect thereafter for a period of one year and will automatically extend for additional one year periods from the expiry date hereof, or any future expiration date, unless the Surety provides to the Obligee not less than sixty (60) calendar days advance written notice of its intent not to renew this Bond or unless the Bond is earlier canceled pursuant to the following. This Bond

may be canceled at any time upon sixty (60) calendar days advance written notice from the Surety to the Obligee.

3. Neither cancellation, termination nor refusal by Surety to extend this bond, nor inability of Principal to file a replacement bond or replacement security for its obligations under said Agreement, shall constitute a loss to the Obligee recoverable under this bond.
4. No claim, action, suit or proceeding shall be instituted against this bond unless same be brought or instituted and process served within one year after termination or cancellation of this bond.
5. No right of action shall accrue on this bond for the use of any person, corporation or entity other than the Obligee named herein or the heirs, executors, administrators or successors of the Obligee.
6. The aggregate liability of the surety is limited to the penal sum stated herein regardless of the number of years this bond remains in force or the amount or number of claims brought against this bond.
7. This bond is and shall be construed to be strictly one of suretyship only. If any conflict or inconsistency exists between the Surety's obligations as described in this bond and as may be described in any underlying agreement, permit, document or contract to which this bond is related, then the terms of this bond shall supersede and prevail in all respects.

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

IN WITNESS WHEREOF, the above bounded Principal and Surety have hereunto signed and sealed this bond effective this _____ day of _____, ~~2008~~2009.

Principal

Surety

By: _____ By: _____

, Attorney-in-Fact

Accepted by Obligee: _____

(Signature & date above - Print Name, Title below)