

TOWNSHIP OF WEST PIKELAND
CHESTER COUNTY, PENNSYLVANIA

ORDINANCE NO. 2006-203

-AN ORDINANCE OF THE TOWNSHIP OF WEST PIKELAND, CHESTER COUNTY, PENNSYLVANIA, ENTITLED "VERIZON PENNSYLVANIA, INC. CABLE FRANCHISE AGREEMENT," WHICH ESTABLISHES THE CONTRACTURAL PROVISIONS PURUSANT TO WHICH THE TOWNSHIP WILL GRANT TO VERIZON PENNSYLVANIA, INC. A NON-EXCLUSIVE, REVOCABLE CABLE COMMUNICATIONS FRANCHISE AS SET FORTH THEREIN INCLUDING, WITHOUT LIMITATION, THE GRANT OF THE USE OF PUBLIC RIGHTS-OF-WAY; THE CONSTRUCTION OF A CABLE SYSTEM; PROCEDURES FOR THE TERM AND RENEWAL OF A CABLE COMMUNICATIONS FRANCHISE, MODIFICATION AND TRANSFER OF A FRANCHISE; FRANCHISE FEES; GROUNDS FOR REVOCATION AND TERMINATION OF THE FRANCHISE; INDEMNIFICATION AND LIABILITY INSURANCE; PUBLIC, EDUCATIONAL AND GOVERNMENTAL PROGRAMMING AND GRANTS FOR THE SAME; PROCEDURES FOR ESTABLISHMENT AND ENFORCEMENT OF CONSTRUCTION AND TECHNICAL STANDARDS; CUSTOMER SERVICE PROVISIONS; REGULATION OF NON-DISCRIMINATION BY FRANCHISEES AMONG SUBSCRIBERS; MAINTENANCE OF RECORDS WHICH THE TOWNSHIP SHALL HAVE THE RIGHT TO INSPECT AND AUDIT; THE TYPES OF RECORDS THAT MUST BE KEPT AND THE MANNER IN WHICH THOSE RECORDS MUST BE KEPT.

BE IT ENACTED AND ORDAINED by the Board of Supervisors of the Township of West Pikeland as follows:

SECTION 1. The Board of Supervisors hereby adopts as an Ordinance of the Township that certain agreement entitled "Cable Franchise Agreement between the Township of West Pikeland and Verizon Pennsylvania, Inc." (the "Agreement") attached hereto and incorporated herein as if here set forth in its entirety.

SECTION 2. If any sentence, clause, section, or part of this Ordinance is for any reason found to be unconstitutional, illegal or invalid, such unconstitutionality, illegality or invalidity shall not affect or impair any of the remaining provisions, sentences, clauses, sections,

or parts hereof. It is hereby declared as the intent of the Board of Supervisors that this Ordinance would have been adopted had such unconstitutional, illegal or invalid sentence, clause, section or part thereof not been included herein.

SECTION 3. The Agreement shall be subject to all terms and conditions of the West Pikeland Cable Television Ordinance, No. 2005-204, as amended except as such terms and conditions are modified herein.

SECTION 4. This Ordinance shall become effective upon counter-execution of the Agreement by or at the express written direction of William Petersen President of Verizon Pennsylvania Inc as set forth in the Agreement.

ENACTED AND ORDAINED this 21st day of August, 2006.

ATTEST:

**TOWNSHIP OF WEST PIKELAND
BOARD OF SUPERVISORS**

Joan C. Matthews,
Township Secretary

Harold Hallman III, Chairman

Linda Glaum, Vice Chairman

William Cracas, Supervisors

CABLE FRANCHISE AGREEMENT
BETWEEN
TOWNSHIP OF WEST PIKELAND
AND
VERIZON PENNSYLVANIA INC.

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This **CABLE FRANCHISE AGREEMENT** (the “Franchise” or “Agreement”) is entered into by and between the **TOWNSHIP OF WEST PIKELAND**, a duly organized political subdivision under the applicable laws of the Commonwealth of Pennsylvania (the “Local Franchising Authority” or “LFA”) and **VERIZON PENNSYLVANIA INC.**, a corporation duly organized under the applicable laws of the Commonwealth of Pennsylvania (the “Franchisee”).

WHEREAS, the LFA wishes to grant Franchisee a nonexclusive franchise to construct, install, maintain, extend and operate a Cable System in the Franchise Area as designated in this Franchise;

WHEREAS, Franchisee is a “cable operator” and the LFA is a “franchising authority” in accordance with Title VI of the Communications Act (*see* 47 U.S.C. §522(10)) and is authorized to grant one or more nonexclusive cable franchises;

WHEREAS, Franchisee is in the process of installing a Fiber to the Premise Telecommunications Network (“FTTP Network”) in the Franchise Area for the transmission of Non-Cable Services pursuant to authority granted by the Commonwealth of Pennsylvania;

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

WHEREAS, the LFA has identified the future cable-related needs and interests of the LFA and its citizens, has considered the financial, technical and legal qualifications of Franchisee, and has determined that Franchisee’s plans for its Cable System are adequate, in a full public proceeding affording due process to all parties;

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

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

WHEREAS, the LFA negotiated this agreement with Franchisee in conjunction with the other municipalities comprising the Central Chester County Group, on behalf of its residents who may become Subscribers to the Cable Service; and

WHEREAS, the LFA and Franchisee have reached agreement on the terms and conditions set forth herein and the parties have agreed to be bound by those terms and conditions.

NOW, THEREFORE, in consideration of the LFA’s grant of a franchise to Franchisee, Franchisee’s promise to provide Cable Service to residents of the Franchise/Service Area of the LFA pursuant to and consistent with the Communications Act (as hereinafter defined), pursuant to the terms and conditions set forth herein, the promises and undertakings herein, and other good and valuable consideration, the receipt and the adequacy of which are hereby acknowledged,

THE SIGNATORIES DO HEREBY AGREE AS FOLLOWS:

1. DEFINITIONS

Except as otherwise provided herein, the definitions and word usages set forth in the Communications Act are incorporated herein and shall apply in this Agreement. In addition, the following definitions shall apply:

1.1. *Access Channel*: A video Channel, which Franchisee shall make available to the LFA without charge for non-commercial Public, Educational, or Governmental use for the transmission of video programming as directed by the LFA.

1.2. *Additional Service Area*: Shall mean any such portion of the Service Area added pursuant to Section 3.1.3 of this Agreement.

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

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

1.5. *Cable Service or Cable Services*: Shall be defined herein as it is defined under Section 602 of the Communications Act, 47 U.S.C. § 522(6), which currently states: “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.”

1.6. *Cable System or System*: Shall be defined herein as it is defined under Section 602 of the Communications Act, 47 U.S.C. § 522(7), which currently states: “a facility, consisting of a set of closed transmission paths and associated signal generation, reception, and control equipment that is designed to provide cable service which includes video programming and which is provided to multiple subscribers within a community, but such term does not include (A) a facility that serves only to retransmit the television signals of one or more television broadcast stations; (B) a facility that serves Subscribers without using any Public Rights-of-Way; (C) a facility of a common carrier which is subject, in whole or in part, to the provisions of Title II of this Act, except that such facility shall be considered a Cable System (other than for purposes of Section 621(c)) to the extent such facility is used in the transmission of video programming directly to Subscribers, unless the extent of such use is solely to provide interactive on-demand services; (D) an open video system that complies with Section 653 of this title; or (E) any facilities of any electric utility used solely for operating its electric utility systems.” The Cable System shall be limited to the optical spectrum wavelength(s), bandwidth, or future technological capacity that is used for the transmission of Cable Services directly to Subscribers within the Franchise/Service Area and shall not include the tangible network facilities of a common carrier subject in whole or in part to Title II of the Communications Act or of an Information Services provider.

1.7. *Central Chester County Group or CCCG*: The municipalities of Caln Township, South Coatesville Borough, Upper Uwchlan Township, Uwchlan Township, West

Bradford Township, West Brandywine, West Pikeland Township, and West Whiteland Township, which jointly negotiated this Agreement by retaining Special Counsel to negotiate with Franchisee on their behalf, as well as any additional municipalities that may join this group after the Effective Date of this Agreement.

1.8.*Channel*: Shall be defined herein as it is defined under Section 602 of the Communications Act, 47 U.S.C. § 522(4), which currently states: “ A portion of the electromagnetic frequency spectrum which is used in a Cable System and which is capable of delivering a television channel (as television channel is defined by the FCC by regulation).”

1.9.*Communications Act*: The Communications Act of 1934, as amended.

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

1.11.*Educational Access Channel*: An Access Channel available for the use of the local public schools in the Franchise Area.

1.12.*Expanded Basic Service*: Franchisee’s service tier on the Cable System which includes Basic Service and additional Channels including without limitation twenty-four (24) hour per day news Channels such as CNN, MSNBC, FOX News and similar Channels.

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

1.14.*Force Majeure*: An event or events reasonably beyond the ability of Franchisee to anticipate and control. This includes, but is not limited to, severe or unusual weather conditions, strikes, labor disturbances, lockouts, war or act of war (whether an actual declaration of war is made or not), insurrection, riots, act of public enemy, actions or inactions of any government instrumentality or public utility including condemnation, accidents for which the Franchisee is not primarily responsible, fire, flood, or other acts of God, or work delays caused by waiting for utility providers to service or monitor utility poles to which Franchisee’s FTTP Network is attached, and unavailability of materials and/or qualified labor to perform the work necessary.

1.15.*Franchise Area*: The incorporated area (entire existing territorial limits) of the LFA and such additional areas as may be included in the corporate (territorial) limits of the LFA during the term of this Franchise.

1.16.*Franchisee*: Verizon Pennsylvania Inc., and its lawful and permitted successors, assigns and transferees.

1.17.*Government Access Channel*: An Access Channel available for the use of the LFA.

1.18.*Gross Revenue*: All revenue, as determined in accordance with generally accepted accounting principles, which is derived by Franchisee from the operation of the Cable

System to provide Cable Service in the Service Area. Gross Revenue includes but is not limited to:

- (1) fees charged for Basic Service;
- (2) fees charged to Subscribers for any service tier other than Basic Service;
- (3) fees charged for premium Channel(s), *e.g.* HBO, Cinemax, or Showtime;
- (4) fees charged to Subscribers for any optional, per-channel, or per-program services;
- (5) charges for installation, additional outlets, relocation, disconnection, reconnection, and change-in-service fees for video or audio programming;
- (6) fees for downgrading any level of Cable Service programming;
- (7) fees for service calls and similar repair services;
- (8) fees for leasing of Channels;
- (9) advertising revenue as set forth herein;
- (10) rental of any converters and remote control devices;
- (11) late payment fees;
- (12) revenue from NSF check charges;
- (13) franchise fees;
- (14) revenue from the sale of program guides;
- (15) revenues or commissions received from the carriage of home shopping channels subject to 1.18.5 below;
- (16) revenue from the sale of Subscriber lists; and
- (17) revenue from the sale of video on demand services.

Advertising commissions paid to independent third parties shall not be deducted from advertising revenue included in Gross Revenue. Advertising revenue is based upon the ratio of the number of Subscribers as of the last day of the period for which Gross Revenue is being calculated to the number of Franchisee's subscribers within all areas covered by the particular advertising source as of the last day of such period, *e.g.*, Franchisee sells two ads: Ad "A" is broadcast nationwide; Ad "B" is broadcast only within Pennsylvania. Franchisee has 100 Subscribers in LFA, 500 subscribers in Pennsylvania, and 1000 subscribers nationwide. Gross Revenue as to LFA from Ad "A" is 10% of Franchisee's revenue therefrom. Gross Revenue as to LFA from Ad "B" is 20% of Franchisee's revenue therefrom.

Gross Revenue shall not include:

1.18.1. Revenues received by any Affiliate or other Person in exchange for supplying goods or services used by Franchisee to provide Cable Service over the Cable System;

1.18.2. Bad debts written off by Franchisee in the normal course of its business, provided, however, that bad debt recoveries shall be included in Gross Revenue during the period collected;

1.18.3. Refunds, rebates or discounts made to Subscribers or other third parties;

1.18.4. Any revenues classified, in whole or in part, as Non-Cable Services revenue under federal or state law including, without limitation, revenue received from Telecommunications Services; revenue received from Information Services, including, without limitation, Internet Access service, electronic mail service, electronic bulletin board service, or similar online computer services; charges made to the public for commercial or cable television that is used for two-way communication; and any other revenues attributed by Franchisee to Non-Cable Services in accordance with FCC or state public utility regulatory commission rules, regulations, standards or orders;

1.18.5. Any revenue of Franchisee or any other Person which is received directly from the sale of merchandise through any Cable Service distributed over the Cable System, notwithstanding that portion of such revenue which represents or can be attributed to a Subscriber fee or a payment for the use of the Cable System for the sale of such merchandise, which portion shall be included in Gross Revenue;

1.18.6. The sale of Cable Services on the Cable System for resale in which the purchaser is required to collect cable franchise fees from purchaser's customer;

1.18.7. Any tax of general applicability imposed upon Franchisee or upon Subscribers by a city, state, federal or any other governmental entity and required to be collected by Franchisee and remitted to the taxing entity (including, but not limited to, sales/use tax, gross receipts tax, excise tax, utility users tax, public service tax, communication taxes and non-cable franchise fees);

1.18.8. Any forgone revenue which Franchisee chooses not to receive in exchange for its provision of free or reduced cost cable or other communications services to any Person, including without limitation, employees of Franchisee and public institutions or other institutions designated in the Franchise; provided, however, that such forgone revenue which Franchisee chooses not to receive in exchange for trades, barter, services or other items of value shall be included in Gross Revenue;

1.18.9. Sales of capital assets, but not including sales of non-capital assets to Subscribers related to Cable Service, or sales of surplus equipment;

1.18.10. Program launch fees;

1.18.11. Directory or Internet advertising revenue including, but not limited to, yellow page, white page, banner advertisement and electronic publishing; and

1.18.12. Any fees or charges collected from Subscribers or other third parties for any PEG Grant.

1.19. *Information Services*: Shall be defined herein as it is defined under Section 3 of the Communications Act, 47 U.S.C. §153(20), which currently states "the offering of a capability for generating, acquiring, storing, transforming, processing, retrieving, utilizing, or making available information via telecommunications, and includes electronic publishing, but does not include any use of any such capability for the management, control, or operation of a telecommunications system or the management of a telecommunications service."

1.20.*Initial Service Area*: The portion of the Franchise Area as outlined in Exhibit B.

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

1.22.*Local Franchise Authority (LFA)*: The Township of West Pikeland or the lawful successor, transferee, or assignee thereof.

1.23.*Non-Cable Services*: Any service that does not constitute the provision of Video Programming directly to multiple Subscribers in the Franchise Area including, but not limited to, Information Services and Telecommunications Services.

1.24.*Normal Business Hours*: Those hours during which most similar businesses in the community are open to serve customers. In all cases, “normal business hours” must include some evening hours at least one night per week and/or some weekend hours.

1.25.*Normal Operating Conditions*: Those service conditions which are within the control of the Franchisee. Those conditions which are not within the control of the Franchisee include, but are not limited to, natural disasters, civil disturbances, power outages, telephone network outages, and severe or unusual weather conditions. Those conditions that are within the control of the Franchisee include, but are not limited to, special promotions, pay-per-view events, rate increases, regular peak or seasonal demand periods, and maintenance or rebuild of the Cable System. See 47 C.F.R. § 76.309(c)(4)(ii).

1.26.*PEG*: Public, Educational, and Governmental.

1.27.*Person*: An individual, partnership, association, joint stock company, trust, corporation, or governmental entity.

1.28.*Public Access Channel*: An Access Channel available for the use by the Persons within the Franchise Area.

1.29.*Public Rights-of-Way*: The surface and the area across, in, over, along, upon and below the surface of the public streets, roads, bridges, sidewalks, lanes, courts, ways, alleys, and boulevards, including, public utility easements and public lands and waterways used as Public Rights-of-Way, as the same now or may thereafter exist, which are under the jurisdiction or control of the LFA. Public Rights-of-Way do not include the airwaves above a right-of-way with regard to cellular or other nonwire communications or broadcast services.

1.30.*Service Area*: All portions of the Franchise Area where Cable Service is being offered, including the Initial Service Area and any additional service areas.

1.31.*Service Date*: The date that the Franchisee first provides Cable Service on a commercial basis directly to multiple Subscribers in the Franchise Area. The Franchisee shall memorialize the Service Date by notifying the LFA in writing of the same, which notification shall become a part of this Franchise.

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

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

1.34.*Telecommunications Facilities*: Franchisee's existing Telecommunications Services and Information Services facilities and its FTTP Network facilities.

1.35.*Telecommunication Services*: Shall be defined herein as it is defined under Section 3 of the Communications Act, 47 U.S.C. § 153(46), which currently states "the offering of telecommunications for a fee directly to the public, or to such classes of users as to be effectively available directly to the public, regardless of the facilities used."

1.36.*Title II*: Title II of the Communications Act, Common Carriers, as amended, under which Franchisee has upgraded its network with the FTTP Network.

1.37.*Title VI*: Title VI of the Communications Act, Cable Communications, as amended, which governs only the provision of Cable Services by Franchisee.

1.38.*Transfer of the Franchise*:

1.38.1.Any transaction in which:

1.38.1.1.an ownership or other interest in Franchisee is transferred, directly or indirectly, from one Person or group of Persons to another Person or group of Persons, so that control of Franchisee is transferred; or

1.38.1.2.the rights held by Franchisee under the Franchise are transferred or assigned to another Person or group of Persons.

1.38.2.However, notwithstanding subsections 1.38.1.1. and 1.38.1.2., a Transfer of the Franchise shall not include transfer of an ownership or other interest in Franchisee to the parent of Franchisee or to another Affiliate of Franchisee; transfer of an interest in the Franchise or the rights held by the Franchisee under the Franchise to the parent of Franchisee or to another Affiliate of Franchisee; any action which is the result of a merger of the parent of the Franchisee; or any action which is the result of a merger of another Affiliate of the Franchisee.

1.39.*Video Programming*: Shall be defined herein as it is defined under Section 602 of the Communications Act, 47 U.S.C. § 522(20), which currently states "programming provided by, or generally considered comparable to programming provided by, a television broadcast station."

2.GRANT OF AUTHORITY; LIMITS AND RESERVATIONS

2.1.*Grant of Authority*: Subject to the terms and conditions of this Agreement and the Communications Act, the LFA hereby grants the Franchisee the right to own, construct,

operate and maintain a Cable System along the Public Rights-of-Way within the Franchise Area, in order to provide Cable Service. No privilege or power of eminent domain is bestowed by this grant; nor is such a privilege or power bestowed by this Agreement. By this grant, the LFA makes no representation or guarantee regarding its interest in or right to control any Public Right-of-Way.

2.2.LFA's Regulatory Authority: The parties recognize that Franchisee's FTTP Network is being constructed and will be operated and maintained as an upgrade to and/or extension of its existing Telecommunications Facilities for the provision of Non-Cable Services. The jurisdiction of LFA over such Telecommunications Facilities is restricted by federal and state law, and LFA does not and will not assert jurisdiction over Franchisee's FTTP Network in contravention of those limitations. Therefore, as provided in Section 621 of the Communications Act, 47 U.S.C. § 541, LFA's regulatory authority under Title VI of the Communications Act is not applicable to the construction, installation, maintenance, or operation of Franchisee's FTTP Network to the extent the FTTP Network is constructed, installed, maintained, or operated for the limited purpose of upgrading and/or extending Verizon's existing Telecommunications Facilities for the provision of Non-Cable Services. This Agreement shall not be construed to limit whatever regulatory authority LFA may have under Title II, state, and local law with respect to the FTTP Network facilities.

2.3.Term: This Franchise shall become effective on August 21, 2006 (the "Effective Date"). The term of this Franchise shall be ten (10) years from the Effective Date with an automatic renewal of five (5) years unless the Franchise is earlier revoked as provided herein.

2.4.Grant Not Exclusive: The Franchise and the rights granted herein to use and occupy the Public Rights-of-Way to provide Cable Services shall not be exclusive, and the LFA reserves the right to grant other franchises for similar uses or for other uses of the Public Rights-of-Way, or any portions thereof, to any Person, or to make any such use themselves, at any time during the term of this Franchise. Any such rights which are granted shall not adversely impact the authority as granted under this Franchise and shall not interfere with existing facilities of the Cable System or Franchisee's FTTP Network.

2.5.Franchise Subject to Federal Law: Notwithstanding any provision to the contrary herein, this Franchise is subject to and shall be governed by all applicable provisions of federal law as it may be amended, including but not limited to the Communications Act and implementing regulations, and the laws of the Commonwealth of Pennsylvania, to the extent not in conflict with federal law.

2.6.No Waiver:

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

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

2.7. Construction of Agreement:

2.7.1. The provisions of this Franchise shall be liberally construed to effectuate their objectives.

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

2.7.3. Should any change to state law have the lawful effect of materially altering the terms and conditions of this Franchise, then the parties shall modify this Franchise to the mutual satisfaction of both parties to ameliorate the negative effects on the Franchisee of the material alteration. Any modifications shall be in writing. If the parties cannot reach agreement on the above-referenced modification to the Franchise, then Franchisee may terminate this Agreement without further obligation to the LFA, provided, however, that Franchisee shall be required to provide LFA with written notice of such termination, with such termination to take effect no sooner than one hundred and eighty (180) days after the provision of such notice, or at Franchisee's option, the parties agree to submit the matter to binding arbitration in accordance with the commercial arbitration rules of the American Arbitration Association.

2.8. Police Powers: Nothing in this Franchise shall be construed to prohibit the reasonable, necessary and lawful exercise of the police powers of the LFA. However, if the reasonable, necessary and lawful exercise of the police power results in any material alteration of the terms and conditions of this Franchise, then the parties shall modify this Franchise to the mutual satisfaction of both parties to ameliorate the negative effects on the Franchisee of the material alteration. If the parties cannot reach agreement on the above-referenced modification to the Franchise, then Franchisee may terminate this Agreement without further obligation to the LFA, provided, however, that Franchisee shall be required to provide LFA with written notice of such termination, with such termination to take effect no sooner than one hundred and eighty (180) days after the provision of such notice, or at Franchisee's option, the parties agree to submit the matter to binding arbitration in accordance with the commercial arbitration rules of the American Arbitration Association.

3. PROVISION OF CABLE SERVICE

3.1. Service Area:

3.1.1. *Initial Service Area:* Franchisee shall offer Cable Service to significant numbers of Subscribers in residential areas of the Initial Service Area and may make Cable Service available to businesses in the Initial Service Area, within twenty-four (24) months of the Service Date of this Franchise, and shall offer Cable Service to all residential areas in the Initial Service Area within five (5) years of the Service Date of the Franchise, except: (A) for periods of Force Majeure; (B) for periods of delay caused by LFA; (C) for periods of delay

resulting from Franchisee's inability to obtain authority to access rights-of-way in the Service Area; (D) in areas where developments or buildings are subject to claimed exclusive arrangements with other providers; (E) in developments or buildings that Franchisee cannot access under reasonable terms and conditions after good faith negotiation, as determined by Franchisee; and (F) in areas, developments or buildings where Franchisee is unable to provide Cable Service for technical reasons or which require non-standard facilities which are not available on a commercially reasonable basis; and (G) in areas where the occupied residential household density does not meet the density requirements set forth in Subsection 3.1.1.1.

3.1.1.1.*Density Requirement:* Franchisee shall make Cable Services available to residential dwelling units in all areas of the Service Area where the average density is equal to or greater than 30 occupied residential dwelling units per mile as measured in strand footage from the nearest technically feasible point on the active FTTP Network trunk or feeder line. Should, through new construction, an area within the Initial Service Area meet the density requirements after the time stated for providing Cable Service as set forth in Subsections 3.1.1 and 3.1.2 respectively, Franchisee shall provide Cable Service to such area within six (6) months of receiving notice from LFA that the density requirements have been met.

3.1.2.*Additional Service Areas:* Except for the Initial Service Area, Franchisee shall not be required to extend its Cable System or to provide Cable Services to any other areas within the Franchise Area during the term of this Franchise or any Renewals thereof. If Franchisee desires to add Additional Service Areas within the Franchise Area, Franchisee shall notify LFA in writing of such Additional Service Area at least ten (10) days prior to providing Cable Services in such areas.

3.2.*Availability of Cable Service:* Franchisee shall make Cable Service available to all residential dwelling units and may make Cable Service available to businesses within the Service Area in conformance with Section 3.1 and Franchisee shall not discriminate between or among any individuals in the availability of Cable Service. In the areas in which Franchisee shall provide Cable Service, Franchisee shall be required to connect, at Franchisee's expense, all residential dwelling units that are within one hundred twenty five (125) feet of trunk or feeder lines not otherwise already served by Franchisee's FTTP Network. Franchisee shall be allowed to recover, from a Subscriber that requests such connection, the actual costs incurred for residential dwelling unit connections that exceed one hundred twenty five (125) feet and actual costs incurred to connect any non-residential dwelling unit Subscriber.

3.3.*Cable Service to Municipal Buildings:* Subject to Section 3.1, Franchisee shall provide, without charge within the Service Area, one service outlet activated for Expanded Basic Service to one emergency management center and two police stations, and one service outlet activated for Basic Service to each municipal building, public library, and each public school, and each non-public school that (a) receives funding pursuant to Title I of the Elementary and Secondary Education Act of 1965, 20 U.S.C. § 6301 et seq. and (b) is considered a Non-public, Non-Licensed Schools under the Pennsylvania Private Academic Schools Act, 24 P.S. §§ 6702-6721, located in the LFA, as may be designated by LFA in Exhibit A; provided, however, that Franchisee shall not be obligated to provide any service outlets activated for Basic Service to home schools; also provided, however, that if it is necessary to extend Franchisee's trunk or feeder lines more than one hundred twenty five (125) feet solely to provide service to any such

school or municipal building, the LFA shall have the option either of paying Franchisee's direct costs for such extension in excess of one hundred twenty five (125) feet, or of releasing Franchisee from the obligation to provide service to such school or other municipal building. Furthermore, Franchisee shall be permitted to recover, from any school or other municipal building owner entitled to free service, the direct cost of installing, when requested to do so, more than one outlet, or concealed inside wiring, or a service outlet requiring more than one hundred twenty five (125) feet of drop cable; provided, however, that Franchisee shall not charge for the provision of Basic Service to the additional service outlets once installed. In addition to the locations designated in Exhibit A, Franchisee shall provide without charge within the Service Area up to one (1) service outlet activated for Basic Service to a maximum of four (4) additional municipal buildings during the Term of the Agreement at locations as mutually agreed upon by the parties, subject to all conditions set forth in this Section 3.3; provided, however, that Franchisee shall not be required to provide any such service outlet if the location of the additional municipal building resides in an area, development, or building where Franchisee is unable to provide Cable Service for technical reasons or which require non-standard facilities which are not available on a commercially reasonable basis. Furthermore, Franchisee shall not be required to provide any such additional service outlets until all cable operators providing Cable Service in the Franchise Area also provide such additional service outlet(s) without charge. Notwithstanding the foregoing, Franchisee shall not be required to provide Cable Service to any building set forth in Exhibit A until a reasonable period of time after Franchisee serves the applicable portion of the Franchise Area with its Title II FTTP Network, and the applicable wire center serving such building is video enabled.

4.SYSTEM FACILITIES

4.1.*Technical Requirement:* Franchisee shall operate, maintain, test on a regular basis, construct and extend the Cable System so as to provide high quality signals and reliable delivery of Cable Services for all cable programming services throughout LFA over its FTTP Network. The Cable System shall meet or exceed any and all technical performance standards of: the FCC; the National Electrical Safety Code; the National Electric Code; and any other applicable federal laws, as well as state and local laws or regulations , to the extent not in conflict with federal law and regulations.

4.2.*System Characteristics:* Franchisee's Cable System shall meet or exceed the following requirements:

4.2.1.The System shall be designed, constructed, and maintained with an initial analog and digital carrier passband between 50 and 860 MHz.

4.2.2.The System shall be designed to be an active two-way plant for subscriber interaction, if any, required for the selection or use of Cable Service.

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

4.4.*Emergency Alert System:*

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

5. PEG SERVICES

5.1. PEG Set Aside; Interconnection:

5.1.1. In order to ensure universal availability of PEG programming within the geographic limits of those municipalities that comprise the CCCG, Franchisee shall reserve on the Basic Service Tier up to one (1) dedicated Public Access Channel, one (1) dedicated Educational Access Channel, and one (1) dedicated Government Access Channel (“PEG Channels”); provided, however, that Franchisee shall not be obligated to reserve the PEG Channels until all cable incumbents within the franchise area of at least one (1) CCCG member jurisdiction similarly reserve capacity for an equal number of PEG Channels. The parties agree that Franchisee shall retain the right to utilize all such reserved PEG Channel capacity, in its sole discretion, during the term of this Franchise until such time that, and to the extent that, a CCCG member jurisdiction or its designee (a) activates the PEG Channels subject to Section 5.1.2 or (b) ceases to use the PEG Channels during the Term for a period of more than one (1) year. Notwithstanding the foregoing, the parties acknowledge that Franchisee shall only be obligated to provide a maximum of three (3) PEG Channels to be shared among all CCCG member jurisdictions to the extent they are activated subject to Section 5.1.2.

5.1.2. A CCCG member jurisdiction, with a franchise from Franchisee, or its designee may activate any or all of the reserved PEG Channels during the Term by providing Franchisee with written notice one hundred eighty (180) days prior to the date it intends to activate any or all of the reserved PEG Channels. Such written notice shall specify the programming to be carried on such PEG Channel(s), and shall include an operation plan providing sufficient information about the administration, programming, and operation of the requested PEG Channel(s). Notwithstanding the foregoing, any such operation plan shall provide for the cablecast of any such PEG Channel(s) for a period of not less than eight (8) continuous hours of original programming per calendar week for not less than four (4) such consecutive weeks. Such notice shall also authorize Franchisee to transmit the PEG Channel(s) within and outside the LFA. Thereafter, Franchisee shall assign the PEG Channel(s) on its channel line-up as set forth in such notice, to the extent such channel assignment does not interfere with any pre-existing channels. The CCCG member jurisdiction or its designee activating the PEG Channel(s) shall have complete control over the content, scheduling, and administration of the PEG Channel(s) and may delegate such functions, or a portion or such functions, to an appropriate designee. Franchisee shall neither have nor attempt to exercise any editorial control over PEG Channel programming.

5.1.3. If LFA or its designee is the CCCG member jurisdiction requesting activation of the PEG Channel(s), following receipt of such activation request, Franchisee shall use reasonable efforts to interconnect its Cable System with existing cable operator(s) in the relevant franchise area, which may include areas within the geographic limits of those municipalities that comprise the CCCG. After receiving such notice of activation, Franchisee shall initiate interconnection negotiations with the existing cable operator(s) to cablecast, on a live basis, public, educational or governmental programming consistent with this Franchise.

Interconnection may be accomplished by direct cable, microwave link, satellite or other technically feasible and reasonable method of connection. Franchisee shall negotiate in good faith with existing cable operator(s) respecting reasonable, mutually convenient, cost-effective, and technically viable interconnection points, methods, terms and conditions. If LFA or its designee is the requesting CCCG member jurisdiction, and the interconnection point is within LFA's jurisdictional boundaries, LFA shall use its best efforts to require the existing cable operator(s) to provide such interconnection to Franchisee on reasonable terms and conditions. The construction costs and ongoing expenses of interconnection shall be fairly shared between Franchisee and the existing cable operator(s). Franchisee and the existing cable operator(s) shall negotiate the precise terms and conditions of an interconnection agreement and LFA or its designee shall use its best efforts to facilitate these negotiations. If Franchisee is unable to reach such an agreement within thirty (30) days after requesting in writing to interconnect with other local cable operator(s), LFA or its designee shall use its best efforts to assist in mediating such dispute. If no agreement is reached within an additional thirty (30) days, Franchisee agrees that LFA or its designee shall designate the point of interconnection. If the cost of interconnection would be unreasonable, interconnection is not technically feasible or would cause an unacceptable increase in Subscriber rates, or if an existing cable operator will not agree to reasonable terms and conditions of interconnection, Franchisee will be under no obligation to interconnect with the existing cable operator.

5.1.4. If the procedures of Section 5.1.3 do not result in interconnection of Franchisee's Cable System with the existing cable operator(s)' for purposes of providing PEG Channel(s), LFA or its designee may require Franchisee to provide a video link to the Chester County Intergovernmental Unit (CCIU) Educational Service Center, 455 Boot Road, Downingtown, PA 19335, where PEG Access programming is originated for the purpose of cablecasting PEG programming. Franchisee shall not be obligated to provide LFA or its designee with either cablecast equipment and facilities or personnel responsible for maintaining and operating such equipment and facilities or generating any such PEG programming.

5.2.PEG Grant:

5.2.1.Franchisee shall provide an annual grant to the CCCG member jurisdiction(s) or their designee(s) requesting PEG Channel(s) to be used in support of the production of local PEG programming (the "Annual PEG Grant"). Such grant shall be used by the requesting CCCG member jurisdiction or its designee, for PEG access equipment, including, but not limited to, studio and portable production equipment, editing equipment and program playback equipment, or for renovation or construction of PEG access facilities.

5.2.2.The Annual PEG Grant provided by Franchisee hereunder shall not exceed \$0.25, per month, per Subscriber in the Service Area to Franchisee's Basic Service Tier; provided, however, that if any cable operator(s) other than Franchisee providing Cable Service within the geographical boundaries of the LFA also provides PEG programming within the geographical boundaries of the LFA, Franchisee shall not be obligated to pay the Annual PEG Grant until LFA or its designee begins to exercise whatever rights (if any) LFA may have pursuant to LFA's existing franchise agreement(s) with such cable operator(s) to receive comparable financial or tangible support for PEG programming from such cable operator(s). The Annual PEG Grant payment, along with a brief summary of the Subscriber information upon

which it is based, shall be delivered to applicable CCCG member jurisdictions or their designees within sixty (60) days after the beginning of each calendar year during the Franchise Term. Calculation of the Annual PEG Grant will commence with the first calendar month during which Franchisee receives written request to activate any of the reserved PEG channels. The Annual PEG Grant will become effective upon written request by the LFA or designee following activation of any of the PEG channels held in reserve outlined in Section 5.1. The Annual PEG Grant shall be payable based on the number of PEG Channels activated pursuant to section 5.1. E.g., if one (1) PEG Channel is activated, the Annual PEG Grant shall be up to the sum of \$0.15, per month, per Subscriber in the relevant Service Area. If two (2) PEG Channels are activated, the Annual PEG Grant shall be up to the sum of \$0.20, per month, per Subscriber in the relevant Service Area. If three (3) PEG Channels are activated, the Annual PEG Grant shall be up to the sum of \$0.25, per month, per Subscriber in the relevant Service Area.

5.3. Indemnity for PEG. LFA or its designee shall require all local producers and users of any of the PEG facilities or Channels to agree in writing to authorize Franchisee to transmit programming consistent with this Agreement and to defend and hold harmless Franchisee and LFA or its designee from and against any and all liability or other injury, including the reasonable cost of defending claims or litigation, arising from or in connection with claims for failure to comply with applicable federal laws, rules, regulations or other requirements of local, state or federal authorities; for claims of libel, slander, invasion of privacy, or the infringement of common law or statutory copyright; for unauthorized use of any trademark, trade name or service mark; for breach of contractual or other obligations owing to third parties by the producer or user; and for any other injury or damage in law or equity, which results from the use of a PEG facility or Channel. LFA or its designee shall establish rules and regulations for use of PEG facilities, consistent with, and as required by, 47 U.S.C. §531, which currently states: “(a) A franchising authority may establish requirements in a franchise with respect to the designation or use of channel capacity for public, educational, or governmental use only to the extent provided in this section. (b) A franchising authority may in its request for proposals require as part of a franchise, and may require as part of a cable operator's proposal for a franchise renewal, subject to section 546 of this title, that channel capacity be designated for public, educational, or governmental use, and channel capacity on institutional networks be designated for educational or governmental use, and may require rules and procedures for the use of the channel capacity designated pursuant to this section. (c) A franchising authority may enforce any requirement in any franchise regarding the providing or use of such channel capacity. Such enforcement authority includes the authority to enforce any provisions of the franchise for services, facilities, or equipment proposed by the cable operator which relate to public, educational, or governmental use of channel capacity, whether or not required by the franchising authority pursuant to subsection (b) of this section. (d) In the case of any franchise under which channel capacity is designated under subsection (b) of this section, the franchising authority shall prescribe-- (1) rules and procedures under which the cable operator is permitted to use such channel capacity for the provision of other services if such channel capacity is not being used for the purposes designated, and (2) rules and procedures under which such permitted use shall cease. (e) Subject to section 544(d) of this title, a cable operator shall not exercise any editorial control over any public, educational, or governmental use of channel capacity provided pursuant to this section, except a cable operator may refuse to transmit any public access program or portion of a public access program which contains obscenity, indecency, or nudity. (f) For purposes of this section, the term ‘institutional network’ means a communication network which

is constructed or operated by the cable operator and which is generally available only to subscribers who are not residential subscribers.” The term “franchising authority” as used in 47 U.S.C. §531 shall be interpreted with respect to PEG to mean any CCCG member jurisdiction or its designee that activates a PEG Channel.

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

6.FRANCHISE FEES

6.1.Payment to LFA: Franchisee shall pay to the LFA a Franchise fee of five percent (5%) of annual Gross Revenue. Notwithstanding the foregoing, if all cable operators providing Cable Service in the Franchise Area pay LFA a higher Franchise fee pursuant to their franchises, Franchisee agrees to pay the same increased Franchise fee to the extent permitted by law. In accordance with Title VI of the Communications Act, the twelve (12) month period applicable under the Franchise for the computation of the Franchise fee shall be a calendar year. Such payments shall be made no later than forty-five (45) days following the end of each calendar quarter. Franchisee shall be allowed to submit or correct any payments that were incorrectly omitted, and shall be refunded any payments that were incorrectly submitted, in connection with the quarterly Franchise fee remittances within 90 days following the close of the calendar year for which such payments were applicable.

6.2.Supporting Information: Each Franchise fee payment shall be accompanied by a brief report showing the basis for the computation of the Franchise fee payment that shall be prepared by a qualified representative authorized by Franchisee to prepare and certify the report. The report shall be certified by such representative to be true and correct.

6.3.Limitation on Franchise Fee Actions: The parties agree that the period of limitation for commencing any action for recovery of any Franchise fee payable hereunder shall be three (3) years from the end of the calendar year in which payment by Franchisee is due.

6.4.Bundled Services: If Cable Services subject to the Franchise fee required under this Article 7 are provided to Subscribers in conjunction with Non-Cable Services, the Franchise fee shall be applied only to the value of the Cable Services, as reflected on the books and records of Franchisee in accordance with FCC or state public utility regulatory commission rules, regulations, standards or orders.

6.5.Audits:

*6.5.1.*LFA may audit Franchisee’s books and records during the Term, but no more than once every three (3) years. During any audit period, LFA may commence an audit of Franchisee’s books and records for the portion of the calendar year preceding the audit in addition to the three (3) prior calendar years. Notwithstanding the foregoing, LFA may commence an audit within thirty (30) days of its final Franchise fee payment in order to audit

books and records pertaining to the time period not encompassed by any previous audit period with respect to the final three (3) years of the Term. All records reasonably necessary for any such audit shall be made available by Franchisee to LFA.

6.5.2. Each party shall bear its own costs of an audit; provided, however, that if the results of any audit indicate that Franchisee underpaid any Franchise fee payment by five percent (5%) or more, then Franchisee shall pay the reasonable, documented, out-of-pocket costs of the audit; provided, however, that Franchisee shall not be required to reimburse LFA for costs exceeding \$5,000 for each audit.

6.5.3. If the results of an audit indicate an overpayment or underpayment of Franchise fees, the parties agree that such overpayment or underpayment shall be returned to the proper party within forty-five (45) days; provided, however, that Franchisee shall be required to remit underpayments to LFA together with interest at prime rate (as published in *The Wall Street Journal*) plus one-half percent (0.5%) of the amount correctly due from the date such underpayment would have been due.

6.5.4. Any auditor employed by LFA shall be a Certified Public Accountant and shall not be permitted to be compensated on a success based formula, e.g., payment based on an underpayment of fees, if any.

7. CUSTOMER SERVICE

Customer Service Requirements are set forth in Exhibit C, which shall be binding unless amended by written consent of the parties.

8. REPORTS AND RECORDS

8.1. *Open Books and Records*: Upon reasonable written notice to the Franchisee and with no less than thirty (30) days written notice to the Franchisee, the LFA shall have the right to inspect Franchisee's books and records pertaining to Franchisee's provision of Cable Service in the Franchise Area at any time during Normal Business Hours and on a nondisruptive basis, as are reasonably necessary to ensure compliance with the terms of this Franchise. Such notice shall specifically reference the section or subsection of the Franchise which is under review, so that Franchisee may organize the necessary books and records for appropriate access by the LFA. Franchisee shall not be required to maintain any books and records for Franchise compliance purposes longer than three (3) years. Notwithstanding anything to the contrary set forth herein, Franchisee shall not be required to disclose information that it reasonably deems to be proprietary or confidential in nature, nor disclose any of its or an Affiliate's books and records not relating to the provision of Cable Service in the Service Area. The LFA shall treat any information disclosed by Franchisee as confidential and shall only disclose it to employees, representatives, and agents thereof that have a need to know, or in order to enforce the provisions hereof. Franchisee shall not be required to provide Subscriber information in violation of Section 631 of the Communications Act, 47 U.S.C. §551.

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

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

8.2.2. Records of outages for a period of the calendar year after occurrence as well as three (3) years thereafter, indicating date, duration, area, and the number of Subscribers affected, type of outage, and cause;

8.2.3. Records of service calls for repair and maintenance for a period of the calendar year after resolution by Franchisee as well as three (3) years thereafter, indicating the date and time service was required, the date of acknowledgment and date and time service was scheduled (if it was scheduled), and the date and time service was provided, and (if different) the date and time the problem was resolved;

8.2.4. Records of installation/reconnection and requests for service extension for a period of the calendar year after the request was fulfilled by Franchisee as well as three (3) years thereafter, indicating the date of request, date of acknowledgment, and the date and time service was extended; and

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

9. INSURANCE AND INDEMNIFICATION

9.1. Insurance:

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

9.1.1.1. Commercial General Liability Insurance in the amount of one million and 00/100 dollars (\$1,000,000.00) combined single limit for property damage and bodily injury. Such insurance shall cover the construction, operation and maintenance of the Cable System, and the conduct of Franchisee’s Cable Service business in the LFA.

9.1.1.2. Automobile Liability Insurance in the amount of one million dollars and 00/100 dollars (\$1,000,000.00) combined single limit for bodily injury and property damage coverage.

9.1.1.3. Workers’ Compensation Insurance meeting all legal requirements of the Commonwealth of Pennsylvania.

9.1.1.4. Employers’ Liability Insurance in the following amounts:
(A) Bodily Injury by Accident: One hundred thousand and 00/100 dollars (\$100,000.00); and
(B) Bodily Injury by Disease: One hundred thousand and 00/100 dollars (\$100,000.00) employee limit; five hundred thousand and 00/100 dollars (\$500,000.00) policy limit.

9.1.2. The LFA shall be designated as an additional insured under each of the insurance policies required in this Article 9 of this Agreement except Worker's Compensation and Employer's Liability Insurance.

9.1.3. Franchisee shall not cancel any required insurance policy without submitting documentation to the LFA verifying that the Franchisee has obtained alternative insurance in conformance with this Agreement.

9.1.4. Each of the required insurance policies shall be with sureties qualified to do business in the Commonwealth of Pennsylvania, with an A- or better rating for financial condition and financial performance by Best's Key Rating Guide, Property/Casualty Edition.

9.1.5. Upon written request, Franchisee shall deliver to LFA Certificates of Insurance showing evidence of the required coverage.

9.1.6. Notwithstanding anything to the contrary set forth in this Agreement or elsewhere, any policy or policies of insurance maintained by Franchisee shall (i) contain waiver of subrogation clause with regard to LFA and any of its officials, officers, agents, employees and contractors and (ii) be primary as to all claims thereunder and provide that any insurance carried by LFA is not in excess of and is non-contributing with any insurance requirement of Franchisee hereunder.

9.2. Indemnification:

9.2.1. Except as directly related to or arising directly out of the negligence or willful misconduct of the LFA, its officials, officers, agents, employees, independent contractors, or third parties, Franchisee agrees to indemnify, save and hold harmless, and defend the LFA, and its officials, officers, agents, boards, employees, and independent contractors from and against any liability for damages, claims, judgments, suits, and awards resulting from tangible property damage or bodily injury (including accidental death) or financial loss, to the extent proximately caused by Franchisee's negligent construction, operation, or maintenance of its Cable System, provided that the LFA shall give Franchisee written notice of LFA's request for indemnification within (a) thirty (30) days of receipt of a claim or action pursuant to this subsection and (b) ten (10) days following service of legal process on LFA or its designated agent of any action related to this Subsection. Notwithstanding the foregoing, Franchisee shall not indemnify the LFA for any damages, liability or claims resulting from the willful misconduct or negligence of the LFA, its officers, agents, employees, attorneys, consultants, independent contractors or third parties or for any activity or function conducted by any Person other than Franchisee in connection with PEG Access, or EAS, or the distribution of any Cable Service over the Cable System

9.2.2. With respect to Franchisee's indemnity obligations set forth in Subsection 9.2.1, Franchisee shall provide the defense of any claims brought against the LFA by selecting counsel of Franchisee's choice to defend the claim, subject to the consent of the LFA, which shall not unreasonably be withheld. Nothing herein shall be deemed to prevent the LFA from cooperating with the Franchisee and participating in the defense of any litigation by its own

counsel at its own cost and expense. Franchisee shall neither settle nor compromise any claim or action without the prior written consent of the LFA, which such consent may be withheld by the LFA in the reasonable exercise of its governmental discretion. In the event that the terms of any such settlement do not include the release of the LFA and the LFA does not consent to the terms of any such settlement or compromise, Franchisee shall not settle the claim or action but its obligation to indemnify the LFA shall in no event exceed the maximum possible amount that would have been payable had the LFA consented to the terms of such settlement.

9.2.3.LFA shall hold harmless and defend Franchisee from and against and shall be responsible for damages, liability, or claims resulting from or arising out of the willful misconduct or negligence of the LFA. LFA shall provide the defense of any claims brought against Franchisee by selecting counsel of LFA's choice to defend the claim, subject to the consent of Franchisee, which shall not unreasonably be withheld.

9.2.4.The LFA shall be responsible for its own acts of willful misconduct or negligence, or breach of obligation, subject to any and all defenses and limitations of liability provided by law.

10.TRANSFER OF FRANCHISE

10.1.*Transfer*: Subject to Section 617 of the Communications Act, 47 U.S.C. § 537, no Transfer of the Franchise shall occur without the prior consent of the LFA, provided that such consent shall not be unreasonably withheld, delayed or conditioned. No such consent shall be required, however, for a transfer in trust, by mortgage, by other hypothecation, by assignment of any rights, title, or interest of the Franchisee in the Franchise or Cable System in order to secure indebtedness, or for transactions otherwise excluded under Section 1.38 above.

11.RENEWAL OF FRANCHISE

11.1.*Governing Law*: The LFA and Franchisee agree that any proceedings undertaken by the LFA that relate to the renewal of this Franchise shall be governed by and comply with the provisions of Section 626 of the Communications Act, 47 U.S.C. § 546.

11.2.*Needs Assessments*: In addition to the procedures set forth in said Section 626 of the Communications Act, the LFA shall notify Franchisee of all of its assessments regarding the identity of future cable-related community needs and interests, as well as the past performance of Franchisee under the then current Franchise term. Such assessments shall be provided to Franchisee by the LFA promptly so that Franchisee has adequate time to submit a proposal under Section 626 and complete renewal of the Franchise prior to expiration of its term.

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

11.4.*Consistent Terms*: Franchisee and the LFA consider the terms set forth in this Article 12 to be consistent with the express provisions of Section 626.

12.ENFORCEMENT AND TERMINATION OF FRANCHISE

12.1.*Notice of Violation:* If at any time the LFA believes that Franchisee has not complied with the terms of the Franchise, the LFA shall informally discuss the matter with Franchisee. If these discussions do not lead to resolution of the problem in a reasonable time, the LFA shall then notify Franchisee in writing of the exact nature of the alleged noncompliance in a reasonable time (for purposes of this Article, the “Noncompliance Notice”).

12.2.*Franchisee’s Right to Cure or Respond:* Franchisee shall have fifteen (15) days in the case of the failure of the Franchisee to pay any sum or other amount due the LFA under this Agreement, and thirty (30) days in all other cases, from receipt of the Noncompliance Notice to: (i) respond to the LFA, if Franchisee contests (in whole or in part) the assertion of noncompliance; (ii) cure such noncompliance; or (iii) in the event that, by its nature, such noncompliance cannot be cured within such thirty (30) day period, initiate reasonable steps to remedy such noncompliance and notify the LFA of the steps being taken and the date by which they are projected to be completed. Upon cure of any noncompliance, LFA shall provide written confirmation that such cure has been effected.

12.3.*Written Notice From LFA:* In the event that Franchisee fails to respond to the Noncompliance Notice pursuant to the procedures required by this Article, or in the event that the alleged noncompliance is not remedied within the applicable cure period pursuant to Section 12.2 above or the date projected pursuant to Section 12.2(iii) above, if the LFA seeks to continue its investigation into the alleged noncompliance, then the LFA shall provide Franchisee with written notice thereof. Such written notice shall set forth the reasons why LFA believes that Franchisee has not cured the default and shall set forth LFA’s proposed action which may include the following:

12.3.1.Seek specific performance of any provision, which reasonably lends itself to such remedy, as an alternative to damages; or

12.3.2.Commence an action at law for monetary damages or seek other equitable relief; or

12.3.3.In the case of a substantial noncompliance with a material provision of this Franchise, seek to revoke the Franchise in accordance with Section 12.4.

12.4.*Public Meeting; Revocation:* Should the LFA seek to revoke this Franchise after following the procedures set forth in Section 12.3, the Franchisee shall have sixty (60) days from receipt of such notice to object in writing and to state its reasons for such objection. In the event the LFA has not received a satisfactory response from Franchisee, it may then seek termination of the Franchise at a regularly scheduled and properly noticed public meeting pursuant to the schedule announced at LFA’s annual organizational meeting as required by 65 Pa.C.S. § 709(a); provided, however, the LFA shall cause to be served upon the Franchisee, at least thirty (30) business days prior to such public meeting, a written notice specifying the time and place of such meeting and stating its intent to revoke the Franchise; provided also, however, the LFA shall provide public notice of the meeting as defined in 65 Pa.C.S. § 703, which shall

include the fact that termination of the Franchise will be an agenda item at the public meeting, at least fourteen (14) days prior to such public meeting.

12.4.1. At the designated public meeting, Franchisee shall be provided a fair opportunity for full participation, including the right to be represented by legal counsel, to introduce relevant evidence, to require the production of evidence, to compel the relevant testimony of the officials, agents, employees or consultants of the LFA, to compel the testimony of other persons as permitted by law, and to question and/or cross examine witnesses. A complete verbatim record and transcript shall be made of such meeting at Franchisee's sole cost and expense.

12.4.2. Following the public meeting described above in this Section 12.4, Franchisee shall be provided up to thirty (30) days to submit its proposed findings and conclusions to the LFA in writing and thereafter the LFA shall determine (i) whether an event of default has occurred under this Franchise; (ii) whether such event of default is excusable; and (iii) whether such event of default has been cured or will be cured by the Franchisee. The LFA shall also determine whether it will revoke the Franchise based on the information presented, or, where applicable, grant additional time to the Franchisee to effect any cure. If the LFA determines that it will revoke the Franchise, the LFA shall promptly provide Franchisee with a written determination setting forth the LFA's reasoning for such revocation. Franchisee may appeal such written determination of the LFA to an appropriate court, which shall have the power to review the decision of the LFA de novo. Franchisee shall be entitled to such relief as the court finds appropriate. Such appeal must be taken within the shorter of forty-five (45) days or the period otherwise permitted by law, of Franchisee's receipt of the written determination of the LFA.

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

12.5. *Franchisee Termination*: Franchisee shall have the right to terminate this Franchise and all obligations hereunder within ninety (90) days after the end of three (3) years from the Service Date of this Franchise, if at the end of such three (3) year period Franchisee does not then in good faith believe it has achieved a commercially reasonable level of Subscriber penetration on its Cable System. Franchisee may consider subscriber penetration levels outside the Franchise Area in this determination. Notice to terminate under this Section 12.5 shall be given to the LFA in writing, with such termination to take effect no sooner than one hundred and eighty (180) days after giving such notice. Franchisee shall also be required to give its then current Subscribers not less than one hundred and twenty (120) days prior written notice of its intent to cease Cable Service operations.

13. MISCELLANEOUS PROVISIONS

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

13.2.*Binding Acceptance*: This Agreement shall bind and benefit the parties hereto and their respective heirs, beneficiaries, administrators, executors, receivers, trustees, successors and assigns, and the promises and obligations herein shall survive the expiration date hereof.

13.3.*Preemption*: In the event that federal or state law, rules, or regulations preempt a provision or limit the enforceability of a provision of this Agreement, the provision shall be read to be preempted to the extent, and for the time, but only to the extent and for the time, required by law. In the event such federal or state law, rule or regulation is subsequently repealed, rescinded, amended or otherwise changed so that the provision hereof that had been preempted is no longer preempted, such provision shall thereupon return to full force and effect, and shall thereafter be binding on the parties hereto, without the requirement of further action on the part of the LFA.

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

13.4.1. Furthermore, the parties hereby agree that it is not the LFA's intention to subject Franchisee to penalties, fines, forfeitures or revocation of the Franchise for violations of the Franchise where the violation was a good faith error that resulted in no or minimal negative impact on Subscribers, or where strict performance would result in practical difficulties and hardship being placed upon Franchisee that outweigh the benefit to be derived by the LFA and/or Subscribers.

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

13.5.1. Notices to Franchisee shall be mailed to:

William Petersen, President
Verizon Pennsylvania Inc.
1717 Arch Street, Floor 17
Philadelphia, PA 19103

13.5.2. with a copy to:

Jack White
Senior Vice President & General Counsel
Verizon Telecom
One Verizon Way
Room VC43E010
Basking Ridge, NJ 07920-1097

13.5.3. Notices to the LFA shall be mailed to:

Township Manager
West Pikeland Township
1208 Kimberton Road
Chester Springs, PA 19425

13.5.4.with a copy to:

Guy Donatelli
Lamb McErlane PC
PO Box 565
24 East Market Street
West Chester, PA 19381-0565

13.6.*Entire Agreement*: This Franchise and the Exhibits hereto constitute the entire agreement between Franchisee and the LFA and supersedes all prior or contemporaneous agreements, representations or understanding (written or oral) of the parties regarding the subject matter hereof. Any ordinances or parts of ordinances that conflict with the provisions of this Agreement are superseded by this Agreement.

13.7.*Amendments*: Amendments to this Franchise shall be mutually agreed to in writing by the parties.

13.8.*Captions*: The captions and headings of articles and sections throughout this Agreement are intended solely to facilitate reading and reference to the sections and provisions of this Agreement. Such captions shall not affect the meaning or interpretation of this Agreement.

13.9.*Severability*: If any section, subsection, sentence, paragraph, term, or provision hereof is determined to be illegal, invalid, or unconstitutional, by any court of competent jurisdiction or by any state or federal regulatory authority having jurisdiction thereof, such determination shall have no effect on the validity of any other section, subsection, sentence, paragraph, term or provision hereof, all of which will remain in full force and effect for the term of the Franchise.

13.10.*Recitals*: The recitals set forth in this Agreement are incorporated into the body of this Agreement as if they had been originally set forth herein.

13.11.*Modification*: This Franchise shall not be modified except by written instrument executed by both parties.

13.12.*FTTP Network Transfer Prohibition*: Under no circumstance including, without limitation, upon expiration, revocation, termination, denial of renewal of the Franchise or any other action to forbid or disallow Franchisee from providing Cable Services, shall Franchisee or its assignees be required to sell any right, title, interest, use or control of any portion of Franchisee's FTTP Network including, without limitation, the Cable System and any capacity used for Cable Service or otherwise, to the LFA or any third party. Franchisee shall not

be required to remove the FTTP Network or to relocate the FTTP Network or any portion thereof as a result of revocation, expiration, termination, denial of renewal or any other action to forbid or disallow Franchisee from providing Cable Services, provided that and for so long as Franchisee retains its right under applicable law to use the Public Rights-of-Way to provide Telecommunications Services. This provision is not intended to contravene leased access requirements under Title VI or PEG requirements set out in this Agreement.

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

13.14.*Venue:* Without waiving any right to bring or remove an action in either State or Federal Court, venue for any dispute between LFA and Franchisee under this Agreement shall rest in the Court of Common Pleas of Chester County, Pennsylvania or, if one or more of the issues within such dispute shall constitute a Federal question, then venue shall rest in the United States District Court for the Eastern District of Pennsylvania.

13.15.*Survival:* The following sections of the Agreement shall survive the revocation, termination, or expiration of the Franchise: Sections 6, 8, and 9.

AGREED TO THIS ____ DAY OF _____, 2006.

TOWNSHIP OF WEST PIKELAND

By: _____

VERIZON PENNSYLVANIA INC.

By: _____

William Petersen
President, Verizon Pennsylvania Inc.

EXHIBITS

EXHIBIT A – MUNICIPAL BUILDINGS TO BE PROVIDED FREE CABLE SERVICE

EXHIBIT B – INITIAL SERVICE AREA

EXHIBIT C – CUSTOMER SERVICE STANDARDS

EXHIBIT A

MUNICIPAL BUILDINGS TO BE PROVIDED FREE CABLE SERVICE

West Pikeland Township Building
1208 Kimberton Road
Chester Springs, Pa. 19425

West Pikeland Township Police Department
1208 Kimberton Road
Chester Springs, Pa. 19425

West Pikeland Township Emergency
Management
1208 Kimberton Road
Chester Springs, Pa. 19425

West Pikeland Township Building
1645 Art School Road
Chester Springs, Pa. 19425

West Pikeland Township Police Department
1649 Art School Road
Chester Springs, Pa. 19425

The Barnes Foundation
300 N. Latches Lane
Merion Station, Pa. 19066
Tax Parcel 34-4-123

Chester Springs Studio Inc.
1668 Art School Road
P. O. Box 329
Chester Springs, Pa. 19425

Chester Springs Library
1685 Art School Road
Chester Springs, Pa. 19425

Historic Yellow Springs Inc.
1685 Art School Road
Chester Springs, Pa. 19425
Tax Parcel 34-1-10

Mill at Anselma Preservation & Educational
Trust
P. O. Box 42
Chester Springs, Pa. 19425
Tax parcel #34-4-26

Montgomery School
1141 Rt. 113
Chester Springs, Pa. 19425

Natural Lands Trust Inc.
1031 Palmers Mill Rd.
Media, Pa. 19063
Tax Parcel 34-2-4

West Pikeland Township Pine Creek Park
1488 Yellow Springs Road
Chester Springs, Pa. 19425

EXHIBIT B

SERVICE AREA

The service area is shown in the map set forth below.

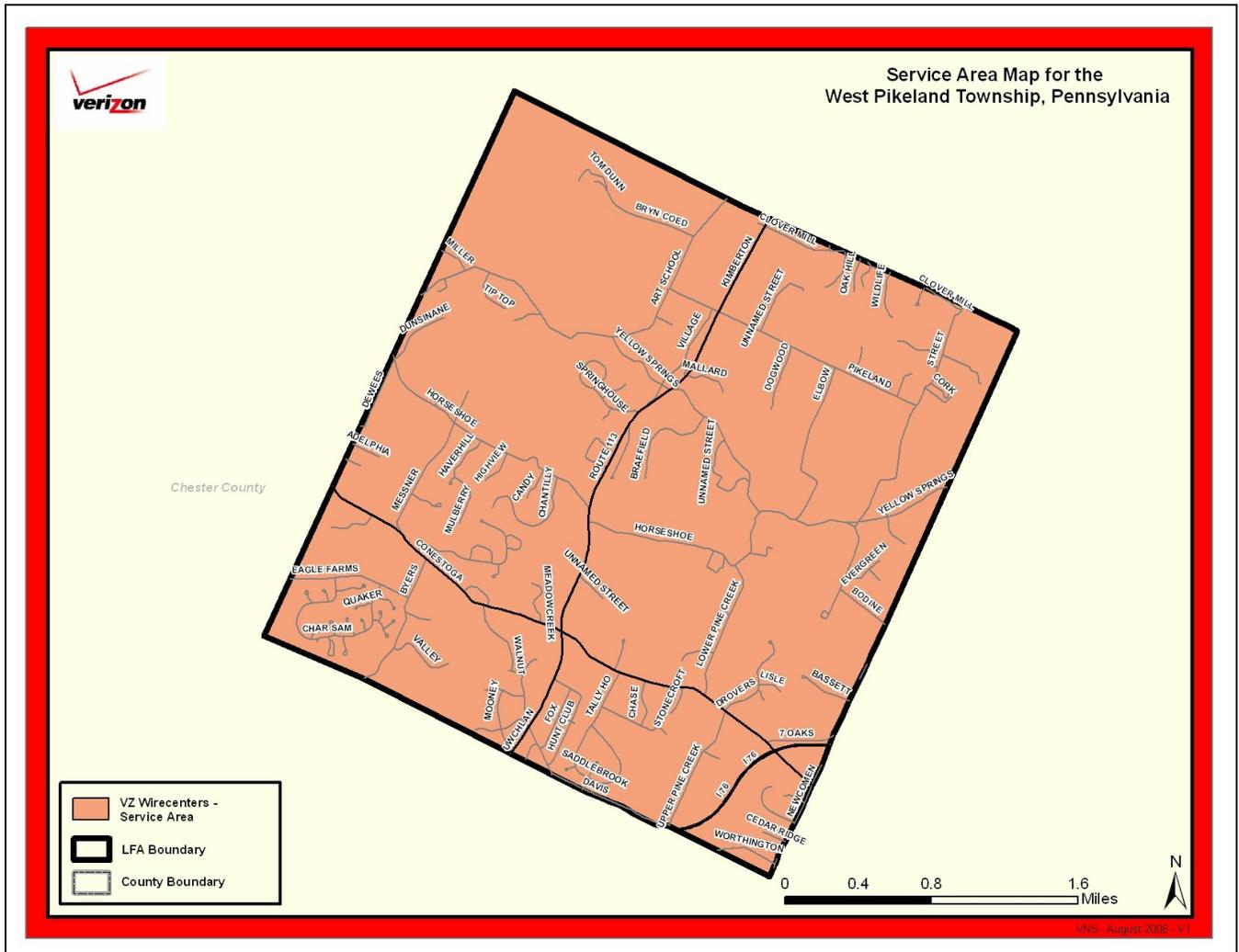


EXHIBIT C

CUSTOMER SERVICE STANDARDS

These standards shall, starting six months after the Service Date, apply to the Franchisee to the extent it is providing Cable Services over the Cable System in the Franchise area.

SECTION 1: DEFINITIONS

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

Significant Outage: A significant outage of the Cable Service shall mean any Service Interruption lasting at least four (4) continuous hours that affects at least ten percent (10%) of the Subscribers in the Service Area.

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

Standard Installation: Installations where the subscriber is within one hundred twenty five (125) feet of trunk or feeder lines.

SECTION 2: TELEPHONE AVAILABILITY

The Franchisee shall maintain a toll-free number to receive all calls and inquiries from Subscribers in the Franchise Area and/or residents regarding Cable Service. Franchisee representatives trained and qualified to answer questions related to Cable Service in the Service Area must be available to receive reports of Service Interruptions twenty-four (24) hours a day, seven (7) days a week, and other inquiries at least forty-five (45) hours per week. Franchisee representatives shall identify themselves by name when answering this number.

The Franchisee's telephone numbers shall be listed, with appropriate description (e.g. administration, customer service, billing, repair, etc.), in the directory published by the local telephone company or companies serving the Service Area, beginning with the next publication cycle after acceptance of this Franchise by the Franchisee.

Franchisee may use an Automated Response Unit ("ARU") or a Voice Response Unit ("VRU") to distribute calls. If a foreign language routing option is provided, and the Subscriber does not enter an option, the menu will default to the first tier menu of English options.

After the first tier menu (not including a foreign language rollout) has run through three times, if customers do not select any option, the ARU or VRU will forward the call to a queue for a live representative. The Franchisee may reasonably substitute this requirement with another method of handling calls from customers who do not have touch-tone telephones.

Under Normal Operating Conditions, calls received by the Franchisee shall be answered within thirty (30) seconds. The Franchisee shall meet this standard for ninety percent (90%) of the calls it receives at all call centers receiving calls from Subscribers, as measured on a cumulative quarterly calendar basis. Measurement of this standard shall include all calls received by the Franchisee at all call centers receiving calls from Subscribers, whether they are answered by a live representative, by an automated attendant, or abandoned after 30 seconds of call waiting.

Under Normal Operating Conditions, callers to the Franchisee shall receive a busy signal no more than three (3%) percent of the time during any calendar quarter.

Upon request from LFA, but in no event more than once a quarter thirty (30) days following the end of each quarter, Franchisee shall report to LFA the following for all call centers receiving calls from Subscribers except for temporary telephone numbers set up for national promotions:

Percentage of calls answered within thirty (30) seconds as set forth in Subsection 2.D.

Percentage of time customers received busy signal when calling the Verizon service center as set forth in Subsection 2.E.

Subject to consumer privacy requirements, underlying activity will be made available to LFA for review upon reasonable request.

At the Franchisee's option, the measurements and reporting above may be changed from calendar quarters to billing or accounting quarters. The Franchisee shall notify the LFA of such a change at least thirty (30) days in advance of any implementation.

SECTION 3: INSTALLATIONS AND SERVICE APPOINTMENTS

A.All installations will be in accordance with FCC rules, including but not limited to, appropriate grounding, connection of equipment to ensure reception of Cable Service, and the provision of required consumer information and literature to adequately inform the Subscriber in the utilization of the Franchisee-supplied equipment and Cable Service.

The Standard Installation shall be performed within seven (7) business days after the placement of the Optical Network Terminal ("ONT") on the customer's premises or within seven (7) business days after an order is placed if the ONT is already installed on the customer's premises.

The Franchisee shall meet this standard for ninety-five percent (95%) of the Standard Installations it performs, as measured on a calendar quarter basis, excluding customer requests for connection later than seven (7) days after ONT placement or later than seven (7) days after an order is placed if the ONT is already installed on the customer's premises.

Franchisee shall provide LFA with a report upon request from LFA, but in no event more than once a quarter thirty (30) days following the end of each quarter, noting the percentage of Standard Installations completed within the seven (7) day period, excluding those requested outside of the seven (7) day period by the Subscriber. Subject to consumer privacy requirements, underlying activity will be made available to LFA for review upon reasonable request.

At the Franchisee's option, the measurements and reporting above may be changed from calendar quarters to billing or accounting quarters. The Franchisee shall notify the LFA of such a change not less than thirty (30) days in advance.

The Franchisee will offer Subscribers "appointment window" alternatives for arrival to perform installations, Service Calls and other activities of a maximum four (4) hours scheduled time block during appropriate daylight available hours, usually beginning at 8:00 AM unless it is deemed appropriate to begin earlier by location exception. At the Franchisee's discretion, the Franchisee may offer Subscribers appointment arrival times other than these four (4) hour time blocks, if agreeable to the Subscriber. These hour restrictions do not apply to weekends.

SECTION 4: SERVICE INTERRUPTIONS AND OUTAGES

A. The Franchisee shall promptly notify the LFA of any Significant Outage of the Cable Service.

The Franchisee shall exercise commercially reasonable efforts to limit any Significant Outage for the purpose of maintaining, repairing, or constructing the Cable System. Except in an emergency or other situation necessitating a more expedited or alternative notification procedure, the Franchisee may schedule a Significant Outage for a period of more than four (4) hours during any twenty-four (24) hour period only after the LFA and each affected Subscriber in the Service Area have been given fifteen (15) days prior notice of the proposed Significant Outage.

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

Under Normal Operating Conditions, the Franchisee must Respond to a call from a Subscriber regarding a Service Interruption or other service problems within the following time frames:

Within twenty-four (24) hours, including weekends, of receiving subscriber calls respecting Service Interruptions in the Service Area.

The Franchisee must begin actions to correct all other Cable Service problems the next business day after notification by the Subscriber or the LFA of a Cable Service problem.

Under Normal Operating Conditions, the Franchisee shall complete Service Calls within seventy-two (72) hours of the time Franchisee commences to Respond to the Service Interruption, not including weekends and situations where the Subscriber is not reasonably available for a Service Call to correct the Service Interruption within the seventy-two (72) hour period.

The Franchisee shall meet the standard in Subsection E. of this Section for ninety percent (90%) of the Service Calls it completes, as measured on a quarterly basis.

Franchisee shall provide LFA with a report upon request from LFA, but in no event more than once a quarter within thirty (30) days following the end of each calendar quarter, noting the percentage of Service Calls completed within the seventy-two (72) hour period not including

Service Calls where the Subscriber was reasonably unavailable for a Service Call within the seventy-two (72) hour period as set forth in this Section. Subject to consumer privacy requirements, underlying activity will be made available to LFA for review upon reasonable request. At the Franchisee's option, the above measurements and reporting may be changed from calendar quarters to billing or accounting quarters. The Franchisee shall notify the LFA of such a change at least thirty (30) days in advance.

Under Normal Operating Conditions, the Franchisee shall provide a credit upon Subscriber request when all Channels received by that Subscriber are out of service for a period of four (4) consecutive hours or more. The credit shall equal, at a minimum, a proportionate amount of the affected Subscriber(s) current monthly bill. In order to qualify for the credit, the Subscriber must promptly report the problem and allow the Franchisee to verify the problem if requested by the Franchisee. If Subscriber availability is required for repair, a credit will not be provided for such time, if any, that the Subscriber is not reasonably available.

Under Normal Operating Conditions, if a Significant Outage affects all Video Programming Cable Services for more than twenty-four (24) consecutive hours, the Franchisee shall issue an automatic credit to the affected Subscribers in the amount equal to their monthly recurring charges for the proportionate time the Cable Service was out, or a credit to the affected subscribers in the amount equal to the charge for the basic plus enhanced basic level of service for the proportionate time the Cable Service was out, whichever is technically feasible or, if both are technically feasible, as determined by Franchisee provided such determination is non-discriminatory. Such credit shall be reflected on Subscriber billing statements within the next available billing cycle following the outage.

With respect to service issues concerning cable services provided to LFA facilities, Franchisee shall Respond to all inquiries from the LFA within four (4) hours and shall commence necessary repairs within twenty-four (24) hours under Normal Operating Conditions. If such repairs cannot be completed within twenty-four (24) hours, the Franchisee shall notify the LFA in writing as to the reason(s) for the delay and provide an estimated time of repair.

SECTION 5: CUSTOMER COMPLAINTS

Under Normal Operating Conditions, the Franchisee shall investigate Subscriber complaints referred by the LFA within seventy-two (72) hours. The Franchisee shall notify the LFA of those matters that necessitate an excess of seventy-two (72) hours to resolve, but those matters must be resolved within fifteen (15) days of the initial complaint. The LFA may require reasonable documentation to be provided by the Franchisee to substantiate the request for additional time to resolve the problem. For purposes of this Section, "resolve" means that the Franchisee shall perform those actions, which, in the normal course of business, are necessary to investigate the Customer's complaint and advise the Customer of the results of that investigation.

SECTION 6: BILLING

A. Subscriber bills must be itemized to describe Cable Services purchased by Subscribers and related equipment charges. Bills shall clearly delineate activity during the billing period, including optional charges, rebates, credits, and aggregate late charges. Franchisee shall, without

limitation as to additional line items, be allowed to itemize as separate line items, Franchise fees, taxes and/or other governmentally imposed fees. The Franchisee shall maintain records of the date and place of mailing of bills.

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

A specific due date shall be listed on the bill of every Subscriber whose account is current. Delinquent accounts may receive a bill which lists the due date as upon receipt; however, the current portion of that bill shall not be considered past due except in accordance with Subsection 6.B. above.

Any Subscriber who, in good faith, disputes all or part of any bill shall have the option of withholding the disputed amount without disconnect or late fee being assessed until the dispute is resolved provided that:

The Subscriber pays all undisputed charges;

The Subscriber provides notification of the dispute to Franchisee within five (5) days prior to the due date; and

The Subscriber cooperates in determining the accuracy and/or appropriateness of the charges in dispute.

It shall be within the Franchisee's sole discretion to determine when the dispute has been resolved.

Under Normal Operating Conditions, the Franchisee shall initiate investigation and resolution of all billing complaints received from Subscribers within five (5) business days of receipt of the complaint. Final resolution shall not be unreasonably delayed.

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

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

The Franchisee shall provide all Subscribers with the option of paying for Cable Service by check or an automatic payment option where the amount of the bill is automatically deducted from a checking account designated by the Subscriber. Franchisee may in the future, at its' discretion, permit payment by using a major credit card on a preauthorized basis. Based on credit history, at the option of the Franchisee, the payment alternative may be limited.

LFA hereby requests that Franchisee omit LFA's name, address, and telephone number from Subscriber bills as permitted by 47 C.F.R. § 76.952.

SECTION 7: DEPOSITS, REFUNDS AND CREDITS

A. The Franchisee may require refundable deposits from Subscribers 1) with a poor credit or poor payment history, 2) who refuse to provide credit history information to the Franchisee, or 3) who rent Subscriber equipment from the Franchisee, so long as such deposits are applied on a non-discriminatory basis. The deposit the Franchisee may charge Subscribers with poor credit or poor payment history or who refuse to provide credit information may not exceed an amount equal to an average Subscriber's monthly charge multiplied by six (6). The maximum deposit the Franchisee may charge for Subscriber equipment is the cost of the equipment which the Franchisee would need to purchase to replace the equipment rented to the Subscriber.

The Franchisee shall refund or credit the Subscriber for the amount of the deposit collected for equipment, which is unrelated to poor credit or poor payment history, after one year and provided the Subscriber has demonstrated good payment history during this period. The Franchisee shall pay interest on other deposits if required by law.

C. Under Normal Operating Conditions, refund checks will be issued within the next available billing cycle following the resolution of the event giving rise to the refund, (e.g. equipment return and final bill payment).

D. Credits for Cable Service will be issued no later than the Subscriber's next available billing cycle, following the determination that a credit is warranted, and the credit is approved and processed. Such approval and processing shall not be unreasonably delayed.

E. Bills shall be considered paid when appropriate payment is received by the Franchisee or its authorized agent. Appropriate time considerations shall be included in the Franchisee's collection procedures to assure that payments due have been received before late notices or termination notices are sent.-

SECTION 8: RATES, FEES AND CHARGES

A. The Franchisee shall not, except to the extent expressly permitted by law, impose any fee or charge for Service Calls to a Subscriber's premises to perform any repair or maintenance work related to Franchisee equipment necessary to receive Cable Service, except where such problem is caused by a negligent or wrongful act of the Subscriber (including, but not limited to a situation in which the Subscriber reconnects Franchisee equipment incorrectly) or by the failure of the Subscriber to take reasonable precautions to protect the Franchisee's equipment (for example, a dog chew).

The Franchisee shall provide reasonable notice to Subscribers of the possible assessment of a late fee on bills or by separate notice.

SECTION 9: DISCONNECTION /DENIAL OF SERVICE

A. The Franchisee shall not terminate Cable Service for nonpayment of a delinquent account unless the Franchisee mails a notice of the delinquency and impending termination prior to the proposed final termination. The notice shall be mailed to the Subscriber to whom the Cable Service is billed. The notice of delinquency and impending termination may be part of a billing statement.

Cable Service terminated in error must be restored without charge within twenty-four (24) hours of notice. If a Subscriber was billed for the period during which Cable Service was terminated in error, a credit shall be issued to the Subscriber if the Service Interruption was reported by the Subscriber.

Nothing in these standards shall limit the right of the Franchisee to deny Cable Service for non-payment of previously provided Cable Services, refusal to pay any required deposit, theft of Cable Service, damage to the Franchisee's equipment, abusive and/or threatening behavior toward the Franchisee's employees or representatives, or refusal to provide credit history information or refusal to allow the Franchisee to validate the identity, credit history and credit worthiness via an external credit agency.

D. Charges for cable service will be discontinued at the time of the requested termination of service by the subscriber, except equipment charges may be applied until equipment has been returned. No period of notice prior to requested termination of service can be required of Subscribers by the Franchisee. No charge shall be imposed upon the Subscriber for or related to total disconnection of Cable Service or for any Cable Service delivered after the effective date of the disconnect request, unless there is a delay in returning Franchisee equipment or early termination charges apply pursuant to the Subscriber's service contract. If the Subscriber fails to specify an effective date for disconnection, the Subscriber shall not be responsible for Cable Services received after the day following the date the disconnect request is received by the Franchisee. For purposes of this subsection, the term "disconnect" shall include Subscribers who elect to cease receiving Cable Service from the Franchisee and to receive Cable Service or other multi-channel video service from another Person or entity.

SECTION 10: COMMUNICATIONS WITH SUBSCRIBERS

A. All Franchisee personnel, contractors and subcontractors contacting Subscribers or potential Subscribers outside the office of the Franchisee shall wear a clearly visible identification card bearing their name and photograph. The Franchisee shall make reasonable effort to account for all identification cards at all times. In addition, all Franchisee representatives shall wear appropriate clothing while working at a Subscriber's premises. Every service vehicle of the Franchisee and its contractors or subcontractors shall be clearly identified as such to the public. Specifically, Franchisee vehicles shall have the Franchisee's logo plainly visible. The vehicles of those contractors and subcontractors working for the Franchisee shall have the contractor's / subcontractor's name plus markings (such as a magnetic door sign) indicating they are under contract to the Franchisee.

All contact with a Subscriber or potential Subscriber by a Person representing the Franchisee shall be conducted in a courteous manner.

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

All notices identified in this Section shall be by either:

A separate document included with a billing statement or included on the portion of the monthly bill that is to be retained by the Subscriber; or

A separate electronic notification

The Franchisee shall provide reasonable notice to Subscribers of any pricing changes or additional changes (excluding sales discounts, new products or offers) and, subject to the foregoing, any changes in Cable Services, including channel line-ups. Such notice must be given to Subscribers a minimum of thirty (30) days in advance of such changes if within the control of the Franchisee, and the Franchisee shall provide a copy of the notice to the LFA including how and where the notice was given to Subscribers.

The Franchisee shall provide information to all Subscribers about each of the following items at the time of installation of Cable Services, annually to all Subscribers, at any time upon request, and, subject to Subsection 10.E., at least thirty (30) days prior to making significant changes in the information required by this Section if within the control of the Franchisee:

Products and Cable Service offered;

Prices and options for Cable Services and condition of subscription to Cable Services. Prices shall include those for Cable Service options, equipment rentals, program guides, installation, downgrades, late fees and other fees charged by the Franchisee related to Cable Service;

Installation and maintenance policies including, when applicable, information regarding the Subscriber's in-home wiring rights during the period Cable Service is being provided;

Channel positions of Cable Services offered on the Cable System;

Complaint procedures, including the name, address and telephone number of the LFA, but with a notice advising the Subscriber to initially contact the Franchisee about all complaints and questions;

Procedures for requesting Cable Service credit;

The availability of a parental control device;

Franchisee practices and procedures for protecting against invasion of privacy; and

The address and telephone number of the Franchisee's office to which complaints may be reported.

A copy of notices required in this Subsection 10.F. will be given to the LFA at least fifteen (15) days prior to distribution to subscribers if the reason for notice is due to a change that is within the control of Franchisee and as soon as possible if not within the control of Franchisee.

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

Notices of changes of Cable Services and/or Channel locations shall include a description of the new Cable Service, the specific channel location, and the hours of operation of the Cable Service if the Cable Service is only offered on a part-time basis. In addition, should the channel location,

hours of operation, or existence of other Cable Services be affected by the introduction of a new Cable Service, such information must be included in the notice.

Every notice of termination of Cable Service shall include the following information:

The name and address of the Subscriber whose account is delinquent;

The amount of the delinquency for all services billed;

The date by which payment is required in order to avoid termination of Cable Service; and

The telephone number for the Franchisee where the Subscriber can receive additional information about their account and discuss the pending termination.

