

**CABLE FRANCHISE AGREEMENT
BETWEEN
THE DISTRICT OF COLUMBIA
AND
VERIZON WASHINGTON, DC INC.**

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THIS CABLE FRANCHISE AGREEMENT (the “Franchise” or “Agreement”) is entered into by and between the District of Columbia (the “District”), and Verizon Washington, DC Inc., a corporation duly organized under the applicable laws of New York (“Verizon” or the “Franchisee”).

WHEREAS, the District 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 Franchise;

WHEREAS, the District is a “franchising authority” in accordance with Title VI of the Communications Act (*see* 47 U.S.C. §522(10));

WHEREAS, Pursuant to the D.C. Cable Television Reform Act of 2002 (D.C. Law 14-193; D.C. Official Code § 34-1251 et seq.), the District, acting through the Council (as defined in Section 1 hereof), has the power to grant and renew franchises for Cable Services (as defined in Section 1 hereof) within the District;

WHEREAS, Pursuant to the above-referenced D.C. Cable Television Reform Act of 2002, the grant of a franchise conferring the right to construct and operate a cable television system within the public ways of the District shall be by act of the Council;

WHEREAS, Verizon submitted to the District an application for a cable television franchise;

WHEREAS, Franchisee is preparing to install 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 District of Columbia;

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

WHEREAS, the District, through its Office of Cable Television, evaluated Verizon’s above-referenced application for a cable television franchise;

WHEREAS, the District has considered the financial, technical and legal qualifications of Franchisee, and has determined that Verizon’s plans for its Cable System are adequate, in a full public proceeding affording notice and opportunity to be heard to all interested parties;

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

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

WHEREAS, the District and Verizon have reached agreement on the terms and conditions set forth herein and the parties have agreed to be bound by those terms and conditions;

WHEREAS, the District subsequently recommended to the Council the approval of Verizon's cable franchise application;

WHEREAS, the Council adopted an Act authorizing the Mayor and the Chairman of the Council to execute this Agreement and granting Verizon a non-exclusive franchise on the terms and conditions set forth in this Agreement;

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

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 (as hereinafter defined) are incorporated herein and shall apply in this Agreement. In addition, the following definitions shall apply:

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

1.2. *Additional Service Area*: Shall mean the portion of the Franchise Area served by the Anacostia, Brookland, Congress Heights, Downtown, Georgetown, Metro, Midtown, and Lincoln wire centers as outlined in Exhibit A. .

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

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

1.5. *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).

1.6. *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), which currently states: "a facility, consisting of a set of closed transmission paths and associated signal generation, reception, and control equipment that is designed to provide Cable Service which includes video programming and which is provided to multiple Subscribers within a community, but such term does not include (A) a facility that serves only to retransmit the television signals of one or more television broadcast stations; (B) a facility that serves Subscribers without using any Public Rights-of-Way; (C) a facility of a common carrier which is subject, in whole or in part, to the provisions of Title II of this Act, except that such facility shall be considered a Cable System (other than for purposes of Section 621(c)) to the extent such facility is used in the transmission of video programming directly to Subscribers, unless the extent of such use is solely to provide interactive on-demand services; (D) an open video system that complies with Section 653 of this title; or (E) any facilities of any electric utility used solely for operating its electric utility systems."

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

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

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

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

1.11. *D.C. Cable Law*: Shall mean, to the extent applicable, the D.C. Cable Television Reform Act of 2002 (D.C. Law 14-193; D.C. Official Code § 34-1251 et seq.), and D.C. Municipal Regulations (DCMR) Title 4 Chapter 6 and Title 15 Chapters 30 and 31, as amended by the Approval of the Verizon Washington, DC Inc. Cable Television System Franchise Act of 2008, and as such may further be amended in the future; provided, however, that any such future amendments (i) are consistent with the standards and process set forth in Section 2.8 if the amendment is an exercise of police powers subject to Section 2.8, and (ii) do not conflict with or materially alter the rights, benefits, obligations or duties of the Franchisee specified in this Agreement if the amendment is not an exercise of police power subject to Section 2.8.

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

1.13. *Development Period*: The first thirty months after the Effective Date.

1.14. *Economically and Technically Feasible and Viable*: For purposes of Section 3.5 means capable of being provided: (i) through technology which has been demonstrated to be feasible for its intended purpose; (ii) in an operationally workable manner; and (iii) in a manner whereby the Cable Service has a reasonable likelihood of being operated on reasonably profitable terms.

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

1.16. *Extended Service Area*: The portion of the Franchise Area served by the Dupont and Southwest wire centers as outlined in Exhibit A.

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

1.18. *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, accidents for which the Franchisee is not primarily responsible, fire, flood, or other acts of God, or unavailability of materials and/or qualified labor to perform the work necessary, if such acquisition of qualified labor would be commercially impracticable as defined in 47 U.S.C. §545(f).

1.19. *Franchise Area*: The entire existing territorial limits of the District and such additional areas as may be included in the territorial limits of the District during the term of this Franchise.

1.20. *Franchisee: Verizon Washington, DC Inc. and its lawful and permitted successors, assigns and transferees.*

1.21. *Government Access Channel: A video Channel, which Franchisee shall make available to the District without charge for Non-commercial Governmental use for the transmission of video programming as directed by the District.*

1.22. *Gross Revenue: Shall mean all revenue, as determined in accordance with generally accepted accounting principles, which is derived by the Franchisee and by each Affiliate from the operation of the Cable System to provide Cable Services, including, without limitation, late fees and other revenues that may be posted in the general ledger and all earned and accrued revenues. Gross Revenue shall also include, to the extent it is received by the Franchisee, all revenue from Leased Channel programmers, which is derived from the operation of the Cable System to provide Cable Services. Gross Revenue shall also specifically include: (i) the fair market value of any non-monetary (i.e., barter) transactions between the Franchisee and any Affiliate but not less than the customary prices paid in connection with equivalent transactions conducted with persons who are not Affiliates; (ii) revenue received by the Franchisee which represents or can be attributed to a Subscriber fee or a payment for the use of the Cable System for the sale of merchandise through any Service distributed over the Cable System; (iii) franchise fees received from Subscribers; (iv) revenue from retail sales or rental of customer equipment (for example converters) directly to Subscribers by Franchisee, subject to Section 1.22.1(xi); (v) any fees or charges collected from Subscribers or other third parties for PEG Grants or INET Grants so long as all cable operators or OVS operators providing Service in the Service Area include such revenue, fees or charges in Gross Revenue; (vi) any revenue generated by the Franchisee or by any Affiliate through any means that improperly avoids Franchise fees or PEG/INET Grant fees that would otherwise be paid to the District for the Franchise granted herein. Gross Revenue shall also include all advertising revenue which is derived, directly or indirectly, by the Franchisee or any Affiliate from or in connection with the sale of advertising on the Cable System. Advertising revenues from an Affiliate shall be grossed up as if the Franchisee had received the advertising revenue directly, if the advertising revenue received from the Affiliate is only net advertising revenue.*

Advertising commissions paid to independent third parties shall not be deducted from advertising revenue included in Gross Revenue except as set forth in Section 1.22.1(viii) below. Advertising revenue is based upon the ratio of the number of Subscribers as of the last day of the period for which Gross Revenue is being calculated to the number of Franchisee's subscribers within all areas covered by the particular advertising source as of the last day of such period. By way of illustrative example, Franchisee sells two ads: Ad "A" is broadcast nationwide; Ad "B" is broadcast only within a multi-state region. Franchisee has 100 Subscribers in the District, 500 subscribers in the multi-state region, and 1000 subscribers nationwide. Gross Revenue as to the District from Ad "A" is 10% of Franchisee's revenue therefrom. Gross Revenue as to the District from Ad "B" is 20% of Franchisee's revenue.

1.22.1. Gross Revenue shall not include: (i) any revenues classified, in whole or in part, as Non-Cable Services revenue under federal or District law including, without limitation, revenue received from Telecommunications Services; revenue received from Information Services, including, without limitation, Internet Access service, electronic mail

service, electronic bulletin board service, or similar online computer services; charges made to the public for commercial or cable television that is used for two-way communication; and any other revenues attributed by Franchisee to Non-Cable Services in accordance with FCC or Public Service Commission rules, regulations, standards or orders; (ii) any compensation awarded to the Franchisee based on the District's condemnation of property of the Franchisee; (iii) the revenue of any Person, including, without limitation, a supplier of programming to the Franchisee, to the extent that said revenue is also included in Gross Revenue of the Franchisee; (iv) the revenue of the Franchisee or any other Person which is generated directly from the sale of any merchandise through any Cable Service distributed over the Cable System, other than that portion of such revenue which represents or can be attributed to a Subscriber fee or a payment for the use of the Cable System for the sale of such merchandise (such as, for example, the portion of such payment attributable to a commission for the Franchisee or an Affiliate), which portion shall be included in Gross Revenue; (v) any tax of general applicability imposed upon the Franchisee or upon Subscribers by a city, state, federal, or any other governmental entity and required to be collected by the 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, and communication taxes); (vi) non-cable franchise fees; (vii) the revenue of any Affiliate which represents standard and reasonable amounts paid by the Franchisee to said Affiliate for ordinary and necessary business expenses of the Franchisee, including, without limitation, professional service fees and insurance or bond premiums; (viii) advertising commissions deducted by advertising agencies (other than an agency which is an Affiliate) before advertising revenues are paid over to the Franchisee; (ix) to the extent consistent with generally accepted accounting principles, consistently applied, actual bad debt write-offs; (ix) investment income; (x) 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; (xi) revenues from the sales of capital assets or sales of surplus equipment, provided that this exclusion shall not include retail sales directly to Subscribers pursuant to Section 1.22(iv) by Franchisee; and (xii) reimbursement by programmers of marketing costs incurred by the Franchisee for the introduction of new programming pursuant to a written marketing agreement.

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

1.24. *Initial Service Area*: The portion of the Franchise Area served by the Georgia, Southeast, Woodley, and Benning wire centers as outlined in Exhibit A.

1.25. *Institutional Network or INET*: Shall be defined herein as it is defined under Section 611 of the Communications Act, 47 U.S.C. § 531(f).

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

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

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

1.29. *Non-commercial*: noncommercial means for use other than (i) the carriage of programming in return for compensation (including programming selected by a third party), or (ii) the carriage of advertising; provided that the District or any entity responsible for managing an access channel may enter into underwriting or sponsorship arrangements with third party entities that conform with sponsorship guidelines used by the Public Broadcasting Service (PBS). Compensation derived from such underwriting or sponsorship arrangements shall not diminish or offset any payments due from Franchisee under this Franchise.

1.30. *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.

1.31. *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).

1.32. *OCTO*: Shall mean the District of Columbia Office of the Chief Technology Officer of the District, its designee or any successor thereto.

1.33. *OCT*: Shall mean the District of Columbia Office of Cable Television.

1.34. *PEG Channels*: Channel capacity designated for public, educational, and governmental channels.

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

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

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

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

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

1.40. *Region*: For purposes of Section 3.5 shall mean the District of Columbia; Montgomery County and Prince George's County, Maryland; the City of Alexandria, Fairfax County and Arlington County, Virginia; and any incorporated municipalities within such counties.

1.41. *Security Fund*: Shall mean the fund established in Section 13.10 hereof.

1.42. *Service Area*: All portions of the Franchise Area where Cable Service is being offered, including the Initial Service Area, Extended Service Area and any Additional Service areas but not including areas in which Franchisee is only providing service on a noncommercial basis to its and its Affiliates' employee volunteers.

1.43. *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 District in writing of the same, which notification shall become a part of this Franchise.

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

1.45. *System Outage*: A Service Interruption affecting more than seventy-five (75) Subscribers served by a Video Serving Office in the Service Area lasting at least four (4) continuous hours.

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

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

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

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

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

1.51. *Video Serving Office*: A facility of the Franchisee (including a central office associated with the public switched network for voice services or other similar facilities designated by the Franchisee for this purpose), a portion of which has been equipped with the appropriate equipment to enable Cable Service to be provided to Subscribers and is providing Cable Service.

2. GRANT OF AUTHORITY; LIMITS AND RESERVATIONS

2.1. *Grant of Authority*: Subject to the terms and conditions of this Agreement, the Communications Act, and the D.C. Cable Law, the District hereby grants the Franchisee the right to own, construct, operate and maintain a Cable System along the Public Rights-of-Way within the Franchise Area, in order to provide Cable Service. This Agreement shall grant no authority

for the Franchisee to use the Public Rights-of-Way for any purposes other than the provision of Cable Service. This Agreement does not relieve the Franchisee of the obligations to obtain any other licenses, permits, or other authority as may be required by District law, or regulation, as such may be amended, for the privilege of operating a business within the District or for performing work on District property or within the Public Rights-of-Way; provided however that nothing in this Section shall be interpreted to alter the exceptions to the requirements to provide Cable Service set forth in Sections 3.1 and 3.4. No privilege or power of eminent domain is bestowed by this grant; nor is such a privilege or power bestowed by this Agreement.

2.2. *District's Regulatory Authority:* The parties acknowledge that the Franchisee intends to provide Non-Cable Services by means of the FTTP Network. The parties acknowledge that this Franchise does not encompass or reflect the full extent of the District's authority over the Franchisee and, notwithstanding any provision hereof, the parties reserve all of their rights under District and federal law regarding the scope of such authority. The Franchisee also acknowledges that, subject to federal law, the District has the authority to regulate the placement, construction, repair, and maintenance of physical facilities located in the Public Rights-of-Way, including the FTTP Network. The District agrees that it shall not, under the authority of this Franchise, claim any additional authority over the physical facilities that comprise the FTTP Network and that are located in the Public Rights-of-Way. Nothing in this Franchise shall be deemed a waiver of any right or authority the District may have now or in the future to regulate information services or telecommunications services or the use of the FTTP Network to provide such services.

2.3. *Term:* This Franchise shall become effective following approval by the Mayor (or in the event of a veto by the Mayor, action by the Council to override the veto), expiration of the thirty (30) day period of Congressional review as provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December 24, 1973 (D.C. Official Code § 1-206.02(c)(1)), and publication in the District of Columbia Register or the last date of signature by the parties, whichever is later (the "Effective Date"). The term of this Franchise shall be fifteen (15) years from the Effective Date unless the Franchise is 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 District reserves the right to grant other franchises for similar uses or for other uses of the Public Rights-of-Way, or any portions thereof, to any Person, or to make any such use itself, at any time during the term of this Franchise. Any such rights which are granted shall not by their terms reduce or detract from the authority granted under the Franchise and this Agreement.

2.5. *Franchise Subject to Federal and District Law:* Notwithstanding any provision to the contrary herein, this Franchise is subject to and shall be governed by all applicable provisions of federal law as it may be amended, including but not limited to the Communications Act, and, to the extent not in conflict with federal law, by all applicable provisions of District law, as amended by the Approval of the Verizon Washington, DC Inc. Cable Television System Franchise Act of 2008 and as it may be further amended in the future, provided that any future amendments (i) are consistent with the standards and process set forth in Section 2.8 if the amendment is an exercise of police powers subject to Section 2.8, and (ii) do not materially alter

the rights, benefits, obligations or duties of the Franchisee specified in this Agreement if the amendment is not an exercise of police power subject to Section 2.8.

2.6. No Waiver:

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

2.6.2. A pending litigation or an appeal to a regulatory body or court of competent jurisdiction shall not excuse the Franchisee from the performance of its obligations under this Agreement unless a stay is obtained or the Franchisee is otherwise excused from performance by operation of law. Failure of the Franchisee to perform such obligations because of pending litigation or appeal, in the absence of a stay issued by a court of competent jurisdiction or a regulatory body, or where Franchisee is excused from performance by operation of law, may result in enforcement actions pursuant to the provisions of this Agreement.

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

2.7. Construction of Agreement:

2.7.1. *Construction of Agreement:* Franchisee agrees to abide by this Agreement and the D.C. Cable Law. In the event of a conflict between the D.C. Cable Law and this Agreement, the D.C. Cable Law shall prevail.

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

2.8. *Police Powers:* Nothing in the Franchise shall be construed to prohibit the lawful exercise of the District's police powers. If such a lawful exercise of the District's police power results in any material alteration of the terms and conditions of this Franchise, then the parties shall modify this Franchise to the mutual satisfaction of both parties to minimize the negative effects on the Franchisee of the material alteration. Any modifications shall be in writing. If the parties cannot reach agreement on the above-referenced modification to the Franchise, then Franchisee may terminate this Agreement without further obligation to the District or, at Franchisee's option, the parties agree to submit the matter to non-binding mediation by a mutually acceptable mediator. The cost of the mediator will be split equally between the parties subject to an available appropriation from the District. In reviewing the claims of the parties, the mediators shall be guided by the following purposes: to modify the Franchise so as to

preserve intact, to the greatest extent possible, the benefits that each party has bargained for in entering into this Agreement and ameliorate the adverse affect of the material alteration on the Franchisee.

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

- (1) Shall comply with the provisions of this Agreement;
- (2) Acknowledges and accepts the District's legal right to grant the Franchise and to enter into this Agreement;
- (3) Acknowledges and agrees that the Franchise has been granted, and that this Agreement has been entered into, pursuant to processes and procedures consistent with applicable law, and that Franchisee will not raise any claim to the contrary;
- (4) Agrees that neither Franchisee nor its affiliates will oppose any intervention or participation by the District in any federal or District of Columbia proceeding affecting the Franchisee's Cable System or the Franchise granted by the District;
- (5) Acknowledges and agrees that any costs incurred by or on behalf of the Franchisee or its Affiliates (i) associated with the provision of support for PEG access or activities and/or (ii) associated with the provision of support or activities in connection with or relating to the INET or to any INET related activities do not constitute franchisee fee payments within the meaning of 47 U.S.C. § 542 or otherwise.

3. PROVISION OF CABLE SERVICE

3.1. Service Area:

3.1.1. *Initial Service Area:* Franchisee shall offer Cable Service to all residential areas of the Initial Service Area and may make Cable Service available to businesses in the Initial Service Area, within thirty-six (36) months of the Effective Date, except as set forth in Section 3.2. If, however, Franchisee determines in its sole discretion at any time during the Development Period that the provision of Cable Service in the Franchise Area is not commercially practicable, the Franchisee shall so notify OCT no later than ninety (90) days after the end of the Development Period. This Franchise Agreement, including all rights of the Franchisee hereunder and Franchisee's obligations under this Article 3, shall terminate ninety (90) days after the receipt of such termination notice by OCT. Upon the delivery of such termination notice, Franchisee shall take appropriate steps to inform Subscribers of the pending termination of Cable Service.

3.1.2. *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 six (6) years of the Effective Date, except as set forth in Section 3.1.4 and Section 3.2.

3.1.3. *Additional Service Areas:* Franchisee shall offer Cable Service to all residential areas of the Additional Service Area and may make Cable Service available to businesses in the Additional Service Area, within nine (9) years of the Effective Date, except as set forth in Section 3.1.4 and Section 3.2.

3.1.4. *Checkpoint Extension:* If, by the fourth (4th) anniversary of the Service Date, Franchisee has achieved a video penetration rate in the Franchise Area which is less than thirty percent (30%), then: Franchisee will be granted an additional twelve (12) months to make Cable Service available in the Extended Service Area and an additional twelve (12) months to make Cable Service available in the Additional Service Area.

3.1.5. For purposes of Section 3.1.4, the term "video penetration rate" shall mean:

FiOS TV billable lines in service
(FTTP passed single family units whether or not a drop is installed
+ residential units within FTTP network created MDU's)
in Video Serving Offices that are open for sales (OFS).

3.2. The Franchisee shall not be excused from the timely performance of its obligations as set forth in Section 3.1, except: (A) for periods of Force Majeure; (B) for periods of delay caused by actions or inactions of any government instrumentality or public utility including condemnation; (C) for periods of delay caused by waiting for utility providers (but only including Franchisee itself if the delay is due to a Force Majeure condition) to service or monitor utility poles to which Franchisee's FTTP Network is attached; and (D) for periods of delay resulting from Franchisee's inability to obtain authority to access rights-of-way in the Service Area.

3.2.1. The Franchisee may refuse to provide Cable Service: (A) in developments or buildings subject to claimed exclusive arrangements with other providers; (B) in developments or buildings that Franchisee cannot access under reasonable terms and conditions after good faith negotiation, as determined by Franchisee; and (C) in developments or buildings that Franchisee is unable to provide Cable Service for technical reasons or which require non-standard facilities which are not available on a commercially reasonable basis.

3.2.2. At the request of Franchisee, the District agrees to use reasonable efforts to help Franchisee gain access to Subscribers in the Initial Service Area, Extended Service Area or the Additional Service Area in the buildings and developments described in Section 3.2.

3.2.3. With respect to the Benning wire center, Franchisee shall begin deployment of its FTTP Network in said wire center within three (3) years of the Effective Date of this Agreement, and shall offer Cable Service in said wire center in accordance with Section 3.1.2 of this Agreement.

3.3. *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 based upon income in accordance with 47 U.S.C. §541(a)(3) or based upon race or ethnicity. 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 two hundred fifty (250) 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 two hundred fifty (250) feet and actual costs incurred to connect any non-residential dwelling unit Subscriber. With respect to such requests for connection requiring an aerial or underground drop line in excess of two hundred and fifty (250) feet from the nearest activated distribution lines, the Franchisee shall extend and make available Cable Service to such Subscribers at a connection fee not to exceed the Franchisee's standard connection fee, if any, plus the actual installation costs incurred by the Franchisee for the distance exceeding two hundred fifty (250) feet. Actual installation costs include reasonable actual labor or hourly service charges (including wages, benefits and payroll taxes) and material costs incurred by Franchisee for the additional work beyond two hundred fifty (250) feet, together with a reasonable charge for overhead.

3.4. *Cable Service to Municipal Buildings:* Subject to 3.2, Franchisee shall provide, without charge within the Service Area, one service outlet activated for Basic Service to each public school and public library, and such buildings used for municipal purposes as provided in Exhibit B and to any newly acquired or constructed public schools, public libraries, and buildings used for municipal purposes, as designated by the District in writing to Franchisee ("Additional Buildings") so long as such Additional Buildings do not exceed five (5) per calendar year during the term of the Franchise; provided, however, that if it is necessary to extend Franchisee's trunk or feeder lines more than two hundred fifty (250) feet solely to provide service to any such school or public building, the District shall have the option either of paying Franchisee's direct costs for such extension in excess of two hundred fifty (250) feet, or of releasing Franchisee from the obligation to provide service to such building. 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 two hundred fifty (250) feet of drop cable; provided, however, that Franchisee shall not charge for the provision of Basic Service to the additional service outlets once installed. 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. Notwithstanding the foregoing, in no event shall Franchisee be required to provide free service hereunder to a number greater than the number of public buildings of the kind described above served by any other cable operator in the Service Area.

3.5. *Service and Programming Enhancements:* If the Franchisee or an Affiliate provides a new Cable Service, or substantially more Cable Services, on a commercially deployed basis in the Region, then the Franchisee, within thirty six (36) months, shall provide comparable Cable Services to and in the Service Area, unless the Franchisee reasonably determines and demonstrates in writing to the District that doing so would not be Economically and Technically Feasible and Viable or that there is insufficient Subscriber demand for such services. Nothing in

this Section 3.5 shall be construed to require identical programming throughout the Region, including, without limitation PEG and other non-commercial channels and must-carry signals.

4. SYSTEM OPERATION

4.1. Cable System Tests and Inspections:

4.1.1. The Franchisee shall perform all tests necessary to demonstrate compliance with the requirements of the Franchise, and to ensure that the Cable System components are operating as required. All tests shall be conducted in accordance with applicable federal rules and any applicable National Cable & Telecommunications Association's Recommended Practices for measurement and testing. In the event that any currently applicable FCC technical performance standards are repealed or are no longer applicable to the Cable System, such standards shall remain in force and effect until the District or its designee and the Franchisee agree to new standards.

4.1.2. The Franchisee shall conduct tests as follows:

4.1.2.1. Proof of performance tests on the Cable System at least once every six (6) months or as required by FCC rules, whichever is more often, except as federal law otherwise limits the Franchisee's obligation. In consultation with the District, the Cable System monitor test points shall be established in accordance with good engineering practices and consistent with FCC guidelines; and

4.1.2.2. Special proof of performance tests, as requested by the District, of the Cable System or a segment thereof when Subscriber complaints indicate tests are warranted.

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

4.1.4. The District shall have the right to witness and review all required tests on newly constructed or rebuilt segments of the Cable System. The Franchisee shall provide the District with at least two (2) business days' notice of, and opportunity to observe, any such tests performed on the Cable System. Subject to the confidentiality requirements of Section 9, the District shall have the right to witness and/or review such tests. The District shall further have the right to have independent consultants employed by the District witness and review such tests, contingent upon and subsequent to the execution by such consultants of any relevant non-disclosure agreements ("NDA") that may be required by the Franchisee. Any such NDA shall be substantially in the form of Exhibit F.

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

4.1.6. If any test indicates that any part or component of the Cable System fails to meet applicable requirements, the Franchisee, without requirement of additional notice or request from the District, shall take corrective action, retest the locations and

advise the District of the action taken and results achieved, and supply the District with a copy of the results within thirty days from the date corrective action was completed.

4.1.7. The District may, for good cause shown, waive or limit the system test and inspection provisions in this Article.

5. SYSTEM FACILITIES

5.1. *System Characteristics:* 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 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 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 twenty-four (24) hours at each headend, and conforming to industry standards, but in no event rated for less than four (4) 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 5.1.17.

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

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

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

5.1.10. Sufficient trucks, tools, testing equipment, monitoring devices and other equipment and facilities and trained and skilled personnel required to enable the Franchisee to substantially comply with the D.C. Cable Law, and applicable customer service standards 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. If applicable, antenna supporting structures (towers) shall be designed in accordance with Title 6 of the District Code, as amended, and, painted, lighted, erected and maintained in accordance with all applicable rules and regulations of the Federal Aviation Administration, the Federal Communications Commission, and all other applicable codes and regulations.

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

5.1.15. Shall transmit in high definition any signal, which is received in high definition format. Subject to federal law, actual carriage of any such high definition Channels will be at the Franchisee's sole discretion.

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

5.1.17. 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 District 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:

5.1.17.1. Occupational Safety and Health Administration (OSHA) Safety and Health Standards;

5.1.17.2. National Electrical Code;

5.1.17.3. National Electrical Safety Code (NESC);

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

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

5.1.17.6. Title 6 (“Housing And Building Restrictions And Regulations”) of the District Code, as amended.

5.2. The FTTP Network shall have at least the following characteristics:

5.2.1. 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:* The Franchisee shall design its Cable System so that it may be interconnected with other cable systems in the Franchise Area. Interconnection of systems may be made by direct cable connection, microwave link, satellite, or other appropriate methods.

5.3.1. The Franchisee may, to the extent permitted by applicable law and its contractual obligations to third parties, negotiate in good faith an interconnection agreement with any other franchised cable system in the District for the PEG Channels on the Cable System.

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

5.3.3. The Franchisee shall in good faith cooperate with the District in implementing interconnection for PEG Channels with Cable Systems beyond the boundaries of the District if requested by the District.

5.4. Emergency Alert System:

5.4.1. Franchisee shall comply with the Emergency Alert System (“EAS”) requirements of the FCC in order that emergency messages may be distributed over the System.

6. PEG SERVICES

6.1. PEG Set Aside:

6.1.1. In order to ensure universal availability of public, educational and government access programming, beginning on the Effective Date, Franchisee shall set aside on the Basic Service tier nine (9) PEG Channels. The District, or entities duly designated by the District, shall use the PEG Channels to provide Public, Educational, and Governmental Access programming. The programming to be carried on each of the PEG Channels, and transmitted through the corresponding PEG Origination Points (as defined below), set aside by the Franchisee pursuant to this section, is reflected in Exhibit C.

6.1.2. Prior to the Service Date or within one hundred and eighty (180) days from the Effective Date, whichever is later, the Franchisee shall install all facilities necessary to connect its Cable System to the following locations (the “PEG Origination Points”) in order to obtain the signals for the PEG Channels Franchisee is required to provide pursuant to Subsections 6.1.1 and shall start transmitting such signals: Public Access Corporation (PAC) 901 Newton Street, NE; Public Schools 1709 Third Street, NE; and University of District of Columbia (UDC) 4400 Connecticut Avenue, NW. Further, prior to the Service Date or within one hundred and eighty (180) days of notification by the District that the relocation of the OCT PEG Origination Point from 3007 Tilden Street, NW to District Schools Television, McKinley Technology High School, 151 T Street, NE Wing “A” is complete, whichever is later, Franchisee shall install all facilities necessary to connect its Cable System to the new OCT PEG Origination Point in order to obtain the signals for the PEG Channels that Franchisee is required to provide pursuant to Subsections 6.1.1, and shall start transmitting such signals.

6.1.3. Subject to Subsection 6.1.2, upon written notice from the District that it intends to activate one of the Three Other Initial PEG Channels (as defined in Exhibit C) at one of the PEG Origination Points in Subsection 6.1.2, Franchisee shall provide each such Channel within ninety (90) days of the notice by the District.

6.1.4. Upon written notice from the District informing Franchisee that the District has established a new entity responsible for managing a new PEG Channel, Franchisee shall provide the District with one additional PEG Channel for each such entity, up to a maximum of five (5) additional PEG Channels. Franchisee shall provide such additional PEG Channels within ninety (90) days of the request by the District so long as the PEG programming origination point to be used by the new PEG entity responsible for such a new PEG Channel is an existing PEG Origination Point.

6.1.5. The Franchisee’s obligations under Section 6.1, including its obligation to install all facilities necessary to connect its Cable System to the PEG Origination Points and transmit signals originating therefrom, shall be subject to the

provision by the District or any entity responsible for managing a PEG Origination Point, without charge to the Franchisee and in a timely manner, of the following: (1) suitable space, environmental conditions, electrical power supply, access, and pathways within the facilities located at each PEG Origination Point; (2) video signals in a form that is compatible with the Cable System; and (3) any other cooperation from and access to the facilities of the District or any entity responsible for managing a PEG Origination Point as are reasonably necessary for the Franchisee to fulfill the obligations stated herein. The District represents and warrants that to the best of its knowledge, no incumbent cable operator or OVS operator consent is necessary for the Franchisee to transmit PEG signals, including any consent related to the facilities of any incumbent cable operator or OVS operator used to transmit PEG content to an origination or other point from auxiliary locations.

6.1.6. Subject to the same conditions that are applicable to the PEG Origination Points set forth in Subsection 6.1.5, the District shall have the right to establish two (2) new PEG Origination Points in the Franchise Area for the transmission of any previously unactivated PEG Channel, that is activated pursuant to Subsection 6.1.4, and relocate one (1) PEG Origination Point in the Franchise Area during the Term of the Agreement. If the District decides to do so, the Franchisee shall diligently endeavor to make the programming from these new PEG Origination Points available within one hundred eighty (180) days from the date the District notifies Franchisee that the new or relocated location is ready to transmit programming. If additional time beyond one hundred eighty (180) days is needed, the parties will negotiate in good faith to establish an appropriate timeframe for the Franchisee to begin transmitting the new programming.

6.1.7. Nothing in this Article shall be interpreted to require the Franchisee to obtain PEG programming from any origination point located outside the Franchise Area or to provide a greater number of PEG Channels than any other cable operator in the District.

6.1.8. The PEG Channels shall be provided to Subscribers in the format determined by Franchisee, provided Franchisee shall maintain all PEG Access Channel signals in substantially the form received, subject to Section 5.1.15. Franchisee shall provide the PEG Access Channels as part of Basic Service at no additional charge, so that the PEG Access Channels are viewable by the Subscriber in the same format as commercial channels carried as part of Basic Service or a reasonably comparable format and without the need for equipment other than the equipment that is required by every Subscriber to view any Basic Service programming. Franchisee shall deliver such PEG Access Channel signals at a level of technical quality and reliability that complies with 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.

6.1.9. Subject to Subsection 6.1.8, 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 its Cable System or signal transmission technology which directly affect the signal quality or the transport of the PEG Channels, Franchisee shall, at its own expense, make any necessary changes at the District's PEG Origination Points so that the PEG facilities and equipment may be used as intended with respect to the PEG Channels specified in Subsection 6.1, and so that the quality levels specified in Subsection 6.1.8 and 6.1.9 are maintained.

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

6.1.11. The District hereby authorizes Franchisee to transmit PEG programming within and without the District's jurisdictional boundaries. If a PEG Channel provided under this Article is not being utilized by the District, Franchisee may utilize such PEG Channel, in its sole discretion, until such time as the District elects to utilize the PEG Channel for its intended purpose.

6.1.12. Franchisee shall notify the District of channel assignments for the PEG Channels prior to commencing Cable Service in the Franchise Area. The Franchisee shall not arbitrarily or capriciously change such channel assignments, and the Franchisee shall minimize the number of such changes; provided, however, that the Franchisee may change such channel assignments as it deems appropriate so long as (i) the Franchisee gives the PEG entity ninety (90) days notice of such change (if commercially practicable) but in no event less than forty-five (45) days, and (ii) the Franchisee provides, free of charge, public announcements of such changes that shall include (A) to the extent Franchisee has advertising availability, advertising such PEG channel changes on advertising inserts on local channels carrying non-satellite programming in prime time at least thirty (30) seconds per day for the time period of thirty (30) to fifteen (15) days prior to such change and two (2) minutes per day for the fourteen (14) days prior to such change, and (B) providing notice of such changes in at least two (2) monthly Subscriber bill inserts prior to such change (if commercially practicable) but in no event less than one (1) monthly Subscriber bill insert; provided, however, that such bill inserts shall not be necessary in the event the Franchisee provides the requisite notice of such changes to all Subscribers in a letter separate from their bill (such mailing may cover all affected PEG entities, provided that each is prominently featured). Except for PEG Channel relocations due to factors not within the Franchisee's control, including changes in the channel designation of must carry Channels or other federal or District legal requirements, if Franchisee relocates PEG Channel(s), then Franchisee shall pay the District ten thousand dollars (\$10,000) to assist in

“rebranding” the PEG Channel(s). This is not a per Channel payment; rather, this is a payment per relocation instance.

6.2. PEG/INET Grant:

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

6.2.2. The PEG/INET Grant shall be three percent (3%) of Gross Revenues commencing upon the Service Date and continuing through and including December 31, 2012.

6.2.3. At any time beginning January 1, 2013, the PEG/INET Grant shall be the lower of either (a) the lowest recurring fee on a percentage of gross revenues basis paid at that time by any other cable provider in the District or (b) two percent (2%) of Gross Revenues. In addition, starting on January 1, 2013, Franchisee shall pay a supplemental PEG/INET Grant as set forth in Section 6.2.4.

6.2.4. At any time beginning January 1, 2013, Franchisee shall pay a supplemental PEG/INET Grant that is the lower of either (a) the amount by which the lowest per Subscriber per month or percentage of Gross Revenues fee that is paid at that time by any other cable provider in the District to support PEG and INET capital costs that exceeds two percent (2%) of Gross Revenues, or (b) one percent (1%) of Gross Revenues.

6.2.5. On or after January 1, 2013, the District shall provide sixty (60) days notice to Franchisee of any increase in the fee on a percentage of gross revenues basis paid at that time by any other cable provider in the District to support PEG and INET capital costs.

6.2.6. So long as the PEG/INET Grant consists of at least one percent (1%) of Gross Revenues, Franchisee shall pay a portion of the PEG/INET Grant that equals one percent (1%) of Gross Revenues directly to the Public Access Corporation, provided that Franchisee has the right to separately account for such amounts (including providing a separate summary under Section 6.2.1) and to separately line item such portion of the PEG/INET Grant on Subscribers' bills.

6.2.7. The District shall provide Franchisee with a complete accounting annually of the distribution of funds granted pursuant to this Section 6.2.

6.3. The District 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 District, from and against any and all liability or other injury, including the reasonable cost of defending claims or

litigation, arising from or in connection with claims for failure to comply with applicable federal laws, rules, regulations or other requirements of local, District or other state or federal authorities; for claims of libel, slander, invasion of privacy, or the infringement of common law or statutory copyright; for unauthorized use of any trademark, trade name or service mark; for breach of contractual or other obligations owing to third parties by the producer or user; and for any other injury or damage in law or equity, which result from the use of a PEG facility or Channel. The District shall establish rules and regulations for use of PEG facilities, consistent with, and as required by, 47 U.S.C. § 531.

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

7. FRANCHISE FEES

7.1. *Payment to the District:* Franchisee shall pay to the District a Franchise fee of five percent (5%) 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 thirty (30) days following the end of each calendar quarter. Franchisee shall be allowed to submit or correct any payments that were incorrectly omitted, and shall receive a credit from the District for any payments that were incorrectly submitted, in connection with the quarterly Franchise fee remittances within 90 days following the close of the calendar year for which such payments were applicable.

7.2. *Supporting Information:* Each Franchise fee payment shall be accompanied by a brief report prepared and emailed (or faxed, if necessary) by a representative of Franchisee, reflecting the total amount of monthly Gross Revenues for the payment period and showing the basis for the computation. The District shall have the right to reasonably require further supporting information.

7.3. *Limitation on Franchise Fee Actions:* The parties agree that the period of limitation for recovery of any Franchise fee payable hereunder shall be four (4) years from the date on which payment by Franchisee is due, or the District reasonably could have discovered a shortfall, whichever occurs last; provided, however, that nothing in this provision shall be construed to extend the document retention periods set forth in Sections 7.5 and 9.1.

7.4. *Bundled Services:* If the Franchisee bundles Cable Service with Non-Cable Service, the Franchisee agrees that it will not intentionally or unlawfully allocate such revenue for the purpose of evading the Franchise fee payments under this Agreement. In the event that the Franchisee or any Affiliate shall bundle, tie, or combine Cable Services (which are subject to the franchise fee) with Non-Cable Services (which are not subject to the franchise fee), so that subscribers pay a single fee for more than one class of service or receive a discount on Cable Services, a *pro rata* share of the revenue received for the bundled, tied, or combined services shall, to the extent reasonable, be allocated to gross revenues for purposes of computing the

franchise fee. To the extent there are published charges and it is reasonable, the *pro rata* share shall be computed on the basis of the published charge for each of the bundled, tied, or combined services, when purchased separately. However, the parties agree that tariffed telecommunications services that cannot be discounted under District or federal law or regulations are excluded from the bundled allocation obligations in this Section.

7.5. Subject to the requirements of Sections 9.1, 9.2., 9.3 and 9.4 of this Agreement and the following sentence, Franchisee shall be responsible for making available to the District, all records necessary to confirm the accurate payment of Franchise fees. The District's right to copy documents (or have copies made) under this Section 7.5 shall be limited to documents reasonably necessary to support an audit's findings and such documents may be redacted due to any applicable District or federal privacy provisions. Franchisee shall maintain such records for four (4) years, provided that, if the District commences an audit within that four-year period, Franchisee shall continue to maintain any records that have been requested by the District for the duration of any audit in progress at the end of that four-year period. The District shall conduct all audits expeditiously, and neither the District nor Franchisee shall unreasonably delay the completion of an audit. The District's audit expenses shall be borne by the District unless the audit determines the payment to the District should be increased by four percent (4%) or more in the audited period, in which case the reasonable and customary cost of any third party independent auditor, together with any additional amounts due the District as a result of such audit, shall be paid by Franchisee to the District. The audit costs and any additional amounts due shall be paid by the Franchisee with its next quarterly Franchise fee payment pursuant to Section 7.1 after written notice to Franchisee by the District of the underpayment. Such notice shall include a copy of the audit report. Provided, however, Franchisee's obligation to pay or reimburse the District's audit expenses for any third-party independent auditor, as set forth above, shall not exceed an aggregate of thirty thousand dollars (\$30,000) per audit. If recomputation results in additional Franchise fees to be paid to the District, such amount shall be subject to interest charges computed from the due date as set forth in Section 7.9. 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 District shall be compensated on a success based formula, e.g., payment based on a percentage of an underpayment, if any. The District shall not conduct an audit more frequently than once every two years.

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

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

7.8. *Ordinary Business Expense:* Except as otherwise provided by law, nothing contained in this Section 7 or elsewhere in this Agreement shall prevent the Franchisee or any Affiliate from treating the compensation and other payments that it, they or either of them may pay pursuant to this Agreement as an ordinary expense of doing business and, accordingly, from deducting such payments from gross income in any District, state or federal income tax return.

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

7.10. *Method of Payment:* Other than as may be appropriate or necessary to implement the terms of Section 6.2.6, all payments by the Franchisee to the District pursuant to this Agreement shall be made payable to the D.C. Treasurer and shall be delivered to OCT.

7.11. *No Limitation on Taxing Authority:* Nothing in this Agreement shall be construed to limit any authority of the District to impose any tax, fee, or assessment of general applicability. The Franchise fee payments required by this Section shall be in addition to any and all taxes, fees and charges of a general nature which Franchisee shall be required to pay to the District or to any District or federal agency or authority, as required herein or by law, all of which shall be separate and distinct obligations of Franchisee. Franchisee may designate Franchise fee(s) as a separate item in any bill to a Subscriber of Franchisee's Cable System, but shall not designate or characterize it as a tax. Franchisee agrees that it will not seek to offset against the franchise fee or the PEG and I-Net Grants set forth herein any amount owed as a result of any tax, fee, or assessment currently imposed by the District, nor to offset against any such tax, fee, or assessment the amounts of the franchise fee or PEG and I-Net Grants.

7.12. Except as provided in Sections 2.9(5) and 14.15, nothing in this Agreement is intended to preclude the Franchisee from exercising any right it may have to challenge the lawfulness of any tax, fee, or assessment imposed by the District or any state or federal agency or authority or intended to waive any rights the Franchisee has under 47 U.S.C. § 542 or intended to waive any rights Franchisee may have to withhold payment of taxes during a challenge of such taxes if permitted by law.

8. CUSTOMER SERVICE

Customer Service Requirements 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 no less than thirty (30) days written notice to the Franchisee, the District shall have the right to inspect and copy at a mutually agreed location in the Franchise Area Franchisee's books and records in whatever form maintained, including

without limitation electronic records, to the extent such books and records relate to the Cable System or to the Franchisee's provision of Cable Service in the Franchise Area and are reasonably necessary to ensure compliance with the terms of this Franchise. Such inspection and copying may be performed at any time during Normal Business Hours, and shall be conducted in a manner that will not unreasonably disrupt Franchisee's normal operations. Such notice shall specifically reference the purpose of the review, so that Franchisee may organize the necessary books and records for appropriate access by the District. Franchisee shall not be required to maintain any books and records for Franchise compliance purposes longer than four (4) years. Rather than arrange for inspection and copying by the District, Franchisee may choose to deliver copies of particular documents directly to the District. Notwithstanding anything to the contrary set forth herein, Franchisee shall not be required to disclose any of its or an Affiliate's books and records not relating to the provision of Cable Service in the Service Area or provide information that would, in Franchisee's reasonable discretion, disclose the location of Franchisee's facilities, or any portions or categories thereof, within the Franchise Area. Notwithstanding the forgoing, Franchisee shall make the maps required pursuant to Subsection 9.9.5 available upon request by the District upon reasonable prior notice. Franchisee shall not be required to provide Subscriber information in violation of Section 631 of the Communications Act, 47 U.S.C. § 551.

9.2. *Voluminous Records:* Subject to Section 9.1 and Section 9.3 herein, if any books, records or other requested documents are too voluminous, not available locally in the District, or for security reasons cannot be copied and moved, then the Franchisee may request that the inspection take place at a location mutually agreed to by the District and the Franchisee, provided that (i) the Franchisee must make necessary arrangements for copying documents selected by the District after its review; and (ii) the Franchisee must pay all travel and additional copying expenses incurred by the District (above those that would have been incurred had the documents been produced in the Franchise Area) in inspecting those documents or having those documents inspected by its designee. Any travel or other expenses that the Franchisee must reimburse the District shall not exceed five thousand dollars (\$5,000) per year.

9.3. *Confidential Books and Records:* If the Franchisee reasonably believes that any of the information to be provided pursuant to this Agreement is confidential, the Franchisee must: (i) specifically identify and clearly mark the information that is confidential; and (ii) upon written request from the District, provide a statement attesting to the reason(s) Franchisee believes the information is confidential. If Franchisee believes that any information in oral form provided pursuant to this Agreement is confidential, the Franchisee shall confirm the confidential nature of the information in writing within ten (10) days of making the information available to the District. The District shall protect any information identified as confidential from disclosure to the extent permissible by law, including, without limitation, the terms of the District of Columbia Freedom of Information Act, D.C. Official Code §§ 2-531 *et seq.* If the District believes it must disclose any confidential information in the course of enforcing this Franchise, or for any other reason, it shall advise the Franchisee in advance so that Franchisee can take appropriate steps to protect its interests. If the District receives a demand from any Person for disclosure of any information designated by Franchisee as confidential, the District shall, so far as consistent with applicable law, advise Franchisee and provide Franchisee with a copy of any written request by the party demanding access to such information within a time sufficient to allow Franchisee to seek a court order to protect such information. In no event shall the District be required to delay release of such confidential information beyond the deadlines imposed by

the D.C. Freedom of Information Act or other applicable law. Unless otherwise ordered by a court or agency of competent jurisdiction, the District agrees that, to the extent permitted by District and federal law, it shall deny access to any of Franchisee's information designated as confidential, as set forth above, to any Person.

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

9.5. *Annual Franchisee Report:* Unless this requirement is waived in whole or in part by the District, no later than April 30th of each year during the term of this Agreement, the Franchisee shall submit a written report (in electronic form unless not possible for technical reasons, in which case hard copy is permissible) to the District, for the matters designated herein for the prior calendar year:

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

9.5.2. A report that includes the number of homes in the Franchise Area where Cable Service was provided during that year and a projection of the number of homes to which Cable Service will become available in the next ninety (90) days.

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

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

9.5.5. Copies or (if no copies exist) descriptions of (a) any notices or other information provided to Subscribers about the Franchisee's privacy policies and other protections of Subscriber privacy and (b) the instructions the Franchisee provides to its employees and contractors regarding the Franchisee's privacy policies and other protections of Subscriber privacy;

9.5.6. An annual compilation of the information contained in the reports required by Section 9.6.3 hereof;

9.5.7. A summary description of the documented Subscriber complaints received during the previous calendar year; such summary shall provide the number and category of Subscriber complaints received during such period including a description of the issues involved (excluding personally identifiable information of Subscribers) and the category of each resolved complaint;

9.5.8. A report answering the following questions: (a) Has an adverse finding been made or an adverse final action been taken by any court or administrative body with respect to the Franchisee in a civil, criminal or administrative proceeding, brought under the provisions of any law or regulation related to the following: any felony; revocation, suspension or involuntary transfer of any authorization (including cable franchises) to provide communications services; communications-related antitrust or unfair competition; fraudulent statements to another government unit; or employment discrimination? (b) If the answer to (a) is "Yes," fully describe the Persons and matter(s) involved, including an identification of any court or administrative body and any proceeding (by dates and file numbers, if applicable) and the disposition of such proceeding. (c) Is the Franchisee currently a party in any pending matter of a type described in (a)? (d) If the answer to (c) is "Yes," fully describe the Persons and matter(s) involved, including an identification of any court or administrative body and any proceeding (by dates and file numbers, if applicable) and the disposition of such proceeding;

9.5.9. A current list of any person or entity with an ownership interest in the Franchisee of five (5) percent or more as reflected in the annual report of Franchisee's corporate parent.

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

9.5.11. A financial report consisting of a (a) copy of the annual report of Franchisee's parent company; and (b) a statement of any change in ownership of Franchisee.

9.6. Quarterly Report: Beginning six (6) months from the Service Date, Franchisee shall submit a written report (electronic or hard copy form is permissible) to the District once a quarter, no later than forty-five (45) days after the end of each calendar quarter during the term of this Agreement, showing the following, broken down on a monthly basis, for all call centers receiving calls from Subscribers except for temporary telephone numbers set up for national promotions; subject to consumer privacy requirements, underlying activity will be made available to the District for review upon reasonable request:

- 9.6.1.1. Percentage of calls answered within thirty (30) seconds;
- 9.6.1.2. Percentage of calls transferred within thirty (30) seconds;
- 9.6.1.3. Percentage of calls abandoned;
- 9.6.1.4. Total calls for which a busy signal is received;
- 9.6.1.5. Percentage of time customers received busy signal

9.6.2. Beginning six (6) months from the Service Date, Franchisee shall submit a written report (electronic or hard copy form is permissible) to the District once a quarter, no later than forty-five (45) days after the end of each calendar quarter during the term of this Agreement, showing the following, broken down on a monthly basis, for Subscribers in the Franchise Area; subject to consumer privacy requirements, underlying activity will be made available to the District for review upon reasonable request:

9.6.2.1. Percentage of Standard Installations completed within the seven (7) day period (where an ONT is installed), excluding those requested outside of the seven (7) day period by the Subscriber;

9.6.2.2. Percentage of Standard Installations completed within the fourteen (14) day period (where an ONT is not installed), excluding those requested outside the fourteen (14) day period by the Subscriber;

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

9.6.4. Percentage of Service Interruptions calls responded to within twenty-four (24) hours;

9.6.5. A report of any line extension requests received during that quarter;

9.6.6. A report of all unplanned System Outages for each month, including total number of System Outages and the duration of each System Outage;

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

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

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

9.7. *Confirmation of Reports:* Franchisee agrees that each report required by Sections 9.5 and 9.6 herein, shall include a confirmation by a representative of Verizon that the report is accurate and complete.

9.8. *Status Meetings:* Franchisee agrees that, upon request and with no less than thirty (30) days' notice, but no more than once per year, a representative of the Franchisee will meet with representatives of the District 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 District representatives, for viewing only, a map showing the availability of Cable Services in the Franchise Area.

9.9. *Records Required:* Franchisee shall at all times maintain:

9.9.1. Records of all written complaints for a period of three (3) years after receipt by Franchisee. The term "complaint" as used herein refers to complaints about any aspect of the Cable System or Franchisee's cable operations, including, without limitation, complaints about employee courtesy. Complaints recorded shall not be limited to complaints requiring an employee service call;

9.9.2. 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;

9.9.3. 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;

9.9.4. 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

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

9.10. *Report on Change in Location of Local Office:* The Franchisee shall notify the District not less than thirty (30) days prior to changing the location of its local office(s) within the District, pursuant to Section 10 of Exhibit D.

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

9.12. *Availability to the District:* At the request of the Mayor, the City Council or the Executive Director of the OCT, and with reasonable notice, appropriate representative(s) of the Franchisee with relevant expertise in the designated subjects shall, absent extraordinary circumstances, attend and participate at any meeting regarding this Agreement.

9.13. *Communication with Regulatory Agencies:* Within fifteen (15) days of filing with a regulatory agency, the Franchisee shall make available to the District a copy of any document filed by the Franchisee with a regulatory agency (other than publicly available information) that materially and expressly pertains to the District with respect to the provision of Cable Service.

In addition, the Franchisee must make available to the District (upon request) any document the Franchisee files or receives from any regulatory agency that materially and expressly pertains to the District with respect to the provision of Cable Service.

9.14. *File for Public Inspection.* Throughout the term of this Agreement, the Franchisee shall maintain, in a file available for public inspection during normal business hours at the Franchisee's appointed location within the District, all documents required by 47 C.F.R. § 76.1700 (or any successor thereto).

10. INSURANCE AND INDEMNIFICATION

10.1. Insurance:

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

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

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

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

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

10.1.3. The liability insurance policy or policies required by this Section shall be maintained by the Franchisee throughout the term of this Agreement and for one hundred twenty (120) days thereafter. The general and automobile liability insurance policies shall contain the following endorsement: "It is hereby understood and agreed that this policy may not be cancelled or not renewed until thirty (30) days after receipt by the District, by registered mail, of a written notice of such intent to cancel or not to renew." Not later than thirty (30) days prior to said cancellation, the Franchisee shall obtain one (1) or more replacement insurance policies and shall furnish copies of the certificate of insurance to the District.

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

10.1.5. The Franchisee shall provide the District with Certificates of insurance providing evidence of all coverage required of this Agreement upon execution of this Agreement, following an adverse material change or any time the Franchisee obtains new insurance policies.

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

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

10.2. Indemnification:

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

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

10.2.3. The District shall give the Franchisee written notice of its obligation to indemnify the District under Section 10.2 as soon as possible, but in no event more than thirty (30) days after the date the District receives notice, or otherwise is made aware, of a claim, suit, cause of action, or proceeding for which the Franchisee is obligated to indemnify the District. Such notice shall in any event be delivered to Franchisee sufficiently in advance of the time for Franchisee's response to a claim in order that Franchisee will be able to respond in a timely manner and the defense against such claim will not be prejudiced. The District shall take action necessary to avoid entry of a default

judgment if such action is needed before the District provides the Franchisee notice; provided, however, that no such action shall in any way prejudice or harm the Franchisee.

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

10.2.5. With respect to Franchisee's indemnity obligations set forth in Subsection 10.2.1, Franchisee shall provide the defense of any claims, suits, causes of action, or proceedings brought against the District by selecting counsel of Franchisee's choice to defend the claim, subject to the consent of the District, which shall not unreasonably be withheld. Nothing herein shall be deemed to prevent the District from cooperating with the Franchisee and participating in the defense of any litigation by its own counsel at its own cost and expense, provided however, that after consultation with the District, Franchisee shall have the right to defend, settle or compromise any claim, suit, cause of action, or proceeding arising hereunder, so long as any settlement includes a full release of the District, and Franchisee shall have the authority to decide the appropriateness and the amount of any such settlement. In the event that the District does not consent to the terms of any such settlement or compromise, Franchisee shall not settle the claim or action but its obligation to indemnify the District shall in no event exceed the amount of such settlement. In the event the Franchisee fails, after notice pursuant to Subsection 10.2.3, to undertake the District's defense of any claims required under this Section 10.2, Franchisee's indemnification shall also include the District's reasonable attorneys' fees incurred in defending against any such claim.

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

10.2.7. The District shall be responsible for its own acts of willful misconduct or negligence, or breach of obligation committed by the District for which the District is legally responsible, subject to any and all defenses and limitations of liability provided by law.

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

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

11. TRANSFER OF FRANCHISE

11.1. *District Approval Required:* Subject to the provisions of this Article, the Franchisee shall apply to the District for approval of a Transfer, which shall be defined as: (i)

any transaction in which any change is proposed with respect to ten percent (10%) or more for voting interests or twenty-five percent (25%) or more for non-voting interests of the ownership of the Franchisee; or (ii) any transaction which will result in a change of ownership or control of the Cable System, the Cable System assets, or the Franchise. Application shall be made by submitting FCC Form 394 or such other form as the FCC may prescribe for that purpose. The application shall be made at least one hundred twenty (120) calendar days prior to the contemplated effective date of the transaction. Subject to the confidentiality provisions of Sections 9.1 and 9.3, if applicable, such application shall contain complete information on the proposed transaction, including details of the legal, financial, technical, and other qualifications of the transferee. At a minimum, the following information must be included in the application:

11.1.1. all information and forms required under federal law;

11.1.2. any shareholder reports or filings with the Securities and Exchange Commission that pertain to the transaction;

11.1.3. a report detailing any changes in ownership of voting or nonvoting interests of over five percent;

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

11.1.5. complete information regarding any potential impact of the transaction on Subscriber rates and service; and

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

11.2. To the extent not prohibited by federal law, the District may: (i) grant approval; (ii) grant approval subject to conditions directly related to concerns relevant to the transactions; (iii) deny approval of any such transactions; or (iv) not take action, in which case the transactions shall be deemed granted pursuant to Section 617 of the Communications Act, 47 U.S.C. § 537.

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

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

11.5. *Approval Does Not Constitute Waiver:* Approval by the District of a Transfer shall not constitute a waiver or release of any of the rights of the District under this Agreement or the D.C. Cable Law, whether arising before or after the date of the Transfer. A Transfer does not release any default or noncompliance that may have occurred prior to the Transfer. Any such

default or noncompliance shall become the responsibility of the new Franchisee, unless the District otherwise expressly agrees in writing.

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

11.7. Before approving any Transfer, the District shall consider the legal, financial, technical and other relevant qualifications of the proposed transferee to hold the Franchise and operate the System, and whether operation by the proposed transferee will adversely affect the delivery of Cable Services to Subscribers or otherwise be contrary to the public interest. No application for a Transfer shall be granted unless the proposed transferee agrees in writing that it will abide by and accept all terms of this Agreement and the D.C. Cable Law, and that it will assume the obligations, liabilities, and responsibility for all acts and omissions, known and unknown, of the previous Franchisee under this Agreement and the D.C. Cable Law for all purposes, including renewal.

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

11.8.1. For Transfers described in Section 11.8 that do not involve the transfer of (i) an ownership interest in the Cable System or the assets of the Cable System; or (ii) the transfer of the Franchise itself to another entity, the new controlling entity shall agree in writing, within thirty (30) days after the time of the notice required by Section 11.8, that it will not take any action to impede the Franchisee from satisfying all obligations under this Agreement and the D.C. Cable Law.

11.8.2. For Transfers described in 11.8, other than those described in Subsection 11.8.1, Franchisee shall provide at least ninety (90) days prior written notice of any such Transfer ("Ninety Day Notice Transfer"), including a brief description of the transaction, the assets or interests to be transferred, and the identity of the transferee. With respect to such Ninety Day Notice Transfers, the transferee shall agree in writing that it will abide by and accept all terms of this Agreement and the D.C. Cable Law, and that it will assume the obligations, liabilities, and responsibility for all acts and omissions, known and unknown, of the previous Franchisee under this Agreement and the D.C. Cable Law for all purposes, including, without limitation, renewal of the Franchise. Within a reasonable time after receiving notice that a Ninety Day Notice Transfer has occurred, the District shall be responsible for furnishing the Franchisee with a letter acknowledging the transfer and whether the District is satisfied with the legal, financial, and technical qualifications of the

transferee. In the case of a Ninety Day Notice Transfer, Franchisee shall guarantee all of the obligations that this Agreement imposes on the holder of the Franchise until the District provides the Franchisee with the letter acknowledging the Transfer and confirming that the District has found the legal, financial, and technical qualifications of the transferee to be satisfactory.

11.9. To the extent that the District's approval of a Transfer is required, the District, upon approval by the District Council of any Transfer petition, may charge a fee to recover reasonable documented expenses incurred in processing the petition; provided, however, that such fee shall not exceed twenty thousand dollars (\$20,000) dollars.

12. RENEWAL OF FRANCHISE

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

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

13. ENFORCEMENT AND TERMINATION OF FRANCHISE

13.1. This Section contains the Enforcement and Termination process pertaining to this Agreement and the Franchise. The respective authority and obligations of OCT and the Council are exclusive to each.

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

13.3. *Revocation:* If at any time during the term of the Franchise upon consideration of OCT's finding, the Council determines that the Franchisee is in substantial material default of a term or condition of this Agreement or the D.C. Cable Law and the Franchisee has failed to cure the substantial material default after due notice and opportunity to cure, the Council may revoke this Agreement pursuant to Section 13.8 herein.

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

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

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

13.7. If OCT determines that further action to enforce this Agreement or the D.C. Cable Law is appropriate, OCT may take any action set forth herein including seeking (i) an injunction, (ii) specific performance, (iii) monetary damages, (iv) liquidated damages, or (v) recommending that the Council revoke the Franchise pursuant to Section 13.8. If OCT determines to take any action set forth in this Section 13.7, OCT shall provide written notice of its determination to the Franchisee and to the Council. In the event OCT recommends that the Council revoke the Franchise as set forth in Section 13.8, OCT shall prepare the written report to the Council to specifically address the substantial material default of a material provision of the Franchise that has occurred and recommending revocation of the Franchise.

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

13.7.1.1. For failure to provide Cable Service as required by Sections 3.1, 3.2, and 3.3 of this Agreement: Two hundred fifty dollars (\$250) per day;

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

13.7.1.3. For failure to provide PEG fees pursuant to Section 6.2 of this Franchise: Five hundred dollars (\$500) per day for each day the violation continues, in addition to the amount of the unpaid fee;

13.7.1.4. For failure to meet Customer Service Standards with regard to telephone answering time, time to transfer a call to a customer service representative, or excessive busy signals, time to complete Standard Installations, and time to Respond to Service Interruptions, if such standards are not met according to the terms in which such standards are established in Exhibit D: Five hundred dollars (\$500) for each quarter in which such standards were not met if the failure was by less than five percent (5%); One thousand dollars (\$1,000) for each quarter in which such standards were not met if the failure was by five percent (5%) or more but less than fifteen percent (15%); and Two thousand dollars (\$2,000) for each quarter in which such standards were not met if the failure was by fifteen percent (15%) or more;

13.7.1.5. For failure to comply with the customer service standards set forth in Exhibit D other than those specified in Subsection 13.7.1.4 above: Two hundred dollars (\$200) per day for each day such failure continues;

13.7.1.6. For failure to furnish or maintain the Security as required by Section 13.10: One hundred dollars (\$100) per day for each day the violation continues;

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

13.7.1.8. For failure to notify the District of a Transfer that does not require District approval as required in Section 11.8: Five hundred dollars (\$500) per day for each day such failure continues; and

13.7.1.9. For a Transfer without required approval: \$2,000 dollars per day for each day the violation continues.

13.7.1.10. For purposes of any liquidated damages assessments, all similar violations or failures arising out of the same factual events affecting multiple Subscribers shall be assessed as a single violation, and a violation or a failure may only be assessed under any single one of the above-referenced categories. Violations or failures shall not be deemed to have occurred or commenced until they are deemed not cured as provided in Section 13.5.

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

13.7.1.12. The exercise of any right or remedy set forth in Section 13.7 by the District shall not release the Franchisee from its obligations or from any liability under this Agreement, except (i) with regard to any violation for which liquidated damages are paid as provided in Section 13.7.1, (ii) as expressly provided for in this Agreement, or (iii) as necessary to avoid duplicative recovery from or payments by the Franchisee or its surety(s).

13.7.1.13. To the extent that the District elects to assess liquidated damages and such liquidated damages have been paid to the satisfaction of the District, such damages shall be the District's sole and exclusive remedy. Nothing in this Section is intended to preclude the District from exercising any other right or remedy with respect to (i) a violation that

continues past the time the District stops assessing liquidated damages for such violation or (ii) the District's use of a past portion of a continuing violation to support a claim of substantial material default of a material provision of the Franchise, one (1) of the elements of which is a continuing or repeated violation of this Agreement or the D.C. Cable Law. Further, the Franchisee's payment of such liquidated damages shall not preclude the District from considering the violations for which such liquidated damages were paid in any decision the District makes on whether to renew this Franchise pursuant to Section 626 of the Cable Act (47 U.S.C. § 546) (or any successor thereto) or otherwise.

13.7.1.14. The Franchisee shall pay any assessment of liquidated damages promptly, but in no event later than thirty (30) days after the date of OCT's notice of assessment pursuant to Section 13.7 unless: (1) the Franchisee seeks review of OCT's assessment by the Council within thirty (30) days after receipt of notice of OCT's assessment, and (2) the Council reverses or modifies OCT's assessment within forty-five (45) days (excluding days that the Council is recessed or not in session) after the Franchise has timely requested Council review. OCT may submit additional information to the Council in response to the Franchisee's request for Council review. If the Council fails to take any action within the forty five (45) day period (excluding days that the Council is recessed or not in session), or the Franchisee fails to request Council review within the thirty (30) day period, OCT's assessment shall be deemed to be ratified, and the Franchisee shall comply with OCT's assessment within five (5) Business Days of the end of the applicable time period specified above. If the Franchisee fails to pay the full amount of liquidated damages by that date, OCT may draw upon the Security Fund in accordance with its terms. Any proceeding before the Council shall afford the Franchisee such procedural rights as are available under the Council's rules and procedures.

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

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

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

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

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

13.10. *Security:* Prior to the Service Date and throughout the term of this Agreement the Franchisee shall provide to the District and maintain an irrevocable, unconditional letter of credit in a form substantially similar to Exhibit G of this Agreement, as Security for the performance of its obligations under this Agreement in the amount of one hundred and fifty thousand dollars (\$150,000). The Franchisee shall maintain this Security throughout the term of this Agreement. Franchisee shall post a performance bond, substantially in the form of Exhibit E of this Agreement, as Security for the performance of its obligations under this Agreement in the amount of three hundred and fifty thousand dollars (\$350,000). The Franchisee shall provide the District with a copy of the performance bond and a letter to confirm the payment of premiums for the performance bond. In the event that a performance bond provided pursuant to the Agreement is not renewed or is cancelled, Franchisee shall provide new Security pursuant to this Article within thirty (30) days of such cancellation or failure to renew. Neither cancellation, nor termination nor refusal by surety to extend the bond, nor inability of Principal to file a replacement bond or replacement Security for its obligations, shall constitute a loss to the Obligee recoverable under the bond.

13.10.1. This Security shall serve as security for: (i) the faithful performance of the Franchisee's obligations pursuant to this Agreement and any costs, losses or damages incurred by the District as a consequence of the Franchisee's performance or nonperformance of the terms and conditions of this Agreement; (ii) any expenditure (excluding any outside attorneys' fees for enforcement of this Agreement), damage or loss incurred by the District occasioned by the Franchisee's failure to comply with all rules, regulations, orders, permits and other directives of the District issued pursuant to this Agreement or the D.C. Cable Law; (iii) all payments due the District from the Franchisee pursuant to this Agreement; (iv) any Liquidated Damages pursuant to Section 13.7.1; and (v) any costs, losses or damages incurred by the District as a result of revocation for cause due to a substantial material default of a material provision of the Franchise pursuant to Section 13.8. Notwithstanding the foregoing, the Franchisee shall have thirty (30) days to pay any amount of applicable liability to the District prior to any withdrawal of any amount from this Security by the District. The withdrawal of amounts from this Security shall constitute a credit against the amount of the applicable liability of the Franchisee to the District but only to the extent of said withdrawal.

13.10.2. Within fifteen (15) Business Days after receipt of notice from the District that any amount has been withdrawn from the Security, as provided in Subsection 13.10.1 hereof, the Franchisee shall restore the Security to the full amount specified in Section 13.10 hereof and provide to the District evidence satisfactory to the District that the Franchisee has done so. If a court determines that said withdrawal by the District was improper, the District shall restore the improperly withdrawn amount to the

Security, together with interest, from the date of the withdrawal at an annual rate equal to the prime interest rate of the District's primary depository bank.

13.10.3. Within five (5) Business Days after each of the foregoing withdrawals, the District shall notify the Franchisee of the date and amount thereof.

13.10.4. *Return of Security Fund:* Upon termination of this Agreement for any reason or the Franchise granted herein, the Franchisee shall be entitled to the return of the Security Fund deposited pursuant to Section 13.10 hereof, or such portion thereof as remains on deposit at said termination, provided that all offsets necessary to compensate the District for any uncured failure to comply with any provision of this Agreement have been taken by the District.

14. MISCELLANEOUS PROVISIONS

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

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 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 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 District.

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

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

14.5.1. Notices to Franchisee shall be mailed to:

President
Verizon Washington, DC Inc.
2055 L Street NW, 5th floor
Washington, DC 20036

14.5.2. with a copy to:

John F. Raposa
Senior Vice President & General Counsel -Telecom
Verizon
One Verizon Way
Room VC44E232
Basking Ridge, NJ 07920-1097

14.5.3. Notices to the District shall be mailed to:

Eric E. Richardson
Executive Director
D.C. Office of Cable Television
3007 Tilden Street NW, Pod P
Washington, DC 20008

14.5.4. with a copy to:

J. Carl Wilson
General Counsel
D.C. Office of Cable Television
3007 Tilden Street NW, Pod P
Washington, DC 20008

14.6. *Entire Agreement:* This Franchise and the Exhibits hereto constitute the entire agreement between Franchisee and the District, and it supersedes all prior or contemporaneous agreements, representations or understanding (whether written or oral) of the parties regarding the subject matter hereof.

14.7. *Amendments:* Amendments to this Franchise shall be mutually agreed to in writing by the parties. Either party may at any time request amendments to this Franchise including amendments relating to advancements in technology. Such amendments shall become effective subject to agreement of the parties and applicable law.

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 District or federal regulatory authority having jurisdiction thereof, such determination shall have no effect on the validity of any other section, subsection, sentence, paragraph, term or provision hereof, all of which will remain in full force and effect for the term 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 Franchise 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 District 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. This provision is not intended to contravene leased access requirements under Title VI or PEG requirements set out in this Agreement.

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

14.14. *Employment*: Franchisee shall comply with all applicable federal and District laws and regulations affording non-discrimination in employment to all individuals, regardless of their race, color, religion, age, sex, national origin, sexual orientation or physical disability.

Franchisee shall comply with all applicable requirements of the Americans with Disabilities Act, 42 U.S.C.A. § 12101 *et seq.* Franchisee agrees that, upon request by the District, Franchisee shall give documentary evidence as to the steps it took to ensure that a good faith effort was made by it to comply with this Section.

14.14.1. *First Source*: Franchisee and the District Department of Employment Services (DOES) will enter by the Effective Date into a mutually acceptable Cable First Source Agreement. DC Cable Law Section 405(a)(9) (DC Official Code § 34-1254.05(a)(9)), as applicable to Franchisee, shall be deemed satisfied upon execution of such an agreement by Franchisee and the District.

14.14.2. *Procurement*: Franchisee and the District Department of Small and Local Business Development will enter by the Effective Date into a mutually acceptable agreement regarding contracting with, and procuring from, local, small, and

disadvantaged business enterprises. DC Cable Law Section 405(a)(8) (DC Official Code § 34-1254.05(a)(8)), as applicable to Franchisee, shall be deemed satisfied upon execution of such an agreement by Franchisee and the District.

14.15. *Franchise Award Fee*: Franchisee shall pay a Franchise Award Fee of (\$200,000) as set forth in the Approval of the Verizon Washington, DC Inc. Cable Television System Franchise Act of 2008, within thirty (30) days of the Effective Date of this Agreement. Franchisee agrees that it will not offset the Franchise Award Fee from franchise fees under this Agreement. To the extent permitted by federal law, the Franchisee shall be allowed to recover the costs of a Franchise Award Fee from Subscribers and to include such costs as a separately billed line item on each Subscriber's bill.

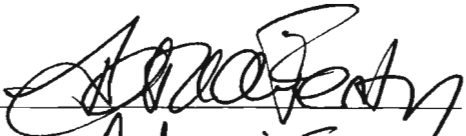
14.16. *Certain Certifications*: Section 6 of the Approval of the Verizon Washington, DC Inc. Cable Television System Franchise Act of 2008 contemplates that OCT will issue certain certifications by the effective date of the Act. If OCT fails to issue these certifications by such effective date or Franchisee is not satisfied with them, Franchisee may until the date that is thirty (30) days after the Effective Date of this Agreement (or such longer period allowed by OCT) notify OCT in writing that OCT has failed to issue satisfactory certifications, in which case this Agreement will be deemed null and void unless OCT subsequently issues certifications satisfactory to Franchisee within ten (10) days of receipt of Franchisee's notice. If Franchisee fails to exercise this right by the date required by this paragraph, such right will be waived.

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

14.18. *No Third Party Beneficiaries*: Except as expressly provided in this Agreement, this Agreement is not intended to, and does not, create any rights or benefits on behalf of any Person other than the parties to this Agreement.

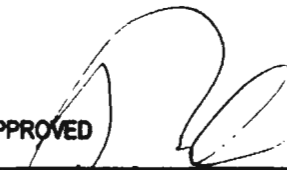
SIGNATURE PAGE FOLLOWS

THE CITY OF WASHINGTON, DISTRICT OF COLUMBIA

By: 
Name: Adrian Fenty

Title: Mayor

Date: 4-28-09


FORM APPROVED
Attorney 
Date 4-30-09

By: Vincent C Gray
Name: VINCENT C GRAY

Title: Chairman of the Council of the District of Columbia

Date: April 9, 2009

VERIZON WASHINGTON, DC INC.

By: 

Name: William R. Roberts

Title: President

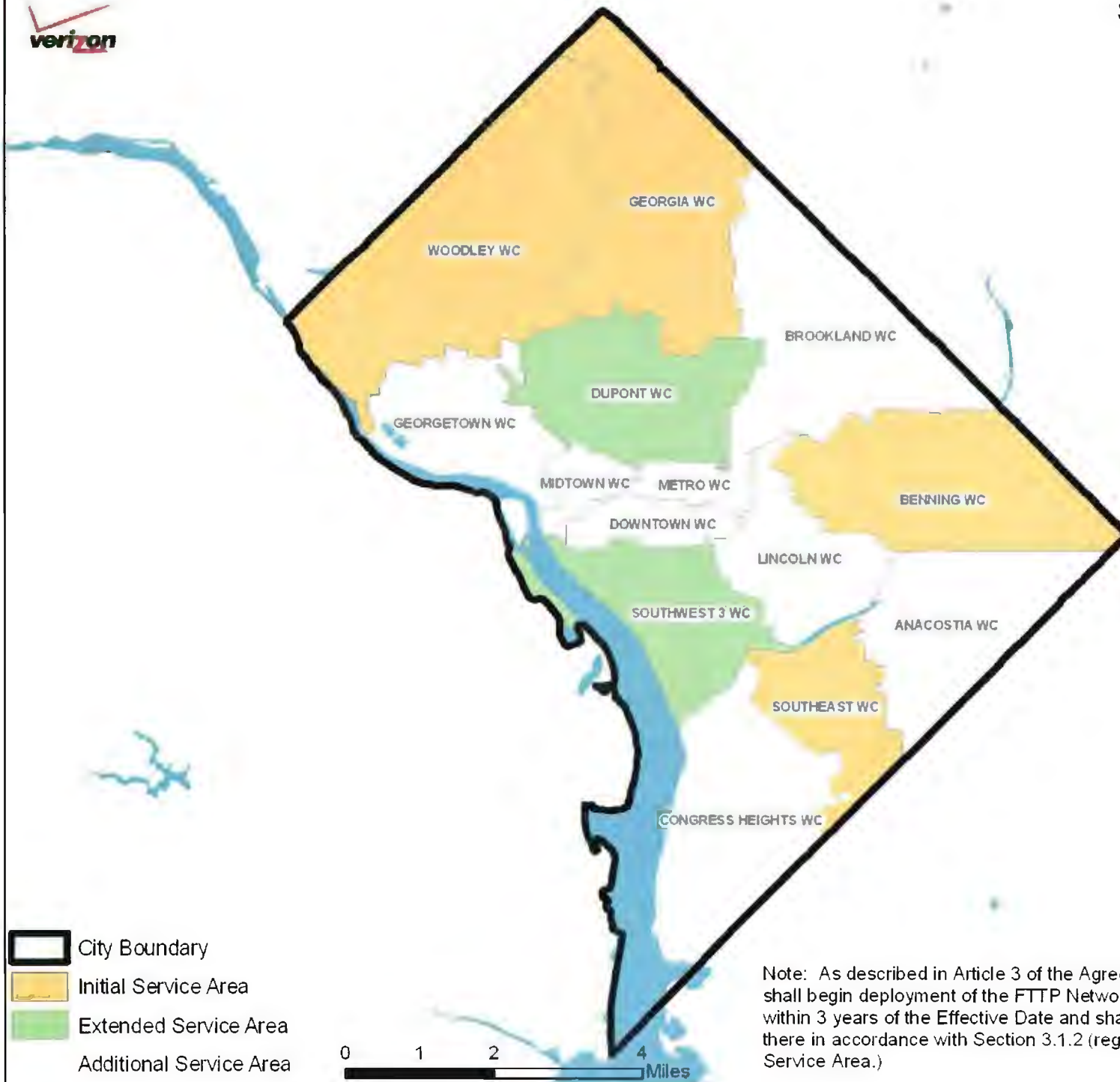
Date: 4/30/09

EXHIBIT A
SERVICE AREAS



Service Areas Map for Washington D.C.

Revised: 11/14/08



- City Boundary
- Initial Service Area
- Extended Service Area
- Additional Service Area

Note: As described in Article 3 of the Agreement. Franchisee shall begin deployment of the FTTP Network in the Benning WC within 3 years of the Effective Date and shall offer Cable Service there in accordance with Section 3.1.2 (regarding the Extended Service Area.)



EXHIBIT B

MUNICIPAL BUILDINGS TO BE PROVIDED FREE CABLE SERVICE

Wilson Building, 1350 Pennsylvania Ave., NW

D.C. H. Carl Moultrie I Court House, 500 Indiana Ave., NW

Office of Cable Television, 3007 Tilden St., NW

Engine Company 7, 1101 Half St., SW

Engine Company 10, 1342 Florida Ave., NE

Training Academy, 4600 Sheppard Pkwy, SW

Unified Command Center/ Mayor's Call Center, 2720 Martin Luther King Jr. Ave., SE

DOH Administration, 51 N St., NE

Residential Housing Academy, 6 D.C. Village Lane, SE

Department of Youth Rehabilitation, 1000 MT. Olivet Rd., NE

Department of Motor Vehicles, 95 M St., SW

Commission on The Arts and Humanities, 2901 14th St., NW

Housing Finance Authority, 815 Florida Ave., NW

D.C. Public Defender Service, 633 Indiana Ave., NW

D.C. Sports and Entertainment Commission, 2400 East Capitol St., SE

Child and Family Services Agency, 400 6th St., SW

Commission Judicial Disabilities & Tenure, 515 5th St., NW

Department on Disability Services, 1125 15th St., NW

D.C. Retirement Board, 900 7th St., NW

Public Service Commission, 1333 H St., NW

D.C. National Guard, 2001 East Capitol St., SE

Department of Employment Services, 1400 L St., NW
D.C. Jail, 1901 D St., SE
Department of Health Administration, 51 N St., NE
Department of Health Services (Various Agency), 64 New York Ave., NE
Facilities Maintenance, 3025 V St., NE
Department of Employment Services, 1500 Franklin St., NE
Arboretum Recreation Center, 2012 Rand Pl., NE
Anacostia Fitness Recreation Center, 1800 Anacostia Dr. SE
Bruce Monroe Recreation Center, 725 Columbia Rd. NW
Joseph H. Cole Recreation Center, 1200 Morse St., NE
Congress Heights Recreation Center, 3100 Randle Pl., SE
Guy Mason Community Center, 3600 Calvert St., NW
Banneker Community Center, 2500 Georgia Ave., NW
N. Michigan Park Recreation Center, 1300 Emerson St., NE
Barry Farm Recreation Center, 1230 Sumner Rd., SE
Bald Eagle Recreation Center, 100 Joliet St., SW
Benning Stoddert Community Center, 100 Stoddert Pl., SE
Capper Recreation Center, 901 5th St., SE
Stoddert Recreation Center, 39th & Calvert Sts., NW
Lamond Recreation Center, 20 Tuckerman St., NE
Mitchell Park Recreation Center, 23rd & S Sts., NW
Petworth Recreation Center, 801 Tuckerman St., NW
Ridge Recreation Center, 800 Ridge Rd., SE

River Terrace Recreation Center, 420 34th St., NE
Hart Recreation Center, 601 Mississippi Ave., SE
Douglas Community Center, 1898 Stanton Terr., SE
Edgewood Recreation Center, 3000 Ewart Street NE
Fort Davis Community Center, 1400 41st Street SE
Fort Greble Recreation Center, 200 Chesapeake St. SW
Fort Stanton Community Center, 1800 Erie Street SE
Riggs LaSalle Recreation Center, 501 Riggs Rd., NE
Rudolph Recreation Center, 5200 2nd St., NW
Georgetown Recreation Center, 34th and Q Sts., NW
Columbia Heights Community Center, 1480 Girard St., NW
Hillcrest Recreation Center, 3100 Denver St., SE
Kalorama Recreation Center, 1875 Columbia Rd. NW
Kennedy Recreation Center, 1401 7th St., NW
Harrison Recreation Center, 1330 V. St., NW
LeDroit Senior Recreation Program, 2145 4th St., NW
Marie Reed Recreation Center, 2200 Champlain St., NW
Parkview Community Center, 693 Otis Pl., NW
Raymond Recreation Center, 3701 10th St., NW
King Greenleaf Recreation Center, 201 N. St., SW
Randall Recreation Center, 820 South Capitol St., SW
Rosedale Recreation Center, 1700 Gales St., SW
Stead Recreation Center, 1625 P St., NW

Sherwood Recreation Center, 640 10th St., NE
Brentwood Recreation Center, 2311 14th St., NE
Langdon Park Community Center, 2901 20th St., NE
Watkins Recreation Center, 420 12th St., SE
Theodore Hagans Cultural Center, 3201 Ft. Lincoln Dr., NE
Evans Recreation Center, 5600 East Capitol St., NE
Ft. Lincoln Recreation Center, 3100 Ft. Lincoln Dr., NE
Savoy Recreation Center, 2440 Shannon PL., SE
Hine Recreation Center, 335 8th St., SE
Payne Recreation Center, 303 15th St., SE
Taft Recreation Center, 1800 Perry St., NE
Trinidad Recreation Center, 1310 Childress St., NE
Kelly Miller Recreation Center, 49th & Brooks Sts., NE
Watts Branch Recreation Center, 6201 Bank Pl., NE
Emery Recreation Center, 5701 Georgia Ave., NW

EXHIBIT C

PEG CHANNELS/PEG ORIGINATION POINTS

Two (2) District of Columbia Government Channels:
McKinley Technology High School
151 T Street, NE
Wing "A"
Washington, DC

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

One (1) District of Columbia Public Schools Channel:
Public Schools
1709 Third Street, NE
Washington, DC

One (1) University of the District of Columbia Channel:
University of District of Columbia (UDC)
4400 Connecticut Avenue, NW
Washington, DC

Subject to Subsection 6.1.3 of this Agreement, three (3) other PEG Channels to be determined by OCT (collectively the "Three Other Initial PEG Channels"): origination locations must be one of the PEG Origination Points above in this Exhibit C.

EXHIBIT D

CUSTOMER SERVICE STANDARDS

These standards shall apply to the Franchisee to the extent it is providing Cable Services over the Cable System in the Franchise area.

SECTION 1: DEFINITIONS

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

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

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

Standard Installation: Installations where the subscriber is within two hundred fifty (250) feet of trunk or feeder lines.

System Outage: A Service Interruption affecting more than seventy-five (75) Subscribers served by a Video Serving Office in the Service Area lasting at least four (4) continuous hours.

Video Serving Office: A facility of the Franchisee (including a central office associated with the public switched network for voice services or other similar facilities designated by the Franchisee for this purpose), a portion of which has been equipped with the appropriate equipment to enable Cable Service to be provided to Subscribers.

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 from 8 a.m. to 6 p.m. weekdays, except to the extent such requirement is affected by or subject to any contractual agreement(s) between the Franchisee and any Person other than the District. 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. If the Franchisee uses an ARU or VRU, the system shall provide a clearly indicated opportunity to speak to a customer service representative.

D. 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.

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

E. With respect to System Outages known by the Franchisee, Franchisee will provide up-to-date information on the status of the outage, the efforts to correct the problem and the estimated time when service will be restored.

F. Under Normal Operating Conditions, calls received by the Franchisee shall be answered within thirty (30) seconds. If the call needs to be transferred, transfer time shall not exceed thirty (30) seconds. 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.

G. 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.

H. Under Normal Operating Conditions, incoming phone calls shall not be abandoned more than five (5%) percent of the time, during any calendar quarter.

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

J. Franchisee shall provide TDD/TTY service with trained customer service representatives, who shall be available during regular business hours and shall be able to provide services for hearing impaired customers at no charge.

K. Franchisee shall keep records as necessary to show compliance with Section 2.

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 an order is placed if the Optical Network Terminal ("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. The 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 connections later than these timeframes.

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

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

(1) 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 blocks during appropriate daylight hours, usually beginning at 8:00 AM unless it is deemed appropriate to begin earlier by location exception. These hour restrictions do not apply to weekends or outside normal business hours. On Saturdays, a minimum of 50% of the appointments will be offered to Subscribers with morning or afternoon alternatives to perform installations, Service Calls and other activities. The appointment window may be longer only if the Subscriber consents. Franchisee may schedule appointments outside of normal business hours for the express convenience of the Subscriber. Franchisee may not cancel an appointment after the close of business the day before a scheduled appointment, except for appointments scheduled within twelve (12) hours after the Subscriber's call to establish the appointment. If Franchisee cancels an appointment under these circumstances, it will consider on a case by case basis any customer request for a credit due to the cancelled appointment.

(2) Franchisee will perform Service Calls from 8 a.m. to 7 p.m. weekdays and from 8 a.m. to 5 p.m. weekends and will perform installations and other activities from 8 a.m. to 5 p.m. weekdays and Saturdays, except to the extent such requirements are affected by or subject to any contractual agreement(s) between the Franchisee and any Person other than the District.

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

(4) Franchisee shall inform a Subscriber at the time an appointment is scheduled of its service procedures, required payments, and phone or field verification procedures.

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

(6) Prior to an appointment period, Franchisee shall call the Subscriber to confirm the appointment. If the Subscriber does not answer the telephone call and the Subscriber has an answering system, Franchisee shall leave a message.

(7) If the Subscriber is unavailable during the scheduled appointment time or window, Franchisee shall leave written notice, such as a door tag or similar notice with a telephone number to contact to reschedule the appointment.

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

SECTION 4: SERVICE INTERRUPTIONS AND OUTAGES

A. The Franchisee shall notify the District of any System Outage of the Cable Service.

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

C. Notwithstanding the foregoing, Franchisee may perform modifications, repairs and upgrades to the Cable System between 12.01 a.m. and 7 a.m. which may interrupt service, 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.

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

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

F. 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 District of a Cable Service problem.

G. 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.

H. The Franchisee shall meet the standard in Subsection F. of this Section for ninety-five percent (95%) of the Service Calls it completes, as measured on a quarterly basis.

I. 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.

J. Under Normal Operating Conditions, if a System 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. Such credit shall be reflected on Subscriber billing statements within the next available billing cycle following the outage.

K. Franchisee will have the ability to issue service credits, at its sole discretion, to address customer complaints.

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

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

SECTION 5: CUSTOMER COMPLAINTS

A. Under Normal Operating Conditions, the Franchisee shall investigate Subscriber complaints referred by the District within five (5) business days. The Franchisee will attempt to contact the Subscriber within forty-eight (48) hours. The Franchisee shall notify the District of those matters that necessitate an excess of five (5) business days to resolve, but those matters must be resolved within fifteen (15) days of the initial complaint. The District may require reasonable documentation to be provided by the Franchisee to substantiate the request for additional time to resolve the problem. For purposes of this Section, "resolve" means that the

Franchisee shall perform those actions, which, in the normal course of business, are necessary to investigate the Customer's complaint and advise the Customer of the results of that investigation. Franchisee agrees to update the District via electronic means on the closure of any complaint submitted by the District and on the status via verbal or electronic means.

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

C. Franchisee shall make the complaint resolution procedures available at no charge to Subscribers upon request. Franchisee shall make available the complaint resolution procedures at its local office(s), when established, and on its website.

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

E. Franchisee shall file a copy of its complaint resolution procedures with the OCT.

F. Subject to the confidentiality and privacy provisions of Article 9 of this Agreement, Franchisee shall assist OCT in its investigation of a Subscriber's complaint by providing any documents, materials, statements of fact, or other types of information reasonably requested by OCT consistent with the D.C. Cable Law or this Agreement.

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. Bills shall also include:

- (1) The date on which payment is due from a Subscriber;
- (2) The billing period over which each chargeable service is billed, including any prorated period due to the installation or disconnection of service;
- (3) The date when an applicable late fee would be assessed;
- (4) The amount of current billing and appropriate credits of past due balances, if any exist;
- (5) The name and address of the Franchisee;
- (6) The telephone number of the Franchisee's customer service center; and

(7) The telephone number and website address of OCT for unresolved customer service disputes.

C. If Franchisee itemizes franchise fees or other governmental fees attributable to the total bill, Franchisee shall ensure that the itemization is in accordance with federal law and the D.C. Cable Law.

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

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

F. 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.

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

(1) The Subscriber pays all undisputed charges;

(2) The Subscriber provides notification of the dispute to Franchisee within five (5) 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.

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

(1) Franchisee shall promptly undertake whatever review is necessary to resolve the dispute, and, under Normal Operating Conditions, shall initiate investigation and resolution within five (5) business days after receipt of the notice. Final resolution shall not be unreasonably delayed.

(2) Franchisee may not impose a late charge with respect to a disputed amount if the matter is found in favor of the Subscriber.

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

(4) Franchisee may recover a reasonable fee for all checks returned due to insufficient funds.

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

(6) A bill shall not be considered delinquent until at least forty-five (45) days have elapsed from the mailing of the bill to the Subscriber and payment has not been received by the Franchisee. The amount of any late fee imposed shall reasonably relate to Franchisee's costs as a result of late Subscriber payments plus interest.

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

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

K. 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.

L. District Information: The District hereby requests that Franchisee begin including the District, and its address and telephone number on Subscriber bills, which information shall then appear on Subscriber bills within a reasonable time.

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. Franchisee shall pay interest on deposits if required by law.

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.

C. Franchisee shall refund a deposit made by a Subscriber, plus interest accrued pursuant to Section 7.A., in the next available billing cycle after disconnection of service, return of equipment and payment of final bill.

D. 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).

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

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

G. 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. Rates and Charges: The District reserves the right to regulate Franchisee's rates, except as prohibited by federal law. In addition, the District acknowledges that on the Service Date, for purposes of 47 U.S.C. § 543, Franchisee shall be subject to effective competition as defined in 47 U.S.C. § 543(1)(1)(D). The District does not acknowledge that effective

competition necessarily exists thereafter, in the event of any change in relevant facts or the terms of 47 U.S.C. § 543.

C. Franchisee shall make available for lease, or otherwise, necessary equipment for Subscribers to utilize Cable Service provided by Franchisee, such as settop boxes and remote control devices. Franchisee shall supply a parental control device upon request at a charge consistent with this Agreement, federal law and the D.C. Cable Law.

D. At a Subscriber's request, Franchisee shall exchange faulty settop boxes at the Subscriber's address without charge. In such cases, Franchisee shall provide another settop box, install it, and ensure that it is working properly.

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

F. Franchisee may hold a Subscriber at fault for unreturned equipment if, within the time set forth in subsection 8.E.:

(1) The Subscriber refused to make or keep arrangements for equipment pickup at the Subscriber's address; or

(2) The Subscriber failed to avail themselves of alternative arrangements for the return of equipment; or

(3) The Subscriber failed to return the equipment to Franchisee's local office, when established.

G. Franchisee may charge the Subscriber or deduct from the Subscriber's deposit the retail value of the equipment if equipment is lost, damaged, or stolen.

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

I. Franchisee shall keep records showing the resolution of Subscriber claims regarding lost, stolen, or damaged equipment.

J. Subject to federal law, Franchisee shall allow the connection or use of compatible navigation devices (for example, settop boxes and interactive equipment), provided that the equipment does not cause harm to the Cable System or the FTTP network and is not used for unauthorized access to the FTTP Network and its services.

SECTION 9: DISCONNECTION /DENIAL OF SERVICE

A. Franchisee may terminate a Subscriber's service if the subscriber fails to pay his bill within thirty-six (36) days after the Franchisee mails the applicable bill to the subscriber if the cable operator has provided appropriate notice to the subscriber, pursuant to 9.B.

B. The Franchisee shall not terminate Cable Service for nonpayment of a delinquent account unless the Franchisee provides notice of the delinquency and impending termination at least ten (10) days prior to the proposed final termination. The notice shall be 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.

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.

E. Every notice of termination of service shall include all of the following:

- (1) The name and address of the Subscriber whose account is delinquent;
- (2) The current account balance and the amount in arrears;
- (3) The total amount required to be paid to avoid discontinuance of service, with reconnection charges if applicable;
- (4) The date by which the payment shall be made; and
- (5) The telephone number to contact the Franchisee.

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

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

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

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

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

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

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

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

- (1) Inform the Subscriber that service has been terminated;
- (2) Describe the outstanding amount of the account as of the termination date and applicable reconnection charges; and
- (3) Provide the Subscriber with the Franchisee's telephone number.

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

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

SECTION 10: COMMUNICATIONS WITH SUBSCRIBERS

A. Local Office: Within six (6) months of the Service Date of this Agreement, Franchisee shall establish a local office in the District that is open during Normal Business Hours and that provides customer services such as: (i) bill payment without charge to the Subscriber; (ii) equipment pick up or drop off and similar services; and (iii) some manner of speaking to a customer service representative regarding billing and Cable Service requests.

(1) The local office shall be open on weekdays from 9:30 a.m. to 6 p.m. and on Saturdays from 9 a.m. to 1 p.m. Franchisee may open for additional hours if it determines that Subscriber demand warrants.

(2) Prior to establishing a local office as set forth above, Franchisee shall provide a convenient alternative means for bill payment, and Franchisee shall provide for the pick up or drop off of equipment in any one or more of the following manners: (i) by having a Franchisee representative go to the Subscriber's premises, (ii) by using a mailer, or (iii) by establishing a location(s) for the pick up and drop off equipment. Franchisee shall provide notice to Subscribers regarding hours or dates when its local office(s) will be closed for legal holidays. Such notice shall be provided via its website.

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

(4) Franchisee shall operate its local office, train its employees, and maintain its telephone lines so that Subscribers' complaints are addressed quickly, professionally, and politely.

(5) With regard to mobility-limited Subscribers, upon Subscriber request, Franchisee shall arrange for pickup and/or replacement of converters or other equipment at Subscriber's address or by a satisfactory equivalent (such as the provision of a mailer). Any physical location required under this paragraph shall be accessible to persons with disabilities and shall be in compliance with the Americans with Disabilities Act.

B. In addition, within six (6) months of the Service Date of this Agreement, Franchisee shall establish and maintain locations in the District where Subscribers can pay bills.

C. Local office(s), when established, of Franchisee shall be equipped to provide bilingual (English and Spanish) service via telephone calls. Franchisee's staff shall include customer service representatives who can communicate with Spanish-speaking subscribers regarding Subscriber issues including, but not limited to, installation services, outages, billing questions, and other inquiries. Franchisee shall maintain at least one customer service representative per shift who is capable of speaking Spanish during hours when the Franchisee's customer service representatives answer calls consistent with subsection 10.A.

D. 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.

E. In connection with a transaction between Franchisee and a Subscriber that involves a visit to a Subscriber's address, Franchisee shall provide the Subscriber a written receipt describing the transaction and the date and time thereof.

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

G. Franchisee shall ensure that its customer service representatives and salespersons (including contractors) are knowledgeable of the requirements established by this Section 10 and the information listed in subsection 10.K.

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

I. 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.

J. The Franchisee shall provide reasonable notice to the OCT and 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) 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 District including how and where the notice was given to Subscribers.

K. 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.J., at least thirty (30) days prior to making significant changes in the information required by this Section if within the control of the Franchisee:

(1) Listing and description of the 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 District, 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;
- (9) The address and telephone number of the Franchisee's office to which complaints may be reported;
- (10) A description of Franchisee's billing and collection procedures, including an applicable policy for late fees, returned check charges and credit balances;
- (11) A notice that subscribers may pay bills in person at Franchisee's local office in the District, when established, and the general availability of other payment locations in the District;
- (12) The telephone number of Franchisee's customer service department;
- (13) The website address for the Franchisee's website used for customer services;
- (14) A general explanation of other communications devices that may be used in conjunction with the system;
- (15) The terms of rental equipment, including procedures for the return of equipment and the subscriber's liability for lost, stolen or damaged equipment;
- (16) The steps for resubscribing to cable service after an involuntary termination of service;
- (17) The Franchisee's policies governing service outages and repair service, including time periods by which repairs for reception problems and other service problems shall be made; and Franchisee's policies concerning credits for customer service violations, including outages and reception problems.
- (18) The following Franchisee procedures: for resolution of billing disputes; for return of deposits; and for service changes, including but not limited to upgrade, downgrade, or termination of cable services, including any charges therefore.
- (19) An announcement that all Franchisee employees and contractors who come into contact with Subscribers at the Subscribers' premises wear an identification card that includes the employees name and photograph.

L. Franchisee shall provide to OCT annually, by no later than December 15 of each year, a listing of its local office, when established, holiday schedule for the upcoming year.

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

N. A copy of notices required in this Subsection 10.K. will be given to the District at least fifteen (15) 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.

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

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

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

R. 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.

S. Franchisee shall make available on its website and its local office, when established, the information required by Section 10.K.

T. Franchisee shall post on its website the location(s) of its local office, when established.

U. Franchisee shall include on its monthly bill a notice that complaints or inquiries not satisfactorily handled by Franchisee may be referred to the District.

V. All promotional materials advertising cable services to Subscribers and the general public shall be accurate and not misleading.

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

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

SECTION 11: MISCELLANEOUS

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

B. Restoration of Subscriber Property: The Franchisee shall ensure that Subscriber premises are restored to pre-existing condition if damaged by the Franchisee's employees or agents in any respect in connection with the installation, repair or disconnection of Cable Service.

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

EXHIBIT E
PERFORMANCE BOND

Bond No. _____

KNOW ALL MEN BY THESE PRESENTS: That (name & address) (hereinafter called the Principal), and (name and address) (hereinafter called the Surety), a corporation duly organized under the laws of the State of (state), are held and firmly bound unto (name & address) (hereinafter called the 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.

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

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

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

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

(1) In the event of default by the Principal, Obligee shall deliver to Surety a written statement of the details of such default within one hundred eighty (180) days after the Obligee shall learn of the same, such notice to be delivered by certified mail to address of said Surety as stated herein.

(2) This Bond shall be effective _____, 20____, and shall remain in full force and effect thereafter for a period of one year and will automatically extend for additional one year periods from the expiry date hereof, or any future expiration date, unless the Surety provides to the Obligee not less than sixty (60) days advance written notice of its intent not to renew this Bond or unless the Bond is earlier canceled pursuant to the following. This Bond may be canceled at any time upon sixty (60) days advance written notice from the Surety to the 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 Obligees recoverable under this bond.

(4) No claim, action, suit or proceeding shall be instituted against this bond unless same be brought or instituted and process served within one year after termination or cancellation of this bond. The automatic extension of this bond does not constitute a termination or cancellation of the bond.

(5) No right of action shall accrue on this bond for the use of any person, corporation or entity other than the Obligees named herein or the heirs, executors, administrators or successors of the Obligees.

(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 Obligees by signing below.

IN WITNESS WHEREOF, the above bounded Principal and Surety have hereunto signed and sealed this bond effective this ____ day of _____, 2007.

Principal

Surety

By: _____

By: _____

Attorney-in-Fact

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

EXHIBIT F

SAMPLE NON-DISCLOSURE AGREEMENT

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

WHEREAS, on or about _____, the District of Columbia ("District") granted a cable franchise (the "Franchise Agreement") to Verizon Washington, DC.; and

WHEREAS, Section 4.1 of the Franchise Agreement requires Verizon to perform certain tests necessary to demonstrate compliance with the requirements of the Franchise Agreement; and

WHEREAS, Section 4.1.4 of the Franchise Agreement provides that the District shall have the right to employ independent consultants to witness and review tests required under Section 4.1 of the Franchise Agreement pending the execution by such consultants of a non-disclosure agreement; and

WHEREAS, the District has contracted with the Consultant as an independent contractor to witness and review the required tests on behalf of the District (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) that (1) 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 performance of the Consultancy and (2) 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.

(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 any Confidential Information (including notes taken therefrom). 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.

(4) Notwithstanding any other provision of this Agreement, the Consultant may refer to Confidential Information in any report or materials prepared by the Consultant for the District, 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 refer to 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 referenced. Upon receipt of notice, Verizon shall provide the following documentation to the Consultant and the District: (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 District at a District-designated location. The Consultant shall thereafter redact all references to such any such information in any report or materials prepared by the Consultant for the District.

(5) Notwithstanding any other provision of this Agreement, this Agreement shall not apply to Confidential Information that: was previously known to the Consultant or Consultant's Staff without obligation of confidentiality; 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; is or becomes part of the public domain through no fault of the Consultant or Consultant's Staff; 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, 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 use, 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 use 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 three (3) years. Once the Consultancy is completed, either party may terminate this Confidentiality Agreement upon ten (10) 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:

(9) Verizon shall provide notice to the Consultant, with copy of such notice also provided by Verizon to the District, 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 reasonable 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 District, terminate the Confidentiality Agreement.

(10) 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 documents, records or other materials containing Confidential Information.

(11) 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.

(12) 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: _____

(13) 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

Name: _____

Title: _____

Date: _____

CONSULTANT

Name: _____

Title: _____

Date: _____

EXHIBIT G

BANK NAME

ADDRESS

SAMPLE IRREVOCABLE STANDBY LETTER OF CREDIT

Issuing Bank:
JP Morgan Chase Bank
c/o JP Morgan Treasury Services
Standby Letter of Credit Department
10420 Highland Manor Drive
Tampa, FL 33610

L/C No.:

Beneficiary:
Government of the District of Columbia

Washington, DC

Applicant:
Verizon Communications Inc.
o/b/o Verizon Washington, DC Inc.
One Verizon Way
MC VC53S459
Basking Ridge, NJ 07920-1097

**Amount: USD \$150,000 (One Hundred
Fifty Thousand Dollars and 00/100 United
States Dollars)**

TO:
(Beneficiary)

We hereby establish this irrevocable standby Letter of Credit No. _____ in your favor, for an aggregate amount not to exceed the amount indicated above, expiring at JP Morgan Chase, at our close of business on _____.

This Letter of Credit is available with JP Morgan Chase against presentation of your draft at sight drawn on JP Morgan Chase when accompanied by the documents indicated herein.

Beneficiary's dated statement purportedly signed by one of its officials reading as follows:

"The amount of this drawing USD \$ _____, under JP Morgan Chase Letter of Credit No. _____ represents funds due us as Verizon Washington, DC Inc. has failed to perform its duties pursuant to the Cable Franchise Agreement Between the District of Columbia, and Verizon Washington, DC Inc. dated _____, 200[]."

This Letter of Credit sets forth in full the terms of our undertaking and such undertaking shall not in any way be modified, amended, or amplified by reference to any document(s),

instrument(s), contract(s) or agreement(s) referred to or in which this letter of credit relates, and any such reference shall not be deemed to incorporate herein by reference any document(s), instrument(s), contract(s) or agreement(s).

It is a condition of this Irrevocable Letter of Credit that it shall be automatically extended without amendment for additional one year periods from the present or each future expiration date, unless at least 60 days prior to such date, we send you notice in writing by overnight carrier or hand delivery at the above address that we elect not to renew this Letter of Credit for such additional period.

Upon such notice to you, you may draw drafts on us at sight for an amount not to exceed the balance remaining in this Letter of Credit within the then applicable expiry date, accompanied by your dated statement purportedly signed by one of your officials reading as follows:

“The amount of this drawing USD \$ _____ under JP Morgan Chase Letter of Credit number _____ represents funds due us as we have received notice from JP Morgan Chase of its decision not to extend Letter of Credit Number _____ for an additional year and obligations of Verizon Washington, DC Inc. remain outstanding.”

All correspondence and any drawings hereunder are to be directed to:
JP Morgan Chase Bank, c/o JPMorgan Treasury Services, Standby Letters of Credit
Department, 4th Floor, 10420 Highland Manor Drive, Tampa, FL 33610. Customer inquiry
number is 1-800-634-1969.

We hereby agree with you that drafts drawn under and in compliance with the terms and conditions of this Letter of Credit will be duly honored by us if presented at our office at the above address on or before [expiration date] or any automatically extended date thereafter, no later than 5:00 PM.

In lieu of delivery to us at our aforementioned counters of any draft demanding payment under this letter of credit you may present such draft to us, by facsimile; provided that the original draft and letter of credit must be promptly delivered to us at our aforementioned counters after your drawing hereunder. We shall have no responsibility for any discrepancies between any facsimile presentation and the original versions. Any such facsimile presentation shall be directed to us at - ____ - ____ or - ____ - ____.

This Letter of Credit is subject to the International Standby Practices (ISP98), International Chamber of Commerce Publication No. 590 and shall be governed by, and construed in accordance with, the provisions of Article 5 of the Uniform Commercial Code of the District of Columbia.

All actions relating to, or arising out of, this Letter of Credit shall be brought in federal courts located in the District of Columbia and in no other courts.

Authorized Signature (Bank)