

CABLE FRANCHISE AGREEMENT
BETWEEN
TOWN OF BOWERS, DELAWARE
AND
COMCAST OF DELMARVA, LLC

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Exhibit A: Complimentary Service

FRANCHISE AGREEMENT

This Franchise Agreement (hereinafter, the “Agreement” or “Franchise Agreement”) is made between the Town of Bowers, Delaware (hereinafter, “Town” or “Franchising Authority”) and Comcast of Delmarva, LLC (hereinafter, “Franchisee”).

The Town having determined that the financial, legal, and technical ability of the Franchisee is reasonably sufficient to provide the services, facilities, and equipment necessary to meet the future cable-related needs of the community, desires to enter into this Franchise Agreement with the Franchisee for the construction, operation, and maintenance of a Cable System on the terms and conditions set forth herein.

SECTION 1 - Definition of Terms

For the purpose of this Franchise Agreement, capitalized terms, phrases, words, and abbreviations shall have the meanings ascribed to them in the Cable Communications Policy Act of 1984, as amended from time to time, 47 U.S.C. §§ 521 - 631 (the “Cable Act”), unless otherwise defined herein. When not inconsistent with the context, words used in the present tense include the future, words used to refer to the masculine include the feminine, and words in the plural number include the singular number. The word “shall” is mandatory and “may” is permissive. Words not defined in the Cable Act or herein shall be given their common and ordinary meaning.

1.1. “Cable Service” or “Service” shall mean the one-way transmission to Subscribers of Video Programming or other Programming service and Subscriber interaction, if any, which is required for the selection or use of such Video Programming or other Programming service.

1.2. “Cable System” shall mean a facility, consisting of a set of closed transmission paths and associated signal generation, reception, and control equipment that is designed to provide Cable Service which includes Video Programming and which is provided to multiple Subscribers within the Franchise Area, and as further defined under Section 602 (7) of the Cable Act.

1.3. “Town” shall mean the Town of Bowers, Delaware.

1.4. “Customer” or “Subscriber” shall mean a Person or user of the Cable System who lawfully receives Cable Service therefrom with the Franchisee’s express permission.

1.5. "Educational Access" shall mean a channel designated for noncommercial use by educational institutions such as public or private schools (but not "home schools"), community colleges, and universities.

1.6. "Effective Date" shall mean January 31, 2016.

1.7. "FCC" shall mean the Federal Communications Commission, or successor governmental entity thereto.

1.8. "Franchise" shall mean the initial authorization, or renewal thereof, issued by the Franchising Authority, whether such authorization is designated as a franchise, agreement, permit, license, resolution, contract, certificate, ordinance or otherwise, which authorizes the construction and operation of the Cable System.

1.9. "Franchise Agreement" or "Agreement" shall mean this Agreement and any amendments or modifications hereto.

1.10. "Franchise Area" shall mean the present legal boundaries of the Town of Bowers, as of the Effective Date, and shall also include any additions thereto, by annexation or other legal means during the term of the Franchise.

1.11. "Franchising Authority" shall mean the Town of Bowers or the lawful successor, transferee, designee, or assignee thereof.

1.12. "Franchisee" shall mean Comcast of Delmarva, LLC.

1.13. "Government Access" is a channel designated for noncommercial use by the Franchising Authority for the purpose of showing local government at work.

1.14. "Gross Revenue" means revenue derived by the Franchisee from the operation of the Cable System in the Franchise Area to provide Cable Service, calculated in accordance with generally accepted accounting principles ("GAAP"). Gross Revenue includes revenue received from monthly basic cable fees, premium and pay-per-view video fees, Franchise fees (a/k/a fee on fee), subscriber fee, advertising and home shopping revenues, installation fees, fees for leased access channels, fees for service calls as it relates to cable service, subscriber equipment rental and sales fees, and fees from the provision of any other Cable Services. Gross Revenue shall not include program launch support payments, revenue from refundable deposits, late fees, investment income, nor any taxes or other fees except for franchise fees or assessments imposed or assessed by any governmental authority. Gross Annual Revenues shall not include actual bad debt that is written off, consistent with generally accepted accounting principles, provided, however, that all or any part of any such actual

bad debt that is written off, but subsequently collected, shall be included in the Gross Annual Revenues in the period so collected.

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

1.16. "Public Access" is noncommercial use of a channel by the public on a first-come, first-served, nondiscriminatory basis. Public Access time may not be used to cablecast programs for profit, or for nonpolitical or commercial fundraising in any fashion.

1.17. "Public Buildings" shall mean those buildings owned or leased by the Franchising Authority for municipal government administrative purposes, and shall not include buildings owned by Franchising Authority but leased to third parties or buildings such as storage facilities at which government employees are not regularly stationed.

1.18. "Public Way" shall mean the surface of, and the space above and below, any public street, highway, freeway, bridge, land path, alley, court, boulevard, sidewalk, way, lane, public way, drive, circle, park or other public right-of-way, including, but not limited to, public utility easements, dedicated utility strips, or easements dedicated for compatible uses and any temporary or permanent fixtures or improvements located thereon now or hereafter held by the Franchising Authority in the Franchise Area, which shall entitle the Franchisee to the use thereof for the purpose of installing, operating, repairing, and maintaining the Cable System. Public Way shall also mean any easement now or hereafter held by the Franchising Authority within the Franchise Area for the purpose of public travel, or for utility or public service use dedicated for compatible uses, and shall include other easements or rights-of-way as shall within their proper use and meaning entitle the Franchisee to the use thereof for the purposes of installing, operating, and maintaining the Franchisee's Cable System over poles, wires, cables, conductors, ducts, conduits, vaults, manholes, amplifiers, appliances, attachments, and other property as may be ordinarily necessary and pertinent to the Cable System.

1.19. "Standard Installation" shall mean the standard one hundred twenty-five foot (125') aerial Drop connection to the existing distribution system.

1.20. "Video Programming" or "Programming" shall mean the programming provided by, or generally considered comparable to programming provided by, a television broadcast station.

SECTION 2 - Grant of Authority

2.1. Franchise Grant. The Franchising Authority hereby grants to the Franchisee pursuant to the Cable Act, and any applicable State laws, a non-exclusive Franchise authorizing the Franchisee to construct and operate a Cable System in the Public Ways within the Franchise Area, and for that purpose to erect, install, construct, repair, replace, reconstruct, maintain, or retain in any Public Way such poles, wires, cables, conductors, ducts, conduits, vaults, manholes, pedestals, amplifiers, appliances, attachments, and other related property or equipment as may be necessary or appurtenant to the Cable System, and to provide such services over the Cable System as may be lawfully allowed.

2.2. Term of Franchise. The term of the Franchise granted hereunder shall be ten (10) years, commencing upon the Effective Date of the Franchise, unless the Franchise is renewed or is lawfully terminated in accordance with the terms of this Franchise Agreement and the Cable Act.

2.3. Renewal. Any renewal of this Franchise shall be governed by and comply with the provisions of Section 626 of the Cable Act [47 U.S.C. §546], as amended.

SECTION 3 - Construction and Maintenance of the Cable System

3.1. Permits and General Obligations. The Franchisee shall be responsible for obtaining all generally applicable permits, licenses, or other forms of approval or authorization prior to the commencement of any activity that disturbs the surface of any street, curb, sidewalk or other public improvement in the Public Way, or impedes vehicular traffic. The issuance of such permits shall not be unreasonably withheld or delayed. Construction, installation, and maintenance of the Cable System shall be performed in a safe, thorough and reliable manner using materials of good and durable quality and shall be in accordance with the standards found in the National Electric Code, applicable FCC regulations, and generally applicable provisions of the building code enforced in the Town of Bowers. Notwithstanding the requirements herein, Franchisee shall not be required to obtain a permit for individual drop connections to Subscribers, servicing or installing pedestals or other similar facilities, or other instances of routine maintenance or repair to its Cable System. All transmission and distribution structures, poles, other lines, and equipment installed by the Franchisee for use in the Cable System in accordance with the terms and conditions of this Franchise Agreement shall be located so as to minimize the interference with the proper use of the Public Ways and the rights and reasonable convenience of property owners who own property that adjoins any such Public Way.

3.2. Conditions of Street Occupancy.

3.2.1. New Grades or Lines. If the grades or lines of any Public Way within the Franchise Area are lawfully changed, including, but not limited to, changes of grade or location of the Public Way, at any time during the term of this Franchise Agreement, then the Franchisee shall, upon reasonable advance written notice from the Franchising Authority (which shall not be less than thirty (30) business days) and at its own cost and expense, protect or promptly alter or relocate the Cable System, or any part thereof, so as to conform with any such new grades or lines. If public funds are available to any other user of the Public Way for the purpose of defraying the cost of any of the foregoing, the Franchising Authority shall notify Franchisee of such funding and make available such funds to the Franchisee.

3.2.2. Relocation at Request of Third Party. The Franchisee shall, upon reasonable prior written request of any Person holding a permit issued by the Franchising Authority to move any structure, temporarily move its wires to permit the moving of such structure; provided (i) the Franchisee may impose a reasonable charge on any Person for the movement of its wires, and such charge may be required to be paid in advance of the movement of its wires; and (ii) the Franchisee is given not less than thirty (30) business days advance written notice to arrange for such temporary relocation.

3.2.3. Restoration of Public Ways. If in connection with the construction, operation, maintenance, or repair of the Cable System, the Franchisee disturbs, alters, or damages any Public Way, the Franchisee agrees that it shall at its own cost and expense replace and restore any such Public Way to a condition reasonably comparable to the condition of the Public Way existing immediately prior to the disturbance, subject to any generally applicable construction and safety ordinances enforced in the Town of Bowers.

3.2.4. Safety Requirements. The Franchisee shall undertake all necessary and appropriate efforts to maintain its work sites in a safe manner in order to prevent failures and accidents that may cause damage, injuries or nuisances. All work undertaken on the Cable System shall be performed in substantial accordance with applicable FCC or other federal and state regulations. The Cable System shall not unreasonably endanger or interfere with the safety of Persons or property in the Franchise Area.

3.2.5. Trimming of Trees and Shrubbery. The Franchisee shall have the authority to trim trees or other natural vegetative growth encroaching or overhanging any of its Cable System in the Franchise Area so as to prevent contact with the Franchisee's wires, cables, or other equipment. All such trimming shall be done at the Franchisee's sole cost and expense. The Franchisee shall be responsible for any collateral, real property damage caused by such trimming. Except in cases of emergency repairs or restoration of service interruptions, the Franchisee shall provide the Town with 30 days advance notice of tree trimming.

3.2.6. Aerial and Underground Construction. At the time of Cable System construction, if all of the transmission and distribution facilities of all of the respective public or municipal utilities in any area of the Franchise Area are underground, the Franchisee shall place its Cable System transmission and distribution facilities underground, provided that such underground locations are actually capable of accommodating the Franchisee's cable and other equipment without technical degradation of the Cable System's signal quality. In any region(s) of the Franchise Area where the transmission or distribution facilities of the respective public or municipal utilities are both aerial and underground, the Franchisee shall have the discretion to construct, operate, and maintain all of its transmission and distribution facilities, or any part thereof, aerially or underground, unless the Franchising Authority is actively engaged in an undergrounding project in the immediate area where the lines are to be installed, in which case Franchisee shall place its Cable System transmission and distribution facilities underground as outlined in this subsection provided that such underground locations are equally capable of accommodating the Franchisee's cable and other equipment without technical degradation of the Cable System's signal quality. In the event the Franchising Authority intends to do repairs or replacement of poles, wires, cables, conductors, transformers, or other attachments which are owned by or under its control in a Public Way as herein defined, and such repairs or replacements are in a location necessitating full completion at one time to protect the health, safety and welfare of the general public, the Franchising Authority shall give at least fifteen (15) business days written notice to the Franchisee of the time and place where Franchisee's aerial Cable System equipment will need to be moved or protected during such repair and replacement. Franchisee agrees to then provide its own service technicians to move or protect its equipment. Nothing in this Agreement shall be construed to require the Franchisee to construct, operate, or maintain underground any ground-mounted appurtenances such as customer taps, line extenders, system passive devices, amplifiers, power supplies, pedestals, or other related equipment.

3.2.7. Undergrounding and Beautification Projects. In the event all users of the Public Way relocate aerial facilities underground as part of an undergrounding or neighborhood beautification project, Franchisee shall participate in the planning for relocation of its aerial facilities contemporaneously with other utilities. Franchisee's relocation costs shall be included in any computation of necessary project funding by the municipality or private parties. Franchisee shall be entitled to reimbursement of its relocation costs from public or private funds raised for the project and made available to other users of the Public Way. In the event that public and/or private funds are not available, Franchisee reserves the right to pass its costs through to its Subscribers in accordance with applicable law.

3.2.8. Discretion in Emergency. In the event of an emergency, the Franchisee acknowledges that the Bowers Fire Company has the authority to

remove and/or cut the Franchisee's cable lines without prior notification of the Franchisee. The Franchise Authority shall notify the Franchisee as soon as reasonably possible of any such action. The Franchise Authority shall not be financially responsible for repairing any cable lines removed and/or cut pursuant to an emergency.

SECTION 4 - Service Obligations

4.1. General Service Obligation. The Franchisee shall make Cable Service available to every residential dwelling unit within the Franchise Area where the minimum density is at least thirty (30) occupied dwelling units per mile and is within one (1) mile as measured in strand footage from the nearest point on the Cable System trunk or feeder line from which a usable cable signal can be obtained of sufficient strength and quality so that the signal on the line extension shall meet FCC requirements for signal strength and quality. For purposes of this section, a home shall be counted as a "dwelling unit" if, and only if, such home is within four hundred (400) feet of the public right of way. Subject to the density requirement, Franchisee shall offer Cable Service to all new homes or previously unserved homes located within two hundred (200) feet of the Franchisee's distribution cable at the standard installation rate. Should, through new construction, an area within the Franchise Area meet the density requirements, Franchisee shall provide Cable Service to such area within one year after it confirms that the density requirements have been met following notice from the Franchising Authority that one or more residents has requested service

The Franchisee may elect to extend service to areas that do not otherwise qualify to receive service under this section if any resident or group of residents agree in writing to pay to Franchisee the cost of construction, including materials, labor, and the total cost of any easement(s) necessary to accomplish the proposed line extension. One half of the cost of construction shall be paid to the Franchisee prior to engineering and the balance shall be paid prior to installation.

4.2. Programming. The Franchisee shall offer to all Customers a diversity of Video Programming services in accordance with federal law.

4.3. No Unfair Discrimination. Neither the Franchisee nor any of its employees, agents, representatives, contractors, subcontractors, or consultants, nor any other Person, shall discriminate or permit discrimination between or among any Persons in the availability of Cable Services provided in connection with the Cable System in the Franchise Area; provided, however, Franchisee reserves the right to deny service for good cause, including but not limited to non-payment or theft of service, vandalism of equipment, or documented or founded harassment or abuse of Franchisee's employees or agents. It shall be the right of all Persons to receive all available services provided on the Cable System so long as such Person's financial or other obligations to the Franchisee

are satisfied. Nothing contained herein shall prohibit the Franchisee from offering bulk discounts, promotional discounts, package discounts, or other such pricing strategies as part of its business practice.

4.4. New Developments. The Franchising Authority shall provide the Franchisee with written notice of the issuance of building or development permits for planned developments within the Franchise Area requiring undergrounding of cable facilities. The Franchising Authority agrees to require the developer, as a condition of issuing the permit, to give the Franchisee access to open trenches for deployment of cable facilities and at least ten (10) business days written notice of the date of availability of open trenches.

4.5. Prohibition Against Reselling Service. No Person shall resell, without the express prior written consent of the Franchisee, any Cable Service, program or signal transmitted over the Cable System by the Franchisee.

4.6. Emergency Alert System. In accordance with applicable FCC Regulations, the Franchisee shall maintain an Emergency Alert System (EAS) for use in transmitting Emergency Act Notifications (EAN) and Emergency Act Terminations (EAT) in local and state-wide situations as may be designated to be an emergency by the Local Primary (LP), the State Primary (SP) and/or the State Emergency Operations Center (SEOC), as those authorities are identified and defined within applicable FCC Regulations.

SECTION 5 - Fees and Charges to Customers

5.1. All rates, fees, charges, deposits and associated terms and conditions to be imposed by the Franchisee or any affiliated Person for any Cable Service as of the Effective Date shall be in accordance with applicable FCC rate regulations. Before any new or modified rate, fee, or charge is imposed, the Franchisee shall follow the applicable FCC notice requirements and rules and notify affected Customers, which notice may be by any means permitted under applicable law.

5.2 No Unfair Discrimination. Neither the Grantee nor any of its employees, agents, representatives, contractors, subcontractors, or consultants, nor any other Person, shall discriminate or permit discrimination between or among any Persons in the availability of Cable Services provided in connection with the Cable System in the Franchise Area; provided, however, Grantee reserves the right to deny service for good cause, including but not limited to non-payment or theft of service, vandalism of equipment, or documented or founded harassment or abuse of Grantee's employees or agents. It shall be the right of all Persons to receive all available services provided on the Cable System so long as such Person's financial or other obligations to the Grantee are satisfied. Nothing contained herein shall prohibit the Grantee from offering bulk

discounts, promotional discounts, package discounts, or other such pricing strategies as part of its business practice.

SECTION 6 - Customer Service Standards; Customer Bills; and Privacy Protection

6.1. Customer Service Standards. The Franchising Authority hereby adopts the customer service standards set forth in Part 76, §76.309 of the FCC's rules and regulations, as amended. The Franchisee shall comply in all respects with the customer service requirements established by the FCC. Franchisee shall provide Franchising Authority with the toll-free phone number and any subsequent changes thereto, which Customers may use in making service inquiries. Franchisee shall maintain a record of the type and nature of all written complaints received within Franchise Area. Upon written request of the Franchising Authority, the Franchisee shall provide within thirty (30) days a report outlining the complaints received in the prior twelve (12) months; provided, however, the Franchisee shall not be required to produce the report more than once a year.

6.2. Customer Bills. Customer bills shall be designed in such a way as to present the information contained therein clearly and comprehensibly to Customers, and in a way that (i) is not misleading and (ii) does not omit material information. Notwithstanding anything to the contrary in Section 6.1, above, the Franchisee may, in its sole discretion, consolidate costs on Customer bills as may otherwise be permitted by Section 622 (c) of the Cable Act [47 U.S.C. §542 (c)].

6.3. Privacy Protection. The Franchisee shall comply with all applicable federal and state privacy laws, including Section 631 of the Cable Act and regulations adopted pursuant thereto.

SECTION 7 - Oversight and Regulation by Franchising Authority

7.1. Franchise Fees. During the term of this agreement and any extension thereof and consistent with the applicable provisions of the Cable Act, the Franchising Authority hereby reserves the right to require the Franchisee to pay to the Franchising Authority a franchise fee in an amount equal to five percent (5%) of annual Gross Revenues received from the operation of the Cable System to provide Cable Service in the Franchise Area; provided, however, that Franchisee shall not be compelled to pay any higher percentage of franchise fees than any other cable operator providing service in the Franchise Area. If the Franchising Authority elects to require such a payment, it will give the Franchisee 180-day written notice prior to the effective date of the requirement. The payment of franchise fees shall be made on a quarterly basis and shall be due forty-five

(45) days after the close of each first, second and third calendar quarter (i.e., May 15, August 15, November 15) and sixty (60) days after the close of the calendar year (last day of February). Each franchise fee payment shall be accompanied by a report prepared by a representative of the Franchisee showing the basis for the computation of the Franchise Fees paid during that period. The Grantee shall not be liable for the collection of franchise fees from customers in a newly annexed area until notified in writing by the Franchise Authority of the annexation. Upon receiving such notice, the franchisee shall begin collecting within sixty (60) days of such notice.

7.2. Franchise Fees Subject to Audit.

7.2.1. Upon notice pursuant to Section 14.2 herein, during Normal Business Hours at Franchisee's principal business office in the State of Delaware, the Franchising Authority shall have the right to inspect the Franchisee's financial records used to calculate the Franchising Authority's franchise fees; provided, however, that any such inspection shall take place within three (3) years from the date the Franchising Authority receives such payment, after which period any such payment shall be considered final.

7.2.2. Upon the completion of any such audit by the Franchising Authority, the Franchising Authority shall provide to the Franchisee a final report setting forth the Franchising Authority's findings in detail, including any and all substantiating documentation. In the event of an alleged underpayment, the Franchisee shall have thirty (30) days from the receipt of the report to provide the Franchising Authority with a written response agreeing to or refuting the results of the audit, including any substantiating documentation. Based on these reports and responses, the parties shall agree upon a "Finally Settled Amount." For purposes of this Section, the term "Finally Settled Amount(s)" shall mean the agreed upon underpayment, if any, to the Franchising Authority by the Franchisee as a result of any such audit. If the parties cannot agree on a "Final Settlement Amount," the parties shall submit the dispute to a mutually agreed upon mediator within thirty (30) days of reaching an impasse. In the event an agreement is not reached at mediation, either party may bring an action to have the disputed amount determined by a court of law.

7.2.3. Any "Finally Settled Amount(s)" due to the Franchising Authority as a result of such audit shall be paid to the Franchising Authority by the Franchisee within thirty (30) days from the date the parties agree upon the "Finally Settled Amount." Once the parties agree upon a Finally Settled Amount and such amount is paid by the Franchisee, the Franchising Authority shall have no further rights to audit or challenge the payment for that period. The Franchising Authority shall bear the expense of its audit of the Franchisee's books and records.

7.3. Oversight of Franchise. In accordance with applicable law, the Franchising Authority shall have the right to, at its sole cost and expense and upon reasonable prior written notice and in the presence of Franchisee's employee, periodically inspect the construction and maintenance of the Cable System in the Franchise Area as necessary to monitor Franchisee's compliance with the provisions of this Franchise Agreement.

7.4. Technical Standards. The Franchisee shall comply with all applicable technical standards of the FCC as published in subpart K of 47 C.F.R. § 76.601 et seq. To the extent those standards are altered, modified, or amended during the term of this Franchise, the Franchisee shall comply with such altered, modified or amended standards within a reasonable period after such standards become effective. The Franchising Authority shall have, upon written request, the right to obtain a copy of tests and records required to be performed pursuant to the FCC rules.

7.5. Maintenance of Books, Records, and Files.

7.5.1. Books and Records. Throughout the term of this Franchise Agreement, the Franchisee agrees that the Franchising Authority may review the Franchisee's books and records regarding customer service performance levels in the Franchise Area to monitor Franchisee's compliance with the provisions of this Franchise Agreement, upon reasonable prior written notice to the Franchisee pursuant to the provisions of Section 13.2 herein, at the Franchisee's business office located in the State of Delaware, during Normal Business Hours, and without unreasonably interfering with Franchisee's business operations. All such documents that may be the subject of an inspection by the Franchising Authority shall be retained by the Franchisee for a minimum period of thirty-six (36) months.

7.5.2. File for Public Inspection. Throughout the term of this Franchise Agreement, the Franchisee shall maintain at its business office, in a file available for public inspection during normal business hours, those documents required pursuant to the FCC's rules and regulations.

7.5.3. Proprietary Information. Notwithstanding anything to the contrary set forth in this Section, the Franchisee shall not be required to disclose information which it reasonably deems to be proprietary or confidential in nature. The Franchising Authority agrees to treat any information disclosed by the Franchisee as confidential and only to disclose it to those employees, representatives, and agents of the Franchising Authority that have a need to know in order to enforce this Franchise Agreement and who agree, through the execution of a non-disclosure agreement, to maintain the confidentiality of all such information. The Franchisee shall not be required to provide Customer information in violation of Section 631 of the Cable Act or any other applicable federal or state privacy law. For purposes of this Section, the terms "proprietary

or confidential” include, but are not limited to, information relating to the Cable System design, customer lists, marketing plans, financial information unrelated to the calculation of franchise fees or rates pursuant to FCC rules, or other information that is reasonably determined by the Franchisee to be competitively sensitive. Franchisee may make proprietary or confidential information available for inspection, but not copying or removal of information by the Franchising Authority’s representative. In the event that the Franchising Authority has in its possession and receives a request under the Delaware Freedom of Information Act as located in 29 *Del. C.* Ch. 100 or another similar or corresponding law for the disclosure of information the Franchisee has designated as confidential, trade secret or proprietary, the Franchising Authority shall notify Franchisee of such request and cooperate with Franchisee in opposing such request.

SECTION 8 - Transfer of Cable System or Franchise

8.1. Neither the Franchisee nor any other Person may transfer the Cable System or the Franchise without prior written notice to the Franchising Authority. No prior notice shall be required, however, for: (i) a transfer in trust, by mortgage, hypothecation, or by assignment of any rights, title, or interest of the Franchisee in the Franchise or in the Cable System in order to secure indebtedness, (ii) a transfer to an entity directly or indirectly owned or controlled by Comcast Corporation, or (iii) the sale, conveyance, transfer, exchange or release of fifty percent (50%) or less of its equitable ownership. Within thirty (30) days of receiving a notice of transfer, the Franchising Authority may, in accordance with FCC rules and regulations, notify the Franchisee in writing of the additional information, if any, it requires regarding the legal, financial, and technical qualifications of the transferee or new controlling party.

SECTION 9 - Insurance and Indemnity

9.1. Insurance. Throughout the term of this Franchise Agreement, the Franchisee shall, at its own cost and expense, maintain Comprehensive General Liability Insurance and provide the Franchising Authority certificates of insurance designating the Franchising Authority and its officers, boards, commissions, councils, elected officials, agents and employees as additional insureds and demonstrating that the Franchisee has obtained the insurance required in this Section. Such policy or policies shall be in the minimum amount of One Million Dollars (\$1,000,000.00) for bodily injury or death to any one person, and One Million Dollars (\$1,000,000.00) for bodily injury or death of any two or more persons resulting from one occurrence, and One Million Dollars (\$1,000,000.00) for property damage resulting from any one accident. Such policy or policies shall be non-cancelable except upon thirty (30) days prior written notice to the Franchising Authority. The Franchisee shall provide workers’ compensation coverage in accordance with applicable law. The Franchisee shall indemnify and hold harmless the Franchising Authority from any workers compensation claims

to which the Franchisee may become subject during the term of this Franchise Agreement.

9.2. Indemnification. The Franchisee shall indemnify, defend and hold harmless the Franchising Authority, its officers, employees, and agents acting in their official capacities from and against any liability or claims resulting from, Franchisee's actions that result in (i) property damage or bodily injury (including accidental death), (ii) invasion of privacy or defamation of any person, firm, or corporation, (iii) a violation or infringement of any copyright, trademark, service mark, or patent, or (iv) civil, criminal, or administrative penalties, arising out of Franchisee's failure to comply with any federal, state or local statute that arise out of the Franchisee's construction, operation, maintenance, or removal of the Cable System, including, but not limited to, reasonable attorneys' fees and costs, provided that the Franchising Authority shall give the Franchisee written notice of its obligation to indemnify and defend the Franchising Authority within ten (10) business days of receipt of a claim or action pursuant to this Section. The Franchising Authority agrees that it will take all necessary action to avoid a default judgment and not prejudice the Franchisee's ability to defend the claim or action. If the Franchising Authority determines that it is necessary for it to employ separate counsel, the costs for such separate counsel shall be the responsibility of the Franchising Authority.

9.2.1. Franchisee shall not be required to indemnify the Franchising Authority for negligence or misconduct on the part of the Franchising Authority or its officials, boards, commissions, agents, or employees, including any loss or claims related to PEG access Channels in which the Franchising Authority or its designee participates, subject to Applicable Law.

SECTION 10 - System Description and Service

10.1. System Capacity. During the term of this Agreement, the Franchisee's Cable System shall be capable of providing Video Programming with reception available to its customers in the Franchise Area in accordance with the Cable Act.

10.2. Continuing Existing Cable Service to Public Buildings and Schools. Franchisee shall maintain the current level of existing active drops, outlets and Basic Cable Service, at no charge to the Town, to each Public Building as designated by the Town listed in Exhibit A attached hereto and each school within the Franchise Area; provided, however, the cost to repair or replace a nonstandard drop will be paid by the Town or school.

10.3. Public Building School Existing Wiring. Nothing in this section shall require Franchisee to move existing or install additional drops or outlets at no charge to schools and those public buildings included in Exhibit A. It is

understood that Franchisee shall not be responsible for any internal wiring of such Public Buildings and/or schools.

10.4. Public Building. For the purposes of this section, the term Public Building refers to those buildings identified in Exhibit A and those buildings owned or leased by the Town for municipal government administrative purposes including Town Hall, fire, police and ambulance stations, and libraries. Public Buildings shall not include buildings owned by the Town but leased to third parties, or buildings such as storage facilities at which government employees are not regularly stationed.

10.5. School. For the purposes of this section, the term “school” means a public or private educational institution that receives funding pursuant to Title I of the Elementary and Secondary Education Act of 1965, 20 U.S.C. § 6301, et seq., as amended, and does not include “home schools.”

10.6. Cable Service to New or Relocated Schools. Upon written request, the Franchisee shall provide, at no cost to the Town, Basic Cable Service and Standard Installation at one (1) outlet to any new or relocated school (K-12) building, not including “home schools” located in the Franchise Area within one hundred twenty-five (125) feet of the Franchisee’s distribution cable. No charge shall be made for installation or service, except that Franchisee may charge for installation beyond one hundred twenty-five (125) feet aerial distance of the cable plant and service for more than one (1) drop in each building. For purposes of this section, a new school shall be any school not having an existing active drop, outlet, and Basic Cable Service at the time of this agreement.

10.7. Cable Service to New or Relocated Public Buildings. Upon written request, the Franchisee shall provide, at no cost to the Franchising Authority, Basic Cable Service and Standard Installation at one (1) outlet to any new or relocated Public Building located in within one hundred twenty-five (125) feet of the Franchisee’s distribution cable. No charge shall be made for installation or service, except that Franchisee may charge for installation beyond one hundred twenty-five (125) feet aerial distance of the cable plant and service for more than one (1) drop in each building. Such new or relocated Public Building(s) shall be added to Exhibit A. For purposes of this section, a new Public Building shall be any Public Building not having an existing active drop, outlet, and Basic Cable Service at the time of this agreement.

SECTION 11 - Enforcement and Revocation Proceedings

11.1. Notice of Violation or Default and Opportunity to Cure. In the event the Franchising Authority believes that the Franchisee has not complied with the material terms of the Franchise, it shall notify the Franchisee in writing with

specific details regarding the exact nature of the alleged non-compliance or default.

11.1.1. Franchisee's Right to Cure or Respond. The Franchisee shall have forty-five (45) days from the receipt of the Franchising Authority's written notice: (i) to respond to the Franchising Authority, contesting the assertion of non-compliance or default; or (ii) to cure such default; or (iii) in the event that, by nature of the default, such default cannot be cured within the forty-five (45) day period, initiate reasonable steps to remedy such default and notify the Franchising Authority of the steps being taken and the projected date that the cure will be completed.

11.1.2. Public Hearings. In the event the Franchisee fails to respond to the Franchising Authority's notice or in the event that the alleged default is not remedied within forty-five (45) days or the date projected by the Franchisee, the Franchising Authority shall schedule a public hearing to investigate the default. Such public hearing shall be held at the next regularly scheduled meeting of the Franchising Authority that is scheduled at a time that is no less than ten (10) business days therefrom. The Franchising Authority shall notify the Franchisee in writing of the time and place of such meeting and provide the Franchisee with a reasonable opportunity to be heard.

11.1.3. Enforcement. Subject to applicable federal and state law, in the event the Franchising Authority, after such public hearing, determines that the Franchisee is in default of any material provision of the Franchise, the Franchising Authority may: (i) seek specific performance of any provision that reasonably lends itself to such remedy as an alternative to damages, or seek other equitable relief; (ii) assess liquidated damages in accordance with Section 13; or (iii) in the case of a substantial default of a material provision of the Franchise, initiate revocation proceedings in accordance with the following:

(a) The Franchising Authority shall give written notice to the Franchisee of its intent to revoke the Franchise on the basis of a pattern of non-compliance by the Franchisee, including two or more instances of substantial non-compliance with a material provision of the Franchise. The notice shall set forth with specificity the exact nature of the non-compliance. The Franchisee shall have sixty (60) days from the receipt of such notice to object in writing and to state its reasons for such objection. In the event the Franchising Authority has not received a response from the Franchisee or upon receipt of the response does not agree that the allegations of non-compliance have been or will be resolved, it may then seek revocation of the Franchise at a public hearing. The Franchising Authority shall cause to be served upon the Franchisee, at least thirty (30) days prior to such public hearing, a written notice specifying the time and place of such hearing and stating its intent to request revocation of the Franchise.

(b) At the designated public hearing, the Franchising Authority shall give the Franchisee an opportunity to state its position on the matter, present evidence and question witnesses, in accordance with the standards of a fair hearing applicable to administrative hearings in the State of Delaware, after which it shall determine whether or not the Franchise shall be terminated. The public hearing shall be on the record and a written transcript shall be made available to the Franchisee within ten (10) business days. The decision of the Franchising Authority shall be in writing and shall be delivered to the Franchisee by certified mail. The Franchisee may appeal such determination to an appropriate court, which shall have the power to review the decision of the Franchising Authority “de novo” and to modify or reverse such decision as justice may require.

11.2. Technical Violation. The Franchising Authority agrees that it is not its intention to subject the Franchisee to penalties, fines, forfeitures or revocation of the Franchise for so-called “technical” breach(es) or violation(s) of the Franchise, which shall include, but not be limited, to the following:

11.2.1. in instances or for matters where a violation or a breach of the Franchise by the Franchisee was good faith error that resulted in no or minimal negative impact on the Customers within the Franchise Area; or

11.2.2. where there existed circumstances reasonably beyond the control of the Franchisee and which precipitated a violation by the Franchisee of the Franchise, or which were deemed to have prevented the Franchisee from complying with a term or condition of the Franchise.

11.3. No Removal of Aerial System. Franchisee shall not be required to remove its Cable System or to sell the Cable System, or any portion thereof, as a result of revocation, denial of renewal, or any other lawful action to forbid or disallow Franchisee from providing Cable Service, if the Cable System is actively being used to facilitate any other services not governed by the Cable Act, or any portion thereof [47 U.S.C. §621(b)]. If Cable System is not actively being used to facilitate any other services as determined by the Franchisee, at Franchising Authority’s request, the Cable System shall be removed, if technically feasible, by Franchisee at Franchisee’s expense, or if Franchisee fails to remove within nine (9) months of Cable Service or other services no longer being provided, by Franchising Authority at Franchisee’s expense.

SECTION 12 – Competitive Equity

Upon the request by Franchisee, if the Franchising Authority has negotiated and granted a cable franchise, or other agreement, to a new video

provider, the Franchising Authority shall make available to the Franchisee applicable terms and conditions provided to a new video operator, by an amendment and restatement in lieu of its existing franchise document. In addition, upon the request of the Franchisee, if the Franchising Authority adopts an ordinance, it shall make available to the Franchisee applicable terms and conditions from any such ordinance. In either such event, the Franchisee may accept all applicable terms and conditions of a new agreement or ordinance only in their entirety and in lieu of its existing franchise document and without the ability to accept or refuse specific terms and conditions. The Franchising Authority and Franchisee shall amend this Franchise Agreement to substitute the new, applicable terms and conditions in their entirety upon notice of acceptance from the Franchisee. Franchisee shall have an enforceable right to require that its cable franchise be amended and restated within ninety (90) days of its request to substitute the new, applicable terms and conditions of the new agreement granted to a new video provider or new cable ordinance. The provisions of this section shall not alter the time period remaining in any unexpired, existing franchise, unless both parties agree to do so in writing.

SECTION 13 - Liquidated Damages

13.1. Because it may be difficult to calculate the harm to the Franchising Authority in the event of a breach of this Franchise Agreement by Franchisee, the parties agree to liquidated damages as a reasonable estimation of the actual damages. To the extent that the Franchising Authority elects to assess liquidated damages as provided in this agreement and such liquidated damages have been paid, such damages shall be the Franchising Authority's sole and exclusive remedy. Nothing in this section is intended to preclude the Franchising Authority from exercising any other right or remedy with respect to a breach that continues past the time the Franchising Authority stops assessing liquidated damages for such breach.

13.2. Prior to assessing any liquidated damages, the Franchising Authority shall mail to the Franchisee a written notice by certified or registered mail of the alleged violation and the proposed liquidated damage, specifying the violation at issue. The Franchisee shall have forty-five (45) days from the date of receipt of the written notice to cure or commence to cure, as is appropriate depending on the nature of the alleged violation, or to file a written response refuting the alleged violation or explaining why additional time for cure is necessary. In the case of breaches of requirements measured on a monthly, quarterly or longer period (such as customer service standards), Franchisee's cure period shall be no less than one such period.

13.3. The Franchising Authority may not assess any liquidated damage if the Franchisee has reasonably responded to the complaint or cured or commenced to cure, as may be appropriate, the violation following receipt of written notice from the Franchising Authority, unless some other cure period is

approved by the Franchising Authority. In the event Franchisee fails to cure or commence to cure, or fails to refute the alleged breach, the Franchising Authority may assess liquidated damages and shall inform Franchisee in writing of the assessment. Franchisee shall have thirty (30) days to pay the damages.

13.4. The first day for which liquidated damages may be assessed, if there has been no cure after the end of the applicable cure period, shall be the day on which Franchisee received the Franchise Authority's formal written notice of non-compliance.

13.5. Franchisee may appeal (by pursuing judicial relief or other relief afforded by the Franchising Authority) any assessment of liquidated damages within thirty (30) days of receiving written notice of the assessment. Franchisee's obligation to pay the liquidated damages assessed shall be stayed pending resolution of the appeal. If, however, Franchisee's appeal is rejected or dismissed, it shall pay, in addition to the liquidated damages at issue in the appeal, liquidated damages retroactive to the date of the appeal.

13.6. In no event may liquidated damages be assessed for a time period exceeding one hundred twenty (120) days. If after that amount of time Franchisee has not cured or commenced to cure the alleged breach to the satisfaction of the Franchising Authority, the Franchising Authority may pursue all other remedies.

13.7. The following assessment of liquidated damages may be applied in accordance with the procedures outlined in paragraphs 13.1 – 13.6.

13.7.1. For failure to pay any amounts due to the Franchising Authority on the due date as provided in this franchise agreement, or if no due date is provided herein, within forty-five (45) days of the Franchising Authority's making written request therefore. Assessment: \$150 per week for each or part thereof that any such amount or portion thereof remains unpaid.

13.7.2. For failure to meet any applicable FCC technical or FCC performance standard which adversely affects the picture and/or audio quality for a majority of customers for a thirty (30) day period. Said thirty (30) day period shall begin on the date that Franchisee receives written notice from the Franchising Authority of the picture/audio quality program. Assessment: \$150 per day for each or portion thereof beyond such thirty (30) day period, that the cable television system fails to meet such applicable FCC technical or FCC performance standard which adversely affects picture and/or audio quality.

13.7.3. For failure to meet PEG obligations under Section 1.4 of this franchise agreement. Assessment: \$100 per day for each day such obligations are not met.

13.7.4. For failure to remove the cable system in a timely fashion as required by Section 11.3 of this agreement. Assessment: \$100 per day for each day or portion thereof the cable system is not removed.

13.7.5. For failure to obtain applicable permits and other forms of approval as required by Section 3.1 of this agreement. Assessment: \$60 per day for each day or portion thereof until an application is made for such permits and other forms of approval in Section 3.1.

13.7.6. For failure to deliver evidence of insurance coverage in a timely manner as required by Section 9. Assessment: \$100 per day or portion thereof until filed.

SECTION14 - Miscellaneous Provisions

14.1. Force Majeure. The Franchisee shall not be held in default under, or in non-compliance with, the provisions of the Franchise, nor suffer any enforcement or penalty relating to noncompliance or default (including termination, cancellation or revocation of the Franchise), where such non-compliance or alleged defaults occurred or were caused by lightning strike, earthquake, flood, tidal wave, unusually severe rain, ice or snow storm, hurricane, tornado, or other catastrophic act of nature; riot, war, labor disputes, environmental restrictions, failure of utility service necessary to operate the Cable System, governmental, administrative or judicial order or regulation or other event that is reasonably beyond the Franchisee's ability to anticipate or control. This provision also covers work delays caused by waiting for utility providers to service or monitor their own utility poles on which the Franchisee's cable or equipment is attached, as well as unavailability of materials or qualified labor to perform the work necessary.

14.2. Notice. All notices shall be in writing and shall be sufficiently given and served upon the other party by hand delivery, first class mail, registered or certified, return receipt requested, postage prepaid, or by reputable overnight courier service and addressed as follows, provided, however, that notice shall be deemed properly given as long as notice is sent to the Greenbelt, Maryland address:

To the Franchising Authority:

Town of Bowers
3308 Main St.
Frederica, Delaware 19946
Attention: Mayor

To the Franchisee:

Comcast Cable
7850 Walker Drive, 2nd Floor
Greenbelt, MD 21236
Attention: Government Affairs Department

With copies to:

Comcast Cable Northeast Division
676 Island Pond Rd.
Manchester, NH 03109
Attention: Government Affairs Department

14.3. Entire Agreement. This Franchise Agreement and any exhibits or addendums hereto constitute the entire agreement between the Franchising Authority and the Franchisee and supersedes all prior or contemporaneous agreements, ordinances, representations, or understandings -- whether written or oral -- of the parties regarding the subject matter hereof. Any agreements, ordinances, representations, or understandings or parts of such measures that are in conflict with or otherwise impose obligations different from the provisions of this Franchise Agreement are superseded by this Franchise Agreement.

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

14.5. Governing Law. This Franchise Agreement shall be deemed to be executed in the State of Delaware, and shall be governed in all respects, including validity, interpretation and effect, and construed in accordance with, the laws of Delaware, as applicable to contracts entered into and performed entirely within the State.

14.6. Modification. No provision of this Franchise Agreement shall be amended or otherwise modified, in whole or in part, except by an instrument, in writing, duly executed by the Franchising Authority and the Franchisee, which amendment shall be authorized on behalf of the Franchising Authority through the adoption of an appropriate resolution or order by the Franchising Authority, as required by applicable law.

14.7. No Third-Party Beneficiaries. Nothing in this Franchise Agreement is or was intended to confer third-party beneficiary status on any member of the public to enforce the terms of this Franchise Agreement.

14.8 Captions. Captions to sections throughout this Franchise Agreement are solely to facilitate the reading and reference to the sections and provisions of this Franchise Agreement. Such captions shall not affect the meaning or interpretation of this Franchise Agreement.

14.9. No Waiver of Rights. Nothing in this Franchise Agreement shall be construed as a waiver of any rights, substantive or procedural, which Franchisee may have under federal or state law unless such waiver is expressly stated herein.

14.10. Incorporation by Reference.

(a) All presently and hereafter applicable conditions and requirements of federal, State and local laws, including but not limited to the rules and regulations of the FCC and the State where the Franchise Area is located, as they may be amended from time to time, are incorporated herein by reference to the extent not enumerated herein. All such general laws, rules and regulations, as amended, shall control the interpretation and performance of this Franchise to the extent that any provision of this Franchise conflicts with or is inconsistent with such laws, rules or regulations.

(b) Should the State, the federal government or the FCC require Franchisee to perform or refrain from performing any act the performance or non-performance of which is inconsistent with any provisions herein, the Franchising Authority and Franchisee will thereupon, if they determine that a material provision herein is affected, modify any of the provisions herein to reflect such government action.

14.11. Calculation of Time. Where the performance or doing of any act, duty, matter, payment, or operation is required hereunder and the period of time or duration for the performance or during thereof is prescribed and fixed herein, the time shall be computed so as to exclude the first day and include the last day of the prescribed or fixed period or duration of time. When the last day of the period falls on Saturday, Sunday, or a legal holiday, that day shall be omitted from the computation.

SECTION 15 - Public, Educational and Government Access

15.1. PEG Access Channel. Subject to written request from the Franchising Authority that it has the capability to provide PEG Access programming for the PEG Access Channel, the Franchisee shall make available a channel for Public Educational and Government Access (PEG) programming without charge on the basic service tier to be used by appropriate entities as the

same may from time to time be designated by the Franchising Authority or its designee. Subject to technical feasibility, Franchisee shall make the channel available within eighteen (18) months of said written request.

15.2. PEG Channel Use. Use of a channel position for public, educational and governmental (“PEG”) access shall be provided on the most basic tier of service offered by Franchisee in accordance with the Cable Act, Section 611, and as further set forth below. “Channel position” means a number designation on the Franchisee’s channel lineup regardless of the transmission format (analog or digital). Franchisee does not relinquish its ownership of or ultimate right of control over a channel by designating it for PEG use. A PEG access user – whether an individual, educational or governmental user – acquires no property or other interest by virtue of the use of a channel position so designated. Franchisee shall not exercise editorial control over any public, educational or governmental use of a channel position, except Franchisee may refuse to transmit any public access program or portion of a public access program that contains obscenity, indecency, or nudity. The Franchising Authority shall be responsible for developing, implementing and enforcing rules for PEG access Channel use.

15.3. Delaware Public Service Commission. If the Delaware Public Service Commission (“DEPSC”) for Kent County activates its PEG channel provided through its agreement with Franchisee, then the PEG channel requirement herein shall be satisfied by the carriage of the DEPSC PEG channel within the Franchise Area. If the DEPSC has not activated such a PEG channel, the Franchisee shall make a PEG Access channel available as required under Section 15.1. If the DEPSC activates a PEG channel subsequent to a PEG channel being activated under Section 15.1 herein, any PEG channel being carried as a result of the requirements under Section 15.1 will be replaced by carriage of the DEPSC PEG channel.

15.4. PEG Costs. Any costs associated with PEG programming and/or the PEG channels shall be paid for by the Franchising Authority.

15.5. Fallow Time. Nothing in this section shall prohibit Franchisee from using the aforementioned channel for other programming during times when PEG programs are not being broadcast.

15.6. Indemnification. The Franchising Authority shall indemnify Franchisee for any liability, loss, or damage it may suffer due to violation of the intellectual property rights of third parties or arising out of the content of programming shown on any PEG channel and from claims arising out of the Franchising Authority’s rules for or administration of access.

SECTION 16 – Performance Bond

Performance Bond. Within thirty (30) days of the Effective Date of this Agreement, Franchisee shall post a performance bond in the amount of five thousand dollars (\$5,000) as surety for the faithful performance and discharge by Franchisee of all obligations imposed by this Franchise Agreement. The performance bond shall remain in force and effect throughout the term of this Franchise Agreement. If Franchisee fails to timely pay an assessment of liquidated damages or franchise fees, the Franchising Authority pursuant to Section 11 herein shall give Franchisee twenty (20) business days' notice of its intent to draw the amount owed from the performance bond. The Franchising Authority may not draw from the security bond while any action, appeal or other process has been instituted by Franchisee to challenge the amount owed.

IN WITNESS WHEREOF, this Franchise Agreement has been executed by the duly authorized representatives of the parties as set forth below, as of the last date set forth below:

Attest:

Franchising Authority:

By: _____

Print Name: Ada Puzzo

Title: Vice-Mayor

Date: _____

Attest:

Franchisee:

By: _____

Print Name: Mary McLaughlin

Title: Regional Senior Vice President

Date: _____

EXHIBIT A
COMPLIMENTARY SERVICE

I. MUNICIPAL BUILDINGS

A. Town Hall, 3308 Main St., Frederica, DE 19946

II. OTHER PUBLIC BUILDINGS

A. Bowers Fire Company, 3285 Main St., Frederica, DE 19946

B. Bowers Beach Maritime Museum, 3357 Main Street, Frederica, DE 19946