

AN AGREEMENT BETWEEN THE MARIN
TELECOMMUNICATIONS AGENCY AND COMCAST OF
MARIN I, INC., COMCAST OF MARIN II, INC.,
COMCAST OF CALIFORNIA V, INC., COMCAST OF
CALIFORNIA/COLORADO/FLORIDA/OREGON, INC.,
AND COMCAST OF CALIFORNIA/COLORADO/
WASHINGTON I, INC. GRANTING AND RENEWING A
NON-EXCLUSIVE FRANCHISE TO OPERATE A CABLE
SYSTEM.

FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (“Agreement”) is entered into this 16th day of June, 2006, by and between the Marin Telecommunications Agency, a joint powers agency of the State of California, (“Grantor”), and Comcast of Marin I, Inc., a California corporation, Comcast of Marin II, Inc., a California corporation, Comcast of California V, Inc., a California corporation, Comcast of California/Colorado/Florida/Oregon, Inc., a Georgia corporation, and Comcast of California/Colorado/Washington, Inc., a Washington corporation (collectively, the “Grantee”).

RECITALS

A. Grantor, pursuant to federal and state law and Ordinance No. 99-1 of the Marin Telecommunications Agency as amended (the “Ordinance”) is authorized to grant and renew one or more non-exclusive, revocable franchises to own, operate, construct and maintain a cable system within its jurisdiction.

B. Grantor has evaluated the renewal proposal of Grantee and has conducted public hearings and received comments from the public and from private and public entities within the jurisdiction of Grantor and has determined that it is in the best interests of Grantor and the Constituent Jurisdictions to grant and renew a cable system franchise to Grantee.

NOW, THEREFORE, Grantor grants to Grantee, and Grantee accepts from Grantor, a renewal of a cable system franchise in accordance with the provisions of the Ordinance and this Agreement.

1. RENEWAL OF FRANCHISE.

1.1 Parties to the Agreement. The parties to this Agreement are:

(a) Grantor: The Marin Telecommunications Agency, a joint powers agency, currently consisting of the Cities of Belvedere, Larkspur, Mill Valley, San Rafael, and Sausalito, the Towns of Corte Madera, Fairfax, Ross, San Anselmo and Tiburon and the County of Marin.

(b) Grantee: Comcast of Marin I, Inc., Comcast of Marin II, Inc., Comcast of California V., Inc., Comcast of California/Colorado/Florida/Oregon, Inc. and Comcast of California/Colorado/Washington I, Inc.

1.2 Representatives of the Parties and Service of Notices. The representatives of the parties who are primarily responsible for the administration of this Agreement, and to whom formal notices, demands, requests and communications must be given, are as follows:

(a) The principal representative of Grantor is:
Executive Officer
Marin Telecommunications Agency
27 Commercial Blvd., # C
Novato, CA 94949

(b) The principal representative of Grantee is:
Comcast Cable Communications, Inc.
Attention: Area Vice President
1111 Anderson Drive
San Rafael, CA 94901

(c) Formal notices, demands, requests and communications to be given by either party must be in writing and may be effected by personal delivery, or overnight courier, or by first class or certified mail, return receipt requested.

(d) If the name of the principal representative designated to receive the notices, demands, requests or communications, or the address of that person, is changed, written notice must be given within thirty (30) days of that change.

1.3 Definitions. Unless otherwise specifically defined by this Agreement, or if the use or context clearly requires a different definition, certain words, terms, and phrases and their derivations, as used in this Agreement have the meanings set forth in Section 1.2 of the Ordinance. A copy of the Ordinance is attached hereto as Exhibit A.

1.4 Conflicts. In the event of any conflict or inconsistency between the provisions of this Agreement and the provisions of the Ordinance, the provisions of this Agreement will control. Any amendments to the Ordinance which materially affect the provisions of this Agreement shall not apply to Grantee without the Grantee's written consent. Nothing herein shall be construed to prevent Grantee from challenging any amendments to the Ordinance in the proper forum.

During the term of this Agreement, the Grantee shall comply with the customer service standards set forth in Section 2.4 of the Ordinance in effect on May 1, 2006 and the customer service standards adopted by the Federal Communications Commission, as may be amended by the Commission, whichever standards are more stringent. No change or modification to the customer service standards set forth in the Ordinance shall apply to or be binding on the Grantee without the Grantee's written consent, except where such change or modification represents a lawful exercise of police powers.

1.5 Grant. The cable system franchises currently held by Comcast of Marin I, Inc., Comcast of Marin II, Inc., Comcast of California V, Inc., Comcast of California/Colorado/Florida/Oregon, Inc., and Comcast of California/Colorado/Washington I, Inc., whose current ownership interests are described in Exhibit "B" attached hereto, within the Constituent Jurisdictions are hereby superseded by this Agreement which grants, renews and extends the franchise, authority, right and privilege to construct, reconstruct, operate and maintain a cable system within the territory of the Constituent Jurisdictions and any additional

territory added to the jurisdiction of the Grantor in the future. This Agreement shall not affect any claims or liabilities that exist as of the date of this Agreement under the prior franchises superseded by this Agreement.

1.6 Right of Grantor to Issue and Renew Franchise. Grantee expressly acknowledges the right and authority of Grantor to issue and renew the franchise, and Grantee agrees it will not hereafter challenge Grantor's exercise of that right and authority in any court of competent jurisdiction, or otherwise.

1.7 Effective Date of Renewal. This franchise renewal will commence on the date specified in the resolution authorizing the renewal as the effective date of renewal (the "Effective Date") which shall be a minimum of thirty (30) days from the date the resolution is adopted. Prior to the Effective Date, Grantee must file with the Executive Officer its written acceptance of the resolution renewing the franchise in the form agreed to by both parties. Within thirty (30) days after the Effective Date, Grantee must file with the Executive Officer the required bonds and insurance policies or insurance certificates; provided, however, that if the filing of these documents does not occur within that thirty (30) day period, or any authorized extension of that period, Grantor may declare this franchise renewal null and void.

1.8 Duration. The term of the franchise renewal is ten (10) years from the Effective Date. Any further extension or renewal of the franchise will be in accordance with then applicable law.

1.9 Franchise Not Exclusive. The cable system franchise granted by this Agreement may not be construed to limit in any manner the right of Grantor, through its authorized officers and in accordance with applicable law, to grant to other individuals or entities, by franchise, permit, license, or otherwise, any rights, privileges or authority similar to or different from the rights, privileges and authority herein set forth, in the same or other streets, public ways, public places, or other property that Grantee is entitled to occupy; provided, however, that those additional grants will not operate to revoke, terminate, or materially and adversely affect any rights granted to Grantee by this Agreement.

1.10 Scope of the Franchise.

(a) Grantee is authorized and obligated in accordance with the terms of this Agreement to construct, reconstruct, operate and maintain the cable system within the public streets and rights-of-way of the Constituent Jurisdictions (the "Franchise Service Area"). This Agreement grants the privilege to use Grantee's cable system in the Franchise Service Area for the provision of cable services subject to applicable federal, state and local law.

(b) Grantor reserves all rights it may have or subsequently acquires with respect to the authorization and regulation of non-cable services, provided that such terms and conditions and such franchise fee or other form of consideration or compensation must be consistent with federal and state law applicable to non-cable services.

(c) Grantor and Grantee expressly reserve the right to seek a judicial determination as to whether any particular service offered by Grantee on its system constitutes cable service for purposes of this franchise.

2. GENERAL REQUIREMENTS.

2.1 Governing Requirements. Grantee must comply with the provisions of this Agreement, the provisions of the Ordinance and any lawful amendments, and all other applicable local, state and federal laws and regulations. . For purposes of this Agreement, cable services and cable system shall be as defined in 47 U.S.C. Section 522.

2.2 Franchise Fee.

(a) As compensation for the franchise granted by Grantor, and in consideration for authorization to use the streets and public ways of the Constituent Jurisdictions for the construction, reconstruction, operation, and maintenance of Grantee's cable system, Grantee will pay to Grantor an annual franchise fee of five percent (5%) of the Annual Gross Revenues derived from the operation of the cable system to provide cable services as defined under existing or future federal law in the Franchise Service Area. For the purposes of this Agreement, "Annual Gross Revenues" mean all revenue derived from the operation of the cable system to provide cable services within the Franchise Service Area. Annual Gross Revenues include but are not limited to all revenues derived from (1) subscribers for cable services, (2) advertising sales as described below, (3) the sale of products or services on home shopping channels, and (4) the lease or licensing of any channels, transmission facilities, or other cable system property used in the operation or maintenance of the cable system to provide cable services within the Franchise Service Area. Annual Gross Revenues excludes uncollected bad debt, refundable deposits, rebates or credits, and sales, excise or other taxes that are required to be collected for direct pass-through to a local, state or federal government. Revenues collected from subscribers as franchise fees shall be included in Grantee's Annual Gross Revenues. Grantee's Annual Gross Revenues shall include those advertising revenues derived from the operation of the cable system to provide cable services within the Franchise Service Area. Such advertising revenues shall be net of commissions due to advertising agencies that arrange for the advertising buy provided that such commissions are in an amount customarily paid by Grantee to unaffiliated third party advertising agencies for advertising buys. Revenues generated from regional advertising sales extending beyond the Franchise Service Area shall be pro-rated from head-end revenue on a per subscriber basis, so that no revenues are double counted, or attributed to more than one local governmental entity for purposes of calculating franchise fees. Annual Gross Revenues shall not include launch and promotional fees paid to Grantee and provided for marketing and promotional purposes. Gross Revenues shall be computed according to Generally Accepted Accounting Principles.

(b) The franchise fees specified above in Subsection 2.2(a) must be computed and paid by Grantee to Grantor on a quarterly basis within forty-five (45) days after the close of each quarter on March 31, June 30, September 30 and December 31, respectively.

(c) If any franchise fee payment, or recomputed amount, is not made on or before the due date specified in Subsections 2.2(b), Grantee must pay as additional compensation, an interest charge, computed from the applicable due date, at an annual rate equal to the prevailing commercial prime interest rate in effect on the due date, plus one percent (1%).

(d) Grantor acknowledges that, during the term of this Agreement, Grantee may offer to its subscribers, at a discounted rate, a bundled or combined package of services consisting of video services, which are subject to the franchise fee referenced above in subsection 2.2(a), and other services that are not subject to that fee. Grantee shall not allocate revenue between cable services and non-cable services for the purpose or with the intent of evading its franchise fee obligations.

(e) Any itemization of franchise fees or pass-throughs of franchise related costs by Grantee on subscribers' bills must be in compliance with federal and state law. Any surcharge billed to Grantee's subscribers which is not required by Grantor or by any other governmental agency to be imposed upon subscribers and is specifically related to cable services, must be identified as a surcharge levied solely by Grantee. Any such surcharge will be subject to Grantor's franchise fee where so authorized by applicable law.

2.3 Payment to Grantor.

(a) No acceptance of any payment by Grantor may be construed as an accord that the amount is in fact the correct amount, nor may acceptance of payment be construed as a release of any claim Grantor may have against Grantee for any additional sums payable under the provisions of this Agreement.

(b) All amounts paid are subject to independent audit and recomputation by Grantor under Section 11.9 of this Agreement.

2.4 Insurance Requirements. Upon the effective date of this Agreement, Grantee, at its sole cost and expense, must obtain, and thereafter maintain for the full term of this Agreement all of the following insurance coverages:

(a) Types of Insurance and Minimum Limits. The coverages required below may be satisfied by any combination of primary liability and excess liability policies.

(i) Workers' Compensation and Employer's Liability Insurance in conformance with the laws of the State of California.

(ii) Grantee's vehicles, including owned, non-owned (i.e., owned by Grantee's employees and used in the course and scope of employment), leased, or hired vehicles, must each be covered with Automobile Liability Insurance in the minimum amount of one million dollars (\$1,000,000) combined single limit per accident for bodily injury and property damage.

(iii) Grantee must obtain and maintain Comprehensive or Commercial General Liability Insurance coverage in the aggregate annual amount of five million dollars (\$5,000,000) combined single limit, including bodily injury, personal injury, and broad form property damage.

(b) This insurance coverage must include, without limitation:

(i) Contractual liability coverage adequate to meet the Grantee's

indemnification obligations under this Agreement; and

(ii) a cross-liability clause.

(c) All required Automobile Liability Insurance and Comprehensive or Commercial General Liability Insurance policies must contain the following endorsement:

“The Marin Telecommunications Agency and its Constituent Jurisdictions are added as additional insureds with respect to the operations of the named insured under the cable system franchise granted by the Agency, and this insurance specifically covers the acts and omissions of the named insured, and its employees, agents, and subcontractors, in the performance of all work and services thereunder.”

(d) The insurance required of Grantee under this franchise is primary, and no insurance held by Grantor may be called upon to contribute to a loss under this coverage.

(e) All insurance policies must provide that, in the event of material change, reduction, cancellation, or non-renewal by the insurance carrier for any reason, not less than thirty (30) days' written notice will be given to Grantor by registered or certified mail of such intent to cancel, materially change, reduce, or not renew the coverage. An authorized representative of Grantee's insurance agent or carrier must provide to Grantor, on such schedule as is requested by Grantor, a certification that all insurance premiums have been paid and all coverages are in force. If for any reason Grantee fails to obtain or keep any of the insurance in force, Grantor may (but is not required to) obtain that insurance. In that event, Grantee must promptly reimburse Grantor its premium costs therefor, plus one and one-half percent (1-1/2%) monthly interest thereon until paid.

(f) Any deductible or self-insured retentions that exceed one million dollars (\$1,000,000) must be approved in advance by Grantor.

(g) Grantee must provide to Grantor, within thirty (30) days after the effective date of this Agreement, certificates of insurance or certified copies of policies evidencing the required coverage as specified by Grantor.

2.5 Performance Bonds.

(a) Grantee shall obtain, and maintain throughout the term of this Agreement, a performance bond (“Performance Bond”) in the amount of Three Hundred Thousand Dollars (\$300,000). Grantee shall replenish the Performance Bond to the amount of \$300,000 required by this Agreement in the event that any payments are made under the Performance Bond to Grantor. The form of this Performance Bond shall be subject to the approval of the Grantor. The Performance Bond shall provide that it shall be forfeited to the Grantor under following conditions:

(i) the Grantee abandons the cable system; or

(ii) the franchise granted by this Agreement is revoked for cause.

(b) The Performance Bond shall state that the Grantor may draw on the bond to secure the payment of fees, liquidated damage, or penalties owed, to secure any other performance promised by this Agreement, and to pay any franchise fees, taxes or liens owed to the Grantor.

(c) The Performance Bond shall be issued by a surety with an A-1 or better rating of insurance in Best's Key Rating Guide, Property/Casualty Edition and shall contain the following endorsement: "This bond may not be canceled, or allowed to lapse, until sixty (60) days after receipt by the Marin Telecommunications Agency, by certified mail, return receipt requested, of a written notice from the issuer of the bond of intent to cancel or not to renew."

(d) Grantee shall obtain a separate performance bond (the "Second Performance Bond") in the amount of One Million Five Hundred Thousand Dollars (\$1,500,000) to secure construction and funding related to the INET and to assure PEG required payments over the first three years of the franchise. Grantee shall replenish the Second Performance Bond to the full extent required by this Agreement in the event that any payments are made under the Second Performance Bond to Grantor. The form of this Performance Bond shall be subject to the approval of the Grantor.

(e) The Second Performance Bond shall be reduced by the amount of PEG capital payments made by Grantee up to a maximum reduction of Five Hundred Thousand Dollars (\$500,000) for such payments. The remaining One Million Dollars (\$1,000,000) of the Second Performance Bond shall be reduced to Five Hundred Thousand Dollars (\$500,000) when fifteen (15) of the required thirty-eight (38) I-Net sites are satisfactorily completed. The remaining amount of the Second Performance Bond shall be released upon the satisfactory completion of the I-Net.

(f) The Second Performance Bond shall provide that, in the event Grantee fails to complete the I-Net, in a timely, and competent manner, or otherwise fails to comply with its obligations under this Agreement or any applicable law, there shall be recoverable, jointly and severally from the principal and surety of the bond, any damages or loss suffered by the Grantor as a result, including the full amount of any compensation, indemnification, or cost of removal or abandonment of any property of the Grantee, or the cost of completing or repairing the INET plus reasonable attorneys' fees and expert consultant costs, up to the full amount of the Second Performance Bond. In the event that the amount of the Second Performance Bond is insufficient to pay for all of the damages incurred by the Grantor, including but not limited to its attorneys fees and consultant costs, Grantee shall remain fully liable to the Grantor for such excess damages, fees and costs as may be ordered by a court or other legal proceeding. Grantor may exercise any remedy it has to collect such excess damages, fees and costs.

2.6 Construction Bonds. During the term of this Agreement, in addition to the bonds required by Section 2.5, an individual jurisdiction may require Grantee to provide an additional reasonable, nondiscriminatory construction bond if such jurisdiction reasonably determines that any construction, reconstruction or upgrade of the cable system is of sufficient magnitude to warrant a construction bond. The construction bond must be in a principal sum and in a form approved by the Public Works Director in the jurisdiction where the construction work is taking place in accordance with that jurisdiction's customary policies and practices. The Public Works

Director may approve a reduction in the construction bond set forth in this Section during the course of Grantee's construction, reconstruction or upgrade of the cable system.

2.7 Liquidated Damages.

(a) Because it may be difficult to calculate the harm to the Grantor in the event of a breach of this Franchise by Grantee, the parties agree to liquidated damages as a reasonable estimation of the actual damages. To the extent that the Grantor elects to assess liquidated damages as provided in this Agreement and such liquidated damages have been paid, such damages shall be the Grantor's sole and exclusive remedy for the specific violation for which the liquidated damages were imposed. Nothing in this section, however, shall preclude the Grantor from exercising any other right or remedy with respect to a breach that continues past the time the Grantor stops assessing liquidated damages for such breach.

(b) Prior to assessing any liquidated damages, the Grantor shall mail to the Grantee a written notice by certified or registered mail of the alleged violation and the proposed liquidated damage, specifying the violation at issue. The notice also shall specify the time to cure based on the nature of the violation and the complexity of the cure required, but in no case will be less than thirty (30) days, except for those violations which are not curable, or which are repeated or ongoing violations for which an opportunity to cure has already been provided or where the violation constitutes an immediate threat to public health or safety. The Grantee shall have thirty (30) days from the date of the notice to file a written response refuting the alleged violation or explaining why additional time for cure is necessary.

(c) The Grantor may not assess any liquidated damage if Grantee has reasonably responded to the complaint and cured or commenced to cure, as may be appropriate, the violation within the time frame provided in the notice or within such other reasonable time, as agreed upon by the parties. In the event Grantee fails to timely cure or commences to cure, the Grantor may assess liquidated damages and shall inform Grantee in writing of the assessment. Grantee shall have thirty (30) days to pay the damages assessed. If Grantee does not pay the damages assessed within thirty (30) days, the Grantor in its sole discretion may collect the damages from the Performance Bond or the Second Performance Bond.

(d) Notwithstanding any cure period, liquidated damages shall begin to accrue as of the date of the notice provided pursuant to subsection (b) above, provided that, accrual of liquidated damages shall be tolled during a reasonable investigation period or no more than thirty (30) days if Franchisee has filed a written response refuting the violation pursuant to subsection (b).

(e) Grantee may appeal (by pursuing judicial relief or other relief afforded by the Grantor) any assessment of liquidated damages within thirty (30) days of receiving written notice of the assessment. Grantee's obligation to pay the liquidated damages assessed shall be stayed pending resolution of the appeal, but shall continue to accrue until and unless the violation has been cured, up to the cap provided in subsection (f) below.

(f) In no event may liquidated damages be assessed for a time period exceeding one hundred twenty (120) days. If after that amount of time Grantee has not cured or

commenced to cure the alleged breach to the satisfaction of the Grantor, the Grantor may pursue all other remedies.

(g) Pursuant to the requirements described in the foregoing subsections, liquidated damages shall not exceed the following amounts:

(i) For failure to complete the I-Net in accordance with Exhibit "D", five hundred dollars (\$500) per day;

(ii) For failure to provide data, documents, reports and information as required by this Franchise, one hundred and fifty dollars (\$150) per day per violation.

(iii) For failure to conduct tests as required by this Agreement or any other applicable law, one hundred and fifty dollars (\$150) per day per violation.

(iv) For failure to comply with PEG Access requirements described in Section 6, or the I-Net maintenance requirements described in the Fiber I-Net Construction and Maintenance Agreement, Exhibit D, two hundred fifty dollars (\$250) per day per violation.

(v) For violation of customer service standards, other than quarterly standards: Two Hundred Dollars (\$200) per day per violation.

(vi) For violation of quarterly customer service standards: For compliance of less than 90% but more than 75%, One Thousand Dollars (\$1,000) for the first violation, Fifteen Hundred Dollars (\$1,500) for the second violation within twelve (12) months after the first violation, and Three Thousand Dollars (\$3,000) for the third or more violation within eighteen (18) months after the second or any subsequent violation. For a compliance rate of 75% or less, Fifteen Hundred Dollars (\$1,500) for the first violation, Two Thousand Five Hundred Dollars (\$2,500) for the second violation within twelve (12) months after the first violation, and Five Thousand Dollars (\$5,000) for the third or more violation with eighteen (18) months after the second or any subsequent violation.

(vii) For all other material violations of this Agreement for which actual damages may not be ascertainable: One Hundred and Fifty Dollars (\$150) per day for each violation.

(h) The collection of damages by the Grantor shall in no respect affect the Grantee's obligation to comply with all of the provisions of this Franchise or Applicable Law.

(i) In conformance with the procedural requirements herein, the Grantor shall be entitled to draw upon the Grantee's Performance Bond or Second Performance Bond to collect the foregoing damages.

3. RIGHTS RESERVED TO THE GRANTOR.

3.1 Reservation. Grantor reserves every right it may have in relation to its power of eminent domain over Grantee's franchise and property.

3.2 Delegation of Powers. Any right or power in, or duty retained by or imposed upon Grantor, or any officer, employee, department, committee, or board of Grantor, may be delegated by Grantor to any officer, employee, department, committee or board of Grantor, or to such other person or entity as Grantor may designate to act on its behalf.

3.3 Right to Inspect Construction. Grantor and its Constituent Jurisdictions have the right to inspect all construction, installation, or other work performed by Grantee in connection with the franchise, and to make such tests as may be necessary to ensure compliance with the terms of this Agreement, so long as that inspection and testing does not unreasonably interfere with Grantee's operations. Nothing contained in this Agreement shall be construed as a waiver of the power of any of the Constituent Jurisdictions to impose on Grantee normal permit and bonding requirements that such Jurisdictions impose on contractors working in the public right-of-way to the extent allowed by applicable law.

3.4 Right to Require Removal of Property. Consistent with applicable law, at the expiration of the term or any renewal term or extension for which the franchise is granted, or upon its lawful revocation, expiration, or termination, Grantor and its Constituent Jurisdictions have the right to require Grantee to remove, within a reasonable period of time and at Grantee's expense, all portions of its cable system and any other property from all streets and public rights-of-way within the franchise service area.

3.5 Right of Intervention. Grantor has the right to intervene in any suit, proceeding, or other judicial or administrative proceeding in which Grantor has any material interest, and to which Grantee is made a party.

4. SYSTEM DESIGN AND PERFORMANCE AND SERVICE AND TECHNOLOGY CURRENCY.

4.1 System Characteristics. The cable system shall include facilities and equipment that will deliver the services described herein and will be capable of delivering a variety of Cable Services during the term of this Agreement. The cable system shall be designed to facilitate expansion of such services, and any upgrade shall not adversely impact the mix, quality and level of existing services. The cable system shall, at all times during the term of this Agreement, meet or exceed the following minimum requirements:

(a) The System shall be constructed, installed, maintained and operated in a manner to meet the requirements of all FCC rules and regulations governing the technical performance and operating standards for cable systems, as well as the requirements of the NEC, NESC, OSHA and other applicable local, state and federal rules, regulations and laws.

(b) The cable system shall be capable of providing continuous twenty-four (24) hour daily operation without serious material degradation of signal quality or loss of services except during conditions beyond the control of the Grantee.

(c) The Grantee shall insure that the cable system complies with all FCC rules and regulations pertaining to system signal leakage and to minimize outside signal ingress to ensure that there is no degradation of picture quality delivered to subscribers.

(d) The cable system shall use equipment generally used in high-quality, reliable, modern cable systems of similar characteristics and design.

(e) The Grantee shall provide standby power generating capacity at the headend and at all hubs and nodes to provide a continuous supply of electricity in the event of loss of commercial power. Grantee shall maintain standby power generators capable of continuous operation at the headend and all hubs, with automatic response systems to alert the System headend when commercial power is interrupted. The headend generator shall be tested periodically to ensure Grantee's ability to comply with the provisions of this Section. The power supplies serving the nodes and distribution shall be capable of providing power for not less than four (4) hours in the event of an electrical outage. The Grantee shall maintain sufficient portable power generators to be deployed to hub or node sites in the event that the duration of a power disruption is expected to exceed four (4) hours.

4.2 Emergency Alert and Messaging System. Grantee shall implement two (2) systems for providing restricted override of all audio and video on all channels, during emergencies, in compliance with FCC rules and regulations.

(a) The Grantee shall provide at its cost for automatic decoding and broadcast upon receipt of a properly coded Emergency Alert System (EAS) message from the San Francisco Bay Area Local Primary One (LP-1) Station. The Grantee shall monitor the LP-1 station at all times.

(b) Grantee also shall provide the Grantor with an override capability for delivery of emergency messages at Grantor's cost. Such capability shall include the ability to access the system at all times via telephone, to use mutually agreed upon security protocols, to blank or insert a crawl over the video, and to enable the Grantor to broadcast a five (5) second emergency tone simultaneously on all channels, and then have up to one (1) minute in which to deliver an audio message recording.

(c) Upon request by the Grantor, the Grantee shall cooperate with the Grantor to test the EAS and emergency override systems for periods not to exceed one (1) minute in duration and not more than once every three (3) months at a time disruptive to the least number of subscribers. Federal rules governing emergency alert systems shall take precedence in the instances required by the FCC.

(d) Grantor shall designate, in writing, a person to conduct direct coordination, testing, and activation of such systems.

4.3 Current Cable Service. The Grantee shall initially operate and maintain a cable system consistent with the requirements below within the franchise service area as of the Effective Date (the "Existing System"), until such time as the cable system is upgraded, as provided herein.

(a) The Existing System utilizes a hybrid fiber coaxial (HFC) cable architecture with a minimum bandwidth capability of not less than 750 MHz on all active and passive components. Sufficient return bandwidth shall be maintained based on the services requiring such bandwidth.

(b) The Existing System utilizes fiber optic backbone connections from the headend to hubs, hubs to hubs, and hubs to nodes. Each node shall be designed and constructed to provide for segmentation of homes and subscribers passed to continually facilitate services desired by subscribers without requiring substantial additional construction and with minimal disruption to the community.

(c) The Existing System shall be operated so that channel capacity can be expanded and additional programming delivered to subscribers through digital video compression or similarly appropriate technologies without compromising signal or service quality, consistent with standard industry practice.

(d) The Existing System shall be capable of providing two-way capability.

4.4 Free Cable Service To Schools. Comcast has established a voluntary initiative to provide free basic and expanded basic cable service to State-accredited K-12 schools that are passed within 125 feet of the cable system at no cost, for those schools located within MTA communities. Grantee shall continue to provide this voluntarily established cable service to these State-accredited K-12 schools for the entire term of this Agreement.

4.5 Cable Television Service to Public Buildings. Grantee shall provide one free connection without charge for standard installations and monthly basic cable service to all city and county government buildings, the Pickleweed Park and Manzanita Community Centers, and all public libraries. Grantee shall provide one free connection and monthly basic cable service at no charge to any new public buildings that may be constructed or acquired during the term of the franchise in accordance with the line extension requirements of Section 8.2.

4.6 Parental Control Devices. Grantee must provide subscribers, upon request, with a parental control device, "lockbox," or digital code which enables the subscriber to block the reception of video and audio signals from selected channels on the cable system, including any premier or pay-per-view channel that is scrambled. Grantee may charge subscribers for the cost of a converter box if such box is required in order to provide the parental control device. Grantee must provide to subscribers written instructions on the methods by which selected channels may be restricted or blocked.

4.7 Residential Subscriber Terminal Equipment.

(a) Grantee must offer to residential subscribers addressable subscriber terminal equipment that is commercially available and deployed by comparable cable systems operated by the Grantee or its affiliates. Grantee shall provide customer support and instruction in the use of such equipment.

(b) Addressable subscriber terminal equipment must enable Grantee, upon the subscriber's request, to change the level of cable services provided by that addressable technology, and enable a subscriber to order single events, such as first-run movies or sporting events.

(c) During the term of this Agreement, Grantee may use improved or more advanced technology to deliver premium cable television programming or individual events.

4.8 Local Office.

(a) Grantee shall maintain a convenient office location within the jurisdiction of the Grantor for receiving subscriber inquiries, bill payments, and equipment transfers, staffed by a person adequately trained to receive and respond to subscriber inquiries and bill payments. The local office shall be open during Normal Business Hours that in no event shall be less than thirty-five (35) hours per week. In addition, Grantee shall maintain a drop box adjacent to Grantee's local office for receiving subscriber payments after hours.

(b) The local office required by subsection (a) above shall be waived for so long as the two following conditions are fully satisfied by Grantee:

(i) Two or more convenient, geographically distributed cost-free payment locations are established and are operated during Normal Business Hours as described above within the jurisdiction of the Grantor, and

(ii) A cost-free equipment exchange procedure is established and operated by the Grantee or its contractor consisting of the free pick up and delivery of equipment at the subscriber's residence, or the cost-free exchange of equipment at retail establishments located within the jurisdiction of the Grantor or such other equivalent equipment exchange procedure.

Whenever one or both of these conditions are not being met by the Grantee, the Grantee's obligation to operate and maintain a local office as described in subsection (a) above shall resume.

4.9 Status Monitoring. Grantee shall provide an automatic status monitoring system or a functional equivalent provided that such status monitoring is technically and economically feasible.

4.10 No Offset Against Franchise Fees. In accepting this franchise, Grantee acknowledges that the commitments specified in this franchise are voluntarily assumed, and their costs will not be offset against any franchise fees payable by Grantee to Grantor during the term of the franchise.

5. SERVICES, PROGRAMMING AND CONSUMER PROTECTION STANDARDS

5.1 Services and Programming.

(a) Grantee shall provide Grantor with a list of program services offered, which list shall be updated each time a change is made. Grantee must provide all subscribers, and Grantor, with not less than thirty (30) days prior written notice of any proposed changes in rates and charges and any proposed reduction or augmentation of programming services, unless Grantor agrees in writing to waive this requirement.

(b) Grantee has the right to establish different classifications of service for residential and commercial subscribers. Grantee's charges and rate schedules must be adopted and maintained in accordance with all applicable federal and state laws.

5.2 Leased Access Service. Grantee must offer leased channel service at nondiscriminatory rates, on reasonable terms and conditions, and in accordance with applicable law.

5.3 Nondiscrimination. Grantee may not discriminate between or among subscribers within one type or class in the availability of cable services, at either standard or differential rates set forth in published rate schedules, except as otherwise authorized by law or by this Agreement. Nothing in this section prohibits the Grantee from establishing promotional rates, packaged pricing or bundled service discounts

5.4 Billings. Customer bills shall be designed in such a way as to present the information contained therein clearly and comprehensively to subscribers. All bills and billing statements must clearly indicate the billing period, the actual due date, and the amount of the penalty for late payment.

5.5 Subscriber Rates. Grantor has the right to regulate Grantee's rates and charges for cable television services and equipment in the manner and to the extent permitted by law.

5.6 Consumer Protection Standards. Grantee must comply with all lawful customer service requirements set forth in Section 2.4 of the Ordinance. To the extent such requirements increase the company's cost of doing business and exceed FCC customer service standards, Grantee reserves its right to pass such costs on to its subscribers. Grantor shall develop a customer notice containing current Grantor customer service standards, subject to Grantee's reasonable review and comment. All costs of developing and printing such notices shall be borne by Grantor, including any additional postage costs caused by the inclusion of such notice. Such notice shall be included once a year in Grantee's billing statement to current subscribers.

5.7 Tapping and Monitoring. Grantee may not tap or monitor, or permit any other person controlled by Grantee to tap or monitor, any cable, line, signal input device, or subscriber outlet or receiver, for any purpose not related to normal system testing, identification of theft of services, and maintenance without the express written consent of the subscriber or a court order therefor; provided, however, that Grantee may monitor customer service calls for quality control purposes and may conduct system-wide or individually-addressed "sweeps" for the purpose of verifying system integrity, controlling return path transmission, monitoring service levels or billing-for-pay services, or checking for unauthorized connections to the cable system.

5.8 Data Collection.

(a) Except for its own use, or in connection with the provision of cable services, or for release of data to Grantor, Grantee may not permit its system to be used for data collection purposes, nor may it otherwise collect data that would disclose commercial product or other preferences or opinions of a subscriber, except to the extent specifically authorized by federal or state law.

(b) Grantee may not disclose or permit the release or sale of data on individual subscribers or groups of subscribers except to the extent specifically authorized by federal or state law, but may disclose or permit the release or sale of aggregate data.

5.9 Disclosure of Subscriber Preferences. Grantee may not disclose individual subscriber preferences, viewing habits, beliefs, philosophy, creeds, or religious affiliations to any third person without a court order or the prior written consent of the subscriber, except as may be expressly authorized by federal or state law, and in the manner specifically prescribed by federal or state law.

5.10 Disclosure of Subscriber Lists. Grantee may not disclose, or sell, or permit the disclosure or sale, of its subscriber list except as specifically authorized by federal or state law, and in the manner specifically prescribed by federal or state law.

5.11 Broad Categories of Cable Services.

(a) Grantee must provide, at a minimum, the following broad categories of programming: local broadcast stations to the extent available to Grantee subject to current federal mandatory carriage laws; news; cultural programming; general entertainment; sports programming; documentary programming; PEG access channel programming to the extent made available to Grantee; children's programming; and foreign language programming.

(b) If any broad category of programming listed above in paragraph (a) becomes unavailable, or cannot be provided by Grantee under existing FCC regulations, then Grantee must provide, to the extent feasible, reasonably comparable programming.

6. CHANNELS, FACILITIES AND SUPPORT FOR PUBLIC, EDUCATIONAL, AND GOVERNMENTAL USE

6.1 Access Channels:

(a) On the Effective Date, the Grantee shall continue to provide one (1), video channel for Public, Educational and Government Access use (currently Channel 26). Within sixty (60) days of the effective date of this Agreement, Grantee shall relocate its local origination programming to a separate channel. The Grantor and Grantee may agree to show specific local origination programming produced by or on behalf of Grantee on any one or more of the Grantor's PEG Access channels.

(b) Any time after the Effective Date, Grantor may request in writing and Grantee shall provide within sixty (60) days of receipt of written request capacity for two (2) additional PEG Access channels for PEG Access use, for a total of three (3) PEG Access channels. These three (3) channels shall be dedicated for PEG Access use for the term of this franchise. Grantor and Grantee shall establish rules and procedures for the Grantee to utilize any unused channels in accordance with Section 611 of the Communications Act.

(c) Unless otherwise agreed by the Grantor, each PEG Access channel shall be transmitted on the cable system in standard unscrambled NTSC analog format so that every subscriber can receive and display the PEG signals using the same converters and signal equipment that is used for other basic service channels, until such time that all channels are made available on a digital format. In the event that all channels on the system are made available in digital format, the Grantee shall ensure that subscribers can receive and display the PEG signals using the same converters and signal equipment used for other broadcast channels at no cost to the

Grantor, regardless of the format or type of equipment used by the Grantor to produce or transmit the programming. PEG Access channel transmitted in digital format shall be provided with the best quality compression ratio or digital format in use on the System for other channels delivered in the same format. The Grantee shall ensure that the required and authorized PEG Access channels are carried on the System throughout the term of the Franchise, whether in analog format, digital format, or both.

(d) The costs associated with providing, compressing and delivering a digital PEG signal to the headend will be borne by the Grantor if Grantor opts to use digital PEG channels before all other basic service programming is delivered to subscribers exclusively in a digital format by the Grantee. At such time as the Grantor authorizes conversion of an analog PEG Access channel to digital format on the System, the Grantor may request and the Grantee shall within six (6) months migrate such PEG Access channel to digital format.

(e) At the time that Grantee migrates to an all digital platform and eliminates the carriage of analog channels, the Grantee will provide up to three (3) additional digital channels dedicated for PEG use upon the written request of Grantor, for a total not to exceed six (6) PEG Access channels under this Franchise.

(f) Unless otherwise agreed to by the Grantor, all PEG Access channels shall be provided on the Basic Service Tier. The Grantee shall not change the channel assignments for the PEG Access channels without a minimum of sixty (60) days prior written notice to the Grantor unless otherwise required by federal law, regulation or final order. The Grantee shall make reasonable efforts to limit changes to the channel assignments for the PEG Access channels.

(g) Grantee shall allow Grantor to place bill stuffers in Grantee's subscriber statements, once per year at Grantee's cost, upon the written request of Grantor and at such time that the placement of such materials would not affect Grantee's cost for the production and mailing of such statements. Grantor agrees to pay Grantee in advance for any additional bill stuffer mailings agreed upon by Grantor and Grantee. Grantor also may make available PEG Access information provided by Grantor at the counter in the local business office in a manner agreed upon by the Grantee. Grantee also shall include a listing of the known programming to be cablecast on PEG Access channels in any Grantee program guide of services for the cable system provided that Grantor makes the necessary arrangements with the Grantee's program guide/menu development contractors. Grantee shall facilitate contact and coordination between Grantor and Grantee's program guide/menu development contractors.

(h) The Grantor may, but need not, designate one or more entities ("Designated Access Providers" or "DAP"), including itself, to control and manage the use of any or all Access facilities, equipment, channels and/or resources under this Franchise for a period of time or at the pleasure of the Grantor. Each Designated Access Provider shall have sole and exclusive responsibility for operating and managing any PEG access facilities and/or resources allocated to it by the Grantor. The Grantee shall cooperate with Designated Access Providers in the use of the cable system for provision of PEG Access. The Grantor, or at the Grantor's discretion, a Designated Access Provider, may adopt reasonable rules regarding the use of an PEG Access channel pursuant to 47 U.S.C. § 531(d). The Grantor shall have the authority to resolve any disputes regarding the allocation of the PEG Access channels.

(i) The Grantee shall not designate channels for PEG use that suffer from interference or distortion. The Grantee agrees that the transmission technology for PEG Access channels shall be equal to or better than the transmission technology used for local broadcast signals carried on the basic service tier. Any digital capacity provided for PEG use shall be of a type and quality comparable to that provided for commercial channels.

(j) Educational Access channels(s) shall be for the noncommercial use of the educational community serving Marin, including but not limited to accredited public and private schools serving grades K-12 and public and private colleges and universities. Grantor may adopt reasonable rules regarding the use of such channels(s).

(k) Governmental Access channels(s) shall be for the noncommercial use of Grantor, its members, public agencies and other governmental entities selected by the Grantor. The Grantor or its designee may adopt reasonable rules regarding the use of such channels(s).

(l) Public Access channels shall be for the noncommercial use of the Grantor or its Designated Access Provider, and shall be used for airing programming produced or sponsored by the public. The Grantor or its Designated Access Provider may prescribe rules and regulations governing the use of such channels(s).

(m) If channels or programming choices on the cable system are displayed through a menu system, the PEG Access channels shall be generally identified on the menu system. Grantor or its DAP shall be responsible for timely initiating requests for Grantee or its contractors to carry any information on its programming menu, and for all associated costs.

(n) PEG Access channels shall not be used for any commercial purpose. The Grantor and any Designated Access Provider may enter into underwriting or sponsorship arrangements with for-profit entities, provided that such arrangements shall substantially conform with sponsorship guidelines used by public broadcasting. Compensation derived from such underwriting or sponsorship arrangements shall not diminish or offset any payments due from Grantee under this Franchise.

(o) For a period of up to twenty-four (24) months after the Effective Date of this Agreement, the Grantee shall continue to provide all of the PEG-related operations and services it is currently providing at the levels of support indicated below. Notwithstanding the foregoing, in the event that Grantor enters into a lease or other legally binding commitment for the location of a new PEG Access Facility during such twenty-four (24) month period and provides Grantee with written notice of the same, Grantee shall continue to provide all of the PEG-related operations and services currently provided and as described in this section for a period of twelve (12) months thereafter. The Grantee shall not exercise any editorial control over the content of programming on the PEG Access channels except as expressly authorized by federal law.

(i) Staffing Levels – Grantee will continue to provide a minimum of 1.25 Fulltime Equivalent (FTE) positions that provide a variety of expertise including channel administration, scheduling and coordination, office management, technical operations (including playback), production, training, facilitation and post production.

(ii) Hours of Operation – Grantee will continue to provide a minimum of ten (10) hours of Community Access facility operation each day, Monday through Friday, including hours up until 8:00 p.m. in the evening each day, as well as a minimum of four (4) hours of operation on Saturday.

(iii) Functional Areas – Grantee will continue to provide fully functional production and post production areas, including office, reception, field check out, storage, editing, studio, master control and other functional areas consistent with its operational configuration on July 1, 2005.

(iv) Equipment and Level of Technology – Grantee shall provide a fully functional equipment complement for all facility functional areas, including both analog and digital equipment, as such existed on July 1, 2005 with necessary replacement and upgrade as the current equipment fails or exceeds its useful life.

(v) Facilitation Services – Training in each necessary category (overall orientation, studio use, post -production, field production and media literacy, by way of example and not limitation) shall occur at least once a month and more as demand warrants.

(vi) Reporting – Grantee shall continue to report in its format used throughout the past franchise on its support for Community Access on an annual basis.

(p) The Grantor shall have the sole discretion to determine which and how many, if any, of the PEG Access channels shall be used for public access, educational access and government access.

(q) Grantor shall have title to all PEG equipment acquired with funding received pursuant to Section 6.2. Grantee shall transfer title to Grantor of any equipment used for PEG programming at the end of the transition period.

(r) Upon the closure of the existing studio in accordance with the provisions of subsection (o), Grantor or its Designated Access Provider shall assume all responsibility for PEG Access. At that time, Grantee shall be relieved of any obligation to provide studio or personnel support for PEG Access. Grantee agrees to provide a reasonable level of advisory services for a maximum of six 6 months after Grantor or its Designated Access Provider assumes responsibility for PEG facility operation and PEG programming and access support, to the extent requested by Grantor or its Designated Access Provider.

6.2 PEG Access Capital Payments.

(a) Within twelve (12) months of the effective date of this Agreement, Grantor and/or its Designated Access Provider shall prepare and provide Grantee with two plans related to PEG Access: a) PEG Media Center operating plan (“PEG Media Center Operating Plan”) which shall generally describe the following: location of the Media Center, a list of potential PEG users, the potential type of programming for each user, and an overall description of capital equipment and facilities required to support the planned uses and b) PEG Distributed Services Operating Plan (“PEG Distributed Plan”), which shall include the following: potential locations of distributed media facilities, a list potential PEG uses, and anticipated equipment and

facilities required to support the intended uses. Grantee shall have no right of approval of these two plans provided that the plans contain the elements required by this subsection.

(b) No later than thirty (30) days after the receipt of Grantor's PEG Media Center Operating Plan, as described above in subsection (a), Grantee shall make a one time payment to Grantor in the amount of One Million Dollars (\$1,000,000) for PEG Access capital equipment acquisition and facility costs.

(c) No later than thirty (30) days after the receipt of Grantor's PEG Media Center Operating Plan as described above in subsection (a), Grantee shall make a one time payment to Grantor in the amount of Five Hundred Thousand Dollars (\$500,000) for PEG Access capital equipment replacement.

(d) Grantee shall make an additional payment in the amount of up to Five Hundred Thousand Dollars (\$500,000) for PEG Access facility improvements and enhancements within thirty (30) days after the plans for such facility improvements or enhancements are approved by Grantor and written notice of such approval is provided to Grantee. These monies may be used to pay for design, engineering and other preconstruction costs in addition to actual construction costs.

(e) No later than thirty (30) days after the receipt of Grantor's PEG Distributed Plan, Grantee shall make available an additional sum of Five Hundred Thousand Dollars (\$500,000) for capital equipment necessary for the PEG Distributed Plan.

(f) The PEG Access Capital Payments shall be under the sole direction and control of the Grantor, and shall be used to fund capital costs associated with acquiring PEG access equipment (including, but not limited to, purchasing studio and portable production equipment, editing equipment, program playback equipment and I-Net equipment), or for capital costs associated with renovating or constructing of PEG-related facilities (including, but not limited to, acquiring and/or improving studios and associated facilities, and I-Net construction). By way of example and not limitation, the funds may be utilized to support capital expenditures related to one-way video PEG Access services and capital expenditures related to two-way interactive communications services, such as webcasting, at Grantor's sole discretion. The Grantor shall exercise its sole discretion as to the allocation of such resources among and within the public, educational and governmental functions.

(g) Grantor may oppose any recovery from subscribers of the payments provided hereunder if the cost recovery is not done in a manner consistent with the provisions of federal and state law. Grantee has the right, in accordance with applicable law, to audit Grantor's use of the payments provided herein and under applicable law.

6.3 Upstream Capacity for PEG Use.

(a) The Grantee shall continue to provide and maintain at its own expense, those return lines in place upon the Effective Date of the Agreement.

(b) Other return lines will be part of the I-Net, and shall be constructed and activated consistent with construction and activation of the I-Net. For return lines that are not

existing and not part of the I-Net, the Grantee shall construct additional return lines, as identified by Grantor, however the costs of construction for the return lines may be deducted from the I-NET construction credit set forth in Exhibit D attached hereto.

(c) The Grantor may request construction of additional return lines for origination of PEG programming. Such request must be in writing. The Grantee shall provide a cost estimate for actual costs to construct and activate the new return lines within ninety (90) days of receipt of the request. Once the Grantor and Grantee have agreed upon the design, cost and method of payment, the Grantee shall commence construction. Grantor must provide written approval of construction prior to June 1st of the year in which the request is made to guarantee construction in the next calendar year. The Grantor shall be responsible for the cost of any links constructed under this subsection and for any change in location, except for a change in location of a pertinent hub or headend, but may use PEG/I-Net funds for such relocation costs.

(d) The upstream connections required by this subsection shall be designed and built to include all equipment, including but not limited to optical transmitters, receivers, modulators, and processors, drops and wiring, so that each origination site can send multiple signals to the headend; and so that the facilities can each remotely and without assistance from the Grantee or access to its headend (i) receive signals from distant locations; (ii) route signals originated at that site or at other locations onto any of the access channels on the regular subscriber network; and (iii) otherwise control the signals to allow for smooth breaks, transitions, insertion of station IDs and other material. Grantee shall bear the cost of acquiring and maintaining all equipment necessary to meet this requirement, except that either the Grantor or the DAP shall be responsible for acquiring and maintaining the transmission equipment at the remote site (as distinct from the headend) end of the connections.

(e) Grantee shall ensure that programming received via the upstream feeds is retransmitted as sent by the PEG programmer, without changing the attributes of the signal in such a way as to effectively degrade the output. Degradation refers to any signal problem standards, including, but not limited to, ghost images and other interference, distortions, degradation of chroma and luminance, and picture and sound imperfections.

6.4 PEG Interconnection.

(a) Grantee shall not be required to Interconnect with any other cable system not owned and operated by Grantee or an affiliate of Grantee but will not restrict the other cable system from connecting to an MTA designated point of origin at which PEG programming can be received. The other cable system shall bear the reasonable, actual cost of Interconnection.

(b) Grantee shall Interconnect the cable system with any cable system in the City of Novato and adjacent unincorporated county areas that is owned or operated by Grantee or an affiliate of Grantee on the Effective Date, for the purpose of permitting the transmission of PEG Access programming signals between the systems, and the carriage of such signals on the PEG Access channels.

(c) After notification to, and detailed discussion with, the Grantor on the problems encountered, Grantee may terminate an Interconnection for any period where an

interconnecting system is delivering signals in a manner that endangers the technical operation of Grantee's cable system.

(d) Nothing in this subsection alters Grantee's channel obligations for PEG Access programming delivered to subscribers on the System. Unless the Grantor directs otherwise, or an affected jurisdiction objects, any interconnection shall allow PEG Access channels to operate without disruption or delay across and within the Franchise Service Area .

(e) It is Grantee's responsibility to ensure that the signals it provides to the Interconnect meet FCC technical standards, and that the quality of the signals it provides has suffered no material degradation, when compared to the quality of the signals as received from the Designated Access Providers. It is not the Grantee's responsibility to ensure that the signals provided to the Interconnect by another interconnecting system meet industry standards.

6.5 I-Net. Grantee's obligations with respect to Grantor's Institutional Network (I-Net) are described in Exhibit "D" attached hereto and incorporated herein by this reference.

7. CONSTRUCTION AND RIGHT OF WAY REGULATIONS.

7.1 Construction Components and Techniques. Construction components and techniques must comply with the terms of this Agreement and all applicable laws and pole attachment agreements.

7.2 Technical and Performance Standards. Grantee must construct, reconstruct, operate, maintain, and repair its system in a manner consistent with all applicable federal, state, and local laws and ordinances, construction standards, construction specifications, FCC technical standards, and any additional standards set forth in this Agreement. Without limiting the foregoing, the construction, reconstruction, operation, maintenance and repair of the cable system shall be in accordance with all applicable provisions of the Occupational Safety and Health Act of 1970, as amended; the National Electrical Safety Code; the National Electric Code; the National Cable Television Association Standards of Good Engineering Practices; the Obstruction Marking and Lighting Rules of the Federal Aviation Administration; the Federal Communications Commission Rules, Part 17, regarding the construction, marking and lighting of antenna structure; the Manual of Construction Procedures (Blue Book); and the California Public Utility Commission Construction requirements to the extent applicable to cable systems.

7.3 Construction Codes. Grantee must strictly adhere to all applicable building and zoning codes now or hereafter in force and must obtain all necessary permits. Grantee must arrange its lines, cables, and other appurtenances, on both public and private property, in such a manner as to not cause an unreasonable interference with the use of that property by any person. In the event of such interference, Grantor may require the removal of Grantee's lines, cables, and appurtenances from the property in question. Grantee must give at least twenty-four (24) hours advance notice to all property owners, prior to installing any above-ground or underground structures upon easements located on private property. Grantee must be a member of Underground Service Alert. Grantor will not modify its construction requirements subsequent to the completion of construction so as to require reconstruction or retrofit unless the public health and safety so requires.

7.4 Construction Default. Upon the failure, refusal or material neglect of Grantee to undertake or complete any construction, reconstruction, repair, or other necessary work as required by this Agreement, which results in an adverse impact upon the public health, welfare or safety, Grantor may (but is not required to) cause that work to be completed, in whole or in part, and upon so doing will submit to Grantee an itemized statement of costs. Grantee will be given no less than thirty (30) days to cure the default before Grantor exercises its right to complete the work, unless a serious and immediate threat to public health or safety exists in which case such notice and cure period shall not be required. Grantee must, within thirty (30) days of billing, pay to Grantor the actual costs incurred. If that payment is not made by Grantee, then Grantor may satisfy Grantee's obligation by assessing the performance bonds that have been provided pursuant to this Agreement.

7.5 Vacation or Abandonment. If any street, alley, public highway, or portion thereof used by Grantee is vacated by a Constituent Jurisdiction, or its use is discontinued by Grantee, then upon reasonable notice Grantee must forthwith remove its facilities therefrom unless otherwise specifically authorized. Following that removal, Grantee must restore, repair, or reconstruct the area where that removal has occurred to such condition as may be required by the Constituent Jurisdiction, but not in excess of the original condition. Upon any failure, neglect, or refusal of Grantee, after thirty (30) days' notice by the Constituent Jurisdiction, to do such work, Grantor may (but is not required to) cause it to be done, and within thirty (30) days of billing, Grantee must pay to Grantor the actual costs incurred. If that payment is not made by Grantee, the Grantor may satisfy Grantee's obligation by assessing the performance bonds that have been provided pursuant to this Agreement.

7.6 Abandonment in Place. Grantor may, upon written application by Grantee, approve the abandonment in place by Grantee of any property, under such terms and conditions as Grantor may approve. Upon Grantor-approved abandonment in place of any property, Grantee must cause to be executed, acknowledged, and delivered to Grantor such instruments as Grantor may prescribe and approve, transferring and conveying ownership of that property to Grantor.

7.7 Removal of System Facilities. If Grantee's plant is deactivated for a continuous period of thirty (30) days (except for reasons beyond Grantee's control), and without prior written notice to and approval by Grantor, then Grantee must, upon Grantor's demand, and at the sole expense of Grantee, promptly remove its property from any streets or other public property. Grantee must promptly restore the streets or other public areas from which its property, including aerial trunk and feeder lines, has been removed to the condition existing prior to Grantee's use thereof.

7.8 Movement of Facilities. If Grantor or any Constituent Jurisdiction determines it is necessary to temporarily move or remove any of Grantee's property for a public purpose, Grantee, upon reasonable notice, must move, at the expense of Grantee, its property in order to facilitate that public purpose. No such movement shall be deemed a taking of Grantee's property. The right of Grantee to seek reimbursement from any party other than Grantor shall not be limited by this Agreement.

7.9 Undergrounding of Cable. Cables must be installed underground at Grantee's cost where substantially all existing utilities are already underground or all new utilities are being installed underground in the area, in accordance with the Grantor's or the affected Constituent Jurisdiction's adopted undergrounding policy. Previously installed aerial cable will be installed underground at Grantee's pro rata cost in concert with other utilities as those other utilities convert from aerial to underground construction. Grantee shall be treated similarly to electric and telephone utilities with respect to the reimbursement of costs related to the creation of underground utility districts.

7.10 Facility Agreements. This Agreement does not relieve Grantee of any obligations to obtain pole or conduit space from any of the Constituent Jurisdictions of Grantor, from any utility company, or from others maintaining utilities in Grantor's streets.

7.11 Repair of Streets and Public Ways. All streets and public ways, and improvements located within those streets and public ways, that are disturbed or damaged by Grantee or its contractors during the construction, reconstruction, operation, or maintenance of the cable system, must be restored at Grantee's expense, in accordance with any generally applicable standards established by the affected Constituent Jurisdiction and within the time frame and limits specified by the affected Constituent Jurisdiction.

7.12 Erection of Poles Prohibited. Grantee may not erect any pole on or along any street or public way where there is an existing aerial utility system. If additional poles in an existing aerial route are required, Grantee must negotiate with the appropriate public utility for their installation. Subject to applicable federal and state law, Grantee must negotiate the lease of pole space and facilities from the existing pole owners for all aerial construction, under mutually acceptable terms and conditions.

7.13 Location of Utilities. Grantee must verify the location of all existing utilities to ensure that they are not damaged during construction or maintenance of the cable system. Grantee must be a member of Underground Service Alert and must contact the entity 48 hours in advance of any underground construction in order to ensure that utilities are not damaged. Grantee is solely responsible for the replacement or repair of any utilities that are damaged during construction or maintenance activities.

7.14 Reservation of Street Rights. Nothing in this Agreement precludes Grantor or the Constituent Jurisdictions from constructing, repairing, or altering any public work or improvement. That work will be done, insofar as practicable, in such manner as not to unnecessarily obstruct, injure or prevent the free use and operation of any property of Grantee. However, if any property of Grantee interferes with the construction, maintenance, or repair of any public improvement, that property must be removed or replaced in such manner as may be directed by Grantor or the affected Constituent Jurisdiction so as not to interfere with the public work or improvement, and that removal or replacement will be at the sole expense of Grantee.

8. SERVICE AREA AND LINE EXTENSION POLICY.

8.1 Franchise and Service Area. Grantee's franchise and service area shall be the territory of all Constituent Jurisdictions during the term of this Agreement, subject to the

residential diversity and line extension policies set forth below. Grantor shall not be required to offer service in any area already served by another cable system franchise as of the Effective Date.

8.2 Line Extension Policy. Throughout the Franchise Service Area, Grantee is required to extend its cable system in accordance with the following provisions:

(a) Grantee must make its cable system available to residential dwelling units in all currently unserved areas that have at least thirty (30) dwelling units per cable mile provided that the installation is for new construction that will be served by joint utility trenches or aerial wire. In all other circumstances, the unserved area must have forty (40) dwelling units per cable mile. Subject to the foregoing density standards, Grantee must extend the cable system simultaneously with the installation of utility lines. Where residential dwelling units are located in unserved areas that do not meet these standards for mandatory extension of service, Grantee must provide, upon the written request of a prospective subscriber desiring service, an estimate of the costs of extending service. Grantee may require an advance payment of those costs or an assurance of payment satisfactory to Grantee. The amount paid by the prospective subscriber is nonrefundable. If the unserved area later achieves the density required for mandatory extensions of service, the amounts paid will be deemed to be consideration for early extension.

(b) Grantee must offer standard residential services to all residents within the territory of the Constituent Jurisdictions, at standard installation charges, for residences within one hundred and fifty (150) feet of Grantee's closest cable plant. For residences not meeting this criterion, Grantee may impose an incremental installation charge, on a time and material basis, for the portion exceeding one hundred and fifty (150) feet. For commercial establishments, Grantee must enter into good faith negotiations to determine whether distribution cable can be extended on reasonable terms and conditions.

8.3 Petition for Relief. Grantee may petition Grantor to relieve Grantee of the obligations set forth in Sections 8.1 and 8.2. Grantor shall grant such a request for relief if Grantee demonstrates, to Grantor's satisfaction, that strict application of Section 8.1 and 8.2 would be reasonably burdensome due to extreme costs or unusual conditions that would make strict compliance impracticable.

9. PERFORMANCE AUDITS AND TECHNICAL DATA.

9.1 Performance Audits

(a) After the Grantor receives ten (10) or more related (that is, occurring within a single node) and verified complaints during any month regarding picture quality or other technical problems that were not resolved satisfactorily within thirty (30) days of the initial complaint, Grantor may require that a performance test to be performed by Grantee. If the Grantor is not satisfied with the results of the performance test or any remedial measures taken by Grantee to correct the problem(s) causing the complaints, the Grantor may retain an independent technical consultant to verify that the system complies with all technical standards. The costs of the independent technical consultant shall be the responsibility of the Grantor unless the parties agree to share such costs on an equal basis.

(b) Upon completion of a performance audit required by Subsection 9.1(a) or conducted by Grantor pursuant to Subsection 9.1(e) the Grantor and Grantee will meet to review the performance of the cable system. The reports required by this Agreement regarding subscriber complaints, the records of performance audits and tests, and any opinion survey reports that may be conducted by Grantor or Grantee will be used as the basis for review. In addition, any subscriber may submit complaints prior to or during the review meetings, either orally or in writing, and these also will be considered.

(c) Within thirty (30) days after the conclusion of the system performance review meetings, Grantor will issue findings with respect to the adequacy of system performance and the quality of service. If areas of noncompliance with applicable rules or regulations are identified, Grantor may direct Grantee to correct the areas of noncompliance within such period of time that Grantor determines to be reasonable provided that such time shall not be less than thirty (30) days.

(d) Participation by Grantor and Grantee in this process does not waive any rights either may have under applicable federal or state law.

(e) In addition to the performance audits described above, and upon ten (10) days advance notification, Grantor may conduct annual performance audits of the same or lesser magnitude, at its sole expense, when and if determined necessary or appropriate by Grantor.

9.2 System Technical Data.

(a) Within sixty (60) days after the effective date of this Agreement, Grantee must provide Grantor with a strand map in a digital format agreed upon by the Grantor and Grantee, excluding proprietary technical specifications, which documents all of Grantee's equipment and facilities and their geographic location in the service area. The map must be updated whenever there are significant changes in the location of Grantee's equipment and facilities.

(b) Grantee must maintain in its regional office a complete and up-to-date set of as-built system maps and drawings upon completion of construction or reconstruction; equipment specifications and maintenance publications; and signal level diagrams for each active piece of electronic equipment in the system. As-built drawings must show all lines and installed equipment.

(c) Technical data related to Grantor's enforcement responsibilities under this Franchise will be made available to Grantor by Grantee at its local office or a mutually agreed upon location during normal business hours and upon reasonable notice.

(d) Upon any system failure or other operating emergency, the technical data will be made available upon request of Grantor as soon as possible. The inspection of technical data may be reviewed by Grantor only at the local office unless otherwise agreed to by the Grantor and Grantee.

(e) All technical data provided by Grantee to Grantor shall be considered confidential and proprietary and shall not be provided to other persons, other than Grantor's

officers, employees, contractors, consultants or attorneys, except as otherwise required by law. Grantee shall defend, indemnify and hold harmless Grantor in any action brought by a third party seeking disclosure or copies of such technical data to the extent Grantee opposes such disclosure by Grantor.

9.3 Emergency Repair Capability. Grantee must ensure that its personnel are qualified to make repairs, that they are available at all reasonable times, and that they are supplied with keys, equipment location instructions, and technical information necessary to begin repairs upon notification of the need to maintain or restore continuous service to the system.

10. REVOCATION.

10.1 Revocation. Consistent with applicable law, and in addition to any rights provided elsewhere in this Agreement, Grantor reserves the right to revoke the franchise, subject to the procedural guidelines set forth in Section 12 and declare a forfeiture and termination of this Agreement if Grantee, whether willfully or negligently, violates any material provision of this Agreement and thereafter fails to correct or remedy that violation in accordance with the terms of this Agreement.

10.2 Grounds for Revocation. The following violations shall be deemed to constitute a violation of a material provision of this Agreement and grounds for revocation of this franchise under Subsection 10.1:

(a) Grantee's failure to make any payment of franchise fees when that payment is due, as provided for in Subsection 2.2(b), unless Grantee is in good faith contesting that payment in a court or governmental agency of competent jurisdiction.

(b) Grantee's failure to provide or to maintain the performance bonds specified in Subsection 2.5, or to replenish the performance bonds as required by Subsections 2.5(a) and (d).

(c) Grantee's failure to honor its indemnification obligations as specified in Subsection 14.4.

(d) Grantee's failure to receive and to maintain all required approvals from the Federal Communications Commission in connection with its operation of the cable system, unless Grantee is in good faith contesting that failure in a court or governmental agency of competent jurisdiction.

(e) Grantee's material violation of any final order or ruling of any regulatory body having jurisdiction over the Grantee relative to the cable services authorized by the franchise, unless that order or ruling is in good faith being contested by the Grantee before the regulatory body or in a court of competent jurisdiction.

(f) Grantee's willful attempt to evade compliance with any provisions of this Agreement or the Ordinance, or to practice any fraud or deceit upon the Grantor or upon existing or prospective subscribers.

(g) Grantee's wrongful and complete cessation of cable services to its subscribers in one or more of the Constituent Jurisdictions of Grantor for reasons within Grantee's control and not excused under Section 14.2 for seventy-two (72) or more hours.

(h) Grantee's persistent failure or refusal to remedy violations, defaults, breaches, or incidents of noncompliance for which monetary penalties have previously been imposed, unless Grantee is then contesting the same in good faith in a court or governmental agency of competent jurisdiction.

(i) Grantee's insolvency, inability to pay its debts, or adjudication as a bankrupt, unless the remedy of franchise revocation is precluded by paramount federal law.

(j) Grantee's falsification of information set forth in any report required to be submitted to Grantor under this Agreement.

11. RECORDS; REPORTS; RIGHT TO INSPECT AND AUDIT; EXPERTS.

11.1 Grantee to Provide Records. All reports and records required under this Section 11 must be furnished at the sole expense of Grantee.

11.2 Records. Grantee must either maintain at its regional offices, or make available at its local offices within fifteen (15) business days of a written request by Grantor for inspection during normal business hours, the Grantee's business records related to its performance of or compliance with the franchise granted by this Agreement.

11.3 Maintenance and Inspection of Records. Grantee must maintain accurate books and records, in conformity with generally accepted accounting principles, showing all receipts, expenses, loans, payments, investments of capital, and other transactions relating to the cable system. Grantor, upon ten (10) days prior written notice, has the right to inspect those records and to receive copies subject to reasonable confidentiality requirements regarding financial or other proprietary information..

11.4 Reports of Financial and Operating Activity. Grantee must submit to Grantor the following reports:

(a) Not later than one-hundred twenty (120) days after the close of each calendar year during the term of this Agreement, a financial report, certified by a designated financial officer of Grantee or prepared by an independent public accounting firm, for all cable system activity during the previous fiscal year, that itemizes by category the annual Gross Revenues of the Grantee within the Franchise Service Area.

(b) Upon written request by Grantor, a summary of Grantee's activities during the previous year, including, but not limited to, subscriber totals, services added or discontinued, changes in technology deployed, the number of new installations, and the number of disconnections.

(c) Upon written request by Grantor, Grantee must submit to Grantor in a mutually agreed upon form, a summary of complaints received from subscribers during the

previous year or such shorter time period specified by Grantor and remedial actions taken.

11.5 Performance Tests and Compliance Reports. Upon Grantor's written request, Grantee must provide a written report of any FCC or other performance tests required to be conducted. In addition, Grantee must provide reports of any tests and compliance procedures required by this Agreement not later than thirty (30) days after the completion of those tests and compliance procedures.

11.6 Quarterly Reports. Grantee shall submit to Grantor a quarterly report within forty-five (45) days after the close of each calendar quarter containing aggregate information regarding Grantee's customer service results with respect to telephone response times, service call responses and outages in the franchise service area (including the time each outage occurred, its estimated duration and the estimated number of subscribers affected). In the event that Grantee reports three (3) consecutive quarters showing full compliance with Grantor's customer service standards, the reports thereafter shall be made available to Grantor upon Grantor's request. In the event that subsequent reports show that Grantee has failed to meet the customer service standards for two (2) or more consecutive quarters or three (3) or more nonconsecutive quarters in a calendar year, Grantor may require Grantee to once again submit quarterly reports to Grantor as provided above.

11.7 Communications with Regulatory Agencies. Upon written request by Grantor, copies of all material communications between Grantee and the Federal Communications Commission, or any other agency having jurisdiction in respect to any matters directly affecting cable system operations authorized by this Agreement must be submitted to Grantor within ten (10) days after such request.

11.8 Inspection of Facilities. Upon reasonable notice, and during normal business hours, Grantee must permit inspection, by any duly authorized representative of Grantor or any Constituent Jurisdiction, of all franchise property and facilities of Grantee situated within the Franchise Service Area.

11.9 Right to Audit.

(a) In addition to all other inspection rights under this Agreement, upon fifteen (15) days prior written notice, Grantor has the right to inspect, examine, and audit, during normal business hours, those documents pertaining to Grantee that are reasonably related to Grantor's enforcement of its rights under this Agreement. Those documents will be made available at Grantee's local office consistent with Section 11.2 of this Agreement or at a mutually agreeable location. All documents pertaining to financial matters that may be the subject of an audit by Grantor, as set forth herein, must be retained by Grantee for a minimum of four (4) years following the termination of this Agreement. Access by Grantor to any documents covered by this subsection may not be denied by Grantee on grounds that those documents are alleged to contain proprietary information, but any such documents provided under this Section may be conditioned upon the execution of Grantee's standard non-disclosure agreement, in substantially the same form as the example agreement attached hereto as Exhibit C. All financial records shall be deemed confidential and proprietary and shall not be provided to other persons, other than Grantor's officers, employees, contractors, consultants or attorneys, except as otherwise required

by law. Nothing in this Section shall be deemed to require Grantee to release customer proprietary information protected under the provisions of 47 U.S.C. Section 551.

(b) Any audit conducted by Grantor under this Subsection will be conducted at the sole expense of Grantor, and Grantor will prepare a written report containing its findings, a copy of which will be mailed to Grantee; provided, however, that Grantee must reimburse Grantor for the expense of any such audit if, as the result of that audit, it is determined that there is a shortfall of more than five percent (5%) in the amount of franchise fees or other payments that have been made or will be made by Grantee to Grantor pursuant to the terms of this Agreement. Such reimbursement must be made by Grantee within thirty (30) days of written notice from Grantor. Grantee shall be given the notice and hearing provided under Section 12 of this Agreement in the event it disputes the auditor's findings.

11.10 Retention of Experts. In the exercise of its rights under this Agreement, Grantor has the further right to retain technical experts and other consultants on a periodic basis for the purpose of monitoring, testing, and inspecting any construction, operation, or maintenance of the system, and all parts thereof, or to ensure compliance with and enforcement of the provisions of this Agreement.

12. ENFORCEMENT PROCEDURES.

12.1 Notice and Hearing upon Grantee's Default.

(a) Unless otherwise provided in this Agreement, prior to formal consideration by Grantor of any termination or revocation of Grantee's franchise, or the imposition of any other penalty or administrative remedy available to Grantor attributable to Grantee's failure, whether willful, negligent, or otherwise, to comply with the terms and conditions of this Agreement, Grantor must make written demand on Grantee to correct the alleged default. Grantor and Grantee shall expeditiously meet to discuss the alleged default, at which time Grantee must indicate, in writing, the period of time required to resolve the problem. Giving due consideration to Grantee's request, Grantor shall, in writing, state the period of time Grantor will allow Grantee to resolve the problem which shall be reasonable taking into account the nature of the alleged default, including the urgency to resolve the matter and the potential harm to Grantor or other persons which may result and in any event no less than thirty (30) days unless the problem affects public health or safety in which case the problem shall be resolved as soon as possible. During this time period, Grantee may request additional time to correct the problem, and Grantor may grant that request if Grantor determines, in its discretion, that such additional time is necessary due to delays beyond Grantee's control or the Grantee has made a good faith effort to correct the problem and Grantor determines that a grant of additional time is warranted. If the default continues for a period of ten (10) days following the deadline for correction, plus any approved extension of time, a hearing will be scheduled by Grantor with regard to franchise termination, revocation, or the imposition of any other penalty or remedy.

(b) The Executive Officer of Grantor will provide written notice of the hearing to Grantee, including the grounds for the proposed action, not less than thirty (30) days before the hearing. In addition, the Executive Officer, as part of that written notification, will describe the procedures to be followed by Grantor to determine whether cause exists for

termination, revocation, or the imposition of other penalties or remedies. At a minimum, those procedures will afford Grantee adequate notice and a fair opportunity for full participation, including the right to introduce evidence, to require the production of evidence, to question witnesses, and to obtain a transcript of the proceeding at Grantee's expense. Within ten (10) days after receipt of that notice, Grantee must file any written objections to those procedures. The Executive Officer will notify Grantee of any modification to the procedures and provide another ten (10) day objection period if any modifications were made. Any objections not raised within these ten (10) day periods will be deemed waived. At the hearing, Grantor will hear Grantee, and any other person interested in the matter, and will determine, at that or continued hearings, an appropriate course of action for enforcement of the franchise.

(c) This section shall not apply to the remedy of liquidated damages which is governed by Section 2.7.

12.2 Delegation. The proposed imposition of remedies, such as liquidated damages, that do not include termination or revocation of the franchise may, at Grantor's option, be determined by an officer, employee, or agency of Grantor to which it may delegate such administrative decisions, subject to due process and the criteria contained in this section or with respect to liquidated damages Section 2.7, and subject to appeal to the Board of Grantor.

13. CONTINUITY OF CABLE SYSTEM SERVICES

13.1 Continuity of Service. During any reconstruction and upgrade of the cable system, and upon any future sale of the cable system, Grantee must use due diligence and reasonable care to ensure that all subscribers receive continuous, uninterrupted service. In the event of purchase by Grantor, or a change of franchisee, Grantee will cooperate with Grantor or the new franchisee to operate the system for a temporary period in order to maintain continuity of service to all subscribers. If Grantee, through its own fault, discontinues system-wide service for seventy-two (72) continuous hours, and Grantee is in material default of this Agreement, or if the franchise is revoked by Grantor, then Grantor may, by resolution, assume operation of the cable system for the purpose of maintaining continuity of service. Grantor's operation of the cable system may continue until the circumstances which, in the judgment of the Grantor, threaten the continuity of service are resolved to Grantor's satisfaction. Grantor is entitled to receive all revenues and is obligated to pay all expenses for any period during which it operates the cable system.

13.2 Operation and Management By Grantor.

(a) During any period when the system is being operated by Grantor pursuant to Subsection 13.1 above, Grantor will attempt to minimize the disruption of operations in a manner consistent with the maintenance of continuing service to subscribers. Notwithstanding the foregoing, Grantor may, as it deems necessary, make any changes in any aspect of operations that, in Grantor's sole judgment, are required for the preservation of quality of service and its continuity. During that period, Grantor also will maintain to the best of its ability the system's records, physical plant, financial integrity, funds, and other elements normally involved in operations.

(b) Grantor may, upon assuming operation of the cable system, appoint a manager to act for it in conducting the cable system's affairs. The appointed manager will have such authority as may be delegated by Grantor and will be solely responsible to Grantor for management of the cable system. Grantee must reimburse Grantor for all reasonable costs, in excess of cable system revenues retained by Grantor, that are incurred during Grantor's operation if the franchise remains in effect during the period of Grantor's operation.

14. MISCELLANEOUS PROVISIONS

14.1 Assignment, Transfer, Sale, and Change of Control.

(a) Consummation of the following transactions related to this franchise, or involving Grantee, requires the prior written consent of Grantor's Board by resolution, which consent will not be unreasonably withheld, subject to such conditions as may be prescribed:

(i) The sale, transfer, lease, assignment, or other disposition of the franchise, in whole or in part, whether voluntary or involuntary; provided, however, that such consent shall not be required for a transfer in trust, mortgage, or other hypothecation for the purpose of securing an indebtedness of the Grantee relating to the construction, reconstruction, operation, or maintenance of the cable system. A transfer, assignment, or other disposition of the franchise may be made only by an instrument in writing, a duly executed copy of which must be filed with Grantor within the time prescribed by the Board.

(ii) Any merger, consolidation, reorganization, business combination, or other transaction under which fifty percent (50%) or more of the ownership interests in Grantee will be affected or the working control of Grantee will change or be subject to change. As used herein, "working control" means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of Grantee. A duly executed copy of any written instrument evidencing the closing and consummation of any such transaction must be filed with the Grantor within the time prescribed by the Board.

(b) In determining whether it will consent to any transfer, assignment, or other disposition of the franchise, or to any transaction affecting the control of Grantee, Grantor may evaluate the financial, technical, legal and other qualifications of the proposed transferee or controlling person, and other relevant considerations as permitted by law. Grantee must ensure that the proposed transferee or controlling person submits an application, in the form required by Grantor (to the extent consistent with applicable law) and by any applicable federal law, not less than one hundred and twenty (120) days prior to the closing date of the proposed transaction. After considering the financial, technical, legal and other qualifications of the proposed transferee or controlling person and the other relevant considerations as provided above, the Board may by resolution authorize the proposed transaction, subject to such conditions as may be in the public interest and permitted by federal law. Grantor's consent to any such transaction may not be unreasonably denied or delayed. A public stock offering by Grantee or its parent companies shall not be considered a transfer of the franchise or a change in ownership or control requiring Grantor's approval or consent, provided that the public stock offering does not result in a change of control as defined by Subsection 14.1(a)(ii).

14.2 Force Majeure. If Grantee's performance of any of the terms, conditions, obligations, or requirements of this Agreement is prevented or impaired by any cause or event beyond its reasonable control and not reasonably foreseeable, such inability to perform will be deemed to be excused, and no penalties or sanctions will be imposed. Those causes beyond Grantee's reasonable control and not reasonably foreseeable include, but are not limited to, acts of God, civil emergencies, labor unrest, strikes, and inability to obtain access to an individual's property. Grantee's compliance with the terms, conditions, obligations and requirements of this Agreement will not be excused on the basis of increases in the cost of performance, changes in economic circumstances, or nonperformance by an employee, agent or contractor of Grantee.

14.3 Possessory Interest. By accepting the franchise, Grantee acknowledges notice was given to Grantee, as required by California Revenue and Taxation Code Section 107.6, that use or occupancy of any public property pursuant to the authorization set forth in this Agreement may create a possessory interest that may be subject to the payment of property taxes levied upon that interest. Grantee is solely liable for, and must pay and discharge prior to delinquency, all possessory interest taxes or other taxes levied against Grantee's right to possession, occupancy, or use of any public property in accordance with any right of possession, occupancy, or use created by this Agreement. Grantee will co-operate with and assist the Marin County Assessor in providing any information or documents necessary for the Assessor to make a property tax determination. Grantee is not barred from challenging any tax on any amounts so assessed.

14.4 Indemnification. Grantee will indemnify, defend, and hold harmless Grantor, its officers, agents and employees, from any liability, claims, damages, costs, or expenses, including reasonable attorney's fees, arising out of or attributable to the exercise or enjoyment of the franchise granted pursuant to this Agreement, except for matters arising out of the sole negligence or willful misconduct of Grantor or its officers, boards, employees, or agents. Grantee, at its sole cost and expense, and upon demand of Grantor, will appear in and defend any and all suits, actions, or other legal proceedings, whether judicial, quasi-judicial, administrative, legislative or otherwise, instituted by third persons or duly constituted authorities, against or affecting Grantor, its officers, agents, or employees, and arising out of or pertaining to the exercise of rights arising under the franchise, and injury to persons or damages to property proximately caused by any conduct undertaken by the Grantee, its agents, employees, or subcontractors, by reason of the franchise or by any failure to act in the manner required by the franchise.

14.5 Conflict of Interest. The parties agree that, to their knowledge, no member of the Board, nor any other officer or employee of Grantor, has any interest, whether contractual, non-contractual, financial or otherwise in this franchise, or in other business of the Grantee, and that if any such interest comes to the knowledge of either party at any time, a full and complete disclosure of that information will be made in writing to the other party, even if that interest would not be considered a conflict of interest under applicable laws. Grantee covenants that it has, at the time of execution of this Agreement, no interest, and that it will not acquire any interest in the future, direct or indirect, that would conflict in any manner with the performance of its obligations under this Agreement. Grantee further covenants that, in the performance of its obligations, no person having any such interest will be engaged or employed.

14.6 Resolution of Disputes.

(a) Disputes regarding the interpretation or application of any provisions of this Agreement will, to the extent reasonably feasible, be resolved through good faith negotiations between the parties.

(b) If any action at law or in equity is brought to enforce or interpret any provisions of this Agreement, the prevailing party in that action is entitled to reasonable attorneys' fees, and costs in addition to any other relief that may be sought and awarded.

(c) If any action at law or in equity is brought to enforce or interpret any provision of this Agreement, that action must be initiated in the federal courts located within San Francisco, California, or the state courts located within Marin County, California, regardless of any other possible jurisdiction or venue.

14.7 Future Changes In Technology. In the event that any of the provisions of this Agreement become outdated or ineffective during the term of this Agreement due to changes in the technology or methods of providing cable services, Grantor and Grantee agree to meet in good faith to discuss necessary amendments to the Agreement.

14.8 Level Playing Field

(a) The Grantor shall comply with Government Code Section 53066.3. It is the Grantor's intent to grant franchises to another individual or entity to provide Cable Services on material terms and conditions that are not more favorable or less burdensome than the terms and conditions applicable to Grantee and do not place Grantee at a competitive disadvantage. If any such additional or competitive franchise is granted by the Grantor which contain substantially more favorable or less burdensome terms or conditions than this Franchise, the Grantor agrees that it shall amend this franchise to include any more favorable or less burdensome terms or conditions in a manner mutually agreed upon by the Grantor and Grantee.

(b) In the event an application for a new cable television franchise is filed with the Grantor proposing to serve the Franchise Service Area, in whole or in part, the Grantor shall promptly serve or require to be served a copy of such application upon Grantee by registered or certified mail or via nationally recognized overnight courier service.

(c) Notwithstanding any provision to the contrary, at any time prior to the commencement of the Grantee's thirty-six (36) month renewal window provided by Section 626 of the Cable Act, that a terrestrial based, wire-line, or facilities based company, operator, utility or entity lawfully provides or delivers video programming or other programming services within the Franchise Service Area to subscribers without a franchise granted by the Grantor, then at Grantee's discretion upon reasonable written notice to the Grantor, (1) the Term of Grantee's Franchise shall be shortened so that the Franchise shall be deemed to expire on a date thirty-six (36) months from the first day of the month following the date of the Grantee's provision of written notice to the Grantor; (2) Grantee shall immediately secure franchise renewal rights pursuant to Section 626 of the Cable Act with no further notice to the Grantor required; and (3) the Grantor and Grantee shall enter into proceedings consistent with Section 626 for renewal of the Franchise. The Grantor and Grantee shall have all rights and obligations provided under said

Section 626. Notwithstanding the foregoing, this Agreement shall terminate no sooner than five (5) years after the Effective date. Further, the Grantee's I-Net maintenance obligations under section 6 of this Agreement shall not be affected by the provisions of this section 14.8 and shall survive the early termination of this Agreement and remain in full forces and effect to the extent set forth in the I-Net Fiber Construction and Maintenance Agreement, attached hereto as Exhibit D.

(d) Notwithstanding any provision to the contrary, should any non-wireless facilities based entity provide Cable Service within the Franchise Service Area during the term of this Franchise without a franchise granted by the Grantor, then Grantee may assert, at Grantee's option, that this Franchise is rendered "commercially impracticable," and invoke the modification procedures set forth in Section 625 of the Cable Act. Grantor and Grantee reserve any and all rights that the parties may have under Section 625.

14.9 Amendments. This Agreement supersedes all prior proposals, agreements and understandings between the parties and may not be modified or terminated orally, and no modification, termination or attempted waiver of any of its provisions will be binding unless in writing and signed by the party against whom the same is sought to be enforced.

14.10 Binding Upon Successors. This Agreement is binding upon and inures to the benefit of each of the parties and to their respective transferees, successors and assigns.

14.11 Counterpart Execution. This Agreement may be executed in multiple counterparts, each of which is deemed to be an original and all of which constitute one and the same instrument.

14.12 Applicable Law. This Agreement and the transactions herein contemplated are to be construed in accordance with and governed by the applicable laws of the State of California and of the United States.

TO EFFECTUATE THIS AGREEMENT, each of the parties has caused this Agreement to be executed by its duly authorized representative.

Approved As To Form:

Marin Telecommunications Agency

General Counsel

By: _____
Chairman

Attest:

Executive Officer

Comcast of Marin I, Inc., a
California corporation,
Comcast of Marin II, Inc., a
California corporation,
Comcast of California V., Inc., a
California corporation,
Comcast of
California/Colorado/Florida/Oregon,
Inc., a Georgia corporation, and
Comcast of California/Colorado/
Washington I, Inc., a Washington
corporation

By: _____

Title: _____

Approved As To Form:

Corporate Counsel