

CABLE FRANCHISE RENEWAL AGREEMENT

BETWEEN

CHELtenham TOWNSHIP

AND

VERIZON PENNSYLVANIA LLC

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EXHIBIT A – SERVICE AREA

THIS CABLE FRANCHISE RENEWAL AGREEMENT (the “Franchise” or “Agreement”) is entered into by and between the TOWNSHIP OF CHELTENHAM, Montgomery County, Pennsylvania, a political subdivision of the Commonwealth of Pennsylvania (the “Local Franchising Authority” or “LFA”) and VERIZON PENNSYLVANIA LLC, a corporation duly organized under the applicable laws of the Commonwealth of Pennsylvania (the “Franchisee”).

WHEREAS, Franchisee is a “cable operator” and LFA is a “local franchising authority” in accordance with Title VI of the Communications Act (see 47 U.S.C. §§ 522(5), (10)) and LFA is authorized to grant one or more nonexclusive cable franchises pursuant to applicable law;

WHEREAS, the LFA granted to Franchisee effective as of September 19, 2006, a nonexclusive initial Franchise to install, maintain, extend, and operate a Cable System in the LFA for a term of twelve (12) years (the “Initial Franchise”);

WHEREAS, the Franchisee has operated a Cable System in accordance with the Initial Franchise as of the effective date on its existing Telecommunications Facilities consisting of a Fiber to the Premises Telecommunications Network (“FTTP Network”) in the Service Area which also transmits Non-Cable Services pursuant to authority granted by applicable state law and Title II of the Communications Act, which Non-Cable Services are not subject to applicable state law or Title VI of the Communications Act;

WHEREAS, pursuant to and in accordance with applicable federal and state law, the LFA undertook a process to determine whether it should renew the Initial Franchise and the terms for such a renewal;

WHEREAS, the LFA has examined the past performance of Franchisee and has determined that Franchisee is and has been in material compliance with the Initial Franchise and applicable law;

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

WHEREAS, pursuant to and in accordance with applicable federal and state law, the Franchisee submitted to the LFA a proposal to renew the Initial Franchise to operate a Cable System in the Service Area;

WHEREAS, following good faith negotiations between the parties, the LFA and Franchisee have agreed on the terms for a renewal Franchise under which Franchisee will continue to operate its Cable System in the Service Area; and

WHEREAS, the LFA has determined that the grant of a nonexclusive franchise to Franchisee is consistent with the public interest and applicable state law.

NOW, THEREFORE, in consideration of LFA's grant of a renewal franchise to Franchisee, Franchisee's promise to continue to provide Cable Service to residents of the Service Area of 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 that Franchisee shall make available to LFA without charge for public, educational, or governmental use for the transmission of video programming as directed by LFA.

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

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

1.4. *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: "(A) the one-way transmission to subscribers of (i) video programming, or (ii) other programming service, and (B) subscriber interaction, if any, which is required for the selection or use of such video programming or other programming service."

1.5. *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 1 or more television broadcast stations; (B) a facility that serves subscribers without using any public right-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 541(c) of this title) 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 573 of this title; or (E) any facilities of any electric utility used solely for operating its electric utility system." Franchisee's 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 Township 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.

1.6. *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).”

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

1.8. *Complaint*: Shall mean any written communication by a Subscriber expressing dissatisfaction about any aspect of Franchisee’s operation of the Cable System or Franchisee’s cable operations in the Township.

1.9. *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.

1.10. *Educational Access Channel*: An Access Channel available for the non-commercial use of the local schools in the Service Area.

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

1.12. *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, labor strikes, lockouts, war or act of war (whether an actual declaration of war is made or not), insurrection, riots, act of public enemy including terrorist attacks, orders of the government of the United States or the Commonwealth of Pennsylvania, actions or inactions of any government instrumentality or public utility other than Franchisee including condemnation to the extent such actions are unforeseeable, accidents for which Franchisee is not 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 the unavailability of materials and/or qualified labor to perform the work necessary to the extent that such unavailability of materials and/or qualified labor was reasonably beyond the ability of Franchisee to foresee or control.

1.13. *Franchisee*: Verizon Pennsylvania LLC, and its lawful and permitted successors, assigns and transferees.

1.14. *Government Access Channel*: An Access Channel available for the non-commercial use of LFA for governmental purposes.

1.15. *Gross Revenue*: All revenue, as determined in accordance with generally accepted accounting principles, which is received by Franchisee and its Affiliates from the operation of the Cable System to provide Cable Service in the Township, including:

- (1) fees charged for Basic Service;
- (2) fees charged to Subscribers for any service tier other than Basic Service;
- (3) fees charged to Subscribers for premium services, e.g. HBO, Cinemax, or Showtime;
- (4) fees charged to Subscribers for any optional, per-channel, or per-program services;
- (5) revenue from the provision of any other Cable Services;
- (6) charges for installation, additional outlets, relocation, disconnection, reconnection and change-in-service fees for Video Programming;
- (7) fees for downgrading any level of Cable Service programming;
- (8) fees for service calls;
- (9) fees for leasing of Channels;
- (10) rental of customer equipment, including converters and remote control devices;
- (11) fees for digital video recorders;
- (12) advertising revenues (on a pro rata basis) as set forth herein;
- (13) revenue from the sale or rental of Subscriber lists;
- (14) revenues or commissions received from the carriage of home shopping channels (on a pro rata basis as set forth herein) subject to Section 1.16.5 below;
- (15) fees for any and all music services that are deemed to be a Cable Service over a Cable System;
- (16) revenue from the sales of program guides;
- (17) late payment fees;
- (18) NSF check charges;
- (19) franchise fees for the provision of Cable Service over the Cable System in the Township;
- (20) fees for video on demand; and
- (21) forgone revenue that Franchisee chooses not to receive in exchange for trades, barter, services, or other items of value.

For the avoidance of doubt, advertising revenues shall include the amount of Franchisee's gross advertising revenue calculated in accordance with generally accepted accounting principles (i.e., without deducting commissions paid to independent third parties). Advertising and home shopping revenue, as described in Sections 1.16(12) and (14) above, 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 source as of the last day of such period. By way of illustrative example, 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 1,000 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.

Gross Revenue shall not include:

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

1.15.2. 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;

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

1.15.4. 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 communications that are not Cable Services; and any other revenues attributed to Non-Cable Services in accordance with applicable federal and state laws or regulations;

1.15.5. Any revenue of Franchisee or any other Person that 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;

1.15.6. 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;

1.15.7. The imputed value of the provision of Cable Services to customers on a complimentary basis, including, without limitation, the provision of Cable Services to public institutions as required or permitted herein;

1.15.8. 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 Services revenue);

1.15.9. Any forgone revenue that 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 foregone revenue that Franchisee chooses not to receive in exchange for trades, barter, services, or other items of value shall be included in Gross Revenue;

1.15.10. Sales of capital assets or sales of surplus equipment that are not deemed to be a Cable Service;

1.15.11. Program launch fees; and

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

1.16. *Information Services*: Shall be defined herein as it is defined under Section 3 of the Communications Act, 47 U.S.C. §153(20).

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

1.18. *Local Cable Ordinance*: Shall be defined herein as all prior or subsequent ordinances enacted by Cheltenham Township related to Cable Services.

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

1.20. *Non-Cable Services*: Any service that is not a Cable Service over the Cable System as defined herein, including, but not limited to, Information Services and Telecommunications Services.

1.21. *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. *See* 47 C.F.R. § 76.309(c)(4)(i).

1.22. *Normal Operating Conditions*: Those service conditions that are within the control of Franchisee. Those conditions that are not within the control of 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 ordinarily within the control of Franchisee 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 Cable System. *See* 47 C.F.R. § 76.309(c)(4)(ii).

1.23. *PEG*: Public, educational, and governmental.

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

1.25. *Public Access Channel*: An Access Channel available for the noncommercial use by the residents in the Service Area.

1.26. *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 hereafter exist, which are under the jurisdiction or control of 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.

1.27. *Service Area*: All portions of the Township where Cable Service is being offered as depicted in **Exhibit A**.

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

1.29. *Subscriber*: A Person who lawfully receives Cable Service distributed by the Cable System with Franchisee's express permission.

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

1.31. *Telecommunication Services*: Shall be defined herein as it is defined under Section 3 of the Communications Act, 47 U.S.C. § 153(46).

1.32. *Title II*: Title II of the Communications Act, Common Carriers, as amended.

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

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

1.35. *Transfer of the Franchise or "Transfer"*:

1.35.1. Any transaction in which:

1.35.1.1 the right, title, control or other interest in Franchisee or the Cable System 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

1.35.1.2 at least 35% of the equitable ownership of Franchisee is transferred or assigned to another Person or group of Persons; or

1.35.1.3 the rights held by Franchisee pursuant to this Agreement are transferred or assigned to another Person or group of Persons.

1.35.2. However, notwithstanding subsection 1.35.1, 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 Franchisee under the Franchise to the parent of Franchisee or to another Affiliate of Franchisee; any action that is the result of a merger of the parent of Franchisee; or any action that is the result of a merger of another Affiliate of Franchisee.

1.36. *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.”

1.38. *Video Service Provider or VSP*: Any entity using any portion of the Public Rights-of-Way to provide Video Programming services to multiple subscribers within the territorial boundaries of the LFA, for purchase, barter, or free of charge, regardless of the transmission method, facilities or technologies used. A VSP shall include, but is not limited to, any entity that provides Cable Services, multi-channel multipoint distribution services, broadcast satellite services, satellite delivered services, wireless services, and internet-protocol based services within the territorial boundaries of the LFA.

2. **GRANT OF AUTHORITY; LIMITS AND RESERVATIONS**

2.1. *Grant of Authority*: Subject to the terms and conditions of this Agreement and applicable laws and regulations, LFA hereby grants to the Franchisee the right to own, construct, operate and maintain a Cable System to provide Cable Services along the Public Rights-of-Way within the Township. No privilege or power of eminent domain is bestowed or waived by this grant or by this Agreement.

2.2. *LFA's Regulatory Authority*: The parties recognize that Franchisee's FTTP Network is constructed, 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 also governed by federal and state law, and LFA does not and will not assert jurisdiction over Franchisee's FTTP Network in contravention of those laws. 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 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 existing regulatory authority LFA may have under federal, state and local law with respect to the FTTP Network facilities.

2.3. *Term*: This Franchise shall become effective on March 18, 2020 (the “Effective Date”). The term of this Franchise shall be five (5) years from the Effective Date unless the Franchise is earlier terminated by Franchisee pursuant to Sections 2.4 or 2.5 of this Franchise or revoked by the LFA as provided herein.

2.4. *Termination Generally:* Notwithstanding any provision herein to the contrary, Franchisee may terminate this Franchise and all obligations hereunder at any time during the term of this Franchise for any reason, in Franchisee's sole discretion, upon one hundred eighty (180) days' written notice to the LFA.

2.5. *Modification/Termination Based on VSP Requirements:*

2.5.1. If there is a change in federal, state, or local law that reduces any material financial and/or operational obligation that the LFA has required from or imposed upon a VSP, or if the LFA enters into any franchise, agreement, license, or grant of authorization to a VSP to provide Video Programming services to residential subscribers in the LFA with terms or conditions materially less burdensome than those imposed by this Franchise, Franchisee and the LFA shall, within sixty (60) days of the LFA's receipt of Franchisee's written notice, commence negotiations to modify this Franchise to create reasonable competitive equity between Franchisee and such other VSPs.

2.5.2. Franchisee's notice pursuant to Section 2.5.1. shall specify the change in law and the resulting change in obligations. Franchisee shall respond to reasonable information requests from the LFA, as may be necessary to review the change in obligations resulting from the cited law.

2.5.3. In the event the parties do not reach mutually acceptable agreement on a modification requested by Franchisee, Franchisee shall, at any time and in its sole discretion, have the option of exercising any of the following actions:

(a) commencing franchise renewal proceedings in accordance with Section 626 of the Communications Act, 47 U.S.C. § 546, with the Franchise term being accelerated, thus being deemed to expire thirty-six (36) months from the date of Franchisee's written notice to seek relief hereunder;

(b) terminating the Franchise within two (2) years from notice to the LFA;

(c) if agreed by both parties, submitting the matter to binding commercial arbitration by a mutually-selected arbitrator in accordance with the rules of the American Arbitration Association; or

(d) submitting the matter to mediation by a mutually-acceptable mediator.

2.6. *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 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 itself, at any time during the term of this Franchise. Any such rights that are granted shall not adversely impact the authority as granted under this Franchise and shall not interfere with existing facilities of Franchisee's Cable System or Franchisee's FTTP Network.

2.7. *Franchise Subject to Federal and State Law:* Notwithstanding any provision to the contrary herein, this Agreement is subject to and shall be governed by all applicable provisions of federal law and state law to the extent not in conflict with federal law.

2.8. *No Waiver:*

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

2.8.2. The failure of 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 LFA from performance, unless such right or performance has been specifically waived in writing.

2.9. *Construction of Agreement:*

2.9.1. The provisions of this Franchise shall be liberally construed to effectuate their objectives. The parties agree that this Agreement contains all terms and conditions applicable to this Agreement. In the event of a conflict between the Local Cable Ordinance and this Agreement, this Agreement shall prevail. Local Cable Ordinance provisions not addressed by this Agreement do not apply to this Agreement.

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

2.9.3. Should any change to state law have the lawful effect of materially altering the terms and conditions of this Agreement, making it commercially impracticable for Franchisee to continue the provision of Cable Services in the Township then the parties shall modify this Franchise to the mutual satisfaction of both parties to ameliorate the negative effects on Franchisee of the material alteration. Any modification to this Agreement shall be in writing and signed by both parties. If the parties cannot reach agreement on the above-referenced modification to the Agreement, then Franchisee may terminate this Agreement without further obligation to LFA 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.

2.10. *Police Powers:* Nothing in this Agreement shall be construed to prohibit the reasonable, necessary, and lawful exercise of the police powers of LFA.

2.11. *Compliance with Federal and State Privacy Laws:* Franchisee shall comply with the privacy provisions of Section 631 of the Communications Act and all other applicable federal and state privacy laws and regulations. The parties agree that, during the term

hereof, Franchisee shall not be subject to any local laws or ordinances which conflict with such applicable federal and/or state privacy laws, or which would impose additional or distinct requirements upon Franchisee with respect to Subscriber privacy other than those which are expressly set forth in applicable federal and/or state privacy laws.

3. **PROVISION OF CABLE SERVICE**

3.1. *Service Area:*

3.1.1. *Service Area:* Subject to the issuance of all necessary permits by the LFA, the Franchisee shall offer Cable Service to all residential households in the Service Area and may make Cable Service available to businesses in the Service Area, except: (A) for periods of Force Majeure; (B) for periods of unreasonable 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, buildings or other residential dwelling units are subject to claimed exclusive arrangements with other providers; (E) in areas, developments, buildings or other residential dwelling units where the Franchisee cannot gain access under reasonable terms and conditions after good faith negotiation, as reasonably determined by Franchisee; (F) in areas, developments, buildings or other residential dwelling units 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, including, but not limited to, circumstances where Franchisee cannot access the areas, developments, buildings or other residential dwelling units by using Franchisee's existing network pathways and which would thus require the construction of new trunk, feeder, or distribution lines; (G) in areas where the occupied residential household density does not meet the density requirements set forth in subsection 3.1.1.1; and (H) in areas, developments, buildings or other residential dwelling units that are not habitable or have not been constructed as of the Effective Date.

3.1.1.1 *Density Requirement:* Subject to Section 3.1.1, above, the Franchisee shall make Cable Services available to residential dwelling units in all areas of the Service Area where the minimum density is thirty (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.

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 two hundred (200) 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, no more than the actual costs incurred for residential dwelling unit connections that exceed two hundred (200) feet and actual costs incurred to connect any non-residential dwelling unit Subscriber.

4. **SYSTEM FACILITIES**

4.1. *Technical Requirement:* Franchisee shall operate, maintain, construct, and extend the Cable System so as to provide high quality signals and reliable delivery of one-way and two-way Cable Services for all cable programming services throughout LFA. 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 and the laws of the Commonwealth of Pennsylvania, to the extent not in conflict with federal law and regulations, as determined by a Court of competent jurisdiction.

4.2. *System Characteristics:* Franchisee's Cable System, which utilizes portions of the FTTP Network, shall meet or exceed the following requirements:

4.2.1. The System shall be operated with an initial digital carrier passband between 57 and 861 MHz.

4.2.2. The System shall be operated initially as an active two-way system that allocates sufficient portion of said bandwidth to deliver reliable two-way Cable Services.

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

4.4. *Emergency Alert System:* Franchisee shall comply with the Emergency Alert System ("EAS") requirements of the FCC and applicable state and local EAS plans in order that emergency messages may be distributed over the Cable System.

5. **PEG SERVICES**

5.1. *PEG Set Aside; Interconnection:*

5.1.1. In order to ensure universal availability of public, educational, and governmental programming (collectively "PEG Channels"), Franchisee shall provide capacity on its Basic Service Tier for LFA's use: one (1) dedicated Access Channel that LFA may use for educational purposes. Franchisee shall also reserve the use of capacity on its Basic Service Tier for LFA's future use: one (1) dedicated Access Channel that LFA may use for governmental purposes and one (1) dedicated Access Channel that LFA may use for public purposes. The parties agree that Franchisee shall retain the right to utilize all such reserved Access Channel capacity, in its sole discretion, during the term of this Franchise until such time that LFA begins using the Access Channel pursuant to Section 5.1.3 and/or if LFA ceases to use the Access Channels during the term of this Agreement.

5.1.2. Franchisee shall continue to carry PEG programming on the Cheltenham Channel, which is currently used for educational/government purposes, by connecting to equipment owned by the Township and/or its designee at Glenside Elementary School, 400 Harrison Avenue, Glenside, PA 19038. The demarcation point between the

Franchisee's signal processing equipment (which the Franchisee shall own, install and maintain) and the Township's existing PEG Channel equipment shall be at the output of the Township's signal processing equipment at the Glenside Elementary School, 400 Harrison Avenue, Glenside, PA 19038. The Township and/or its designee shall be solely responsible for operating its switching equipment and the picture and audio quality of all PEG Channel programming up to the demarcation point and for ensuring all PEG Channel programming is inserted on the appropriate upstream PEG Channel. All PEG Channel programming shall be transmitted to the Franchisee in baseband or SD-SDI format with either mono or stereo audio signals, and with signals received by Franchisee in stereo cablecast by Franchisee in stereo. Notwithstanding the foregoing, the Franchisee shall not be obligated to provide the Township or its designee with either cablecast equipment and facilities or the personnel responsible for maintaining and operating equipment and facilities on the Township's side of the demarcation point and used to generate or administer any PEG access signals, except as necessary to implement the Franchisee's responsibilities specified herein. The Township and the Franchisee shall work together in good faith to resolve any connection issues. If the Township issues a franchise to, or renews a franchise with, a competing VSP, the competing VSP may not connect its system to Franchisee's System for the purposes of obtaining PEG Channel programming from the PEG Channels transmitted on Franchisee's System without Franchisee's prior written consent.

5.1.3. LFA may activate the reserved PEG Channels during the term of this Franchise by providing Franchisee with one hundred and eighty (180) days written notice. Such written notice shall specify the programming to be carried on the requested PEG Channel and shall include an operation plan providing sufficient information about the administration, programming, and operation of the requested PEG Channel. Notwithstanding the foregoing, any operation plan shall provide for the cablecast of any PEG Channel 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 written notification shall also constitute authorization to Franchisee to transmit such programming within and without LFA. Thereafter, Franchisee shall assign the PEG Channel numbers on its channel line up to the extent such channel number assignments do not interfere with Franchisee's existing or planned channel number line-up and contractual obligations, provided it is understood that Franchisee specifically reserves the right to make such assignments in its sole discretion. The PEG Channels shall be used for community programming related to educational and/or governmental activities. LFA shall have complete control over the content, scheduling, and administration of the PEG Channels and may delegate such functions, or a portion of such functions, to an appropriate designee. Franchisee shall not exercise any editorial control over PEG Channel programming. If an PEG Channel provided under this Article 5 is not being utilized by LFA, Franchisee may utilize such PEG Channel, in its sole discretion, after receiving written approval by LFA, which approval shall not be unreasonably withheld, delayed or conditioned, until such time as LFA elects to utilize the PEG Channel for its intended purpose. In the event that LFA decides to exercise its right to use PEG Channel capacity, LFA shall provide Franchisee with ninety (90) days' prior written notice of such request.

5.1.4. LFA shall comply with the law regarding the non-commercial use of PEG Channels.

5.1.5. Franchisee may, in its sole discretion, use reasonable efforts to interconnect its Cable System with the existing cable operator(s). If interconnection is pursued, Franchisee shall initiate interconnection negotiations with the existing cable operator(s) to cablecast, on a live basis, any educational and governmental access programming consistent with this Agreement. Interconnection may be accomplished by direct cable, microwave link, satellite or other reasonable method of connection. If interconnection is pursued, Franchisee and the existing cable operator(s) shall negotiate the precise terms and conditions of an interconnection agreement. 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 interconnection is pursued, LFA shall support and encourage good faith negotiations between Franchisee and existing cable operator(s) for interconnection of the existing cable operator(s)' cable system(s) with the Cable System on reasonable terms and conditions.

5.1.6. If the procedures of Section 5.1.4 are pursued but do not result in interconnection of Franchisee's Cable System with the existing cable operator(s) for purposes of providing the PEG Channels, LFA may require Franchisee to provide one (1) video link, no earlier than twelve (12) months after the Effective Date of this Agreement or upon activation of a reserved PEG Channel by LFA, whichever is later, without charge to LFA, to one (1) location within LFA that is mutually agreed upon in writing by the parties where PEG Channel programming is originated for the purpose of cablecasting PEG Channel programming; provided, however, that Franchisee shall not be obligated to provide LFA with either cablecast equipment and facilities or personnel responsible for maintaining and operating such equipment and facilities or generating any such PEG programming.

5.1.7. High Definition PEG Access Channel: Within thirty-six (36) months of the Effective Date and upon written request, the parties shall discuss Franchisee's capability to make available to the LFA capacity for one (1) PEG Access Channel in High Definition (HD). Notwithstanding the foregoing, however, as a result of said discussions, the Franchisee shall not be required to transmit any PEG Access Channel in HD.

5.1.8. *PEG Channel Relocation.* If the LFA relocates the location where its PEG Channel programming originates after such time as the Franchisee has established a direct connection to such location or has interconnected with another cable operator for purposes of obtaining PEG Channel programming, the LFA shall reimburse the Franchisee for any costs it incurs to relocate its direct connection or for any additional costs associated with the interconnection with any other cable operator.

5.2. *Indemnity for PEG:* LFA 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 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 regarding a PEG programming facility, not including the actual FTTP Network, or Channel or PEG Channel

programming, including 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. LFA shall establish rules and regulations for use of PEG facilities, consistent with, and as required by Section 611 of the Communications Act, 47 U.S.C. § 531. Notwithstanding the foregoing, LFA shall not indemnify Franchisee for any damages, liability, or claims resulting from acts of willful misconduct or negligence of the Franchisee, its officers, employees, or agents.

5.3. *EG Grant:* Franchisee shall pay to the LFA a grant in the total amount of Sixty Thousand Dollars (\$60,000.00)(the “EG Grant”), payable not later than ninety (90) days from the Effective Date.

5.3.1. The EG Grant shall be used solely by the LFA exclusively for EG capital costs, such as 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.

5.4. *Recovery of Costs:* Franchisee shall be allowed to recover any costs arising from the provision of PEG services as set forth in Section 622 of the Communications Act, 47 U.S.C. § 542, 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 LFA a franchise fee of five percent (5%) of annual Gross Revenue; provided however, that if the LFA issues or renews any cable franchise(s) after the Effective Date that provide(s) for a lower percentage of a franchise fee, then the percentage of the Franchisee’s franchise fee payments shall be reduced to match such lower percentage over that same time period. 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. Specifically, payments shall be due and payable on or before May 15 (for the first quarter), August 15 (for the second quarter), November 15 (for the third quarter), and February 15 (for the fourth quarter). In the event that any franchise fee payment is not made on or before the applicable dates, then interest shall be added at the rate of six percent (6%) of the amount of franchise fee revenue due to LFA. No acceptance of any payment shall be construed as an accord that the amount paid is the correct amount. 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 ninety (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 that provides line items of revenue sources and is verified by a financial manager of Franchisee showing the basis for the computation.

6.3. *Limitation on Franchise Fee Actions:* The parties agree that the period of limitation for recovery of any franchise fee payable hereunder shall be thirty (30) months from the date on which payment by Franchisee is due.

6.4. *Audits:*

6.4.1. LFA may conduct an audit related to the franchise fee payments required under this Agreement no more than once every three (3) years during the term. Any audit shall be initiated through written notice to Franchisee by LFA, and LFA or any auditor employed by LFA shall submit its complete request for records within thirty (30) days of LFA providing written notice of an audit. Subject to the confidentiality provisions of Section 8.1, and execution of a non-disclosure agreement with the LFA or an auditor employed by LFA, all records necessary for an audit shall be made available by Franchisee to LFA or its auditor for inspection at an office of Franchisee.

6.4.2. Any such audit conducted by LFA or auditor employed by the LFA shall be completed in an expeditious and timely manner. If upon completion of the audit, LFA does not make a claim for additional payments, then LFA shall provide Franchisee with written documentation of closure of the audit. LFA's claim for additional franchise fee payments or its written notice of the audit closure shall be provided to Franchisee within ninety (90) days from the date on which the LFA or auditor inspects the records requested in accordance subsection 6.4.1, above, or by such other date as is mutually agreed to by the parties.

6.4.3. If the results of an audit indicate an overpayment or underpayment of franchise fees, as indicated in a report to be provided by the LFA or auditor to Franchisee, the parties agree that such overpayment or underpayment shall be returned to the proper party within sixty (60) days of written notice.

6.4.4. All audits must be conducted by an independent third party that is a Certified Public Accountant and who shall not be permitted to be compensated on a success based formula, *e.g.*, payment based on an underpayment of fees, if any.

6.5. *Bundled Services:* If Cable Services are provided to Subscribers in conjunction with Non-Cable Services, then the calculation of Gross Revenue shall be adjusted, if needed, to include only the value of the Cable Services billed to Subscribers, as reflected on the books and records of Franchisee in accordance with FCC rules, regulations, standards, or orders.

7. **CUSTOMER SERVICE**

These standards shall apply to Franchisee to the extent it is providing Cable Services over the Cable System in the Township.

SECTION 1: DEFINITIONS

A. **Respond**: Franchisee's investigation of a Service Interruption after receiving a Subscriber call by opening a trouble ticket, if required, and responding to the call.

B. **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.

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

D. **Standard Installation**: Installations where the Subscriber is within two hundred (200) feet of trunk or feeder lines.

SECTION 2: TELEPHONE AVAILABILITY

A. Franchisee shall maintain a toll-free number to receive all calls and inquiries from Subscribers in the Township and/or residents regarding Cable Service. Franchisee representatives trained and qualified to answer questions related to Cable Service in the Township must be available to respond to customer telephone inquiries during Normal Business Hours. Franchisee representatives shall identify themselves by name when answering this number. After Normal Business Hours, the toll-free number may be answered by an Automated Response Unit ("ARU") or a Voice Response Unit ("VRU"), including an answering machine. Inquiries received after Normal Business Hours shall be responded to by a trained company representative on the next business day.

B. 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 Franchisee.

C. Franchisee may, at any time, use an ARU or a 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 (3) times, if customers do not select any option, the ARU or VRU will forward the call to a queue for a live representative. Franchisee may reasonably substitute this requirement with another method of handling calls from customers who do not have touch-tone telephones.

D. Under Normal Operating Conditions, calls received by Franchisee shall be answered within thirty (30) seconds. 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 Franchisee at all call centers receiving calls from Subscribers, whether they are answered by a live representative, by an automated attendant, or abandoned after thirty (30) seconds of call waiting.

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

F. At the Franchisee's option, the measurements 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. Franchisee shall not be required to acquire equipment or perform surveys to measure compliance with the telephone answering standards above unless a historical record of Complaints indicates a clear failure to comply.

SECTION 3: INSTALLATIONS AND SERVICE APPOINTMENTS

A. All installations will be in accordance with the rules of the FCC, the National Electric Code, and the National Electrical Safety Code, 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 Franchisee-supplied equipment and Cable Service.

B. 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.

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.

C. At the Franchisee's option, the measurements 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.

D. Franchisee will offer Subscribers "appointment window" alternatives for arrival to perform installations, Service Calls, and other activities of a maximum four (4) hour scheduled time block during Normal Business Hours. At Franchisee's discretion, 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. The Franchisee may not cancel an appointment with a Subscriber after the close of business on the business day prior to the scheduled appointment. If a technician is running late for an appointment with a Subscriber and will not be able to keep the appointment as scheduled, the Subscriber will be contacted. The appointment will be rescheduled, as necessary, at a time which is convenient for Franchisee and the Subscriber.

SECTION 4: SERVICE INTERRUPTIONS AND OUTAGES

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

B. 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, Franchisee may schedule a Significant Outage for a period of more than four (4) hours during any twenty-four (24) hour period only after LFA and each affected Subscriber in the Service Area have been given fifteen (15) days prior notice of the proposed Significant Outage. Notwithstanding the foregoing, the Franchisee may perform modifications, repairs, and upgrades to the Cable System between 12:01 a.m. and 6:00 a.m. which may interrupt service, and this Section's notice obligations respecting such possible interruptions will be satisfied by notice provided to Subscribers upon installation and in the annual Subscriber notice.

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

- (1) Within twenty-four (24) hours, including weekends, of receiving Subscriber calls respecting Service Interruptions in the Service Area, and shall diligently pursue to completion.
- (2) Franchisee must begin actions to correct all other Cable Service problems the next business day after notification by the Subscriber or LFA of a Cable Service problem and shall diligently pursue to completion.

D. Under Normal Operating Conditions, 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.

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

F. 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 LFA of such a change at least thirty (30) days in advance of any implementation.

G. Under Normal Operating Conditions, 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 Franchisee to verify the problem if requested by 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.

H. Under Normal Operating Conditions, if a Significant Outage affects all Video Programming Cable Services for more than twenty-four (24) consecutive hours, 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 a subsequent Subscriber billing statement.

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

J. Franchisee may provide all notices identified in this Section electronically or on-screen.

SECTION 5: CUSTOMER COMPLAINTS

Under Normal Operating Conditions, Franchisee shall investigate Subscriber Complaints referred by LFA within seventy-two (72) hours of receipt. Franchisee shall notify 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. LFA may require reasonable documentation to be provided by Franchisee to substantiate the request for additional time to resolve the problem. For purposes of this Section, “resolve” means that Franchisee shall perform those actions, which, in the normal course of business, are necessary to investigate the Subscriber’s Complaint and advise the Subscriber of the results of that investigation.

SECTION 6: BILLING

A. Subscriber bills shall be clear, concise, and understandable. Bills shall be itemized to include all applicable service tiers and, if applicable, all 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. Franchisee shall maintain records of the date and place of mailing of bills.

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

C. 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:

- (1) The Subscriber pays all undisputed charges;
- (2) The Subscriber provides notification of the dispute to Franchisee within five (5) days prior to the due date;
- (3) The Subscriber cooperates in determining the accuracy and/or appropriateness of the charges in dispute; and
- (4) It shall be within Franchisee's sole discretion to determine when the dispute has been resolved.

D. Under Normal Operating Conditions, 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.

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

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

SECTION 7: RATES, FEES AND CHARGES

A. 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's 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's equipment incorrectly) or by the failure of the Subscriber to take reasonable precautions to protect Franchisee's equipment.

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

SECTION 8: DISCONNECTION /DENIAL OF SERVICE

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

B. 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 Cable Service termination was reported by the Subscriber.

C. Nothing in these standards shall limit the right of 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 Franchisee's equipment, abusive and/or threatening behavior toward Franchisee's employees or representatives, or refusal to provide credit history

information or refusal to allow 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 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's 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 Franchisee. For purposes of this subsection, the term "disconnect" shall include Subscribers who elect to cease receiving Cable Service from Franchisee and to receive Cable Service or other multi-channel video service from another Person or entity.

SECTION 9: COMMUNICATIONS WITH SUBSCRIBERS

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

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

C. All notices identified in this Section shall be by either:

- (1) A separate document included with a billing statement or a message included on the portion of the monthly bill that is to be retained by the Subscriber;
- (2) A separate electronic notification;
- (3) A separate on-screen notification; or
- (4) Any other reasonable written means.

D. 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 and LFA a minimum of thirty (30) days in advance of such changes if within the

control of Franchisee, and Franchisee shall provide a copy of the notice to LFA including how and where the notice was given to Subscribers.

E. 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.D., at least thirty (30) days prior to making significant changes in the information required by this Section if within the control of Franchisee:

- (1) Products and Cable Services offered;
- (2) Prices and options for Cable Services and condition of subscription to Cable Services;
- (3) Installation and maintenance policies including, when applicable, information regarding the Subscriber's in-home wiring rights during the period Cable Service is being provided;
- (4) Channel positions of Cable Services offered on the Cable System;
- (5) Procedures for resolving Complaints, including the name, address, and telephone number of LFA, but with a notice advising the Subscriber to initially contact Franchisee about all Complaints and questions;
- (6) Procedures for requesting Cable Service credit;
- (7) The availability of a parental control device;
- (8) Franchisee practices and procedures for protecting against invasion of privacy; and
- (9) The address and telephone number of Franchisee's office to which Complaints may be reported.

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

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

- (1) The name and address of the Subscriber whose account is delinquent;
- (2) The amount of the delinquency for all services billed;
- (3) The date by which payment is required in order to avoid termination of Cable Service; and
- (4) The telephone number for Franchisee where the Subscriber can receive additional information about their account and discuss the pending termination.

H. LFA hereby requests, and Franchisee agrees, that Franchisee omit publishing information specified in 47 C.F.R. § 76.952(a) from Subscriber bills.

8. **REPORTS AND RECORDS**

8.1. *Open Books and Records*: Upon thirty (30) days written notice to Franchisee, LFA shall have the right to inspect Franchisee's books and records pertaining to this

Agreement or Franchisee's provision of Cable Service in the Township at any time during Franchisee's regular business hours, 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 that is under review, so that Franchisee may organize the necessary books and records for appropriate access by LFA. Franchisee shall not be required to maintain any books and records for Franchise compliance purposes longer than thirty (30) months. 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 this Agreement or the provision of Cable Service in the Township. If Franchisee claims any information to be proprietary or confidential, it shall provide an explanation as to the reason it is claimed to be confidential or proprietary. LFA shall treat any information disclosed by Franchisee as confidential so long as it is permitted to do so under applicable law, 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 the following, which may be inspected pursuant to Section 8.1 above:

8.2.1. Records of all written Complaints for a period of thirty (30) months after receipt by Franchisee. Complaints recorded will not be limited to complaints requiring an employee service call;

8.2.2. Records of Significant Outages (as defined in Section 1 of Article 7, above) for a period of thirty (30) months after occurrence, 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 thirty (30) months after resolution by Franchisee, 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; and

8.2.4. Records of installation/reconnection and requests for service extension for a period of thirty (30) months after the request was fulfilled by Franchisee, indicating the date of request, date of acknowledgment, and the date and time service was extended;

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 three million dollars (\$3,000,000) per occurrence 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 LFA.

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

9.1.1.3 Workers' Compensation Insurance meeting all legal requirements of the Commonwealth of Pennsylvania and Employers' Liability Insurance in the following amounts: (A) Bodily Injury by Accident: one hundred thousand dollars (\$100,000); and (B) Bodily Injury by Disease: one hundred thousand dollars (\$100,000) employee limit; five hundred thousand dollars (\$500,000) disease policy limit.

9.1.2. LFA shall be included as an additional insured as its interest may under this Franchise on Commercial General Liability and Automobile Liability insurance policies.

9.1.3. Upon receipt of notice from its insurer(s), Franchisee shall provide LFA with thirty (30) days' prior written notice of cancellation of any required coverage.

9.1.4. Each of the required insurance policies shall be with insurers qualified to do business in the Commonwealth of Pennsylvania, with an A-VII 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.

9.2. *Indemnification:*

9.2.1. Franchisee agrees to indemnify, save, hold harmless, and defend LFA, its elected and appointed officials, officers, agents, boards, and employees, from and against any and all claims for injury, loss, liability, cost or expense arising in whole or in part from, incident to, or connected with any act or omission of Franchisee, its officers, agents, or employees, including the acts or omissions of any contractor or subcontractor of Franchisee, arising out of the construction, operation, upgrade, or maintenance of its Cable System. The obligation to indemnify, save, hold harmless, and defend LFA shall include the obligation to pay judgments, injuries, liabilities, damages, penalties, expert fees, court costs, and Franchisee's own attorneys' fees. LFA shall give Franchisee timely written notice of LFA's request for indemnification within (a) thirty (30) days of receipt of a claim or action pursuant to this subsection or (b) ten (10) days following service of legal process on LFA or its designated agent of any action related to this subsection. LFA agrees that it will take all necessary action to avoid a default judgment. Notwithstanding the foregoing, Franchisee shall not indemnify LFA for any damages, liability, or claims resulting from, and LFA shall be responsible for, LFA's own acts of

willful misconduct, LFA's breach of obligation under this Franchise, or negligence of LFA, its elected and appointed officials, officers, agents, boards, and employees.

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 LFA by selecting counsel of Franchisee's choice to defend the claim, subject to the consent of LFA, which shall not unreasonably be withheld. Nothing herein shall be deemed to prevent LFA from cooperating with Franchisee and participating in the defense of any litigation by its own counsel at its own cost and expense, provided however, that after consultation with LFA, Franchisee shall have the right to defend, settle, or compromise any claim or action arising hereunder, and Franchisee shall have the authority to decide the appropriateness and the amount of any such settlement. In the event that the terms of any such proposed settlement 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 LFA shall in no event exceed the amount of such settlement.

10. **TRANSFER OF FRANCHISE**

Subject to Section 617 of the Communications Act, 47 U.S.C. § 537, and applicable federal regulations, no Transfer of the Franchise shall occur without the prior consent of LFA, provided that such consent shall not be unreasonably withheld, delayed, or conditioned. Franchisee shall make written application to LFA for any Transfer and shall provide information required by FCC Form 394 and any other applicable law regarding transfer or assignment. LFA shall have one hundred twenty (120) days from the receipt of all required information to take action on the Transfer application. 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 Franchisee in the Franchise or Cable System in order to secure indebtedness, or for transactions otherwise excluded under Section 1.35 above. Any consent by LFA for any Transfer shall not be effective until the proposed transferee or assignee shall have executed a legally binding document stating that it shall be bound by all the terms and conditions contained in this Agreement.

11. **RENEWAL OF FRANCHISE**

11.1. *Governing Law*: LFA and Franchisee agree that any proceedings undertaken by 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, LFA may notify Franchisee 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, if such assessments are performed.

12. ENFORCEMENT AND TERMINATION OF FRANCHISE

12.1. *Notice of Non-Compliance:* If at any time LFA believes that Franchisee has not complied with the terms of this Agreement, LFA shall informally discuss the matter with Franchisee. If these discussions do not lead to resolution of the problem in a reasonable time, LFA shall notify Franchisee in writing of the nature of the alleged noncompliance (for purposes of this Article, “Noncompliance Notice”). If LFA does not notify Franchisee of any alleged noncompliance, it shall not operate as a waiver of any rights of LFA hereunder or pursuant to applicable law.

12.2. *Franchisee’s Right to Cure or Respond:* Franchisee shall have thirty (30) days from receipt of the Noncompliance Notice to: (i) respond to 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 diligently pursue such remedy to completion and notify 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. *Public Hearing:* 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 thirty (30) days or the date projected pursuant to Section 12.2(iii) above, if LFA seeks to continue its investigation into the alleged noncompliance, then Franchisee may request and LFA agrees to schedule a public hearing. Upon the scheduling of such a hearing, LFA shall provide Franchisee at least thirty (30) days prior written notice of such public hearing, which will specify the time, place, and purpose of such public hearing, and provide Franchisee the opportunity to be heard.

12.4. *Liquidated Damages:* After the time period and public hearing set forth in Sections 12.1-12.3 above, in the event that LFA finds that an alleged noncompliance continues to exist and that Franchisee has not corrected the same in a satisfactory manner or has not diligently commenced correction of such violation, Franchisee agrees that LFA may recover liquidated damages from Franchisee in the amounts set forth below following the notice and opportunity to cure provisions set forth in Sections 12.1-12.3 above; provided, however, that if Franchisee disputes the assessment of any liquidated damages hereunder, Franchisee may request and LFA agrees to schedule a public hearing with regard to such dispute. Following the notice and opportunity to cure periods in Sections 12.1-12.3 above, LFA shall provide Franchisee with written notice that it intends to elect the liquidated damage remedies set forth herein. If LFA elects to recover liquidated damages for any item set forth in this Section 12.4 (including customer service violations), LFA agrees that such recovery shall be its exclusive remedy for the time period for which liquidated damages are assessed; provided, however, once LFA has ceased to assess its liquidated damages remedy as set forth in this Section, it may pursue other available remedies.

12.4.1. Pursuant to Section 12.4, the following monetary damages shall apply:

For failure to provide Cable Service as set forth in Sections 3.1-3.3.....	\$100/day for each day the violation continues;
For failure to maintain the FCC technical standards as set forth in Section 4.....	\$100/day for each day the violation continues;
For failure to provide PEG services to the community as specified in Section 5.1	\$100/day for each day the violation continues;
For failure to permit a franchise fee audit within forty-five (45) days of a request as set forth in Section 6.4	\$100/day for each day the violation continues;
For failure to provide LFA with any reports or records required by this Agreement within the time period required.....	\$100/day for each day the violation continues;
For failure to meet customer service requirements with regard to Sections 2, 3, and 4 of the Customer Service Standards set forth in Section 7	\$300 for each quarter in which such standards were not met;
For failure to carry the insurance specified in Section 9.1.1.....	\$100/day for each day the violation continues; and
For a Transfer specified in Section 10 without required approval.....	\$100/day for each day the violation continues.

12.4.2. The amount of all liquidated damages per annum shall not exceed \$12,000 in the aggregate. All similar violations or failures from the same factual events affecting multiple Subscribers shall be assessed as a single violation, and a violation or a failure may only be assessed under any one of the above-referenced categories. Violations or failures shall not be deemed to have occurred or commenced until they are not cured as provided in this Article 12.

12.4.3. Notwithstanding any provision in this Agreement to the contrary, LFA is not entitled to assess liquidated damages for any violations of this Agreement unless all cable operators in the Township are required to comply with, at a minimum, the material provisions of Article 12.

12.5. *Revocation*: Should LFA seek to revoke this Agreement after following the procedures set forth above in this Article, including any public hearing described in Section 12.3, and LFA chooses not to impose liquidated damages or ceases to impose liquidated damages, LFA shall give written notice to Franchisee of such intent. The notice shall set forth the specific nature of the noncompliance. 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 LFA has not received a satisfactory response from Franchisee, it may then seek termination of this Agreement at a second public hearing. LFA shall cause to be served upon Franchisee, at least thirty (30) days prior to such public hearing, a written notice specifying the time and place of such hearing and stating its intent to revoke this Agreement.

12.5.1. At the designated public hearing, Franchisee shall be provided a fair opportunity for full participation, including the rights 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, or employees of 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 hearing.

12.5.2. Following the public hearing(s), Franchisee shall be provided up to thirty (30) days to submit its proposed findings and conclusions to LFA in writing, and thereafter LFA shall determine (i) whether an event of default has occurred under this Agreement; (ii) whether such event of default is excusable; and (iii) whether such event of default has been cured by Franchisee. LFA shall also determine whether it will revoke the Franchise based on the information presented or, where applicable, grant additional time to Franchisee to effect any cure. If LFA determines that it will revoke the Franchise, LFA shall promptly provide Franchisee with a written determination setting forth LFA's reasoning for such revocation. Franchisee may appeal such written determination of LFA to an appropriate court of competent jurisdiction, which shall have the power to review the decision of LFA de novo to the extent permitted by law. Franchisee shall be entitled to such relief as the court finds appropriate. Such appeal must be taken within sixty (60) days, to the extent permitted by law, of Franchisee's receipt of the written determination of LFA.

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

13. **MISCELLANEOUS PROVISIONS**

13.1. *Actions of Parties*: In any action by LFA or Franchisee that is mandated or permitted under the terms hereof, such party shall act in a reasonable, expeditious, and timely manner.

13.2. *Binding Acceptance*: This Agreement shall bind and benefit the parties hereto and their respective receivers, trustees, successors, and assigns. This Agreement is authorized by Ordinance No. ___ dated _____, 2020 of the Cheltenham Township Board.

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 by the parties.

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.

13.5. *Good Faith Error*: The parties hereby agree that it is not LFA's intention to subject Franchisee to penalties, fines, forfeitures, or revocation of the Franchise for violations of this Agreement 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 hardship being placed upon Franchisee that outweigh the benefit to be derived by LFA and/or Subscribers.

13.6. *Delivery of Payments*: Franchisee may use electronic funds transfer to make any payments to the LFA required under this Agreement.

13.7. *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.

13.7.1. Notices to Franchisee shall be mailed to:

President
Verizon Pennsylvania LLC
900 Race Street, 6th Floor
Philadelphia, PA 19107

13.7.2. with a copy to:

Verizon Legal Department
140 West Street, 6th Floor
New York, NY 10007
Attention: Monica Azare, Vice President and Deputy General
Counsel

13.7.3. Notices to LFA shall be mailed to:

Township Manager
Cheltenham Township

8230 Old York Road
Elkins Park, PA 19027-1589

13.8. *Entire Agreement*: This Franchise and the Exhibits hereto constitute the entire agreement between Franchisee and 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 related to the provision of Cable Services over the Cable System in the Township that conflict with the provisions of this Agreement are superseded by this Agreement.

13.9. *Amendments*: Amendments to this Agreement shall be mutually agreed to in writing and signed by the parties.

13.10. *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.

13.11. *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.

13.12. *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.

13.13. *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 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. This provision is not intended to contravene leased access requirements under Title VI or EG requirements set out in this Agreement.

13.14. *Certain Exceptions*: 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.

13.15. *LFA Exercise of Police Power*: If LFA exercises its reasonable, necessary, and lawful police power rights and such exercise results in a material alteration of the terms and conditions of this Agreement that makes it commercially impracticable for Franchisee to continue the provision of Cable Services in the Township, then the parties shall modify this Agreement to the mutual satisfaction of both parties to ameliorate the negative effects of LFA's exercise of its police power rights on Franchisee. Any modification to this Agreement shall be in writing and signed by both parties. If the parties cannot reach agreement on how to ameliorate the negative effects of LFA's exercise of its police power rights, then Franchisee may terminate this Agreement without further obligation to LFA 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.

13.16. *Counterparts*: This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, and the parties may become a party hereto by executing a counterpart hereof. This Agreement and any counterpart so executed shall be deemed to be one and the same instrument. It shall not be necessary in making proof of this Agreement or any counterpart hereof to produce or account for any of the other counterparts.

[SIGNATURE PAGE FOLLOWS]

AGREED TO THIS _____ DAY OF _____, 2020.

CHELtenham TOWNSHIP

By: _____

Print: _____

Title: _____

Date: _____

VERIZON PENNSYLVANIA LLC

By: _____

Print: _____

Title: _____

Date: _____

EXHIBIT A

SERVICE AREA

The Service Area includes all of the geographic areas within Cheltenham Township served by the following Verizon Pennsylvania wire centers: Chestnut Hill, Jenkintown, Waverly, and Pilgrim as shaded in salmon on the map.

