

GRANT OF FRANCHISE

TREDYFFRIN TOWNSHIP

CHESTER COUNTY, PENNSYLVANIA

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A GRANT OF FRANCHISE RENEWING THE RIGHT OF HARRON COMMUNICATIONS CORP. TO USE TOWNSHIP STREETS AND RIGHTS-OF-WAY TO PROVIDE CABLE AND OTHER TELECOMMUNICATION SYSTEMS AND SERVICE.

Section 1-141

Franchisee; Duration of Franchise

Adelphia Comcast

- A. A Franchise is hereby granted to ~~Harron~~ Communications Corp. (Franchisee), a corporation organized under the laws of the State of Pennsylvania and qualified to do business in the State of Pennsylvania.
- B. The Franchise granted hereunder (the "Grant") shall take effect upon Franchisee's acceptance as provided in Section 1-122.F of the Tredyffrin Township Cable and other Telecommunication System Ordinance, No. HR-243, (the "Regulatory Ordinance") and shall exist for a term of fifteen (15) years. This Grant shall otherwise expire after fifteen (15) years, unless renewed in accordance with the provisions of Section 1-123 of the Regulatory Ordinance, or terminated sooner under the provisions of this Grant or the Regulatory Ordinance.
- C. Upon acceptance of Franchise, Franchisee shall be bound by all definitions, terms and conditions contained in this Grant, and the Regulatory Ordinance incorporated herein by reference.
- D. The Franchise is granted for the territorial boundary of the Township.

- A. This Franchise authorizes use of Township Streets for installing cables, wires lines, optical fiber, underground conduit, and other Facilities to operate a Cable and other Telecommunication System within the Franchise Area, but does not expressly or implicitly authorize the Franchisee to provide Service to, or install cables, wires, lines, underground conduit, or any other equipment or Facilities on private property without owner consent (except for use of compatible easements pursuant to Section 621 of the Cable Act, 47 U.S.C. §541(a)(2)), or to use other publicly or privately owned conduits without a separate agreement with the owners; nor does this Franchise authorize the Franchisee to provide Service(s) of any nature outside of the scope of Cable and other Telecommunication Service as defined in this Grant and the Regulatory Ordinance.
- B. This Franchise is non-exclusive and will not explicitly or implicitly preclude the issuance of other Franchises to operate Cable and other Telecommunication Systems within the Township, or affect the Township's right to authorize use of Township Streets by other Persons to operate Cable and other Telecommunication Systems or for other purposes as it determines appropriate.
- C. Once this Franchise has been accepted by the Franchisee, the definitions, terms, conditions, and provisions of this Grant, and the Regulatory Ordinance, subject to all other

duly enacted and applicable laws, shall define the rights and obligations of the Franchisee and the Township relating to the Franchise.

- D. All privileges prescribed by this Franchise shall be subordinate to any prior lawful occupancy of the Streets, and the Township reserves the right to reasonably designate where the Franchisee's Facilities are to be placed within the Streets.

- E. This Franchise is a privilege that is in the public trust and personal to the original Franchisee. No Transfer of this Franchise shall occur without the prior written consent of the Township and unless application is made by the Franchisee and Township approval is obtained, pursuant to Section 1-156 of this Grant.

Section 1-143 Franchisee Subject to Other Laws, Police Power

- A. The Franchisee shall at all times be subject to all lawful exercise of the police power of the Township, and to such reasonable regulations as the Township may hereafter provide by ordinance or resolution, including, without limitation, all rights the Township may have under Section 632 of the Cable Act, 47 U.S.C. §552. The Franchisee shall at all times be subject to and shall comply with all Federal or State Laws, as well as Township laws and regulations, as the same may be amended from time to time.

- B. No course of dealing between Franchisee and the Township, nor any delay on the part of the Township or Franchisee in exercising any rights hereunder, shall operate as a waiver of any such rights of the Township or Franchisee or acquiescence in the actions of the Township or Franchisee in contravention of rights except to the extent expressly waived by the Township or Franchisee or expressly provided for hereunder.
- C. The Township shall have the maximum plenary authority to regulate Cable and other Telecommunication Systems, Franchisees, and Franchises as may now or hereafter be lawfully permissible; except where rights are expressly waived they are reserved, whether expressly enumerated or not.

Section 1-144

Interpretation of Franchise Terms

- A. The provisions of this Grant will be construed in order to effectuate the purposes and objectives of this Grant and the Regulatory Ordinance and to promote the public interest.
- B. Except as to matters that are governed by Federal Law or regulation, the Franchise hereunder will be governed by and construed in accordance with the laws of the State of Pennsylvania.

Section 1-145

Right of Condemnation Reserved

Nothing in this Ordinance shall limit any right the Township may have to acquire by eminent domain or otherwise any property of Franchisee.

Section 1-146

System Design and Technical Standards

- A. Franchisee shall maintain the technological sophistication of the Cable and other Telecommunication System operated pursuant to the Franchise granted hereunder at a level consistent with technical standards in the industry as prevailing from time to time, and as will reasonably accommodate the Cable and other Telecommunication needs of the Township and its residents. Said needs shall be determined by public forums, surveys, and/or other means of ascertainment, and shall take into account the cost of meeting such needs. The Township may require Franchisee to report yearly on prevailing technical standards.
- B. Franchisee shall, upon completion of any Cable and other Telecommunication System upgrade, submit to the Township, in written and computer form, "as-built" maps for the entire Cable and other Telecommunication System, as upgraded, to the extent that such maps have not been previously provided to the Township.

- C. Franchisee shall design the technical specifications of the Cable and other Telecommunication System in accordance with Federal or State Law.
- D. At such times as required by FCC rules or other Federal or State Law, the Franchisee shall perform at its expense proof of performance tests, designed to demonstrate compliance with this Grant and FCC requirements. The Franchisee shall provide the proof of performance test results promptly to the Township. Franchisee shall provide the Township ten (10) days' advance written notice when a proof of performance or other required test is scheduled so that the Township may have an observer present. The Township shall have the right to inspect the Cable and other Telecommunication System Facilities during and after their construction to ensure compliance with this Grant, the Regulatory Ordinance, and Federal or State Law, and may require that the Franchisee perform additional tests based upon its prior investigation of System performance or upon Subscriber complaints.

Section 1-147

Minimum Facilities and Services

- A. Emergency Alert System: Franchisee shall install and thereafter maintain an Emergency Alert System ("EAS"). This EAS shall be remotely activated by telephone and shall allow override of audio on all channels of the System in the event of a civil emergency, or for reasonable tests, as determined by the Township in conformance with applicable Township,

County, State or Federal guidelines, policies and operating procedures. Franchisee shall provide training and assistance for Township officials regarding use of the EAS.

B. **Emergency Use:** Upon request of the Township, Franchisee shall make available additional Systems and related Facilities reasonably necessary for Township use during officially designated emergencies or disasters.

C. **Access Channels:**

1. The Township shall require that the Franchisee reserve for exclusive use by the Township three (3) channels of its downstream channel capacity for public, educational, and governmental use, delivering a signal of a quality equivalent to other channels on the System.
2. The Township shall require that the Franchisee reserve for exclusive use by the Township, without charge, up to three (3) channels of its activated upstream capacity for public, educational and governmental use. Franchisee shall provide, without charge, upstream capacity for live telecasts from the Township building and any high school within the Township boundaries.
3. The requirements of this Subsection relating to public, educational and governmental access channels may, at

the discretion of the Township, be satisfied by the provision by Franchisee of the necessary capacity to be shared by the Township with other area municipalities or franchisors within Harron's local System, or with Franchisee's programming, if sufficient capacity is available to meet the reasonable needs of Township residents. The Township shall have sole discretion in determining whether a sharing arrangement is permissible, or is sufficient to meet Township public, educational and governmental needs.

- D. Studio and Equipment: In addition to the currently existing public access facility currently located at Conestoga High School, the Township shall require that the Franchisee provide to the Township sufficient funds for the purpose of creating one public access facility located within the Township Building. The Franchisee shall equip the additional facility with such equipment as may be reasonably agreed by the parties, including without limitation, portable camera equipment suitable for community use, automated editing and playback equipment, and control equipment, so that signals can be received on the upstream channels of the Cable and other Telecommunication System. The public access facilities, including all equipment therein, shall be reserved for the exclusive use of public, educational and governmental access channels and users, except that Franchisee may utilize facilities when not otherwise in use by said public, educational and governmental access channels and users. Upon completion of

the additional facility, Franchisee shall provide on-going financial support for both facilities in a manner and magnitude which is no less than Franchisee's historical pattern of such support.

E. Training and Programming Support: Franchisee shall employ, at Franchisee's expense, adequate personnel to operate studios and equipment described in Subsection D of Section 1-147 of this Grant. Such personnel shall also train and supervise, without charge, Township residents who wish to produce and edit public, educational or governmental programming. Staffing and supervision by Franchisee's personnel shall be provided during a minimum number of hours per week as specified from time to time by the Township. Duties of Franchisee's personnel with regard to studio and equipment shall include, but not be limited to, the following:

1. Supervision of all production and production related activities;
2. Basic and advanced training for Township residents on all studio and editing equipment.

F. Connections: The Franchisee shall furnish, free of charge, Service distribution connections to each school, fire station, police station, Township building and public library located within the Township.

- A. System Construction Schedule: The Franchisee shall specify the construction schedule.
- B. Construction Standards:
1. This Franchise is granted pursuant to, and subject to Franchisee's compliance with, all applicable building, zoning, safety and occupational regulations pursuant to Federal or State Law or Township laws or regulations.
 2. All construction work involving disturbance of Township streets or other public or private property shall be completed promptly and shall be complete in accordance with the provisions of Section 1-154 only upon restoration at Franchisee's expense of the disturbed area(s) to a condition equalling or exceeding the pre-construction condition, to the satisfaction of the Township or private property owner, and approved by the Township Engineer.
 3. Prior to erection of any towers, poles, or conduits or the construction, upgrade, or rebuild of a Cable and other Telecommunication Systems authorized under this Grant and the Regulatory Ordinance, the Franchisee shall first submit to the Township and other designated parties in accordance with applicable municipal ordinances, for approval, a concise description of the

Facilities proposed to be erected or installed, including engineering drawings, if required, together with a map and plans indicating the proposed location of all such Facilities. No erection or installation of any tower, pole, underground conduit, or fixture or any rebuilds or upgrading of the Cable and other Telecommunication System shall be commenced by any Person until such approval therefor has been received from the Township.

4. All safety practices required by law shall be used during construction, maintenance, and repair of a Cable and other Telecommunication System. A Franchisee shall not place Facilities, equipment or fixtures where they will interfere with any gas, electric, telephone, water, sewer, or other utility facilities, or obstruct or hinder in any manner the various utilities serving the residents of the Township, or otherwise interfere with use of any Street or any other public Rights-of-Way.
5. Any contractor or subcontractor who is to construct, install, operate, maintain, repair, or otherwise work on System equipment must be properly licensed under laws of the State and all applicable local ordinances.
6. All poles, lines, structures and other facilities of Franchisee in, over and under the streets, sidewalks, alleys, easements and other public grounds or places

within the Township shall be kept by the Franchisee at all times in a safe condition.

7. Where reasonably necessary, Franchisee shall, on the request of any Person holding a building moving permit issued by the Township, temporarily raise or lower its wires to permit the moving of buildings. The expense of such temporary removal or raising or lowering of wires shall be paid by the Person requesting same, and the Franchisee shall have the authority to require such payment in advance, except in the case where the requesting Person is the Township, in which case no such payment shall be required. The Franchisee shall be given not less than five (5) calendar days' advance notice to arrange for such temporary wire changes.

C. Location of System Facilities:

1. A Franchisee shall use, with the owner's permission, existing underground conduits or overhead utility facilities whenever feasible and may not erect poles in Public Rights-of-Way without the express permission of the Township. Copies of agreements for use of conduits or other facilities shall be filed with the Township on request.
2. (a) Franchisee shall have the right, authority, power and privilege to attach any System Facilities to any existing or future poles, towers, or other electrical

facilities owned by the Township in a manner which will not interfere with the use of such poles, towers and other electrical facilities by the Township. The Township shall not unreasonably withhold access to such poles, towers and other electrical facilities.

(b) Except to the extent inconsistent with the Pole Attachment Act of 1978 or any other applicable Federal law, Franchisee agrees to pay to the Township that fee per year per pole owned by the Township and used by Franchisee arrived at by negotiation and contract with PECO Energy Co. and/or Bell Atlantic and/or successors thereto for the use of their poles; or, if the two fees are dissimilar, the higher of the two; or, if no satisfactory agreement is reached with either utility, then said fee shall be One Dollar and Fifty Cents (\$1.50) per pole per year.

3. The Township shall have the right to install and maintain free of charge upon the poles owned by the Franchisee any wire and pole fixtures that do not unreasonably interfere with the Cable and other Telecommunication System operations of the Franchisee.
4. To the extent that existing poles or underground conduits are insufficient for Franchisee's purposes, or if Franchisee is unable to negotiate agreements providing for use of existing utility facilities, Franchisee shall have the right to erect or construct

and maintain its own such facilities as necessary for the construction and maintenance of its Cable and other Telecommunication System, subject to the approval of the location by the Township Engineer.

5. The Township Engineer shall not approve the installation of new poles when, in his professional opinion, the installation of such new transmission facilities in underground conduit is feasible from an engineering standpoint. In addition, on Streets where both electrical utility and telephone wiring are located underground, either at the time of initial construction of a Cable and other Telecommunication System or at any time thereafter, a Franchisee's wiring shall also be located underground at the Franchisee's expense. Between a Street and a Subscriber's residence, a Franchisee's wiring must be located underground if both electrical and telephone utility wiring are located underground. If either electric or telephone utility wiring is aerial, a Franchisee may install aerial wiring except where a property owner or resident requests underground installation and agrees to bear the additional cost of such installation over and above the cost of aerial installation.
6. All wires, lines, and other transmission lines, equipment and structures shall be installed and located to cause minimum interference with the rights and convenience of property owners.

7. The Township may issue and Franchisee shall comply with, such rules and regulations concerning the installation and maintenance of a Cable and other Telecommunication System installed in, on or over the Streets, as may be consistent with this Grant and the Regulatory Ordinance.

8. A Franchisee shall have the authority to trim trees that overhang a Street of the Township so as to prevent the branches of such trees from coming in contact with the wires of the Franchisee. At the option of the Township, such trimming may be done by it or under its supervision and direction, at the expense of the Franchisee.

D. Moving, Removal or Abandonment of Facilities:

1. A Franchisee shall, at its expense, and by a time specified by the Township, protect, support, temporarily disconnect, relocate, or remove any of its property when required by the Township by reason of traffic conditions, public safety, Street construction, Street resurfacing or widening, change of Street grade, installation of sewers, drains, water pipes, power lines, signal lines, tracks, any other type of municipal or public utility improvements, street vacation, or for any other purpose where the convenience of the Township would be served thereby. The Township shall reimburse a Franchisee under this

subsection to the same extent that it reimburses telephone, electric and other like companies for such disconnection, relocation or removal.

2. If any removal or relocation is required to accommodate the construction, operation, or repair of the facilities of another Person that is authorized to use the public Streets, a Franchisee shall, after thirty (30) days' advance written notice, take action to effect the necessary changes requested by that Person. All costs to the Franchisee of any such removal, relaying or relocation of its Facilities shall be absorbed by the Person requesting same.
3. Where part of the Cable and other Telecommunication System creates or is contributing to an imminent danger to health, safety, or property, the Township may remove or relocate that part of the Cable and other Telecommunication System without prior notice. When possible, the Township will make reasonable efforts to notify Franchisee and give Franchisee reasonable opportunity to cure.
4. In the event the use of any part of a Cable and other Telecommunication System is discontinued for any reason for a continuous period of twelve (12) months, or if a part of such System has been installed in any Street without complying with the requirements of this Grant and the Regulatory Ordinance, or the

Franchise has been terminated or cancelled or has expired, the Franchisee, within thirty (30) days after written notice by the Township, shall commence removal from the Streets of all such affected part or parts of such System as the Township may require.

5. The Township may extend the time for the removal of abandoned facilities for a period not to exceed one hundred eighty (180) days.
 6. In the event of such removal or abandonment, the Franchisee shall restore the area to a condition satisfactory to the Township.
- E. Publicizing Proposed Construction Work: Franchisee shall publicize significant proposed construction work at least one (1) week prior to commencement of that work by causing written notice of such construction work to be delivered to the Township Manager and by notifying those Persons most likely to be affected by the work in at least two of the following ways: by telephone, in person, by mail, by distribution of flyers to residences or by publication in local newspapers. In addition, before entering onto any person's property, the Franchisee shall make reasonable efforts to contact the property owner or (in the case of residential property) the resident at least two (2) days in advance. If the Franchisee must enter premises, it must make reasonable efforts to schedule an appointment at the convenience of the owner or resident.

A. Open Book and Records: The Township shall have the right to inspect and copy upon two (2) weeks' written notice at any time during normal business hours all books, receipts, maps, plans, financial statements, contracts, service complaint logs, performance test results, records of requests for Service and other reasonable material of Franchisee relating to the operation of Franchisee's Cable and other Telecommunication System serving the Township and which are required by the Township to perform its regulatory and compliance monitoring responsibilities under the terms of this Grant, the Regulatory Ordinance or applicable law. Except as public disclosure of the above information is required in the exercise of the Township's regulatory authority, the Township shall use reasonable efforts to maintain the confidentiality of Franchisee's proprietary information.

B. Reports Required: The Franchisee shall, from time to time, and at the Township's written request, file the following reports with the Township:

1. All reports required by Federal or State Law, including, but not limited to any proof of performance tests and results, Equal Employment Opportunity (EEO) reports, and all petitions, applications, and communications of all types submitted by Franchisee to the FCC, the Securities and Exchange Commission (SEC),

or any other Federal or State regulatory commission or agency having jurisdiction over any matter affecting operation of Franchisee's System.

2. An annual report setting forth the physical miles of plant construction and plant in operation during the fiscal year. Such report shall also contain any revisions to the System "as built" maps filed with the Township. The annual reports shall be provided in February.
3. Construction reports will, at the request of the Township, be sent to the Township bi-monthly after the Grant of Franchise is awarded for any construction undertaken during the term of the Franchise until construction is complete.
4. Proof of performance test results will be supplied to the Township when sections of the System are rebuilt and as required in this Grant or the Regulatory Ordinance.
5. Technical tests required by the Township as specified in this Grant will be submitted to the Township promptly upon completion of such tests.
6. The following financial reports for the Franchise Area, as specified hereunder and submitted annually to the

Township ninety (90) days after the end of the Franchisee's fiscal year:

- (a) An ownership report, indicating all Persons, who at any time during the preceding year did control or benefit from an interest in the Franchise of five (5) percent or more.
- (b) An annual fully audited and certified financial report from the previous calendar year; income statement showing Subscriber revenue from each category of Service and every source of non-Subscriber revenue, line operating expenses, depreciation expense, interest expense, and taxes paid; statement of sources and applications of funds; and depreciation schedule.
- (c) An annual list of officers and members of the Board of Directors of Franchisee and any Affiliates.

7. The following System and operational reports shall be submitted annually to the Township:

- (a) A report on the System's technical tests and measurements;

- (b) A report on programs and Services offered by Franchisee;
 - (c) An annual summary of the previous year's activities including, but not limited to, Subscriber totals for each category of Service offered, including number of pay units sold, new Services offered, and the amount collected annually from other Users of the System and the character and extent of the Service rendered thereto.
 - (d) An annual summary of complaints received and handled.
8. The Franchisee shall, upon written request, prepare and furnish to the Township at the time and in the form prescribed, such additional reports with respect to its operation, affairs, transactions, or property as may be reasonably necessary and appropriate to the performance of any of the rights, functions or duties of the Township in connection with this Grant and the Regulatory Ordinance.

C. Records Required:

- 1. The Franchisee shall at all times maintain:

(a) A record of all complaints received and interruptions or degradation of Service experienced for the preceding period prior to a performance review.

(b) A full and complete set of plans, records, and "as built" maps showing the exact location of all Cable and other Telecommunications System equipment installed or in use in the Township, exclusive of Subscriber Service drops.

2. The Township may impose reasonable requests for additional information, records and documents from time to time appropriate to the performance of any of the rights, functions or duties of the Township in connection with this Grant and the Regulatory Ordinance.

D. Performance Evaluation:

1. The Township may, at its discretion, hold scheduled performance evaluation sessions annually. All such evaluation sessions shall be open to the public.

2. Special evaluation sessions may be held at any time during the term of the Franchise at the request of the Township.

3. All evaluation sessions shall be open to the public and announced in a newspaper of general circulation. Franchisee shall notify subscribers of all such evaluation sessions by announcement on a local origination channel on the System between the hours of 11:00 a.m. and 9:00 p.m. for five (5) consecutive days preceding each session.
4. Topics that may be discussed at any scheduled or special evaluation session may include, but not be limited to System performance and construction, Franchisee compliance with this Grant and the Regulatory Ordinance, customer service and complaint response, subscriber privacy, Services provided, programming offered, Service rate structures, Franchise fees, penalties, free or discounted Services, applications of new technologies, judicial and FCC filings, and line extensions.
5. During the review and evaluation by the Township, the Franchisee shall fully cooperate with the Township and shall provide such information and documents as the Township may need to reasonably perform its review.

Section 1-150

Consumer Protection Provisions

- A. **Customer Service Requirements:** Unless otherwise prohibited by law, Franchisee shall comply with the requirements of 47 CFR §76.309, as amended from time to time, incorporated

herein by reference as if fully set forth, relating to customer service obligations of a Franchisee. Violations of the provisions of 47 CFR §76.309, or any other customer service standard or obligation enumerated within this Grant, may result in the imposition on the Franchisee of certain fines as enumerated by Section 1-131 of the Regulatory Ordinance.

B. Should the Federal Customer Service Standards enumerated in 47 CFR §76.309 be repealed, the following customer service standards will be enforced pursuant to this Grant:

1. System office hours and telephone availability. -

(a) The Operator will maintain a local, toll-free or collect call telephone access line which will be available to its subscribers 24 hours a day, seven days a week.

- Trained company representatives will be available to respond to customer telephone inquiries during normal business hours.

- After normal business hours, the access line may be answered by a service or an automated response system, including an answering machine. Inquiries received after normal business hours must be responded to by a trained company representative on the next business day.

(b) Under normal operating conditions, telephone answer time by a customer representative, including wait time, shall not exceed thirty (30)

seconds when the connection is made. If the call needs to be transferred, transfer time shall not exceed thirty (30) seconds. These standards shall be met no less than ninety (90) percent of the time under normal operating conditions, measured on a quarterly basis.

- (c) The Operator will be required to acquire equipment or perform surveys to measure compliance with the telephone answering standards above if a historical record of complaints indicates a clear failure to comply.
- (d) Under normal operating conditions, the customer will receive a busy signal less than three (3) percent of the time.
- (e) Customer service and bill payment centers will be open at least during normal business hours and will be easily accessible to customers.

2. Installations, outages and service calls. Under normal operating conditions, each of the four standards will be met no less than ninety-five (95) percent of the time measured on a quarterly basis.

(a) Standard installations will be performed within seven (7) business days after an order has been placed. "Standard" installations are those that are located up to 125 feet from the existing distribution system.

(b) Excluding conditions beyond the control of the Operator, the Operator will begin working on "service interruptions" promptly and in no event

later than 24 hours after the interruption becomes known. The Operator must begin actions to correct other service problems the next business day after notification of the service problem.

- (c) The "appointment window" alternatives for installations, service calls, and other installation activities will be either a specific time or, at maximum, a four-hour time block during normal business hours. (The Operator may schedule service calls and other installation activities outside of normal business hours for the express convenience of the customer.)
- (d) An Operator may not cancel an appointment with a customer after the close of business on the business day prior to the scheduled appointment.
- (e) If an Operator representative will be late for an appointment with a customer and will not be able to keep the appointment as scheduled, the customer will be contacted. The appointment will be rescheduled, as necessary, at a time which is convenient to the customer.

3. Communications between Operators and Subscribers.

(a) Notifications to subscribers -

- The Operator shall provide written information on each of the following areas at the time of installation of service, at least annually to all subscribers, and at any time upon request:

- Products and services offered;

charges and equipment charges. Bills will also clearly delineate all activity during the billing period, including optional charges, rebates and credits.

- In case of a billing dispute, the Operator must respond to a written complaint from a subscriber within thirty (30) days.
- (c) Refunds - Refund checks will be issued promptly, but no later than either -
 - The customer's next billing cycle following resolution of the request or thirty (30) days, whichever is earlier, or
 - The return of the equipment supplied by the Operator if service is terminated.
- (d) Credits - Credits for service will be issued no later than the customer's next billing cycle following the determination that a credit is warranted.

4. Definitions -

- (a) Normal business hours - The term "normal business hours" means 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 some weekend hours.
- (b) Normal operating conditions - The term "normal operating conditions" means those service conditions which are within the control of the Operator. Those conditions which are not within

- Prices and options for programming services and conditions of subscription to programming and other services;
 - Installation and service maintenance policies;
 - Instructions on how to use the Service;
 - channel positions programming carried on the System; and
 - Billing and complaint procedures, including the address and telephone number of the Operator's office, as well as the Township office.
- Customers will be notified of any changes in rates, programming services or channel positions as soon as possible through announcements on the System and in writing. Notice must be given to subscribers a minimum of thirty (30) days in advance of such changes if the change is within the control of the Operator. In addition, the Operator shall notify subscribers thirty (30) days in advance of any significant changes in the other information required by the preceding paragraph.

(b) Billing -

- Bills will be clear, concise and understandable. Bills must be fully itemized, with itemizations including, but not limited to, Basic and Programming Service

- F. Parental Control Option: Franchisee shall provide parental control devices to all Subscribers who wish to be able to cut off any objectionable channel or channels of programming from the Cable and other Telecommunication Service entering the Subscriber's home. Franchisee shall charge for this control option only in accordance with the provisions of the Federal or State Law.

Section 1-151 Franchise Fees

- A. Finding: The Township finds that the Streets and Public Rights-of-Way of the County, State, and Township to be used by a Franchisee for the operation of a Cable and other Telecommunication System are valuable public property acquired and maintained by the county, state, and Township at great expense to the taxpayers. The Township further finds that the grant of a Franchise to use Streets and Public Rights-of-Way is a valuable property right without which a Franchisee would be required to invest substantial capital. The Township further finds that as a result of this Grant and regulation of same under the Regulatory Ordinance, it will incur substantial costs.

B. Payment to Township:

1. The Township shall be paid a Franchise fee in an amount of five (5) percent of Gross Annual Revenues, or, if greater, the maximum amount permitted by Federal or State Law. In the event that Federal or State Law is or becomes silent regarding maximum Gross Annual

the control of the Operator include, but are not limited to, natural disasters, civil disturbances, power outages, telephone network outages, and severe or unusual weather conditions. Those conditions which are ordinarily within the control of the Operator include, but are not limited to, special promotions, pay-per-view events, rate increases, regular peak or seasonal demand periods, and maintenance or upgrade of the System.

(c) Service interruption - The term "service interruption" means the loss of picture or sound on one or more channels.

C. Notice of Programming Changes: Franchisee shall give at least thirty (30) days' notice to Subscribers and the Township of any proposed change in programming decisions or channel realignment.

D. Disconnection: Franchisee shall charge Subscribers to have Cable and other Telecommunication Service disconnected only in accordance with the provisions of Federal or State Law. A refund of unused Service charges shall be paid to the customer within thirty (30) days from the date of termination of Service.

E. Downgrade Fees: Franchisee shall charge downgrade fees only in accordance with the provisions of Federal or State Law.

Revenues permitted, the five (5) percent Gross Annual Revenues shall be the Franchise fee paid to the Township.

2. The Franchise fee is in addition to any taxes or other payments that the Franchisee may be required to pay under any Federal or State Law, or local law and to any other tax, fee, or assessment imposed upon Franchisee by utilities or other Operators for use of their Services, Facilities or equipment.
3. Payment of the Franchise fee shall not be considered in the nature of a tax.
4. No acceptance of any payment by the Township shall be construed as a release or an accord and satisfaction of any claim the Township may have for further or additional sums payable as a Franchise fee under this Grant and the Regulatory Ordinance or for the performance of any other obligation of the Franchisee.
5. In the event any Franchise fee payment or recomputation amount is not made on or before the date specified herein, Franchisee shall pay additional compensation and interest charges computed from such due date, at an annual rate equal to the commercial prime interest rate of the Township's primary depository bank during the period such unpaid amount is owed.

6. The Franchise fee and any other costs assessed by the Township against a Franchisee shall be paid quarterly to the Township and shall commence as of the effective date of this Grant. Township shall be furnished at the time of each payment with a statement certified by the Franchisee's chief financial officer or an independent certified public accountant reflecting the total amount of quarterly gross revenues for the payment period. Quarterly payments shall be made to the Township no later than 45 days following the end of each calendar quarter. Quarter computation dates are the last days of the months of March, June, September and December. The Township shall require that an annual statement of gross revenues be furnished to the Township by an independent, certified public accountant, and that Franchisee shall provide an annual complete audit statement for each calendar year within 90 days from the end of that calendar year.

7. The Township shall have the right to inspect and copy the Franchisee's records as is necessary to verify the accuracy of Franchisee's Franchise fee payments, and the rights to audit and to recompute any amounts determined to be payable under this Ordinance for a period of four (4) years from the date of payment. Audits shall be at the expense of the Township unless the audit disclosed an underpayment of greater than five percent (5%) of the entire amount determined to be payable for the period being audited, in which case the

costs of the audit shall be borne by the Franchisee. Any additional amounts due to the Township as a result of the audit shall be paid within thirty (30) days following written notice to the Franchisee by the Township of the underpayment, which notice shall include a copy of the audit report, unless written notice of disagreement is filed by the Franchisee with the Township within such time period. In the case of a dispute, the issue shall be resolved through binding arbitration in accordance with the procedures of the American Arbitration Association.

8. Franchisee shall maintain subscriber revenue records for customers within the Franchise area on a separate basis, and shall provide such records to the Township. Franchisee shall also provide, upon request, such additional documentation to enable the Township to determine the accuracy of Franchisee fee calculations. Except as public disclosure of the above information is required in the exercise of the Township's regulatory authority, the Township shall use reasonable efforts to maintain the confidentiality of Franchisee's proprietary information.

Section 1-152

Insurance; Surety; Indemnification

- A. **Insurance Required:** Franchisee shall maintain, and by its acceptance of this Grant specifically agrees that it will maintain, throughout the entire length of the Franchise

period, at least the following liability insurance coverage insuring the Township and the Franchisee: worker's compensation and employer liability insurance to meet all requirements of Pennsylvania law and comprehensive general liability insurance with respect to the construction, operation and maintenance of the Cable and other Telecommunication System, and the conduct of Franchisee's business in the Township, in the minimum amounts of:

1. \$1,000,000 for property damage resulting from any one accident;
2. \$3,000,000 for personal bodily injury or death resulting from any one accident; and
3. \$3,000,000 for all other types of liability.

B. Qualifications of Sureties: All insurance policies shall be with sureties qualified to do business in the State of Pennsylvania; shall be with sureties with an A-1 or better rating of insurance by Best's Key Rating Guide, Property/Casualty Edition; and in a form approved by the Township Manager.

C. Policies Available for Review: All insurance policies shall be available for review by the Township, and Franchisee shall keep on file with the Township certificates of insurance.

D. **Additional Insureds; Prior Notice of Policy Cancellation:**
All insurance policies shall name the Township, its Board of Supervisors, the Committee, supervisors, officers, boards, commissions, commissioners, agents, and employees as additional insureds and shall further provide that any cancellation or reduction in coverage shall not be effective unless thirty (30) days' prior written notice thereof has been given to the Township. Franchisee shall not cancel any required insurance policy without submission of proof that the Franchisee has obtained alternative insurance satisfactory to the Township which complies with this Grant.

E. **Indemnification:** Franchisee shall, at its sole cost and expense, indemnify, hold harmless, and defend the Township, its Board of Supervisors, the Committee, supervisors, officers, boards, commissions, agents, and employees, against any and all claims, suits, causes of action, proceedings, and judgments for damages or equitable relief arising out of the construction, maintenance, or operations of its Cable and other Telecommunication System, the conduct of Franchisee's business in the Township or in any way arising out of the Franchisee's enjoyment or exercise of the Franchise granted hereunder, except that the Franchisee shall not indemnify, hold harmless, and defend the Township, in connection with any negligent or malicious act or omission solely attributable to the Township. This indemnification provision includes, but is not limited to, the Township's reasonable attorneys' fees incurred in defending against any such claim, suit, or proceeding; and

claims arising out of copyright infringements or a failure by Franchisee to secure consents from the owners, authorized distributors, or Franchisees of programs to be delivered by the Cable and other Telecommunication System.

- F. Indemnification for Cable Act Claims: Franchisee shall, at its sole cost and expense, fully indemnify, defend, and hold harmless the Township, and in its capacity as such, the officers, agents, and employees thereof, from and against any and all claims, suits, actions, liability, and judgments for damages or otherwise subject to Section 638 of the Cable Act, 47 U.S.C. §558, arising out of or alleged to arise out of the installation, construction, operation, or maintenance of its System, including but not limited to any claim for invasion of the right of privacy, defamation of any Person, firm or corporation, or the violation or infringement of any copyright, trade mark, trade name, service mark, or patent, or of any other right of any Person. Nothing herein shall prohibit the Township from participating in the defense of any litigation by its own counsel and obtaining indemnification for the costs associated therewith.

The Franchisee, however, shall not incur any liability hereunder to the Township for any program carried on any channel designated for public, educational, governmental use or on any other channel obtained under Section 612 of the Cable Act (47 U.S.C. §532) unless the program involves obscene material. Further, Franchisee shall not incur liability hereunder to the Township for a program depicting

material of an obscene nature if the producer of such program has indemnified the Franchisee by executing a certification and indemnification agreement.

- G. **No Limit of Liability:** Neither the provisions of this Section nor any damages recovered by the Township shall be construed to limit the liability of the Franchisee for damages under the Grant issued hereunder.

Section 1-153 Security Fund

- A. **Security Deposit:** Prior to the Franchise becoming effective, the Franchisee shall post with the Township a cash security deposit to be used as a security fund to ensure the Franchisee's faithful performance of and compliance with all provisions of this Grant and the Regulatory Ordinance, and other applicable law, and compliance with all orders, permits, and directions of the Township, and the payment by the Franchisee of any claims, liens, fees, or taxes due the Township which arise by reason of the construction, operation, or maintenance of the System, or for any damages or loss suffered by the Township as a result of the Franchisee's nonperformance, including the full amount of any compensation, indemnification or cost of removal of any property of the Franchisee in the event of default, and a reasonable allowance for attorneys' fees and costs. The amount of the security fund shall be Twenty Thousand Dollars (\$20,000.00).

B. **Surety Bond:** The Township and Franchisee may agree that the Franchisee may, in lieu of the security fund, file and maintain with the Township a bond with an acceptable surety in the amount of One Hundred Thousand (\$100,000.00) Dollars to indemnify the Township against any losses it may suffer in the event the Franchisee fails to comply with one or more of the provisions of this Grant. Said bond shall be obtained at the sole expense of the Franchisee and remain in effect for the full term of the Grant plus an additional six (6) months thereafter. The Franchisee and its surety shall be jointly and severally liable under the terms of the bond for any damages or loss suffered by the Township as a result of the Franchisee's nonperformance, including the full amount of any compensation, indemnification or cost of removal of any property of the Franchisee in the event of default, and a reasonable allowance for attorneys' fees and costs, up to the full amount of the bond. The bond shall provide for thirty (30) days' prior written notice to the Township of any intention on the part of the Franchisee to cancel, fail to renew, or otherwise materially alter its terms. Neither the filing of a surety bond with the Township, nor the receipt of any damages recovered by the Township thereunder, shall be construed to excuse faithful performance by the Franchisee or limit the liability of the Franchisee under the terms of this Grant for damages, either to the full amount of the bond or otherwise.

C. **Security Fund in Addition to All Other Township Rights:** The rights reserved to the Township with respect to any security

fund or an indemnity bond are in addition to all other rights of the Township, whether reserved by this Grant and the Regulatory Ordinance or authorized by other law, and no action, proceeding, or exercise of a right with respect to such security fund or indemnity bond will affect any other right the Township may have.

- D. Procedures: In order for the Township to assert its rights to recovery under this Section it shall through the Manager provide notice identifying the specific nature of the default or claim. Franchisee shall, within fifteen (15) days, commence, and diligently work toward, the resolution of the alleged default or claim; such resolution to be achieved within sixty (60) days of notice. In the event of failure of Franchisee to resolve the default or claim, the Township shall issue a notice of default and may thereupon claim its losses against the security fund or the bond.

Section 1-154

Performance Bond

- A. Establishment of Performance Bond: Prior to any Cable and other Telecommunication System construction, upgrade, or other work in the Streets or Rights-of-Way, a Franchisee shall establish in the Township's favor a performance bond in an amount equal to 120% of cost of proposed physical construction (based upon an original or later revised estimate approved by Township Engineer) to ensure the Franchisee's faithful performance of the construction, upgrade, or other work.

B. **Recovery Under Performance Bond:** In the event Franchisee subject to such a performance bond fails to complete the Cable and other Telecommunication System construction, upgrade, or other work in the Streets in a safe, timely, and competent manner in accord with the material provisions of this Grant, there shall be recoverable, jointly and severally from the principal and surety of the bond, any damages or loss suffered by the Township as a result, including the full amount of any compensation, indemnification, or cost of removal or abandonment of any property of the Franchisee, or the cost of completing or repairing the System construction, upgrade, or other work in the Streets or Rights-of-Way, plus a reasonable allowance for attorneys' fees, up to the full amount of the bond. The Township may also recover against the bond any amount recoverable against the security fund or surety bond where such amount exceeds that available under the security fund or surety bond. Before seeking recovery under the performance bond, Township shall provide to Franchisee reasonable notice and opportunity to cure.

C. **Changes to Amount of Performance Bond:** The Franchise shall specify that upon completion of the System construction, upgrade, or other work in the Streets or Rights-of-Way and payment of all construction obligations to the satisfaction of the Township, the Township shall eliminate the bond or reduce its amount after a time appropriate to determine whether the work performed was satisfactory, which time

shall be established considering the nature of the work performed.

- D. **Qualifications of Sureties:** The performance bond shall be issued by a surety with an A-1 or better rating of insurance in Best's Key Rating Guide, Property/Casualty Edition; shall be subject to the approval of the Township; and shall contain the following endorsement:

"This bond may not be cancelled, or allowed to lapse, until sixty (60) days after receipt by the Township, by certified mail, return receipt requested, of a written notice from the issuer of the bond of intent to cancel or not to renew."

- E. **Performance Bond in Addition to All Other Township Rights:** The rights reserved by the Township with respect to any performance bond established pursuant to this Grant are in addition to all other rights and remedies the Township may have under this Grant and the Regulatory Ordinance and all other Township regulations or at law or equity.

Section 1-155 Enforcement Remedies

- A. **Available Remedies:** In addition to any other remedies available at law or equity, the Township may apply any one or a combination of the following remedies in the event a Franchisee violates this Grant, the Regulatory Ordinance, or other applicable Federal or State Law:

1. Impose liquidated damages in an amount consistent with the Regulatory Ordinance sections relating to fines, which, if unpaid, shall be lienable by the Township as a municipal claim. Payment of liquidated damages by Franchisee will not relieve the Franchisee of its obligation to comply with the requirements of this Grant or the Regulatory Ordinance.
 2. To the extent consistent with Federal Law, revoke the Franchise pursuant to the procedures specified in this Grant and the Regulatory Ordinance.
 3. In addition to or instead of any other remedy, the Township may seek legal or equitable relief from any court of competent jurisdiction.
 4. Impose penalties available under state and local law for violation of Township ordinances.
- B. Determination of Appropriate Remedies: In determining which remedy or remedies are appropriate, the Township shall take into consideration the nature of the violation, the Person or Persons bearing the impact of the violation, the nature of the remedy required in order to prevent further violations, and such other matters as the Township determines are appropriate to the public interest.
- C. Notice of Violation or Default: Except as otherwise provided hereunder, prior to applying one or more of the

remedies provided in this Section, the Township Manager shall provide notice to Franchisee identifying the specific nature of the violation or default. Franchisee shall, within fifteen (15) days, cure the violation or default, unless the Township Manager determines that the violation or default cannot be reasonably cured within such period. In the event that the violation or default is not corrected within fifteen (15) days, or such longer period as determined by the Township Manager, the Township may proceed to apply the remedies provided in this Section as may be appropriate under the circumstances. Nothing in this subsection shall be construed to limit the ability of the Township to impose penalties in the usual manner for violation of its other ordinances and regulations.

Section 1-156

Transfers

- A. Township Approval Required: No Transfer shall occur without prior approval of the Township.

- B. Application: An application for a Transfer shall provide complete information on the proposed transaction, including details on the legal, financial, technical, and other qualifications of the transferee, and on the potential impact of the Transfer on Subscriber rates and Service. At a minimum, the information required in Subsection 1-122.C of the Regulatory Ordinance shall be provided with respect to the proposed transferee.

C. **Determination by Township:** In making a determination as to whether to grant, deny, or grant subject to conditions an application for a Transfer of a Franchise, (which determination the Township shall make in accordance with Section 617 of the Cable Act, 47 U.S.C. §537) the Township shall consider the legal, financial, and technical qualifications of the transferee to operate the System; whether the incumbent Operator is in compliance with this chapter and, if not, the proposed transferee's commitment to cure such noncompliance; whether the transferee owns or controls any other Cable and other Telecommunication System in the Township, or whether operation by the transferee may eliminate or reduce competition in the delivery of Cable and other Telecommunication Service in the Township; and whether operation by the transferee or approval of the Transfer would adversely affect Subscribers, the Township's interest under this Grant, the Regulatory Ordinance or other applicable law, or make it less likely that the future Cable and other Telecommunication needs and interests of the community would be satisfied at a reasonable cost.

D. **Transferee's Agreement:** No application for a Transfer of a Franchise shall be granted unless the transferee agrees in writing that it will abide by and accept all terms of this Grant and the Regulatory Ordinance and that it will assume the obligations and liabilities known and unknown of the transferring Franchisee under this Grant and the Regulatory Ordinance.

E. Approval Does Not Constitute Waiver: Subject to applicable statutes of limitations, Approval by the Township of a Transfer of a Franchise does not constitute a waiver or release of any of the rights of the Township under this Grant and the Regulatory Ordinance, pertaining to the operation of a Cable and other Telecommunication System under this Grant and the Regulatory Ordinance and before the date of the Transfer.

Section 1-157

Revocation or Termination of Franchise

A. Basis for Revocation: A Franchise may be revoked by the Township for a Franchisee's failure to construct, operate, or maintain the Cable and other Telecommunication System as required by this Grant and the Regulatory Ordinance, for defrauding or attempting to defraud the Township or Subscribers, if the Franchisee is declared bankrupt, or for any other material violation of this Grant or the Regulatory Ordinance. To invoke the provisions of this Section, the Township shall give the Franchisee written notice via certified mail of the default in its performance. If within thirty (30) calendar days following such written notice from the Township to the Franchisee, the Franchisee has not taken corrective action or corrective action is not being actively and expeditiously pursued to the satisfaction of the Township, the Township may give written notice via certified mail to the Franchisee of its intent to revoke the Franchise, stating its reasons: provided that, no opportunity to cure shall be provided where the Franchisee

has defrauded or attempted to defraud the Township or its Subscribers.

B. Procedure: Prior to revoking a Franchise, the Township shall hold a public hearing, upon thirty (30) calendar days' notice, at which time the Franchisee and the public shall be given an opportunity to be heard. Following the public hearing, the Township may determine whether to revoke the Franchise based on the information of record. If the Township determines to revoke a Franchise, it shall issue a written decision setting forth the reasons for its decision. A copy of such decision shall be transmitted to the Franchisee. Where applicable, judicial review of any such revocation shall be provided in a manner consistent with Federal Law.

C. Revocation After Bankruptcy: Any Grant of Franchise may, at the option of the Township following a public hearing before the Township, be revoked one hundred twenty (120) calendar days after an assignment for the benefit of creditors or the appointment of a receiver or trustee to take over the business of the Franchisee, whether in a receivership, reorganization, bankruptcy assignment for the benefit of creditors, or other action or proceeding, unless within that one hundred twenty (120) day period:

1. Such assignment, receivership, or trusteeship has been vacated; or

2. Such assignee, receiver, or trustee has fully complied with the terms and conditions of this Grant and the Regulatory Ordinance and has executed an agreement, approved by a court of competent jurisdiction, assuming and agreeing to be bound by the terms and conditions of same, and such other conditions as may be established or as are required pursuant to Section 1-156 of this Grant.

D. Revocation after Foreclosure: In the event of foreclosure or other judicial sale of any of the Facilities, equipment, or property of a Franchisee, the Township may revoke the Franchise, following a public hearing before the Township, by serving notice on the Franchisee and the successful bidder at the sale, in which event the Franchise and all rights and privileges of the Franchise will be revoked and will terminate thirty (30) calendar days after serving such notice, unless:

1. The Township has approved the transfer of the Franchise to the successful bidder; and
2. The successful bidder has covenanted and agreed with the Township to assume and be bound by the terms and conditions of this Grant and the Regulatory Ordinance, and such other conditions as may be established or as are required pursuant to Section 1-156 of this Grant.

E. Rights upon Revocation: If the Township revokes a Franchise, or if for any other reason a Franchisee abandons, terminates, or fails to operate or maintain Service to its Subscribers, the following procedures and rights are effective:

1. The Township may require the former Franchisee to remove its Facilities and equipment at the former Franchisee's expense. If the former Franchisee fails to do so within a reasonable period of time, the Township may have the removal done at the former Franchisee's and/or surety's expense.
2. In the event of revocation, the Township, by resolution, may acquire ownership of the Cable and other Telecommunication System at an equitable price.
3. If a Cable and other Telecommunication System is abandoned by a Franchisee or the Franchisee fails to operate or maintain Service to its Subscribers or otherwise terminates the Franchise, the ownership of all portions of the Cable and other Telecommunication System in public Streets or Rights-of-Way shall revert to the Township and the Township may sell, assign, or Transfer all or part of the assets of the System.

- A. **Discriminatory Practices Prohibited:** Franchisee shall not deny Service, deny access, or otherwise discriminate on the basis of race, color, religion, national origin, sex or age.

Notwithstanding the foregoing, nothing shall prohibit Franchisee from entering into Service agreements (with discounts and special terms) with apartments, condominiums, other dwelling units and hotels/motels, located within the Township. Franchisee shall comply at all times with all applicable law relating to non-discrimination.

- B. **Equal Employment Opportunity:** The Franchisee shall comply with federal, state and local laws and regulations governing equal employment opportunities, as the same may be from time to time amended.

- C. **Subscriber Privacy:** A Franchisee shall at all times protect the privacy of all Subscribers pursuant to the provisions of Section 631 of the Cable Act, 47 U.S.C. §551. A Franchisee shall not condition Subscriber Service on the Subscriber's grant of permission to disclose information which, pursuant to Federal or State law, cannot be disclosed without the Subscriber's explicit consent.

- A. Compliance with Laws: Franchisee and the Township shall comply with all applicable federal, state, and Township laws and regulations.

- B. Severability: If any term, condition, or provision of this Grant or the Regulatory Ordinance shall, to any extent, be held to be invalid or unenforceable, the remainder hereof shall be valid in all other respects and continue to be effective. In the event of a subsequent change in applicable law so that the provision which had been held invalid is no longer invalid, said provision shall thereupon return to full force and effect without further action by the Township and shall thereafter be binding on Franchisee and the Township.

- C. Captions: Captions and headings of this Grant are for convenience and reference purposes only and shall not affect in any way the meaning and interpretation of any provisions of this Grant.

- D. Calculation of Time: Unless otherwise indicated, when the performance or doing of any act, duty, matter, payment, or thing is required hereunder and a period of time or duration for the fulfillment of doing thereof is prescribed and is fixed herein, the time shall be computed so as to exclude their first and include the last day of the prescribed or fixed period of duration time. When the last day of the

period falls on a Saturday or Sunday, or a legal holiday,
that day shall be omitted from the computation.

IN WITNESS WHEREOF, the parties hereto execute this Grant of
Franchise.

ATTEST:

BOARD OF SUPERVISORS,
TREDYFFRIN TOWNSHIP

Joseph G. Jannard
Manager

By: John W. [Signature]
Chairman

Date: 12/13/95

(Seal)

ATTEST:

HARRON COMMUNICATIONS CORP.

Shirley [Signature]
ASSIST. Secretary

By: [Signature]
Regional Manager
VICE PRESIDENT

Date: 12/22/95

(Seal)