



3080 Centreville Road  
Herndon, Virginia 20171

August 14, 2013

Mr. Rashad M. Young  
City Manager  
301 King Street, Room 3500  
Alexandria, VA 22314

Dear Mr. Young,

We are pleased to submit to the City of Alexandria ("City") this request by CoxCom, LLC ("Cox") for a five year license agreement to occupy the City's public rights-of-way for the operation of a network to deliver telecommunications services. Cox will not offer its cable services product within the City boundaries, and therefore seeks the appropriate license agreement. We appreciate the City's responsibility of managing its public rights-of-way, and have provided the additional information below to assist the City in its evaluation of the enclosed License Agreement, Attachment I. We ask that our License Agreement be placed as soon as possible on the City Council docket for its consideration, preferably at the Council's September 24, 2013 meeting.

Cox's affiliate, Cox Virginia Telcom, L.L.C., holds a certificate of public convenience and necessity from the State Corporation Commission of Virginia for the provision of telecommunications services. Cox seeks this license agreement to provide such services primarily to healthcare facilities located along major roadways in industrial/medical business parks within the City. Due to the critical, secure, and confidential nature of healthcare telecommunications, Cox seeks to construct an approximate five mile fiber optic ring that will utilize Cox conduits and fibers to deliver these services.

Cox is the second largest telecommunications provider in Virginia and has provided a broad range of telecommunications services in the neighboring jurisdictions of Fairfax County, the Cities of Fairfax and Falls Church, and the Towns of Herndon and Vienna. Most recently, Cox's cable franchise with Fairfax County was renewed by unanimous consent of the Fairfax County Board in May 2013. As part of Fairfax County's review, it hired the financial consulting firm of Front Range Consulting, Inc. to review Cox's financial condition. Although Cox is a private nonpublic entity that is not required to provide financial data to the SEC, the County's consultant found nothing "that would suggest [Cox] is not financially able to provide services within the County". Fairfax County's financial consultant's report is enclosed, Attachment III.

Additionally, Cox has spent years working closely with Virginia state and local governments to develop the least-intrusive, aesthetically pleasing means of placing its conduit in the public rights-of-way. Cox's proposed route is underground and relies on a "stitch-bore" type construction, whereby small access holes (typically two feet square) are made in the public rights-of-way, and from these holes the conduit is driven underground to the next hole location (typically 1,000 to 1,500 feet away or at the next intersection, whichever is closer). This fiber optic ring will be generally located to the east of King Street. More specifically, the route begins at the City's boundary with Fairfax County near the intersection of George Mason Drive and Seminary Road and continues southeast down Seminary Road



3080 Centreville Road  
Herndon, Virginia 20171

to North Beauregard Street, to Sanger Avenue, to Richenbacher Avenue, to North Pegram Street, to Taney Avenue, to North Howard Street, to West Braddock Road, to North Beauregard Street, to King Street and continues heading northwest on King Street to the City boundary with Fairfax County. A detailed description and map of the proposed route is enclosed, Attachment II.

Once approved, Cox intends to build this route in a multi-phase approach. The first phase of construction is scheduled to begin soon after City Council and Department of Transportation and Environmental Services ("T&ES") approvals of the license agreement and permits, respectively. The construction will begin at the City's boundary with Fairfax County near the intersection of George Mason Drive and Seminary Road and continue for approximately one-half mile southeast down Seminary Road, to the intersection of Seminary Road and North Beauregard Street, where there will be a Service Drop to a healthcare facility on Seminary Road. Cox has identified December 31, 2013 as its date of completion for phase one. The remaining phases will be coordinated with, and addressed in an annual report to T&ES, and the report will be modified based on the T&ES director's review.

As specified in the license agreement, Cox will pay to the City, for each year of the agreement, a license fee equal to \$3.50 for each linear foot of the City's rights-of-way it occupies, prorated on a monthly basis. Cox will continue paying the City's license fee until it demonstrates to the City that its facilities in the City are being used to provide telecommunications services to its City customers. At that time, the \$3.50 per foot license fee will terminate, and the fees received by the City will transition to those derived from the statutory right-of-way fee imposed under Virginia Code 5 56.468.1 and City Code 5 5-2-160, et seq., which is imposed on end users in the City. The statutory right-of-way fee is calculated annually by the Virginia Department of Transportation ("VDOT") on a state wide basis, and allocated to each locality based on a formula which accounts for the linear footage of cable and number of users in the locality. The current fee is \$0.97 per access line for the period July 1, 2013, through June 30, 2014.

Cox looks forward to offering its advanced, secure, and competitively-priced telecommunications services to the healthcare and other business community customers in the City. We believe our presence in the City will only enhance the availability and competitiveness of advanced telecommunications services available to current and future businesses within the City of Alexandria.

If you have any questions, please feel free to contact me directly at 703-480-5248 or our Manager of Government Affairs, Barrett Stork, at 757-369-4632.

Sincerely,

A handwritten signature in dark ink that reads "Kathryn Falk".

Kathryn Falk  
Vice President Public & Government Affairs  
Cox Virginia

cc: Karen S. Snow, Assistant City Attorney

Attachment I  
License Agreement

# LICENSE AGREEMENT

CITY OF ALEXANDRIA  
COXCOM, LLC

## TABLE OF CONTENTS

1.	Definitions	2
2.	Grant and Term of License	3
3.	License Fee	3
4.	Licensee's Books of Account and Records; Reports	5
5.	Operations Under License Agreement	6
6.	Damage To Public Ways and Other Property by Licensee	8
7.	Unauthorized Use	9
8.	Insurance	9
9.	Indemnification	10
10.	Termination and Expiration	10
11.	Assignment	11
12.	Condemnation	11
13.	Effective Date	12
14.	Representations	12
15.	Applicable Law	12
16.	Waivers	12
17.	Severability	12
18.	<i>Force Majeure</i>	13
19.	Notice	13

LICENSE AGREEMENT

THIS AGREEMENT is made this \_\_\_\_ day of \_\_\_\_\_, 2013, by the City of Alexandria ("Licensor"), a municipal corporation of Virginia, and CoxCom, LLC ("Licensee"), a Delaware limited liability company.

WHEREAS, Licensee desires to use Licensor's streets in connection with its operation of a telecommunications system and delivery of telecommunications services; and

WHEREAS, Licensor is willing to permit Licensee to use its streets in connection with such system and service in accordance with the terms and conditions set forth below;

NOW, THEREFORE, in consideration of the premises, the mutual promises contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Definitions.

(a) "Access Lines" shall include residence and business telephone lines and other switched (packet or circuit) lines connecting the customer premises to the public switched telephone network for the transmission of outgoing voice-grade telecommunications services. Centrex, PBX, or other multistation telecommunications services will incur a Public Rights-of-Way Use Fee on every line or trunk (Network Access Registrar or PBX trunk) that allows simultaneous unrestricted outward dialing to the public switched network. ISDN Primary Rate Interface services will be charged five Public Rights-of-Way Use Fees for every ISDN Primary Rate Interface network facility established by the customer. Other channelized services in which each voice-grade channel is controlled by the telecommunications service provider shall be charged one fee for each line that allows simultaneous unrestricted outward dialing to the public switched telephone network. Access lines do not include local, state, and federal government lines; access lines used to provide service to users as part of the Virginia Universal Service Plan; interstate and intrastate dedicated WATS lines; special access lines; off-premises extensions; official lines internally provided and used by providers of telecommunications service for administrative, testing, intercept, and verification purposes; and commercial mobile radio service.

(b) "Affiliate" shall mean any Person controlling, controlled by or under common control with another Person.

(c) "Construction" shall mean the installation, construction and material expansion of any Facilities within a Public Way.

(d) "Director" shall mean any director of the Alexandria Department of Transportation and Environmental Services, or the Director's designee.

(e) "Facilities" shall mean any and all cables, lines, wires, conduit, access manholes, switches, pedestals, boxes and other similar equipment and devices in the City owned by Licensee and used in the delivery of Telecommunication or on which Licensee performs

COXCOM, LLC – ALEXANDRIA, VA LICENSE AGREEMENT

repair, Maintenance, relocation or Removal in such a way as to require access to the Public Ways.

(f) "Maintenance" shall mean the maintenance, repair, replacement (including upgrading and non-material expansion), and Removal of the Facilities.

(g) "Person" shall mean a natural person or an association, partnership, corporation or other legally recognized entity.

(h) "Public Ways" shall mean the surface, the areas below the surface, and the air space above the surface of any and all of the following rights-of-way owned by or dedicated to the City of Alexandria which, during the term of this Agreement, are located within the corporate limits of the City of Alexandria: highways, roads, streets, lanes, alleys, curbs, sidewalks, bridges, overpasses, underpasses, and other similar rights-of-way.

(i) "Removal" shall mean the removal of any or all of the Facilities from the Public Ways as set forth in Section 5(e) of this Agreement.

(j) "Telecommunications" shall mean telecommunications services as defined under Section 3 of the Communications Act, 47 U.S.C. § 153(46).

2. Grant and Term of License.

(a) In exchange for the consideration described herein, Licensors grants to Licensee permission to use Licensors Public Ways, in accordance with the provisions, terms and conditions in this Agreement and solely in order to provide Telecommunications and for the Construction, Maintenance and Removal of Facilities. The permission granted by this subsection is non-exclusive, and nothing in this Agreement shall affect the right of Licensors to permit other Persons to use the Public Ways.

(b) This Agreement and the permission granted by subsection (a) shall be subject to the police power of the City of Alexandria, and to all ordinances heretofore or hereafter enacted by the Alexandria City Council, to all regulations promulgated by Alexandria City officials, and to other applicable laws and regulations established by the Commonwealth of Virginia or the United States.

(c) The term of this license shall be from October 1, 2013 through September 30, 2018. This license may not be renewed. However, at any time before the conclusion of the term of this license Licensee shall have the right to negotiate with the Licensors for a new license for the Construction, Maintenance and Removal of Facilities within Public Ways.

(d) When used in this Agreement, the term "year" shall mean the period from October 1 of a year through September 30 of the following year.

3. License Fee.

COXCOM, LLC – ALEXANDRIA, VA LICENSE AGREEMENT

(a) As compensation for this license, Licensee shall pay to Licensor, for each of the five years of this Agreement, a license fee as defined in this Section 3(a).

(i) Unless and until Licensee shows that its Facilities are being used to provide service to Access Lines in Virginia, which service may be provided by an Affiliate of Licensee, and for any Subsequent Time Period (as defined in Section 3(a)(iv)) during which they are not so used, the license fee shall be \$3.50 per annum per linear foot of Licensee's Facilities installed in the Public Ways, which shall be prorated on a per-month basis, provided that the obligation to pay such license fee shall not commence until thirty (30) days after Licensee has completed the installation of its initial Facilities in accordance with Exhibit A.

(ii) If and when Licensee shows that its Facilities are being used to provide service to Access Lines in Virginia, and until there is a Subsequent Time Period during which they are not so used, the license fee shall be calculated pursuant to § 5-2-160 *et seq.* of The Code of the City of Alexandria, 1981, as amended (the "City Code"); provided, that should the City of Alexandria's authority to impose the license fee provided for § 5-2-160 *et seq.* of the City Code be rescinded by the Virginia General Assembly or modified in a manner which would result in a lower fee being imposed upon Licensee, Licensee shall continue to pay, for the remainder of the term of this Agreement, the fee as defined in § 5-2-160 *et seq.* of the City Code immediately prior to such rescission or modification, so long as the fee is applied to all similar users of the Public Ways on a non-discriminatory basis.

(iii) The Licensee may show that its Facilities are being used to provide service to Access Lines in Virginia by filing with the City a certification by the Licensee stating that the Licensee uses its Facilities in the City to transmit signals that travel to or from at least one Access Line serving an end-user customer of the Licensee in the Commonwealth of Virginia, along with proof of payment of the license fee required by § 5-2-160 *et seq.* of the City Code .

(iv) If any of the conditions certified to the City pursuant to Section 3(a)(iii) cease to be met for a period of one month or more (a "Subsequent Time Period"), the Licensee shall immediately notify the City, and the license fee shall revert to the definition - specified in Section 3(a)(i) unless and until the Licensee can make a new showing pursuant to Section 3(a)(iii).

(b) The license fee shall be paid on a quarterly basis within two months after the end of the quarter for which the amount is due. Licensee acknowledges that the per-month fee defined in § 5-2-161 of the City Code may, at any time during the term of this Agreement, be increased by the Virginia Department of Transportation pursuant to § 56-462 of the Code of Virginia (1950), as amended. To the extent that fee is applicable under Section 3(a) hereof, Licensee agrees to pay any such increases in the per-month fee so long as the fee is applied to all similar users of the Public Ways on a non-discriminatory basis.

COXCOM, LLC – ALEXANDRIA, VA LICENSE AGREEMENT

(d) A penalty, equal to 8 percent of the due and owing quarterly installment, shall be assessed against Licensee whenever it fails to pay a quarterly license fee installment on or before the date required by this section. In addition, interest, at 10 percent per annum on the due and owing quarterly license fee installment, shall be assessed against Licensee whenever it fails to pay the quarterly license fee installment on or before the date required by this section. Said interest shall start to run the day after the day that the quarterly license fee installment was due. Licensee shall furnish to the Licensor with each quarterly license fee installment payment a statement, executed by an authorized officer of Licensee or his or her designee, showing the basis for the payment (number of Access Lines or linear footage) and the calculation that derives the payment from that basis.

(e) If Licensee discovers that it has failed to make the entire or correct amount of the quarterly license fee payment due, it shall pay to Licensor the additional amount due (including a penalty of 8 percent of such amount and interest calculated under subsection (c), above) within 30 days of its discovery of the underpayment. Any overpayment of the quarterly license fee by Licensee through error or otherwise shall be called to the attention of Licensor which, if satisfied that an overpayment was made, shall offset the amount of the overpayment, with interest at 10 percent per annum from the date paid, against the next quarterly license fee installment payment due from Licensee.

(f) Acceptance by the Licensor of any payment due under this section shall not be deemed to be a waiver by the Licensor of any breach of this license occurring prior thereto; nor shall the acceptance by the Licensor of any such payment preclude the Licensor from later establishing that a larger amount was actually due, or from collecting any balance due to the Licensor.

(g) The License Fee shall be paid in addition to, not instead of, any other amounts Licensee is required to pay Licensor by contract or under Licensor's taxing authority.

(h) On or before (i) October 1, 2014, (ii) October 1 of each subsequent year during the term of this Agreement, and (iii) September 30, 2018, Licensee shall furnish Licensor with a statement, executed by an authorized officer of Licensee or his or her designee, certifying that the total license fee paid by Licensee for the immediately preceding year was the correct amount required under this agreement.

By agreeing to pay the license fee described in Section 3(a)(i) hereof, on the terms and conditions herein contained, Licensee does not waive its ability to take the position that such fees are not lawfully imposed under federal or Commonwealth of Virginia law. However, Licensee shall take no legal action against the City on that basis unless and until a court or agency of competent jurisdiction issues a decision that a compensation scheme of the type described in Section 3(a)(i) hereof is unlawful under federal or Commonwealth of Virginia law, in which case Licensor agrees to meet with Licensee, at Licensee's request, and renegotiate the compensation arrangements in this Agreement. In the event that Licensee and Licensor cannot agree on the terms of the compensation arrangements within 60 days of Licensee's request to renegotiate, Licensee reserves all rights to challenge in any forum with competent jurisdiction



the lawfulness of all license fee payments required and made under this Agreement and to seek injunctive relief against the prospective payment of such fees.

4. Licensee's Books of Account and Records; Reports.

(a) Licensee shall keep accurate books of account for the purpose of determining the license fee due to the Licensor. Licensee shall, within five business days after a written request by Licensor, forward to Licensee's primary office in Northern Virginia or another location of its choosing with the approval of the Licensor, copies of the books of account to the extent necessary to confirm the accuracy of payments due the Licensor, which Licensor may inspect at any time during regular business hours. Licensor may audit the books from time to time at Licensor's sole expense, but in each case only to the extent necessary to confirm the accuracy of payments due the Licensor. Notwithstanding any other provision of this Agreement, all information reviewed or otherwise accessible to Licensor in exercising its rights under this Section 4(a) shall be deemed confidential and proprietary to Licensee, and shall be held in confidence, to the maximum extent permitted by law.

(b) Upon reasonable request by Licensor, Licensee shall promptly transmit, mail or deliver, in accordance with section 17 herein, copies of its financial records that will enable Licensor to determine the accuracy of any license fee payments made by Licensor.

(c) Licensor agrees to hold in confidence, to the maximum extent permitted by law, any information it receives from Licensee which, at the time that it is submitted to Licensor, is marked "proprietary information - confidential."

5. Operations Under License Agreement.

(a) Any Construction, Maintenance, or other activities in the Public Ways by the Licensee shall be subject to the City's general permit requirements.

(b) Annual Operations Plans.

(i) Within thirty days after the effective date of this Agreement, and at least thirty days prior to each subsequent 12-month period, or partial period, occurring during the term of this Agreement, Licensee shall prepare and submit to the Director an initial Annual Operations Plan which shall describe or otherwise show each of the Public Ways in which Licensee intends to construct Facilities during the 12 months following the plan's submission, the type of Facilities Licensee intends to construct in each such Public Way, and the approximate date on which Licensee intends to begin construction in each Public Way. Such Annual Operations Plans shall be non-binding, but shall represent a reasonable projection by the Licensee of the activities it anticipates undertaking over the subsequent year. Licensor agrees to hold in confidence, to the maximum extent permitted by law, any information it receives from Licensee under its Annual Operations Plans which, at the time that it is submitted to Licensor, is marked "proprietary information - confidential."

(ii) The Licensee shall within a reasonable time period review any comments submitted, and shall respond within a reasonable time period to any questions posed, by the Director with respect to an Annual Operations Plan. In the event that, during a 12-month period covered by an Annual Operations Plan, Licensee makes significant changes in its anticipated routes, Licensee shall promptly submit to the Director an amendment to the Annual Operations Plan covering such changes.

(iii) Licensee shall, at the time it applies for a construction permit, submit to the Director accompanying information which (a) shall indicate how the proposed construction is related to the Annual Operations Plan, (b) shall identify the specific location within each Public Way in which the proposed construction is to take place, (c) shall describe the Facilities to be installed in each Public Way and the construction techniques to be used in accomplishing the installation, (d) shall provide a traffic control plan that shall be reviewed and approved by the Director, (e) shall state, as to each Public Way, the dates on which the proposed construction is to commence and on which the proposed construction is anticipated to be completed, (f) shall verify that Licensee has obtained, or will obtain prior to commencing the Construction, approval of the placement of the Facilities and any required permits from any other entity (including departments or agencies of the City of Alexandria) whose approval is required by law, and (g) shall provide whatever other information the Director reasonably requests. The Director shall have the discretion, which is to be reasonably exercised, to determine the timing of the proposed Construction, taking into account both the dates requested by Licensee and other planned or on-going construction work in the affected Public Ways. Licensee agrees that Construction of Facilities in Public Ways shall be done in such locations and in such manner so as not to unreasonably interfere with existing water, gas, sewer pipe, traffic signal, street light and other utilities and conduits in the Public Ways, or with the public's use of the Public Ways, and shall, to the maximum degree feasible, be coordinated (including through the sharing of Facilities and other equipment and devices) with any construction being simultaneously undertaken at the same location by another provider of Telecommunications or of cable service or by a provider of utilities.

(c) Licensee shall, in connection with any Construction, Maintenance, or other activities in the Public Ways, comply with all applicable laws and regulations, including all permits required by the City.

(d) Maintenance. Licensee may perform Maintenance on the Facilities from time to time without prior approval of the Director as long as neither the component of the Facilities being worked on, nor any of the equipment or workers involved in such Maintenance are located on the travel, parking, curb or sidewalk portion of a Public Way, or any other portion of a Public Way. At least 30 days prior to performing Maintenance on any Facilities while located on the travel, parking, curb or sidewalk portion of a Public Way, or any other portion of a Public Way, Licensee (i) shall inform the Director in writing of the location at which it intends to perform such Maintenance, (ii) shall provide whatever other information the Director requests, and (iii) shall obtain either a verbal or a written approval of the Maintenance from the Director. In performing Maintenance, Licensee shall comply with all requirements established by the Director. In addition to and notwithstanding the provisions of this subsection (b), Licensee shall

maintain in good and safe condition all Facilities it places within Public Ways, and shall, in connection with any Maintenance activity it undertakes, comply with all applicable laws and regulations.

(e) Removal. Licensee may, at any time, in the exercise of its sole and absolute discretion, effect the Removal of any or all of the Facilities from the Public Ways, which Removal shall not terminate this Agreement. When performing any aspect of Removal where the Facilities being worked on or any of the equipment or workers involved in the Removal is located on the travel, parking, curb or sidewalk portion of a street, or any other portion of a Public Way, Licensee shall comply with all procedures applicable to Maintenance, as set forth above in subsection (d). In addition to and notwithstanding the provisions of this subsection (e), Licensee shall, in connection with any Removal activity, comply with all applicable laws and regulations.

(f) Undergrounding. Chapter 3 of title 5 of the City Code contains undergrounding requirements that apply, *inter alia*, to the installation, repair and replacement of "customer utility services" and "transmission and distribution lines." Licensee acknowledges that it is subject to these requirements and, consequently, that it will be required to install its Facilities undergrounding. Nothing herein shall limit Licensee's ability to seek a waiver of the undergrounding requirement for subsequent builds pursuant to the procedures set forth under Chapter 3 of title 5, Section 27 of the City Code.

(g) Relocation. Licensee shall remove from or relocate within a Public Way, at its own expense and within 60 days of written notice provided by Licensor, or any such longer time as reasonably requested by the Licensee and consented to by the Licensor, any of the Facilities identified by Licensor in said written notice, whenever Licensor, in its sole discretion, determines that (i) the Facilities interfere, disturb or conflict with the operation, relocation, improvement, repair, construction or maintenance of present or future streets, alleys or other Public Ways, public grounds, storm drainage systems, sewer systems, water mains, other public facilities or private utility systems, or (ii) the Facilities interfere, disturb or conflict with any public communications system or equipment (including but not limited to AM/FM radio, shortwave radio and two-way radio systems), or with any private communications system which was in operation at the time the facilities were constructed. Any relocation of Facilities shall be subject to all the provisions; terms and conditions of this Agreement, and to all applicable laws and regulations. Notwithstanding the foregoing, the Licensor shall reimburse the Licensee for any such relocation expense if such reimbursement is required by Section 56-468.2 of the Code of Virginia (1950), as amended, or any other applicable law.

(h) When engaged in Construction of Facilities pursuant to this Agreement, Licensee shall not cause any inconvenience to the general public or the Licensor's work forces, except as authorized by the Director. When performing Maintenance or Removal of Facilities, Licensee shall not hinder or impede the flow of traffic to any greater extent than is reasonably necessary. Licensee shall strictly abide by any requirements imposed by the Director, including requirements relating to time limitations and the submission of a traffic control plan.

(i) Contractors. Licensee may hire contractors to construct, install, maintain, operate or repair its Facilities. Any contractor or subcontractor used for work or construction,

installation, operation, maintenance, or repair of Licensee's facilities shall be properly licensed under the laws of the Commonwealth of Virginia and all local ordinances, where applicable, and each contractor or subcontractor shall have the same obligations with respect to its work as Licensee would have if the work were performed by Licensee. Licensee shall be responsible for ensuring that the work of contractors and subcontractors is performed consistent with this License and applicable laws, regulations, policies, and procedures, shall be fully responsible for all acts or omissions of contractors or subcontractors and shall be responsible for promptly correcting acts or omissions by any contractor or subcontractor.

6. Damage to Public Ways and Other Property by Licensee.

(a) If, in the course of Construction, Maintenance, Removal or otherwise dealing with any of the Facilities, Licensee damages any pavement, street, alley, sidewalk, sewer, water or other pipe, public ground or any other public property, real or personal, belonging or dedicated to Licensor, Licensee shall promptly repair the same at its own cost and expense. If Licensee shall default in this obligation, Licensor may cure the default itself, and may charge to Licensee the cost it incurs in curing the default; provided, that prior to performing any work to cure a default, Licensor shall give Licensee written notice of the default and a period of five business days from the date of the notice in which to initiate action to cure the default and a period of 30 days in which to complete the cure; provided further, that these 5-day and 30-day periods will be extended by the Director for a reasonable amount of time if a cure of the default cannot reasonably be commenced, or the default cannot reasonably be cured, within such periods respectively, and Licensee has diligently pursued commencement of, or completion of, a cure during the period, as applicable.

(b) Notwithstanding the provisions of subsection (a), if the Director determines, in his sole discretion consistent with applicable law, that damage, as described in subsection (a), threatens the public health or safety, Licensor may commence the repair of the damage and assess its costs upon Licensee, as provided in subsection (a); provided, that, prior to commencing such repair work, Licensor shall make a reasonable effort to provide Licensee with telephonic notice and an opportunity to immediately repair the damage itself. In the event Licensee is unable to, or otherwise fails to, immediately repair the damage and Licensor performs the repair work, Licensor shall, immediately upon completion of the work, provide Licensee with written notice of the work it has performed, and also shall, reasonably soon after the completion of the work, provide Licensee with a statement of the reasonable cost Licensor incurred in performing the work.

(c) Licensee shall repave or resurface the Public Ways in accordance with the then current standards set forth by the Director if there are any street cuts or other disturbances of the surface of the Public Ways as a result of any installation by Licensee of Facilities under this Agreement.

(d) Any costs assessed upon Licensee under this section shall be paid to Licensor within 30 days of the assessment.

7. Unauthorized Use. In the event of any use by Licensee of a Public Way or any other property owned by or dedicated to Licensor that is not authorized by this Agreement, Licensee shall, immediately upon notice by Licensor, cease the use and remove all Facilities associated with the use. In addition, Licensee shall pay to Licensor a sum of five hundred dollars (\$500) for each day that the unauthorized use occurs.

8. Insurance. Licensee shall obtain and maintain throughout the term of this Agreement the following insurance coverages:

(a) Commercial general liability insurance in an amount not less than \$1,000,000 combined single limit coverage with \$1,000,000 general aggregate coverage, covering all premises and operations and including personal injury, completed operations, contractual liability, independent contractors and products liability; and

(b) Virginia statutory workers compensation coverage, including Virginia benefits and employers' liability with limits of \$100,000/\$100,000/\$500,000. The general aggregate limits shall apply to all Facilities and activities under this Agreement. Licensor shall be named an additional insured on the liability policy. Prior to the start of any Construction, Licensee shall provide to the Director a certificate of insurance that demonstrates, to the satisfaction of the Director, that Licensee has in force the coverages required above, including contractual liability coverage, and that Licensor is an additional insured for purposes of the commercial general liability coverage.

9. Indemnification.

(a) Licensee shall indemnify and hold harmless Licensor and all of its officers, employees and agents from and against all suits, actions, causes of action, damages, claims, liability and expenses (including court costs and attorney's fees) resulting from or arising out of any bodily injury, death or property damage (including injury, death or damage, or other losses, sustained by Licensor or any of its officials, employees and agents) caused, in whole or in part, by any act or omission of the Licensee or its employees, officers, contractors, agents or servants relating to or involving the Construction, Maintenance or Removal of Facilities, or otherwise under this Agreement, or by any other act or omission by such persons under this Agreement, except to the extent that such bodily injury, death or property damage, or losses, are caused by the gross negligence or willful misconduct of Licensor or any of its officers, employees and agents.

(b) If a suit or action for which Licensor and its officers, employees and agents are entitled to be indemnified and held harmless under subsection (a) shall be brought against the Licensor or one or more of its officers, employees or agents, either individually or jointly with Licensee, Licensee shall defend, indemnify and hold harmless the Licensor and the sued officers, employees and agents at the sole cost and expense of Licensee. The Licensor shall promptly provide the Licensee with written notice of the commencement of any such suit or action. The Licensee shall conduct the defense of such suit or action, subject to the Licensor's approval, which shall not be unreasonably withheld or delayed. The Licensor may also participate in this defense directly, at its own expense.

(c) If a final judgment is obtained against Licensor or one or more of its officers, employees or agents in a suit or action, either independently or jointly with Licensee, for which Licensor and its officers, employees and agents are entitled to be indemnified and held harmless under this section, Licensee shall pay every judgment, including all costs and attorneys' fees, entered against Licensor and any of its officers, employees and agents.

(d) The Licensee shall be entitled to settle a claim brought in a suit or action for which Licensor and its officers, employees and agents are entitled to be indemnified and held harmless under subsection (a), provided that the Licensee must obtain the prior written approval of Licensor for any settlement of such claims against the Licensor, which approval shall not be unreasonably withheld or unreasonably delayed.

(e) The indemnities in this section shall survive the expiration or earlier termination of this Agreement for a period of five years.

10. Termination and Expiration.

(a) This Agreement may be terminated by Licensee, at its election and without cause, by delivering written notice of termination to the Director at least 60 days prior to the effective date of such termination.

(b) In the event that Licensee violates any material term or condition of this Agreement, Licensee shall be considered in default. If such default continues for 30 days after Licensee has received written notice of the default from Licensor, Licensor may terminate the Agreement, effective immediately; provided, however, that such 30-day period will be extended for an additional period of time as is reasonable under the circumstances if Licensee's violation cannot reasonably be cured within the initial 30-day period and if Licensee has commenced a cure within such period and continues to diligently pursue such cure.

(c) If this Agreement is terminated, Licensee shall, at its sole expense, remove all Facilities from, and shall vacate, all Public Ways within 180 days of the effective date of the termination, or within such later time as may be prescribed by the Director.

(d) Licensee, at its sole expense, shall remove its Facilities from all Public Ways within 180 days after the expiration of this Agreement, or within such later time as may be prescribed by the Director, unless a new agreement shall have been entered into before such expiration date under which Licensee may continue to maintain its Facilities in the City.

(e) If Licensee fails to remove any of its Facilities as required by subsections (c) or (d), (i) Licensor may remove or cause the removal of the Facilities, and Licensee shall pay to Licensor its reasonable costs in effecting such removal within 30 days of Licensor's provision of written notice of the costs, or (ii) the Facilities shall be considered to have been conveyed to Licensor by Licensee, in which case they shall thereafter become the property of Licensor.

11. Assignment.

COXCOM, LLC – ALEXANDRIA, VA LICENSE AGREEMENT

(a) This license may not be assigned by Licensee without the written consent of Licensors, which consent may or may not be given at the sole discretion of Licensors and may require action by the Alexandria City Council. However, Licensee may assign its rights, without the consent of the Licensors, to any Affiliate of Licensee, or to any successor-in-interest acquiring fifty-one percent (51%) or more of Licensee's stock or membership interests or substantially all of Licensee's assets, provided the Licensors are given notice of the assignment before it becomes effective. Any successor of Licensee shall be bound by all of the provisions, terms and conditions of this Agreement and shall be subject to all the obligations, stipulations and penalties herein prescribed.

(b) In addition, nothing in this Agreement shall be construed to require Licensee to obtain approval from Licensors in order to (i) lease any Facilities or any portion thereof owned by the Licensee in, on, or above the Public Ways, or (ii) grant an indefeasible right of use ("IRU") in the Facilities owned by the Licensee, or any portion thereof, to any entity or person, as long as (1) such lease or grant does not require or permit any entity other than the Licensee to place Facilities or conduct activities within the Public Ways; and (2) the Licensee remains responsible, for all Facilities, and all activities, within the Public Ways under such lease or grant.

12. Condemnation. Nothing in this Agreement is intended to or shall affect Licensors' authority to acquire Facilities located in Public Ways pursuant to condemnation proceedings or otherwise pursuant to law.

13. Effective Date. This Agreement and the rights and privileges hereby conferred shall not become effective until Licensee files with the Director (a) a copy of the Agreement executed by an authorized officer, and (b) a \$25,000 surety bond, with a good and sufficient surety reasonably acceptable to the Alexandria City Attorney, which guarantees the performance of Licensee under this Agreement, including without limitation that Licensee will maintain in good and safe condition all Facilities it places in Public Ways throughout the term of the Agreement, will remove said Facilities from the Public Ways in accordance with section 10 of the Agreement, and will comply with the provisions, terms and conditions of this Agreement in all respects.

14. Representations.

(a) By the signature below of its authorized legal representative, Licensee accepts this Agreement and the license it provides.

(b) This Agreement constitutes the entire agreement between the Licensors and Licensee, and it supersedes any prior agreements (if any) between the parties. Licensors and Licensee represent that no representation by either party or its officials or employees has induced the other party to execute this agreement. The parties agree that there are no representations inducements, promises or agreements, oral or otherwise, between them which are not embodied in this Agreement, which are of any force. No amendment of this Agreement shall be binding on either party unless set forth in a written document duly executed by authorized representatives of both parties.

15. Applicable Law. This Agreement was accepted in the Commonwealth of Virginia, and shall be interpreted and construed under Virginia law and any applicable federal law, which law shall prevail in any conflict of laws.

16. Waivers.

(a) Subject to the foregoing, any waiver of this Agreement or any of its provisions shall be effective and binding upon the parties only if it is made in writing and duly signed by the parties.

(b) If either party fails to enforce any right or remedy available under this Agreement, that failure shall not be construed as a waiver of any right or remedy with respect to any breach or failure by the other party. Nothing herein shall be construed as a waiver of any rights, privileges or obligations of the Licensor or Licensee, nor constitute a waiver of any remedies available at equity or at law.

17. Severability. The Licensee and Licensor shall comply with any applicable federal law regarding the use of the Public Ways. If any term, condition, or provision of this Agreement shall, to any extent, be held to be invalid or unenforceable, the remainder hereof shall be valid in all other respects and continue to be effective. In the event of a subsequent change in applicable law so that the provision which had been held invalid is no longer invalid, such provision shall thereupon return to full force and effect without further action by the parties and shall thereafter be binding on the Licensee and the Licensor. If the terms of this Agreement are materially altered due to changes in governing law, then the parties shall negotiate in good faith to reconstitute this Agreement in a way consistent with then-applicable law in a form that, to the maximum extent possible, is consistent with the original intent of the parties and preserves the benefits bargained for by each party.

18. Force Majeure. Neither the Licensee nor the Licensor shall be liable for any delay or failure in performance of any party of this Agreement from any cause beyond its control and without its fault or negligence, which may include, without limitation, acts of civil or military authority, government regulations, embargoes, epidemics, terrorist acts, riots, insurrections, fires, explosions, earthquakes, nuclear accidents, floods, power blackouts, volcanic action, other major environmental disturbances, or unusually severe weather conditions.

19. Notice. All notices or other communications which are required or permitted herein shall be in writing and sufficient if (i) delivered personally, (ii) sent by facsimile transmission followed by written confirmation of receipt, (iii) sent by overnight commercial air courier (such as Federal Express), (iv) or sent by registered or certified mail, postage prepaid, return receipt requested, to the party at its addresses or facsimile number set forth below or to such other address or party in writing in accordance herewith. Any such communication shall be deemed to have been given when delivered if delivered personally, on the same day as a facsimile transmission (or the first business day thereafter if faxed on a Saturday, Sunday or legal holiday), on the first business day after dispatch if sent by overnight commercial air courier, or on the fifth business day after posting if sent by mail.



COXCOM, LLC – ALEXANDRIA, VA LICENSE AGREEMENT

To Licensee: Allen W. Roberts  
Vice President, Cox Business, Virginia  
3080 Centreville Road  
Herndon, VA 20171

With copy to: Cox Communications, Inc.  
ATTN: Law & Policy  
1400 Lake Hearn Dr.  
Atlanta, GA 30319

To Licenser: Director Department of Transportation and Environmental Services  
301 King Street  
Suite 4100  
Alexandria, Virginia 22314

With copy to: City Attorney  
301 King Street Suite 1300  
Alexandria, Virginia 22314

IN WITNESS WHEREOF, the parties hereto have executed this agreement.

CITY OF ALEXANDRIA, a municipal  
Corporation of Virginia

COX COM, LLC

By: \_\_\_\_\_  
Rashad M. Young  
City Manager

By: \_\_\_\_\_  
Gary McCollum, SVP/GM  
CoxCom, LLC

Attachment II  
Cox Route Description & Map  
Marked Exhibit 1

**COMMUNICATIONS****Northern Virginia**

3080 Centerville Road  
Herndon Va. 20171

Cox Fiber Optic Cable  
Construction Route Narrative and Map

Below is a narrative and map of the proposed underground construction activity route<sup>1</sup> to install fiber optic cables in the City of Alexandria, VA. The route ring is approximately 5.3 miles, and the approximate segment lengths are identified parenthetically at the end of each segment description.

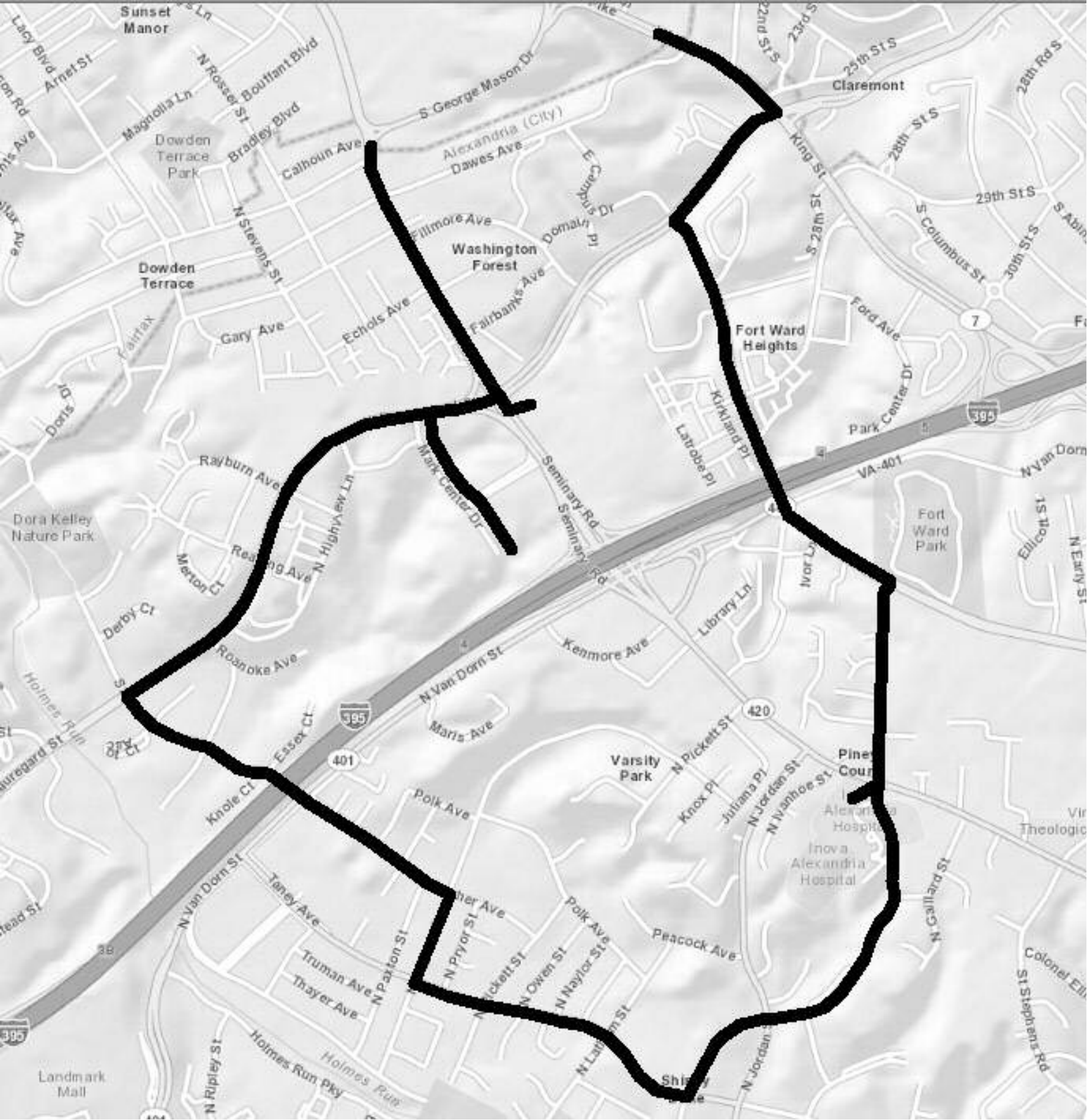
- Starting at the intersection of south George Mason Drive and Seminary Road in Fairfax County, crossing the City of Alexandria boundary at this location, heading southeast down Seminary Road.
- Continue heading southeast down Seminary Road to the intersection of Seminary Road and North Beauregard Street. (0.53 miles)
- At the intersection of Seminary Road and North Beauregard Street there will be a Service Drop to the property at 5055 Seminary Road. (0.31 miles)
- Continue heading west/southwest on North Beauregard Street. (0.15 miles)
- At the intersection of North Beauregard Street and Mark Center Drive there will be a Service Drop to the property at 4800 Mark Center Drive. (0.36 miles)
- Continue heading west/southwest on North Beauregard Street to the intersection of Beauregard Street and Sanger Avenue. (0.78 miles)
- Continue heading southeast on Sanger Avenue to the VDOT Rights-of-Way crossing for Interstate 395. (0.32 miles)
- Continue from the VDOT Rights-of-Way crossing for Interstate 395 to the intersection of North Van Dorn Street and Richenbacher Avenue. (0.06 miles)

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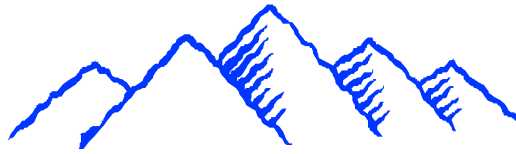
<sup>1</sup> NOTE: As Cox provides service to customers along the described route it will be necessary to construct additional short fiber segments ("Service Drops") to reach the customer's premises. Any such Service Drops will be clearly identified in Cox's permit application for the specific project.

- Continue southeast on Richenbacher Avenue to the intersection of Richenbacher Avenue and North Pegram Street. (0.32 miles)
- Continue heading southwest on North Pegram Street to the intersection of North Pegram Street and Taney Avenue. (0.17 miles)
- Continue east/southeast on Taney Avenue to the intersection of Taney Avenue and North Howard Street. (0.55 miles)
- Continue heading north/northeast on North Howard Street to the intersection of North Howard Street and Seminary Road. (0.78 miles)
- At the intersection of North Howard Street and Seminary Road there will be a Service Drop to the property at 4320 Seminary Road. (0.15 miles)
- Continue heading north on North Howard Street to the intersection of North Howard Street and West Braddock Road. (0.37 miles)
- Continue heading northwest on West Braddock Road to the VDOT Rights-of-Way crossing for Interstate 395. (0.24 miles)
- Continue from the VDOT Rights-of-Way crossing for Interstate 395 northwest on West Braddock Road to the intersection of West Braddock Road and North Beauregard Street. (0.55 miles)
- Continue heading northeast on North Beauregard Street to the intersection of North Beauregard Street and King Street. (0.28 miles)
- Continue heading northwest to the City of Alexandria boundary on King Street (where King Street becomes Leesburg Pike in Fairfax County). (0.21 miles)
- The construction will continue into Fairfax County.

Construction route map follows:



Attachment III  
Fairfax County Consultant  
Cox Financial Report



**Front Range Consulting, Inc.**

1140 Hondo Ct.  
Castle Rock, CO 80104

April 30, 2013

Mr. Michael S. Liberman  
Director  
Department of Cable and Consumer Services  
Fairfax County  
12000 Government Center Parkway, Suite 433  
Fairfax, VA 22035-0047

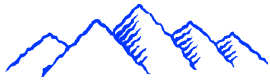
**Re: Financial Review of Cox Communications Northern Virginia**

Dear Mr. Liberman:

Front Range Consulting, Inc. ("FRC") is pleased to provide Fairfax County, Virginia ("County") with this letter Report outlining FRC's review of the financial condition of Cox Communications Northern Virginia ("CCNV") and its parent company, Cox Communications ("Cox"). This financial review was done in connection with the County's renewal of CCNV's franchise agreement in the County.

**Summary**

FRC was not able to conduct an in-depth financial review of either CCNV or Cox because both entities only provided limited responses to FRC's data requests. Along with some historical cable revenue details, FRC was provided a highly summarized projection of CCNV for the next five (5) years. The projections included projected video revenues, projected all revenues (video and non-video) and capital expenditures for 2013 to 2017. From this information, FRC can conclude that Cox is projecting that its CCNV operations (of which the County is a part) will see increased revenues over the projected period and will continue to experience increased capital expenditures for customer premise equipment and other capital projects. While CCNV has experienced significant competitive threats from Verizon's FIOS service and satellite providers, from these projections, it appears that Cox is expecting to continue to grow its product base over the projection period. The detail is not specific for each of the areas in CCNV; thus the growth in revenues may or may not occur in areas where, as in the County, CCNV faces significant competition.



Front Range Consulting, Inc.

Mr. Michael S. Liberman

April 30, 2013

Page 2 of 3

## **Background**

FRC was engaged by the County to conduct a financial review of CCNV and Cox as part of the franchise renewal process. One significant complicating factor in preparing this financial review is the lack of any publicly available financial data, as Cox is a private nonpublic entity that is not required to provide financial data to the SEC.

The last SEC Form 10K filed by Cox was in 2005 for calendar year 2004. For 2004, Cox Communications reported revenues of \$6.4 billion, an increase of approximately \$750 million from 2003. At that time, Cox had approximately 6.6 million customers nationwide and was the third largest cable provider in the country. In 2004, Cox generated 60% of its revenue from its video services, 17% from its data service and 9% from its voice services. FRC would expect that its data and voice services are currently contributing more revenues on a percentage basis as the industry trend has been higher growth in these services.

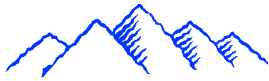
CCNV has provided the County with historical financial reports describing its general financial condition, but these reports are unaudited and do not contain sufficient detail to present the financial condition of CCNV or Cox. The most recent financial report provided to FRC was for the year 2010.

FRC prepared a data request that the County sent to CCNV on September 11, 2012. The data request contained three (3) requests. The first request was for detailed revenue and subscriber information for 2005 to 2010. The second request concerned the access CCNV has to a "letter of credit" from Cox and the determination of the value of the intangible plant. The last request was for detailed financial projections for the County through 2015 showing breakdowns between the revenues and subscribers by product line in a similar format to the historical financial provided to the County.

## **Data Responses**

As an initial matter, Cox requested because of the private company nature of Cox and CCNV that FRC needed to enter into a non-disclosure agreement in order for Cox to respond to any of the data requests. A mutually agreeable non-disclosure agreement was entered into and Cox provided a limited response to the first request on March 1, 2013. That response only provided historical information on the video revenues and subscribers and did not provide any response regarding non-cable revenues for data and voice services. While the video service comprises a large portion of the revenues received by CCNV in the County, the voice and data services have continued to grow over the past years, which significantly contribute to the overall financial condition of CCNV and Cox. Without this information, FRC was initially unable to conclude if CCNV and Cox have





Front Range Consulting, Inc.

Mr. Michael S. Liberman  
April 30, 2013  
Page 3 of 3

followed the general industry trend in improving its financial condition by offering these non-cable services.

On March 11, 2013 Cox provided responses to request 2 regarding the “letter of credit” by asserting that “... CCI [Cox] has provided a parent guarantee to ensure full compliance with the obligations of the Franchise Agreement.” That assurance is helpful, although it only applies to franchise obligations and does not address capital expenditures necessary to maintain and upgrade the cable system to offer new or enhanced services.

On March 25, Cox provided limited financial projections for 2013 through 2017 for its Virginia market area, of which the County is a portion. The information Cox provided on March 25<sup>th</sup> was annual video revenues, total revenues and capital expenditure forecasts. From this information FRC was able to observe that Cox was still projecting increases in both video revenues and total revenues for the forecast period. Also, FRC observed that Cox was projecting capital expenditure on non-customer premise equipment that implies system upgrades will be occurring in the Virginia market area. The available information does not indicate how much of this non-customer premise capital will be used in the County.

## **Conclusion**

FRC has not seen any information in the limited data provided that would suggest CCNV is not financially able to provide services within the County. FRC assumes that Cox is aggressively marketing its cable and non-cable services to current and new subscribers in order to maintain financial viability for the County subscribers where they face significant competition from Verizon and satellite providers.

\* \* \* \* \*

Front Range Consulting, Inc. appreciates the opportunity to provide these consulting services to Fairfax County.

Sincerely,

*Front Range Consulting, Inc.*