COUNTY COUNCIL

OF

TALBOT COUNTY, MARYLAND

2016 Legislative Session, Legislative Day No.: August 23, 2016

Resolution No.: 233

Introduced by: Mr. Bartlett, Mr. Callahan, Mr. Pack, Ms. Price, Ms. Williams

A RESOLUTION TO AUTHORIZE EXECUTION OF A CABLE TELEVISION FRANCHISE AGREEMENT BY AND BETWEEN TALBOT COUNTY, MARYLAND AND THE EASTON UTILITIES COMMISSION, WITHIN THE CORPORATE LIMITS OF TALBOT COUNTY, MARYLAND

By the Council: August 23, 2016

Introduced, read first time, ordered posted, and public hearing scheduled on Tuesday, September 13, 2016 at 6:30 p.m. in the Bradley Meeting Room, South Wing, Talbot County Courthouse, 11 North Washington Street, Easton, Maryland 21601

By Susan W. Moran

Susan W Moran, Secretary

A RESOLUTION TO AUTHORIZE EXECUTION OF A CABLE TELEVISION FRANCHISE AGREEMENT BY AND BETWEEN TALBOT COUNTY, MARYLAND AND THE EASTON UTILITIES COMMISSION, WITHIN THE CORPORATE LIMITS OF TALBOT COUNTY, MARYLAND

WHEREAS, the County pursuant to Local Government Article § 1-708, Md. Code Ann., and Chapter 34 of the Talbot County Code, *Cable Television and Communications Systems* (hereinafter referred to as the "Cable Television Ordinance"), is authorized to grant and renew one (1) or more nonexclusive revocable Franchises to operate, construct, maintain and reconstruct a Cable Television System within Talbot County, Maryland; and,

WHEREAS, Easton Utilities Commission, ("Franchisee") held a franchise to provide Cable Service within the boundaries of Talbot County pursuant to a Franchise Agreement by and between Franchisee and the County dated February 21, 2001, which Agreement has expired; and

WHEREAS, Franchisee desires to provide, or to continue to provide Cable Service within the boundaries of Talbot County and has requested a franchise renewal in order to do same upon the terms and conditions set forth in the attached "*Cable Television Franchise Agreement by and between Talbot County, Maryland, and Easton Utilities Commission, 2016*; and,

WHEREAS, the County has reviewed Franchisee's request and after due evaluation of Franchisee and its application, and after public hearing, has determined that it is in the best interest of Talbot County and its residents to grant a new Franchise to Franchisee;

NOW, THEREFORE, BE IT RESOLVED, by the County Council of Talbot County, Maryland, that:

1. The above recitals are hereby incorporated by reference herein.

2. The Cable Television Franchise Agreement entitled "*Cable Television Franchise Agreement by and between Talbot County, Maryland, and Easton Utilities Commission, 2016.*" attached hereto as Exhibit "A," which is incorporated by reference herein, shall be and is hereby approved for execution by the President of the County Council, on behalf of Talbot County no later than forty-five (45) days from the passage of this Resolution.

3. This Resolution shall be effective upon adoption.

PUBLIC HEARING

Having been posted and Notice of time and place of hearing and Title of Resolution No. ____ having been published, a public hearing was held on _____at _____ p.m. in the Bradley Meeting Room, South Wing, Talbot County Courthouse, 11 North Washington Street, Easton, Maryland 21601.

BY THE COUNCIL

ENACTED: _____

By Order _____
Susan W. Moran, Secretary

Pack -
Williams -
Bartlett -
Price -
Callahan -

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CABLE TELEVISION FRANCHISE AGREEMENT

BY AND BETWEEN

TALBOT COUNTY, MARYLAND

AND

EASTON UTILITIES COMMISSION

2016

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CABLE TELEVISION FRANCHISE AGREEMENT

THIS CABLE TELEVISION FRANCHISE AGREEMENT (this "Agreement") is made and entered into this day of , 2016 by and between TALBOT COUNTY, MARYLAND, a charter county and political subdivision of the STATE OF MARYLAND (the "County" or the "Grantor"), and EASTON UTILITIES COMMISSION, a Maryland municipal utilities company (the "Grantee" or "Franchisee").

RECITALS

WHEREAS, the County, pursuant to Local Government Article § 1-708, Md. Code Ann., and Chapter 34 of the Talbot County Code, titled Cable Television and Communications Systems (hereinafter referred to as the "Cable Television Ordinance"), is authorized to grant and renew one (1) or more nonexclusive revocable Franchises to operate, construct, maintain and reconstruct a Cable Television System within Talbot County, Maryland; and

WHEREAS, Franchisee held a franchise to provide Cable Service within the boundaries of Talbot County pursuant to a Franchise Agreement by and between Franchisee and the County dated February 21, 2001, which Agreement has expired; and

WHEREAS, the Franchisee desires to provide, or continue to provide, Cable Service within the boundaries of Talbot County and has requested a franchise renewal in order to do same;

NOW, THEREFORE, the County hereby grants to the Franchisee a cable television Franchise in accordance with the provisions of Chapter 34 and this Franchise Agreement, and in consideration of the County's grant of a Franchise to Franchisee and the promise by Franchisee to provide Cable Service to the residents of Talbot County, the parties hereto agree as follows:

ARTICLE 1: RENEWAL OF FRANCHISE

SECTION 1.01. Grant of Rights.

The cable television Franchise granted on the day of , to Franchisee, is hereby granted, subject to the terms and conditions of this Agreement. The granting provides Grantee with the authority, right and privilege, to construct, reconstruct, operate and maintain (i) a Cable System in, upon, along, across, above, over, and under the Public Rights-of-Way within Talbot County now in existence and as may be created or established during the Franchise term; (ii) any poles, wires, cable, underground conduits, manholes, and other television conductors and fixtures necessary for the maintenance and operation of a Cable System to provide Cable Service; and (iii) other services as may lawfully be allowed within the Franchise Area. This Agreement does not expressly or implicitly authorize the Grantee to provide service to, or install a Cable System on, private property without the owner's consent (except for use of compatible easements pursuant to the Cable Act), or to use publicly or privately owned conduits or any other public property without a separate agreement with the owner(s) thereto.

(a) Grantee's exercise of the rights granted by this Franchise shall be subject to the permit, inspection, and approval process applicable to all work or construction in the County's rights of way in accordance with Ch. 134, Talbot County Code, and all rules or regulations adopted pursuant thereto. Without limitation of the foregoing, Grantee's exercise of the rights granted by this Franchise shall be subject to all applicable County Ordinances, rules, and regulations as adopted, amended, restated, repealed and re-enacted from time to time.

SECTION 1.02. Right of Grantor to Issue and Renew Franchise.

Grantee acknowledges and accepts the right of Grantor to issue and/or renew a Franchise Agreement and Grantee agrees it shall not now or at any time hereafter challenge any lawful exercise of this right in any local, State or Federal court. This is not, however, a waiver of any constitutional or legal right or privilege on the part of the Grantee.

SECTION 1.03. Effective Date of Franchise.

The Franchise shall be effective on the date that both parties have executed this Franchise Agreement, provided that said date is no later than forty five (45) days after the date that the County, by resolution or otherwise, approves this Franchise Agreement. The Franchise is further contingent upon the Grantee's filing, with the County Manager, the executed Franchise Agreement and the security fund (if required) and insurance certificates, except that if the filing of any such security fund or insurance certificate does not occur within sixty (60) days after the effective date of the resolution approving this

granting and any extension of time hereunder, the Grantor may declare this Franchise null and void.

SECTION 1.04. Duration.

This Franchise Agreement shall commence upon its effective date and shall expire 15 years thereafter at which time it may be renewed for an additional five (5) year period upon the written request of Grantee and following a public hearing, if required, and the County's approval, made within six (6) months of the expiration of the then current term unless revoked or terminated sooner as herein provided.

SECTION 1.05. Written Notice.

All notices, reports or demands required to be given in writing under this Agreement shall be deemed to be given when delivered personally to the Person designated below, or when five (5) days have elapsed after it is deposited in United States mail in a sealed envelope, with registered or certified mail, postage prepaid thereon, or on the next business day if sent by express mail or overnight air courier addressed to the party to which notice is being given, as follows:

If to County:

R. Andrew Hollis
Talbot County Manager
Talbot County Courthouse
11 North Washington Street
Easton, MD 21601

With Copy to:

Michael L. Pullen
County Attorney
Talbot County Office of Law
11 North Washington Street
Easton, MD 21601

If to Grantee:

Hugh Grunden, P.E.
President & CEO
Easton Utilities
201 N. Washington St.
P.O. Box 1189
Easton, MD 21601

With Copy to: _____

Such addresses may be changed by either party upon notice to the other party given as provided in this section.

SECTION 1.06. Franchise Not Exclusive.

Any Franchise granted by the Grantor shall be nonexclusive. The Grantor specifically reserves the right to grant, at any time, such additional Franchises for a Cable System or any component thereof, to any other person including itself subject to the Ordinance and applicable State and Federal law provided, however, that such additional grants shall not operate to materially modify, revoke or terminate any rights granted to Franchisee herein and shall be in accord with applicable law, including the provisions of Chapter 34.

SECTION 1.07. Conflict with Cable Television Ordinance and Reservation of Rights.

The provisions of Chapter 34; *Cable Television and Communications Systems* Talbot County Code, as currently constituted, are hereby incorporated herein by reference as if set out in full, and form part of the terms and conditions of this Agreement. In the event of any conflict between the terms and conditions of this Agreement and the provisions of Chapter 34, then Chapter 34 shall control, except as may be specifically otherwise provided in this Agreement. Notwithstanding the foregoing, this Franchise shall at all times be governed by applicable Federal and State law to the extent the same may require preemption of local law or a provision of this Agreement. Grantor and Grantee each reserves all the rights that they may possess under law unless expressly waived herein.

SECTION 1.08. Definitions.

Except as otherwise provided herein, the definitions and word usage set forth in Chapter 34 are incorporated herein and shall apply in the Agreement. In addition, the following definitions shall apply:

(a) "Cable Service" shall mean:

(1) For the purpose of this Agreement, "cable services" shall mean the definition as determined by an act of the United States Congress, under the Cable Act or otherwise, or by the FCC as may be amended from time to time.

ARTICLE 2: GENERAL REQUIREMENTS

SECTION 2.01. Governing Requirements.

Grantee shall comply with all lawful requirements of this Agreement, the Cable Television Ordinance (Chapter 34) and applicable State and Federal law.

SECTION 2.02. Franchise Fee.

The Grantee shall pay to the Grantor an annual Franchise Fee of five percent (5%) of Grantee's Gross Revenues, as defined in Chapter 34, from Grantee's operations within

the County. The Franchise Fee shall be payable quarterly by April 30, July 31, October 31, and January 31 for the preceding three (3) month periods. Each payment shall the accompanied by a brief report showing the basis for the computation and such other relevant facts as may be required by the County, including the completion of a Franchise Fee Payment Worksheet attached hereto as Exhibit B. The Grantor is entitled to inspect such reports as provided in Section 34-38 of Chapter 34.

SECTION 2.03. Recovery of Processing.

(a) During the term of this Franchise, if the Grantee, pursuant to Section 34-10 of Chapter 34, initiates a request for approval regarding the transfer of this Franchise or change in Control of the Grantee, the Grantee shall reimburse the Grantor for all reasonable out-of-pocket costs up to One Thousand Five Hundred Dollars ($1,500), including attorneys' and consultants' fees and costs, incurred by the Grantor as part of Grantor's review and processing of Grantee's request. Payments of such costs and expenses shall not be deemed to be "Franchise Fees" within the meaning of Section 622 of the Cable Act (47 U.S.C. § 542), and such payments shall not be deemed to be: (i) "payments in kind" or any involuntary payments chargeable against the compensation to be paid to the County by Grantee pursuant to Section 2.02 hereof; or (ii) part of the compensation to be paid to the County by Grantee pursuant to Section 2.02 hereof.

(b) To aid in the analysis and resolution of any future disputed matters relative to this Agreement, the Grantor and Grantee may, by mutual agreement (both as to whether to hire and whom to hire), employ the services of technical, financial or legal consultants, as mediators. All reasonable fees of the consultants incurred by the parties shall be at the respective parties' cost and not borne by the other party.

(c) This Section shall not apply to any sale, assignment or transfer to one or more purchasers, assignees or transferees controlled by, controlling or under common control of Grantee and Grantee shall be permitted to effect any such sale, assignment or transfer without first obtaining the prior approval of the Grantor, so long as the Easton Utilities Commission is the ultimate parent of Grantee which owns or controls more than fifty percent (50%) of the entity which is the Purchaser, assignee or transferee.

SECTION 2.04. Liability Insurance.

(a) Upon the effective date of Franchise, the Grantee shall, at its sole expense, take out and maintain during the life of this Agreement public liability insurance with a company licensed to do business in the State of Maryland with a rating by Best of not less than "A" that shall protect the Grantee, the Grantor, and the Grantor's officials, officers, employees and agents from claims which may arise from operations under this Agreement, whether such operations are by the Grantee, its officials, officers, directors, employees and agents, or any subcontractors of Grantee. This liability insurance shall include, but shall not be limited to, protection against claims arising from bodily and personal injury and damage to property, resulting from Grantee's automobiles, products and completed operations. The amount of insurance for single limit coverage applying to

bodily and personal injury and property damage shall not be less than One Million Dollars ($1,000,000) per occurrence and Two Million Dollars ($2,000,000) in aggregate. The following endorsements shall attach to the liability policy:

(1) The policy shall cover personal injury as well as bodily injury.

(2) The policy shall cover blanket contractual liability subject to the standard universal exclusions of contractual liability included in the carrier's standard endorsement as to bodily injuries, personal injuries, and property damage.

(3) Broad form property damage liability shall be afforded.

(4) The Grantor shall be named as an additional insured on the policy.

(5) An endorsement shall be provided which states that the coverage is primary insurance and that no other insurance effected by the Grantor will be called upon to contribute to a loss under this coverage.

(6) Standard form of cross-liability shall be afforded.

(7) An endorsement stating that the policy shall not be canceled without thirty (30) days written notice of such cancellation given to the Grantor.

(b) Grantor reserves the right to adjust the coverage limit requirements no more than every three (3) years. Any such adjustment by the Grantor will be no greater than the increase in the State of Maryland Consumer Price Index (all consumers) for such three (3) year period.

(c) Grantee shall submit to Grantor documentation of the required insurance including a certificate of insurance signed by the insurance agent and companies named, as well as all properly executed endorsements.

(d) Any deductible or self-insured retention must be declared to Grantor.

SECTION 2.05. Indemnification.

The parties to this Agreement recognize the Grantee is a Commission established by local government, and as such, its ability to provide an indemnification is limited to the extent allowed by law. To the extent possible, the Grantee shall, at its sole cost and expense, indemnify and hold harmless the County, all associated, affiliated, allied and subsidiary entities of the County, now existing or hereinafter created, and their respective officers, boards, commissions, employees, agents, attorneys, and contractors (hereinafter referred to as "Indemnitees"), from and against:

(a) Any and all liability, obligation, damages, penalties, claims, liens, costs, charges, losses and expenses (including, without limitation, reasonable fees and expenses of attorneys, expert witnesses and consultants), which may be imposed upon, incurred by or be asserted against the Indemnitees by reason of any act or omission of a Grantee, its personnel, employees, agents, contractors or subcontractors, resulting in personal injury, bodily injury, sickness, disease or death to any person or damage to, loss of or destruction of tangible or intangible property, libel, slander, invasion of privacy and unauthorized use of any trademark, trade name, copyright, patent, service mark or any other right of any person, firm or corporation, which may arise out of or be in any way connected with the construction, installation, operation, maintenance or condition of a Cable System caused by the negligent actions of Grantee, its subcontractors or agents or the Grantee's failure to comply with any Federal, State or local statute, ordinance or regulation.

(b) Any and all liabilities, obligations, damages, penalties, claims, liens, costs, charges, losses and expenses (including, without limitation, reasonable fees and expenses of attorneys, expert witnesses and other consultants), which are imposed upon, incurred by or asserted against the Indemnitees by reason of any claim or lien arising out of work, labor, materials or supplies provided or supplied to a Grantee, its contractors or subcontractors, for the installation, construction, operation or maintenance of a Cable Television System caused by Grantee, its subcontractors or agents and, upon the written request of the County shall cause such claim or lien to be discharged or bonded within fifteen (15) days following such request.

(c) Any and all liability, obligation, damages, penalties, claims, liens, costs, charges, losses and expenses (including, without limitation, reasonable fees and expenses of attorneys, expert witnesses and consultants), which may be imposed upon, incurred by or be asserted against the Indemnitees by reason of any financing or securities offering by Grantee or its Affiliates for violations of the common law or any laws, statutes, or regulations of the State of Maryland or the United States, including those of the Federal Securities and Exchange Commission, whether by the Grantee or otherwise; excluding therefrom, however, claims which are solely based upon and shall arise solely out of information supplied by the County to the Grantee in writing and included in the offering materials with the express written approval of the County prior to the offering.

(d) Defense of Indemnitees. In the event any action or proceeding shall be brought against the Indemnitees by reason of any matter for which the Indemnitees are indemnified hereunder, a Grantee shall, upon notice from any of the Indemnitees, at the Grantee's sole cost and expense, resist and defend the same with legal counsel mutually acceptable to the County Attorney and Grantee provided further, however, that the Grantee shall not admit liability in any such matter on behalf of the Indemnitees without the written consent of the County Attorney or the County Attorney's designee. The County and Indemnitees shall not settle without Grantee's consent.

(e) Notice, Cooperation and Expenses. The County shall give a Grantee prompt notice of the making of any claim or the commencement of any action, suit, or other proceeding covered by the provisions of this section. Nothing herein shall be deemed to prevent the County from cooperating with Grantee and participating in the defense of any litigation through the County Attorney. The Grantee shall pay all necessary and reasonable expenses incurred by the County in defending itself with regard to any such actions, suits, or proceedings. These expenses shall include all out-of-pocket expenses such as attorney fees and shall include the reasonable value of any services rendered by or on behalf of the County Attorney if such service is determined necessary and appropriate by the County Attorney. No recovery by the County of any sum under a letter of credit, surety bond, performance bond or security deposit shall be any limitation upon the liability of the Grantee to the County under the terms of this section, except that any sum so received by the County shall be deducted from any recovery which the County might have against the Grantee under the terms of this section.

(f) Non-waiver of Statutory Limits. Nothing in this Franchise Agreement is intended to express or imply a waiver of the statutory provisions, of any kind or nature, as set forth in State statutes, including the limits of liability of the County as exists presently or may be increased from time to time by the State legislature.

SECTION 2.06. Grantee's Insurance.

Grantee shall not commence any Cable System construction or reconstruction work or permit any subcontractor to commence work until both shall have obtained or caused to be obtained all insurance required under this Agreement and by law. Said insurance shall be maintained in full force and effect until the completion of reconstruction, and approval thereof by the Grantor.

SECTION 2.07. Workers' Compensation Insurance.

Grantee shall obtain and maintain workers' compensation insurance for all Grantee's employees, and in case any work is sublet, Grantee shall require any subcontractor similarly to provide workers' compensation insurance for all subcontractor's employees, all in compliance with State laws, and to fully protect the Grantor from any and all claims arising out of occurrences on the work. Grantee hereby indemnifies Grantor for any damage resulting to it from failure of either Grantee or any subcontractor to take out and maintain such insurance. Grantee shall provide the Grantor with a certificate of insurance indicating workers' compensation coverage prior to commencing construction or reconstruction of the Cable System.

SECTION 2.08. Security for Performance

(a) Notwithstanding anything in Chapter 34 to the contrary, Grantee and Grantor may agree that Grantee furnish to the Grantor a performance bond in the amount of Twenty Five Thousand Dollars ($25,000) and shall be maintained throughout

the term of the agreement. The form of the performance bond shall be acceptable to the Grantor's County Attorney.

(b) Nothing herein shall be deemed an automatic waiver of the normal permit and bonding requirements made of all contractors working within the County's Streets and Public Rights-of-Way.

SECTION 2.09. Procedure for Remedying Franchise Violations.

(a) The procedures for remedying Franchise violations or breaches shall be consistent with the provisions in the ordinance.

SECTION 2.10. Annual Report.

Upon the written request of Grantor which shall be made not more than annually, Grantee shall submit a written end-of-the-year report to Grantor of services, changes, customer service and operational and ownership change.

SECTION 2.11. Revocation of Franchise.

(a) Major Breach of Franchise. When any event, act or omission on the part of Franchisee occurs which represents a substantial or repeated violation of a material provision of this Agreement, then such event, act or omission may be considered a major breach of this Agreement. Under such circumstances, the Issuing Authority shall notify Franchisee in writing by certified mail, of the specific breach, and direct Franchisee to comply with all provisions of this Agreement for which the Franchisee is in violation.

(b) Events of Defaults. The events, acts and omissions referred to in this Section are the following: (1) bankruptcy; (2) insolvency; (3) failure to pay taxes or franchise fees; (4) failure to receive written Issuing Authority approval for assignment or transfer; or (5) a major breach of this Franchise (as noted in Subsection 14.a above) that remains uncured for the 60-day cure period described in Subsection 14.c below. They do not include events in the nature of force majeure.

(c) Opportunity to Cure. Issuing Authority shall provide Franchisee with written notice of the violation alleged to have occurred and the Franchisee shall have thirty (30) days in which to: (1) cure such violation; (2) in the case of any alleged violation which cannot reasonably be cured within such 30-day period, commence and diligently pursue a cure; or (3) notify the Issuing Authority in writing that it disputes the Issuing Authority's claim of an alleged violation. In the event that Franchisee disputes the Issuing Authority's claim, the Issuing Authority shall, upon reasonable prior written notice, set a hearing before the Council at which the Issuing Authority, Franchisee and any interested party may present evidence relating to the alleged violation. Following the hearing, the Issuing Authority shall make a determination as to whether a violation has occurred. In the event that the Authority reasonably determines that a violation has

occurred, the Issuing Authority shall notify Franchisee in writing of its finding, and shall provide Franchisee thirty (30) days in which to cure such violation, or in the case of a violation which cannot reasonably be cured with such 30-day period, such reasonable amount of time to allow Franchisee commence and diligently pursue a cure.

(d) Public Hearing

(1) Scheduling and Procedures. No sooner than 45 days after such written notice is sent by certified mail to Franchisee, the Issuing Authority may set a date for a public hearing on the matter. The hearing shall afford full due process to Franchisee and shall be held on the record. Both Franchisee and the Issuing Authority shall be permitted to compel the attendance of witnesses and the production or documents, to present evidence and to cross-examine witnesses. The public hearing may be cancelled at any time, if the Issuing Authority is satisfied that Franchisee has corrected and/or cured the violation.

(2) Notice. The Issuing Authority shall provide written notice, by certified mail, to Franchisee of the time and place of said hearing in a manner consistent with state law.

(3) Evidence Regarding Status of Alleged Violation. At the time of the hearing, Franchisee may present information on the current status of the alleged breach of the Franchise. If the situation has been resolved, or steps are being taken to resolve the situation, then Franchisee should present such information at the hearing.

(e) Alternatives if Violation is Found. The Issuing Authority may (once it has held the public hearing) direct the Franchisee to take corrective action within a specified period of time, or may declare the Franchisee in default of this Agreement, and afterwards, revoke, terminate or cancel the Franchise.

(f) Notice to Franchisee. If the Issuing Authority directs corrective action to take place within a specified time or declares Franchisee in default of this Agreement, then that declaration shall be reduced to writing, and the notice of corrective action or default shall be mailed, by certified mail, or in the alternative may be hand-delivered, to Franchisee within 15 days of the Issuing Authority's action.

2. Continuity of Service

As to continuity of service, subject to Franchisee's federal and state constitutional and statutory rights which the parties are deemed not to have waived under this Agreement, the parties agree as follows:

(a) Service After Revocation, Termination, Nonrenewal, Abandonment or Withdrawal. Subject to applicable federal and state law, Franchisee shall provide service for an interim period of up to six (6) months beyond:

(1) Any then-existing Term of this Franchise Agreement or any renewal of the Term;

(2) 45 days' notice from Franchise to the Issuing Authority of Franchisee's proposed abandonment, withdrawal or cessation of service; and

(3) The effective date of any revocation, termination or nonrenewal/expiration (absent renewal) of this Agreement.

(b) Issuing Authority Assistance. During such interim period, the Issuing Authority will assist and otherwise use its best efforts to assist Franchisee in providing a satisfactory basis for Franchisee to continue providing service under this Agreement.

(c) Revenues. During any such interim period in which Franchisee continues to provide service, Franchisee is entitled to all revenues collected, less any franchise fees or other moneys owed to the Issuing Authority; *provided, however*, that Franchisee is not required during any such interim period to provide service if the revenues collected are less than the operating costs incurred.

ARTICLE 3: SYSTEM UPGRADE/REBUILD

SECTION 3.01. Emergency Alert Capability.

Grantee shall provide the System capability to transmit an emergency alert signal consistent with current FCC requirements as they may change from time to time, to all participating Subscribers in the form of a video override capability and "text crawler" messaging capability to permit Grantor to interrupt and cablecast a video or textual message on all channels simultaneously in the event of disaster or public emergency.

SECTION 3.02. Standby Power.

Grantee shall provide standby power generating capacity at the cable communications System control center capable of providing at least three (3) hours of emergency supply. Grantee shall maintain standby power System supplies throughout the major trunk cable networks capable of providing emergency power within the standard limits of commercially available power supply units.

SECTION 3.03. Parental Control Lock.

Grantee shall provide, for sale or lease, to Subscribers, upon request, a parental control locking device or digital code that permits inhibiting the video and audio portions of any channels offered by Grantee.

SECTION 3.04. Status Monitoring.

Grantee shall provide an automatic status monitoring System or a functional equivalent when the Cable System has been activated for interactive service provided that such status monitoring is technically and economically feasible.

SECTION 3.05. Technical Standards.

The Federal Communications Commission ("FCC") Rules and Regulations, Part 76, Subpart K (Technical Standards), as may be amended from time to time shall apply, to the extent permitted by applicable law.

SECTION 3.06. Right of Inspection.

Grantor shall have the right to inspect all construction, reconstruction or installation work performed by Grantee under the provisions of the Franchise and other pertinent provisions of law, to ensure Grantee's compliance and to protect the public health, safety and welfare of Grantor's citizens. Grantee shall have the right to be present at such inspections.

SECTION 3.07. Periodic Evaluation and Review.

Grantor and Grantee acknowledge and agree that the field of cable television is a rapidly changing one that may see many regulatory, technical, financial, marketing and legal changes during the term of this Franchise Agreement. Therefore, to provide for the maximum degree of flexibility in this Franchise Agreement, and to help achieve a continued, advanced and modern Cable System, the following evaluation and review provisions will apply:

(a) The County may request evaluation and review sessions at any time during the term of this Agreement and Grantee shall cooperate in such review and evaluation; provided, however, that there shall not be more than one (1) evaluation and review session during any calendar year.

(b) Topics that may be discussed at any evaluation and review session include, but are not limited to, rates, channel capacity, the System performance, programming, PEG access, the County's uses of cable, Subscriber complaints, judicial rulings, FCC rulings and any other topics that the County or Grantee may deem relevant.

(c) During an evaluation and review session, Grantee shall fully cooperate with the County and shall provide without cost such reasonable information and documents as the County may request to perform the evaluation and review.

(d) If at any time during the evaluation and review, the County reasonably believes that there is evidence of inadequate technical performance of the Cable System, the County may require Grantee, at Grantee's expense, to perform

appropriate tests and analyses directed toward such suspected technical inadequacies. In making such requests, the County shall describe and identify as specifically as possible the nature of the problem and the type of test that the County believes to be appropriate. Grantee shall cooperate fully with the County in performing such tests and shall report to the County the results of the tests, which shall include at least:

(1) a description of the problem in the System performance which precipitated the special tests;

(2) the System component tested;

(3) the equipment used and procedures employed in testing;

(4) the method, if any, by which the System performance problem was resolved; and

(5) any other information pertinent to said tests and analyses.

(e) As a result of an evaluation and review session, the County or Grantee may determine that a change in the Cable System or in the terms of the Franchise Agreement may be appropriate. In that event, either the County or the Grantee may propose modifications to the System or the Franchise. Grantee and the County shall, in good faith, negotiate the terms of the proposed change and any proposed amendment to this Franchise Agreement and seek to reach agreement on such change or amendment when the change or amendment is not inconsistent with the terms of the Franchise Agreement, or with applicable law or regulations, and the change or amendment is technically feasible, economically reasonable and will not result in a material alteration of the rights and duties of the parties under the Franchise Agreement.

SECTION 3.08. Drops, Ownership, Municipal Facilities.

(a) Drops Exceeding 125 Feet. Where the drop to the customer's premise is more than 125 feet in length, in addition to the prevailing installation charge, Franchisee may charge the customer the actual difference between Franchisee's cost of installing a 125-foot- drop and the cost of installing the longer drop required by the customer.

(b) Ownership of Installed Cable. Franchisee shall own all cable installed by Franchisee within the Service Area; *provided, however,* that, if a similar requirement is imposed upon (by law, ordinance or regulation) all other cable operator(s) within the Service Area, Franchisee agrees that its customers shall own all cable installed by Franchisee inside the customers' dwellings *plus* such further length of cable extending beyond the dwellings' exteriors as is required by law.

(c) Municipal Facilities. During the Term, Franchisee shall provide, at no cost to the Issuing Authority, one above-ground cable drop of up to 125 feet from

existing activated plant, expanded basic service (excluding premium and pay-per-view services) to each municipal facility listed in Exhibit B hereto (as defined below) within the Service Area. If the Issuing Authority requests that a particular municipal facility receive either a cable drop which exceeds 125 feet in length and/or an underground installation, Franchisee may charge the Issuing Authority the actual difference between Franchisee's cost of installing a 125-foot above-ground drop and Franchisee's actual cost of installing the drop as requested by the Issuing Authority. For purposes of this Agreement, the term "municipal facilities" means : (1) the public school buildings within the municipal limits, (2) the public libraries within the municipal limits, (3) the Issuing Authority's city hall (or comparable building), (4) police facilities within the municipal limits, and (5) fire facilities within the municipal limits

ARTICLE 4: SERVICES AND PROGRAMMING

SECTION 4.01. Programming.

(a) Broad programming categories. Grantee shall provide or enable the provision of at least the following initial broad categories of programming:

(1) Educational programming;

(2) News & Information;

(3) Sports;

(4) General entertainment (including movies);

(5) Children/family-oriented;

(6) Arts; culture and performing arts;

(7) Science/documentary;

(8) Weather information;

(9) Permissible local broadcast programming which meets the must carry requirements of the FCC and which may include but does not require the following channels: Baltimore, Maryland, Salisbury, Maryland, and Washington, D.C. ABC, CBS, NBC, FOX, WB, and UPN affiliates.

(b) Deletion or reduction of programming categories.

(1) Grantee shall not delete or so limit as to effectively delete any broad category of programming identified in Section 4.01(a) and within its control without the consent of the County or as otherwise authorized by law.

(2) In the event of a modification proceeding under federal law, the mix and quality of services provided by the Grantee on the effective date of this Franchise Agreement shall be deemed the mix and quality of services required under this Franchise throughout its term as reflected in Exhibit A.

(c) Service Extension Policy.

Grantee shall extend the System into any area where such extension will pass a density of at least 19 occupied dwelling units per cable mile. It shall be Grantee's policy to extend the System into any area where the density is less than 19 (but not less than 12) occupied dwelling units per cable mile, provided that at least 13 prospective Subscribers per such mile first (i) commit in advance, in writing, to become Subscribers upon, and for a term of at least one year after, the activation of the respective extension, and (ii) a fee will be levied based on actual cost less the value of a 150' installation.

SECTION 4.02. Leased Commercial Access.

Grantee shall offer leased commercial access on reasonable terms and conditions and according to applicable Federal law.

SECTION 4.03. Periodic Subscriber Survey.

(a) Commencing in January 2013, and at not more than once every three (3) years, the Grantor may request and Grantee shall provide the results of a Subscriber survey, to the extent it determines that those results are not confidential. Each questionnaire shall be prepared and conducted in good faith so as to present reasonably reliable measures of Subscriber satisfaction with:

(1) signal quality;

(2) response to Subscriber complaints;

(3) billing practices;

(4) programming; and

(5) installation practices.

(b) As a part of any annual report requested hereunder, Grantee shall provide the County with a summary of the results of any survey, to the extent that the results are not confidential, conducted during the prior year. Grantee shall report in writing what steps Grantee is taking to implement the findings of the survey, such as correcting problems and expanding services.

(c) Upon the request of Grantee, the Grantor may waive or modify the requirements of this section.

SECTION 4.04. Privacy.

(a) Cable Tapping Prohibited. Franchisee shall not, nor shall Franchisee knowingly permit any person, agency, or entity, without the customer's consent, to tap, or to arrange for the tapping of any cable, line, signal input devise or customer outlet or receiver for any purpose except routine maintenance of the system, polling with audience participation or audience viewing surveys to support advertising research regarding viewer where individual viewer behavior cannot be identified.

(b) Invasion of Privacy Prohibited. In the conduct of providing its services or pursuit of any collateral commercial enterprise resulting from its services, Franchisee shall take all action necessary to prevent an invasion of a customer's right to privacy as such right is defined by applicable law. Franchisee shall not without lawful court order utilize the Cable System's interactive two-way equipment or capability for personal surveillance of any customer or general citizen.

(c) Sale of Personalized Data Restricted. Franchisee shall not sell or otherwise make available to unaffiliated third parties (including the Issuing Authority) lists of names and addresses of customers, or any list which identifies, by name, customer viewing habits, or personalized data pertaining to a customer's use of any of Franchisee's services without the express written consent of the customer to which the personalized data pertains. For purposes of this Section, "personalized data" shall mean the name and/or address of an individual customer directly associated with data obtained on his or her use of specific services provided by or through Franchisee. Nothing in this Agreement shall be construed to prevent, as a normal incident of commercial enterprise, the sale or availability of "non-personalized" or "aggregate data" which is not personalized data as defined in this Agreement.

(d) Landlord/Tenant. Franchisee shall be required, in accordance with this Agreement and applicable law, to provide service to individual units of a multiple housing facility with all services offered to other dwelling units within the Service Area, so long as the owner of the facility consents in writing, if requested by Franchise, to the following:

(1) To Franchisee's providing of the service to units of the facility;

(2) To reasonable conditions and times for installation, maintenance and inspection of the system of the facility premises;

(3) To reasonable conditions promulgated by Franchisee to protect Franchisee's equipment and to encourage widespread use of the system; and

(4) To not demand or accept payment from Franchisee for permitting Franchisee to provide service to the facility and to not discriminate in rental charges, or otherwise, between tenants which receive cable services and those who do not.

ARTICLE 5: SUPPORT FOR LOCAL CABLE USAGE

SECTION 5.01. Public, Educational or Government Access Facilities.

(a) Grantee shall make available to each of its subscribers who receive some or all of the services offered on the System, reception of two (2) access channels, which shall be used for non-commercial purposes as reflected in Exhibit B as follows:

One channel designated for access shall be provided by Grantee as a part of basic cable service and one may be provided on the expanded basic level of cable service. The access channels shall be made available by Grantee for use by the County and the citizens of Talbot County in accordance with the rules and procedures established by the County or any lawfully designated person, group, organization, or agency authorized by the County for that purpose.

(b) Grantee shall dedicate an additional channel on a digital level of service for public, educational or governmental access upon the County's request if both access channels referenced above are in continuous use from 8:00 a.m. to 11:00 p.m. for three (3) consecutive months provided, however:

(1) For purposes of this determination continuous use shall be defined as: The use of repeat programming in excess of fifty percent (50%) of the amount of original programming on that channel, as well as text or character-generated programming shall not be considered a continuous use. If one (1) of the two (2) access entities identified in Section 5.01(d) is continually using its channel as defined in Section 5.01(a) of this Agreement and has additional need for channel capacity to distribute programming four (4) or more hours per day, five (5) days per week for six (6) consecutive weeks, the County may require the Grantee to dedicate an additional access channel for the use by that access entity subject to the limitation imposed by Section 5.01(b)(3).

(3) In no event shall Grantee be required to provide in excess of three (3) access channels total.

(4) To the extent that any access channel is not being used for the provision of non-commercial, public, educational or governmental access purposes,

Grantee shall be permitted to use such channel(s) for the provision of other services subject to any reasonable rules established by the County regarding such use.

Grantee's permitted use of any access channel made pursuant to this Section shall cease within ninety (90) days of Grantee's receipt of notice from County that such channel will again be used for PEG access.

(c) Notwithstanding the above, Grantee may accommodate a request from the County for additional access capacity made pursuant to Section 5.01(b) by combining more than one access use on a channel provided that:

(1) It is technically and economically feasible for Grantee to do so;

(2) The scheduling needs of all users of the channel can be reasonably accommodated; and

(3) The access entity, which requires use of the alternate channel, must be able to access the alternate channel from the site where it normally originates playback of its programs and may not be required to transport media to a remote site for playback.

(d) Origination Points. Because the origination points for the PEG programming are not within Grantee's footprint, Grantee's sole obligation is to provide free cable transmission facilities (hereinafter "Access Facilities") for distribution to its customers located within Talbot County so long as it is able to receive the signal through interconnection with Easton Utilities. Grantee shall also provide at no cost to Grantor the necessary equipment to introduce programming onto these transmission facilities by linking to Easton Utilities and transmitting the signal to Grantee's headend, or through hubs to the headend, for distribution to all subscribers generally and for distribution to discrete audiences via scrambled signals and decoders.

Costs of providing said Access Facilities shall not be a credit against payment of the Franchise Fee imposed under this Franchise Agreement nor a credit against the capital grant provided for in this Franchise Agreement, except as provided for in Section 5.01(e).

(e) Access Equipment and Facilities.

(1) Grantee's Responsibility for Equipment. Grantee is responsible for all headend equipment essential to distribution of programming, including operation and maintenance, and all equipment necessary to perform those functions.

(2) Grantor's Responsibility for Access. The Grantor shall be responsible for the operation of Access Facilities and equipment. In this regard, Grantor may delegate from time to time its responsibilities to others who then shall assume the responsibility of Grantor in accordance with the Grantor's delegation.

(3) The Grantor will develop reasonable rules regarding use of Access Facilities and equipment and determine the needs of the County for PEG access services. In this regard, the Grantor shall regularly coordinate with Grantee for the purpose of developing and maintaining reasonable Access Facilities.

(4) The Grantor, or persons to whom it delegates responsibility for access, shall have the responsibility to provide funding for operating expenses associated with PEG access.

(5) The Grant Program. Within sixty (60) days following execution of this Agreement, Grantee shall pay Grantor two thousand five hundred dollars ($2,500) in cash. (The Grant may be used by Grantor to purchase, repair, and replace PEG Access Facilities.) Nothing herein shall impair Grantee's ability to recover from the subscriber's the cost of this Grant provided herein.

SECTION 5.02. Compliance with Federal Law.

In accepting this Franchise Agreement, the Grantee expressly agrees that the commitments indicated in Section 5.01 are knowingly, voluntarily and intelligently entered into and any commitments and/or payments will not be deemed to be "Franchise Fees" within the meaning of Section 622 of the Cable Act (47 U.C.C. § 542), and such commitments and/or payments shall not be deemed to be (i) "payments in kind" or any involuntary payments chargeable against the compensation to be paid to the County by Grantee pursuant to Section 2.02 hereof or (ii) part of the compensation to be paid to the County by Grantee pursuant to Section 2.02 hereof.

ARTICLE 6: REGULATION

SECTION 6.01. Franchise Regulation.

The Franchise renewed under this Agreement shall be subject to regulation by Grantor in accordance with all of the lawful provisions of Chapter 34 together with applicable state and federal law.

SECTION 6.02. Force Majeure.

Neither Grantor nor Grantee shall be liable for damages or subject to penalty due to delay or failure to perform any duty imposed by this Franchise Agreement or by Chapter 34 if such delay or failure results directly or indirectly from circumstances beyond the control of such party. Within thirty (30) days of Grantee's discovery of the event causing such delay or failure, Grantee shall provide Grantor written notice describing the cause of the delay or failure and estimating the period of time in which such delay or nonperformance will be cured.

SECTION 6.03. Rate Regulation.

If Grantor is permitted under Federal and/or State law to regulate the rates charged by Grantee, and if Grantor elects to so regulate, Grantor shall establish reasonable procedures consistent with due process and applicable law and follow those procedures before so regulating.

ARTICLE 7: MISCELLANEOUS

(a) Entire Agreement; Modification. This Agreement constitutes the entire agreement of the parties with respect to the subject matter described herein, and may not be changed or modified except by agreement in writing signed by the parties.

(b) Captions. Section titles in this Agreement are solely for convenience and reference, and are not intended for interpretation or construction of this Agreement.

(c) Governing Law. This Agreement shall be governed, construed, and interpreted by, through, and under the laws of the State of Maryland.

(d) Severability. If any provision in this Agreement or the application thereof cannot be enforced to its fullest extent, then such provision shall be enforced to the maximum extent permitted by law. The invalidity, illegality, or unenforceability of any term or provision of this Agreement shall not affect or limit the validity, legality, or enforceability of any other term or provision hereof.

(e) Non-Waiver. No indulgence, waiver, election, or non-election by the Grantor under this Agreement shall affect Grantee's duties and liabilities hereunder.

(f) Assignment. There shall be no assignment of Franchisee's Franchise, in whole or in part, by Franchisee without the prior written notification of the Issuing Authority. As used in this Agreement, the terms "assigned" and "transferred" shall mean any transaction which involves a "transfer of ownership in a cable system," within the meaning of 47 U.S.C. 537(a), as implemented by 47 C.F.R. Section 76.502 (with the exception of those transactions exempted in 47 U.S.C. 537(c)(3), as implemented by 47 C.F.R. Section 76.502(f)(3)). This Section shall not apply to any sale, assignment or transfer to one or more purchasers, assignees or transferees controlled by, controlling, or under common control with, Franchisee, and Franchisee shall be permitted to affect any such sale, assignment or transfer without prior notification to the Issuing Authority.

(g) Authority. Each person executing this Agreement on behalf of any party hereto warrants that he or she has the right and authority to execute this Agreement, and that all the procedures and approvals that are necessary and required to enable him or her to properly execute this Agreement, and to bind the person or entity whom he or she represents in accordance with the terms hereof, have been followed and secured. Each

Party agrees to execute and deliver all documents and to perform all further acts as may be reasonably necessary to carry out the provisions of this Agreement.

And IN WITNESS WHEREOF, Grantor and Grantee have executed this Cable Television Franchise Agreement the date and year first above written.

GRANTOR:

TALBOT COUNTY, MARYLAND

ATTEST:

By: _____
Corey W. Pack, President
Talbot County Council

_____

ATTEST:

GRANTEE:

_____

EASTON UTILITIES COMMISSION

By:

_____
Name: Hugh E. Grunden, P.E.
Title: President & CEO

(Corporate Seal)

STATE OF MARYLAND
COUNTY OF TALBOT, TO WIT:

I HEREBY CERTIFY, that on this _____ day of _____ 2016, before me, the subscriber, a Notary Public of the State of Maryland, personally appeared COREY W. PACK who acknowledged himself to be the President of the Talbot County Council, and in his capacity as such, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of Talbot County, Maryland by himself as President.

AS WITNESS my hand and Notarial seal.

_____
Notary Public

My commission expires: _____

STATE OF MARYLAND, COUNTY OF TALBOT, TO WIT:

I HEREBY CERTIFY, that on this _____ day of _____ 2016, before me, a Notary Public of the State of Maryland, personally appeared Hugh E. Grunden, who acknowledged himself to be President & CEO of EASTON UTILITIES COMMISSION, a Maryland municipal utilities company, and that he as such President & CEO, being authorized so to do, executed the foregoing instrument for the purposes therein contained, and further did certify said instrument to be the valid and proper act of said utilities company.

AS WITNESS my hand and Notarial seal.

_____
Notary Public

My commission expires: _____

Exhibit "A" – Channel Line-Up

BASIC		**TIER 2**			
2	WMAR (ABC)	34	ESPN	199	Hallmark Movie Channel
3	WBFF (FOX)	35	ESPN 2	200	Hallmark Channel
5	WTTG (FOX)	36	ESPN Classic	209	Nick Jr.
6	WDCA (UPN)	37	USA Network	210	MTV2
7	WJLA (ABC)	38	TNT	211	Teen Nick
8	WMDT (ABC)	39	Turner Classic Movies	212	Disney XD
9	WUSA (CBS)	40	AMC	213	Esquire TV
10	WUTB (IND)	41	The Golf Channel	214	MTV Classic
11	WBAL (NBC)	43	CNBC	215	Independent Film Channel
12	WMPT (PBS)	44	FOX News	216	Women's Entertainment
13	WJZ (CBS)	46	A&E	217	DISNEY JR
14	WNUV (IND)	47	Animal Planet	218	Cooking Channel
15	MCTV	48	Bravo	219	Fusion Network SD
16	WBOC (CBS)	49	The History Channel	220	FX Movie Channel
94	MPT-2/Create	50	Food	221	Centric
95	WETA (PBS)	51	MTV	222	CMT Music
96	TV Guide Channel	52	VH1	223	BET Soul
97	TBN	53	Disney Channel	224	MT Hits
98	TV98 Gov't Access	54	NBC Sports Network	225	Chiller
99	WBFF This TV	55	MSNBC	226	Oxygen
		56	HGTV	229	Tennis Channel
TIER 1		57	Comedy Central	300	ESPNU
17	TBS	58	E! Entertainment	301	ESPNEWS
18	Spike TV	59	SyFy	302	The Outdoor Channel
21	QVC	60	TV Land	305	CBS Sports Network
22	The Weather Channel	61	Nickelodeon	308	FOX Business Network
23	CNN Headline News	62	Cartoon Network	309	BBC America
24	Discovery Channel	64	Tru TV	310	Bloomberg Television
25	TLC	65	FOX Sports 1	312	FYI
26	Freeform	66	Great	313	VICELAND

			American Country		
27	CMT	67	Lifetime Movie Network	344	SEC Network SD
28	C-Span	68	Lifetime Real Women	349	MLB Network
29	C-Span 2	70	NFL Network		
30	BET	71	MASN 1	**Sports**	
31	CNN	72	MASN 2	339	StrikeZone
32	Travel Channel	73	EWTN	340	NFL Redzone
33	Lifetime Television	74	Nat Geo Wild	341	Fox Sports Atlantic
45	FX SD	203	OWN	342	Fox Sports Central
69	National Geographic	345	FOX Sports 2 SD	343	Fox Sports Pacific
75	Big Ten Network			346	Sportsman Channel
76	Big Ten Network 2	**TIER 3**		347	YES Network
86	C-Span 3	199	Hallmark Movie Channel	348	Horse Racing TV
87	HSN	200	Hallmark Channel		
88	QVC PLUS	201	Discovery Family		
90	WETA Kids	202	Science Channel		
91	METV	204	Destination SD		
92	WETA UK	206	American Heroes Channel		
205	Investigation Discovery	207	DIY Network		
303	FXX	208	Nicktoons		
Espanol		132	MASN 2 HD	183	Show Time HD
350	Discovery Espanol	133	ESPN HD	184	TMC HD
351	CNN Espanol	134	ESPN 2 HD	185	Starz HD
352	FOX Deportes	135	CBS Sports Network HD	186	SEC HD
354	tr3s	136	NFL Red Zone HD	187	Big Ten HD
355	History en Espanol	137	NFL Network HD	188	Big Ten 2 HD
356	NBC Universo	138	NBC Sports Network HD	189	Fox Sports 2 HD
357	Cine Latino	139	FOX Sports 1 HD	190	FX Movie HD
358	Viendo Movies	140	Golf HD	191	FXX HD
359	ESPN Deportes	141	Tennis Channel HD	192	Fusion Network HD

360	Telemundo	142	Outdoor HD	193	YES HD
362	MPT-V-Me	143	TBS HD	194	MLB Network HD
363	FOX Life	144	A&E HD	195	StrikeZone HD
364	Ultra Familia	145	FYI HD	196	Discovery Family HD
365	Cable Noticias	146	History HD	197	American Heroes HD
366	TV Chile	147	Lifetime HD	198	OWN HD
367	Latele Novela Network	148	Bravo HD		
368	TBN Enlace USA	149	AMC HD	**VIDEO On Demand**	
369	Cine Mexicano	150	Natl Geographic HD	801	Movies
370	Nat Geo Mundo	151	Natl Geographic Wild HD	802	Kids
		152	Lifetime Movie HD	803	FREE
HDTV		153	Disney HD	804	Cutting Edge
102	WMAR (ABC) HD	154	Nickelodeon HD	805	Music
103	WBFF (FOX) HD	155	Velocity HD	806	Events
105	WTTG (FOX) HD	156	Animal Planet HD	807	Disney
106	WDCA (UPN) HD	157	TLC HD	808	HBO HD
107	WJLA HD	158	Discovery HD	809	Showtime
108	WMDT HD	159	Destination HD	810	TMC
109	WUSA (CBS) HD	160	Science Channel HD	811	Cinemax
110	WUTB (IND) HD	161	Investigation Discovery HD	812	NBC
111	WBAL (NBC) HD	162	Spike HD		
112	WMPT (PBS) HD	163	AXS TV		
113	WJZ HD	164	HD Movies		
114	WNUV (IND) HD	165	Universal HD		
115	WETA HD	166	Hallmark HD		
116	WBOC (CBS) HD	167	Hallmark Movie HD		
118	QVC HD	168	Home & Garden HD		
119	Bloomberg HD	169	Food HD		
120	Cartoon Network HD	170	E! Entertainment HD		
121	Weather	172	FX HD		

	Channel HD				
122	Travel HD	173	USA HD		
123	HSN HD	174	SyFy HD		
124	BET HD	175	TNT HD		
125	Headline News HD	176	Comedy Central HD		
126	CNN HD	177	MTV HD		
127	FOX Business HD	178	VH1 HD		
128	FOX News HD	179	CMT HD		
129	CNBC HD	180	DIY HD		
130	MSNBC HD	181	HBO HD		
131	MASN HD	182	MAX HD		
MUSIC CHOICE	747	Singers & Swing			
700	MusicChoice Play	748	Easy Listening		
701	Hit List	749	Classical Masterpieces		
702	Music Choice Max	750	Light Classical		
703	Dance/EDM				
704	Indie	**MOVIE PLEXES**			
705	Hip Hop R&B	401	HBO East		
706	Rap	402	HBO West		
707	Hip-Hop Classics	403	HBO 2 East		
708	Throwback Jams	404	HBO 2 West		
709	R & B Classics	405	HBO Signature East		
710	R&B Soul	406	HBO Signature West		
711	Gospel	407	HBO Family East		
712	Reggae	408	HBO Family West		
713	Rock	409	HBO Zone		
714	Metal	410	HBO Comedy		
715	Alternative	411	HBO Latino		
716	Adult Alternative	412	Cinemax East		
717	Rock Hits	413	Cinemax West		
718	Classic Rock	414	MoreMax East		
719	Soft Rock	415	MoreMax West		
720	Love Songs	416	Action Max		
721	Pop Hits	417	Showtime East		
722	Party Favorites	418	Showtime West		
723	Teen Beats	419	Showtime 2 East		
724	Kidz Only!	420	Showtime 2		

			West		
725	Toddler Tunes	421	Showtime Next		
726	Y2K	422	Showtime Extreme East		
727	90's	423	Showtime Extreme West		
728	80's	424	Flix		
729	70's	426	TMC East		
730	Solid Gold Oldies	427	TMC West		
731	Pop & Country	428	TMC Extra		
732	Today's Country	429	Starz East		
733	Country Hits	430	Starz West		
734	Classic Country	431	Black Starz		
735	Contemporary Christian	432	Starz Theater East		
736	Pop Latino	433	Starz Theater West		
737	Musica Urbana	434	Starz Family		
738	Mexicana	435	Encore East		
739	Tropicales	436	Encore Westerns		
740	Romances	437	Encore Classic		
741	Sounds of the Seasons	438	Encore Suspense		
742	Stage & Screen	439	Encore Black		
743	Soundscapes	440	Encore Action		
744	Smooth Jazz				
745	Jazz				
746	Blues				

Exhibit "B"- Sample Franchise Fee Report

REVENUE SOURCES *	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER	TOTAL
Basic Cable Service					
Installation Charge					
Expanded Basic Service					
Pay Service					
Pay Per View					
Advertising Revenue					
Home Shopping Revenue					
Digital Services					
Equipment Rental					
(Bad Debt)					
REVENUE					
FEE					