

ORDINANCE NO. ____

**AN ORDINANCE OF THE TOWNSHIP OF HAYCOCK, BUCKS COUNTY,
PENNSYLVANIA, AUTHORIZING THE ENTERING INTO OF A CABLE FRANCHISE
AGREEMENT GRANTING A NONEXCLUSIVE FRANCHISE TO COMCAST OF
SOUTHEAST PENNSYLVANIA LLC, TO CONSTRUCT, INSTALL, MAINTAIN,
EXTEND, AND OPERATE A CABLE COMMUNICATIONS SYSTEM
IN THE TOWNSHIP OF HAYCOCK.**

WHEREAS, the Township of Haycock is a duly organized Township in the Commonwealth of Pennsylvania;

WHEREAS, the Township of Haycock is authorized to grant one or more nonexclusive, revocable, franchises to construct, operate and maintain within the Township a system for providing "Cable Service";

WHEREAS, Comcast of Southeast Pennsylvania, LLC desires to provide cable television and other telecommunication services in the Township;

WHEREAS, the Township of Haycock wishes to grant Comcast of Southeast Pennsylvania, LLC, a nonexclusive franchise to construct, install, maintain, extend, and operate a cable communications system in the Township of Haycock, in accordance with Title VI of the Communications Act of 1934, as amended, 47 U.S.C. §521 et. seq.;

WHEREAS, the Township of Haycock, Bucks County, Pennsylvania, has considered the adoption of a cable television franchise agreement; and

WHEREAS, the Township of Haycock and Comcast of Southeast Pennsylvania, LLC, have reached agreement on the terms and conditions of said franchise.

NOW, THEREFORE, the Township of Haycock Board of Supervisors hereby enacts into ordinance this Cable Television Franchise Agreement between Haycock Township and Comcast of Southeast Pennsylvania, LLC as herein provided.

All provisions of this Ordinance shall be in force and effect five days after approval and adoption.

ORDAINED AND ENACTED this _____ day of _____, 200_.

BOARD OF SUPERVISORS
HAYCOCK TOWNSHIP

ATTEST:

Nancy M. Yodis, Secretary

Kathleen M. Babb, Chair, Chair

Michael Lennard, Vice Chairman

Henry Depue, Member

For: COMCAST OF SOUTHEAST PENNSYLVANIA, LLC

This Agreement proposed for acceptance by COMCAST OF SOUTHEAST PENNSYLVANIA, LLC is subject to applicable federal, state, and local law. The EFFECTIVE DATE of this Agreement, recognized as being the date of ordination and enactment of an Ordinance duly adopted by the Board of Supervisors of Haycock Township, Bucks County.

COMCAST OF SOUTHEAST PENNSYLVANIA, LLC

By: _____
Authorized Official

FRANCHISE AGREEMENT
BETWEEN THE TOWNSHIP OF HAYCOCK AND
COMCAST OF SOUTHEAST PENNSYLVANIA, LLC.

This agreement made this 2nd day of NOVEMBER, ²⁰⁰⁹, by and between Haycock Township, a Township of the Second Class in Bucks County with its principal offices located at 640 Harrisburg School Rd, Quakertown, Pa 18951 (hereinafter referred to as "Township").

AND

Comcast of Southeast Pennsylvania, LLC, its successors and assigns, with an office location at 55 Industrial Drive, Ivyland, PA 18974 (hereinafter referred to as "Grantee" or "Comcast").

WITNESSETH:

WHEREAS, the purpose of this Franchise Agreement is to ensure quality Cable Service in compliance with FCC technical standards and requirements; and

WHEREAS, the Township is desirous of granting Grantee renewed permission to construct, operate and maintain a distribution system for video, audio, and other lawful services throughout the Township of Haycock, and setting forth terms and conditions; and

WHEREAS, the Township has also considered and analyzed the plans of Grantee for the continued operation of a Cable System to provide Cable Service and found Grantee's technical ability, financial condition, and character to be adequate and feasible in view of the cable-related needs and requirements of the Township; and

WHEREAS, the Township has determined that it is in the best interest of, and consistent with, the health, safety and welfare of the citizens of Haycock Township to grant a non-exclusive Franchise to Grantee to operate a cable television and cable communications system within the confines of the Township and on the terms and conditions set forth; and

WHEREAS, the Township hereby awards Grantee a non-exclusive Franchise for the occupation and/or use of the public way within Haycock Township for the construction, operation and maintenance of a Cable System, which shall remain in effect for ten (10) years from the date of execution of this Agreement; and

WHEREAS, Grantee hereby accepts this award of a non-exclusive Franchise and has agreed to be bound by the conditions hereinafter set forth; and

WHEREAS, Grantee agrees to construct, operate and maintain its Cable System in accordance with applicable federal law and as set forth herein.

NOW, THEREFORE, in consideration of the granting of a Franchise pursuant to this Agreement, the Grantee hereby promises to comply with the provisions herein. In consideration of the Grantee's promises, the Township hereby grants to the Grantee a Franchise pursuant to this Agreement and in accordance with the following terms and conditions.

SECTION 1: DEFINITIONS

For the purpose of this Agreement, the following terms, phrases, words, abbreviations and their derivations shall have the meaning given herein. When not inconsistent with the context, words used in the present tense included the future; words used in the singular include the plural number. The word "shall" is always mandatory and not merely directory.

- a. **GROSS REVENUES** means all revenue of Grantee or any Affiliate derived from the operation of the Cable System to provide Cable Service in whatever form and from all sources within the municipal boundaries of the Township. Gross Revenues includes, by way of illustration and not limitation, revenue from the following: fees charged to Subscribers for any type of Cable Service; fees charged to Subscribers for any optional, premium, per channel or per-program Cable Services; revenue from the sale or carriage of other Cable Services; charges for installation, additional outlets, relocation, disconnection, reconnection, and changes in service; fees for leased access channels; revenue and/or other payments received from programmers as consideration for carriage of programming on the System; fees for video-on-demand; charges for rental of any and all Cable Service subscriber equipment, including, but not limited to, converters and remote controls; advertising revenues; revenues from home shopping channels; sales commissions; revenue from interactive services; sales of hardcopy program guides; all music services; franchise fees; and any revenue received from the provision of any lawful Cable Service. The following revenues shall not be included within the meaning of Gross Revenues: (1) revenue of any Affiliate which is a cable channel supplier of programming and which supplies programming on a national basis to both the Grantee and to other cable operators which are not Affiliates; (2) the revenue of the Grantee or any Affiliate from the operation of a facility of a common carrier which is subject in whole or in part to the provisions of Title II of the Communications Act of 1934, as amended, and for which there is no forbearance, except that such facility shall be considered a cable system (other than for purposes of Section 621(c) of the Cable Act) to the extent such facility is used in the transmission of video programming directly to subscribers; and (3) interest income. Gross Revenues from advertising received by Grantee or by any Affiliate, shall be prorated based upon the proportion of the number of Township subscribers as compared to the number of total subscribers to which such advertising is delivered by Grantee and its Affiliates. "Gross Revenues" shall include amounts earned in any period, regardless of: (i) whether the amounts are paid in cash, in trade, or by means of

some other benefit to Grantee or its Affiliates; (ii) whether the goods or services with which the revenue is associated are provided at cost or the revenue amount can be matched against an equivalent expenditure; (iii) how the amounts are characterized, separately identified, or accounted as being for goods, services or fees to be paid to government entities; and/or (iv) whether the amounts are initially recorded by Grantee or its Affiliates. "Gross Revenues" shall not be a net of: (a) any operating expense; (b) any accrual, including, without limitation, any accrual for commissions; or (c) any other expenditure, regardless of whether such expense, accrual or expenditure reflects a cash payment. "Gross Revenues" shall not be double counted, "Gross Revenues" which have been included as Gross Revenues of both Grantee and an Affiliate but which sum is included in Gross Revenues due solely to a transfer of funds between Grantee and the Affiliate shall not be counted for purposes of determining Gross Revenues.

- b. CABLE SERVICE means the one-way transmission to customers of video programming and other programming services, together with customer interaction, if any, which is required for the selection of such programming, or the utilization of any facilities or equipment of the Cable System to provide such services.
- c. CABLE SYSTEM A facility, consisting of a set of closed transmission paths and associated signal generation, reception, and control equipment that is designed to provide Cable Service which includes video programming and which is provided to multiple Subscribers within the Township, but such term does not include (A) a facility that serves only to retransmit the television signals of one or more television broadcast stations; (B) a facility that serves Subscribers without using any public 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 the Communications Act, except that such facility shall be considered a Cable System (other than for purposes of Section 621 of the Cable Act) to the extent that facility is used in the transmission of video programming directly to Subscribers unless the extent of that use is solely to provide interactive on-demand services; (D) an open video system that complies with Section 653 of the Cable Act; or (E) any facilities of any electric utility used solely for operating its electric utility systems.
- d. CHANNEL means a designated frequency band in the electromagnetic spectrum that is capable of carrying video, audio, or other programming signals, as such programming is defined by the FCC.
- e. GRANTEE means the Cable System operator, Comcast of Southeast Pennsylvania, LLC, to whom a Franchise is hereby granted for the construction, operation, maintenance and reconstruction of a Cable System and its lawful successors, transferees or assigns of said Cable System operator.

- f. CABLE ACT shall mean the Cable Communications Policy Act of 1984, Pub. L. No. 98-549, 98 Stat. 2779 (1984) (codified at 47 U.S.C. §§ 521-611 (1982 & Supp. V 1987)) as amended by the Cable Television Consumer Protection and Competition Act of 1992, Pub. L. No. 102-385, and the Telecommunications Act of 1996, and as may, from time to time, be further amended.
- g. CONVERTER means an electronic device that allows for reception and selection of signals distributed over the Cable System frequencies that may not be readily receivable by an ordinary television receiver.
- h. FCC means Federal Communications Commission, or subsequent federal oversight entity.
- i. FRANCHISE shall mean the Grantee's right and authority to operate, own, extend, install and maintain a Cable System within the Township.
- j. FRANCHISE AGREEMENT or AGREEMENT means the Franchise Agreement as approved by the Township and Grantee set forth the rights and obligation of the parties under the Franchise.
- k. PERSON means any individual, trustee, partnership, association, corporation or other legal entity.
- l. PUBLIC WAY shall mean the surface of, and the space above and below, any public street, highway, freeway, bridge, land path, alley, court, boulevard, sidewalk, parkway, way, lane, public way, drive, circle, or other public right-of-way, including, but not limited to, public utility easements, dedicated utility strips, or rights-of-way dedicated for compatible uses and any temporary or permanent fixtures or improvements located thereon or hereafter held by the Township in the Service Area which shall entitle the Grantee to the use thereof for the purpose of installing, operating, repairing and maintaining the Cable System. Public Way shall also mean any easement now or hereafter held by the Township with the Service Area for the purpose of public travel, or for utility or public service use dedicated for compatible uses, and shall include other easements or rights-of-way as shall within their proper use and meaning entitle the Grantee to the use thereof for the purposes of installing or transmitting Grantee's Cable Service or other service over poles, wires, cables, conductors, ducts, conduits, vaults, manholes, amplifiers, appliances, attachments, and other property as may be ordinarily necessary and pertinent to the Cable System.
- m. SECTION means any sections, subsection, line or provision of this Agreement.
- n. SERVICE AREA means that area within the present municipal boundaries of the Township, and shall include any additions thereto by annexations or other legal means, in which Grantee operates a Cable System to provide Cable Services.

- o. SUBSCRIBER means any person(s), firm(s), corporation(s) or other legal entity(ies) who, or which, elects to lawfully receive, for any purpose, Cable Service provided by Grantee in connection with the Cable System.
- p. TOWNSHIP shall mean Haycock Township, a political subdivision situated in the County of Bucks, Commonwealth of Pennsylvania, or the lawful successor, transferee, or assignee thereof.

SECTION 2: GRANT OF AUTHORITY

- a. Township hereby grants to Grantee the non-exclusive right, privilege and Franchise to have, acquire, construct, reconstruct, use, operate, own and maintain a Cable System in the Township.
- b. This Franchise shall have a term commencing upon full execution of this Franchise Agreement and shall continue in full force and effect for ten (10) years, at which time Grantee shall have the right to seek a franchise renewal Agreement with the Township in accordance with 47 U.S.C. §546.
- c. Township hereby grants to Grantee the right and privilege to construct a Cable System over and below the Public Way within the franchise area to be owned and operated by Grantee and which has been dedicated for compatible uses, except that, in using such Public Way, Grantee shall ensure:
 - (i) that the safety, functioning and appearance of the adjoining property and the convenience and safety of other persons not be adversely affected by the installation or construction of facilities necessary for a Cable System; and
 - (ii) the cost of the installation, construction, operation or removal of such facilities shall be borne by Grantee or subscriber, or a combination of both; and
 - (iii) that the owner of any adjoining property be justly compensated by Grantee for any damages caused by the installation, construction, operation or removal of such Cable facilities by Grantee.
- d. In case of any disturbances of pavement, sidewalk, driveway or other public improvements, Grantee shall, at its cost and expense, in a manner approved by the Township, replace and restore all such surfaces in as reasonably good a condition as existed before said work was commenced.

- e. Prior to commencing any phase of major construction to include rebuilds or upgrades of the cable system, Grantee shall submit documentation to Township clearly setting forth:
 - (i) the work to be accomplished during the proposed construction phase and
 - (ii) the precautions to be taken to ensure that property damage during installation is minimized.
- f. Construction shall not be permitted unless the Township, in accordance with the municipal code, approves the construction application, but such approval shall not be unreasonably withheld, conditioned or delayed.
- g. In the event that Township determines that Grantee has not materially complied with the requirements in the aforementioned subsections or any other provision of this Agreement related to the construction of the Cable System, the Township is authorized to give written notice to Grantee to cease and desist from any further construction until said non-compliance issues are corrected.
- h. Grantee shall, in accordance with generally applicable regulations, have the authority to trim trees upon and hanging over streets, alleys, sidewalks, and public ways and places of the Township so as to prevent the branches of such trees from coming in contact with the wires, cables and facilities of the Grantee (see also Section 16 (g)).
- i. Grantee shall require a due diligence background check on each of its prospective employees and independent contractors who will be in contact with the public prior to his or her engagement. Grantee shall require each subcontractor which is not a natural person to do same. Grantee shall require a standard identification document for all employees, including employees of subcontractors, who will be in contact with the public. In addition, Grantee shall use its best efforts to require clearly and prominently identify with the name of Grantee or "cable contractor" on all field vehicles that operating under the authority of Grantee. The Grantee shall use its best efforts to provide a contact number of the contractor and/or a Company contact number.

SECTION 3: RIGHTS OF TOWNSHIP

- a. Township warrants to Grantee that it has the right to issue the Franchise and enter into this Franchise Agreement. Any cable-related Ordinance approved by the Township shall give Grantee the opportunity to renew the Franchise pursuant to the procedures provided for under the Cable Act.
- b. The right is hereby reserved by the Township to adopt such additional general regulations in the exercise of its police power as it shall find necessary, provided

that such regulations shall be reasonable and not materially in conflict with the rights granted under this Franchise nor place an unreasonable economic or technical burden upon Grantee.

- c. The Franchise Agreement (including all of Grantee's particular rights, powers, protections, privileges, immunities and obligations associated therewith as the same exist on the date hereof) shall constitute a legally binding contract between the Township and Grantee and as such cannot be amended, modified or changed by the Township without the consent of Grantee in any manner whatsoever, whether by ordinance, rule, regulation or otherwise, to impose on Grantee more stringent or burdensome requirements or conditions; provided, however, that nothing herein contained shall preclude the Township from the proper exercise of its general regulatory and police powers, as described in Subsection (b) above.
- d. The Township or its officially designated representative shall have the right to inspect all pertinent records, books, and financial statements maintained by Grantee which relate directly to computation of Gross Revenues at Grantee's place of business upon reasonable notice and during normal business hours. The Township, and its officially designated representatives agree to treat any information disclosed as confidential and only to disclose it to employees, agents or representatives thereof that have a need to know or in order to enforce the provisions hereof. Grantee shall not be required to provide subscriber information in violation of Section 631 of the Cable Act.
- e. The Township, or its officially designated representatives or agents, upon reasonable notice in accordance with Section 18 (d) herein below, shall have the right to observe all construction or installation work performed subject to the provisions of this Agreement and to make such inspections, during regular business hours with an employee of the Grantee present, as it may find necessary to insure compliance with the terms of this Agreement and other applicable provisions of the law.
- d. Continuing administration of the provisions of this Agreement shall be the responsibility of the Township through its duly designated representative.

SECTION 4: SERVICE

The Township hereby adopts the customer service standards set forth in Part 76, §76.309 of the FCC's rules and regulations, as amended. The Grantee is hereby notified of the intent of the Township to enforce such rules, and Grantee shall comply in all respects with the customer service requirements established by the FCC.

SECTION 5:

QUARTERLY FRANCHISE FEE

- a. Unless reduced, waived or increased by Haycock Township, Grantee shall pay to Haycock Township a franchise fee equal to five percent (5%) of annual "Gross Revenues." Said franchise fee may be increased or decreased at the sole and exclusive election of Haycock Township to an amount not to exceed the maximum amount allowed by law in such increments and in such amounts as the Township may elect, upon one hundred eighty (180) days prior written notice to the Grantee. Haycock Township reserves the right to change such amount one or more times and the failure to make any such election shall not constitute a waiver of the right hereunder.
- b. The franchise fee shall be assessed on a calendar year quarterly basis and shall be payable to the Township no later than forty-five (45) days after the expiration of the calendar quarter for which payment is due. 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) of each year. In the event that any franchise fee payment is not made on or before the applicable date, then interest shall be added at the rate of five (5%) per year of the amount of the franchise fee revenue due to the Township. The interest rate shall be applied as described from the date such franchise fee payment was originally due. Each franchise fee payment shall be accompanied by a written report containing an accurate statement of Comcast's Gross Revenues received for Cable Services for the quarter in connection with the operation of Comcast's Cable System and a brief report showing the basis for computation of fees. The report shall contain a line item for every source of revenue received and the amount of revenue received from each source. The report shall be verified by a financial representative of Comcast.
- c. At the time of the fourth quarter payment of the Franchise Fee, Grantee shall furnish the Township with such other information, as the Township shall reasonably require with respect to the Grantee's operations within the Township during the prior year.
- d. Upon reasonable advance written notice, the Township may inspect the Grantee's books and records to determine the accuracy of the certified franchise fee statements submitted on behalf of the Grantee. Such review of the records shall take place within twenty-four (24) months of any period questioned by the Township. If the Township determines that Grantee has underpaid the amount due by five percent (5%) or more, then Grantee, in addition to repayments of all past due amounts, shall be responsible for the reasonable costs of the inspection. Once the franchise fees, plus any interest penalties, are paid by Grantee, the Township shall have no further rights to audit or challenge the franchise fee payment for that particular time period.

SECTION 6:

FRANCHISE AGREEMENT

- a. This Agreement is a contract between the Township and Grantee, and is binding upon both parties. It is the intent of the parties that this Agreement (or any renewal hereof) may be subject to amendment from time to time to allow the Grantee to innovate and implement new Cable Services and developments or to agree to any terms allowed by law and for which each party agrees to bargain in good faith with the other party, subject to the mutual agreement of any proposed amendment.
- b. Grantee shall at all times endeavor to provide a state of the art, high-quality Cable Service in the Township that meets current and future technical capacity and service standards of the FCC.

SECTION 7: CONSTRUCTION OF ADDITIONAL SYSTEM EXTENSIONS

- a. Grantee shall not be required to extend the Cable System into sparsely populated areas having fewer than twenty-five (25) homes per linear mile and is within one (1) mile of the existing Cable System. Subject to this density requirement, Grantee shall offer Cable Service to all new homes or previously unserved homes located within two hundred (200) feet of the Grantee's distribution cable ("Normal Installation"). Grantee may choose to extend Cable Service to areas where there is a lesser density of dwelling units upon payment by requesting from households in such areas a charge, in addition to an installation charge, which does not exceed Grantee's actual and direct costs. Notwithstanding the above, Grantee shall not be required to extend Cable Service in areas of the Township already served by another cable provider that owns and operates another cable system.

SECTION 8: COMPLIANCE WITH APPLICABLE LAWS AND ORDINANCES

- a. Grantee shall conform to all generally applicable laws, rules and regulations of the United States and the Commonwealth of Pennsylvania in the construction and operation of its Cable System and all generally applicable rules and regulations of the FCC.
- b. Grantee shall not refuse to hire or employ, nor bar, nor discharge from employment, nor discriminate against any person in compensation or terms, conditions or privileges of employment because of age, race, creed, color, national origin or gender.
- c. Any right, power, protection, privilege, immunity or obligation which is provided, granted or imposed on Grantee under or by virtue of the Cable Act shall remain inviolate and shall be available in Grantee notwithstanding any contrary provision of the Franchise Agreement, and the acceptance of the terms and conditions of

this Agreement shall not be construed as a waiver or release by Grantee of any right, power, protection, privilege, immunity or obligation under the Cable Act, the laws or Constitution of the United States or the laws and Constitution of the Commonwealth of Pennsylvania. Nothing herein, nor Grantee's acceptance hereof, shall be construed to deny Grantee the right to Challenge the legality of any provision of the Franchise or to seek administrative and/or judicial review of any section or threatened action by the Township under, or arising out of this Agreement.

SECTION 9: LIABILITY AND INDEMNIFICATION

- a. By its acceptance of this Agreement, Grantee specifically agrees that it shall defend and indemnify the Township, its officers, employees, agents, boards and commissions, acting in their official capacity, and hold them harmless from any and all damages, penalties or costs that may arise from a suit filed by a third party due to the granting of the Franchise to Grantee, or any activities engaged in by Grantee, provided that the Township shall give the Grantee written notice within the following:
 - i. thirty (30) days of receipt of a claim or actions pursuant to this subsection or within
 - ii. ten (10) days following service of legal process on the Township or its designated agent, of any actions related to this subsection but excluding any activities that are the result of negligence or deliberate acts of omissions of the Township, its officers, employees, agents, boards, or commissions.
- b. By its acceptance of this Agreement, Grantee specifically agrees that it shall pay all judgments or settlements due to damages and/or penalties for which it is liable under Subsection 8 (a). In this connection, Grantee will provide the defense of any claims brought against the Township under this section of the Agreement. The Township shall give timely notification of any such claims, demands, actions, suits, proceedings, damages, or liability before Grantee shall be required to undertake the defense and to indemnify the Township. Grantee shall have the right to defend, settle or compromise any claim or action arising hereunder. Expense of investigation, counsel and the amount of any settlement of any claim or suit will be paid by Grantee. The Grantee shall have the sole authority to decide the appropriateness and the amount of any such settlement.
- c. By its acceptance of this Agreement, Grantee specifically agrees that it will maintain, through the term of this Franchise, and in any renewals thereof, liability insurance protecting Grantee and the Township with regard to all damages and/or penalties mentioned in Subsection 8 (a) in the following minimum amounts:

- i. Grantee shall maintain in full force and effect, at its own cost and expense, during the term of the Franchise, Commercial General Liability Insurance in the amount of two million dollars (\$2,000,000) combined single limit for bodily injury, and property damage and Workers Compensation Insurance as required by law. The insurance carrier for the Grantee shall be solvent and authorized to conduct business in the Commonwealth of Pennsylvania. Any insurance policy issued in connection with this Franchise shall designate Haycock Township as an additional named insured. Such insurance shall be non-cancelable except upon thirty (30) days prior written notice to Haycock Township.
- ii. Worker's Compensation insurance on all employees engaged in installation or service of its equipment.
- iii. A Certificate of Insurance evidencing the insurance coverage herein provided shall be filed by Grantee with the Township, upon request.

SECTION 10: TRANSACTIONS AFFECTING OWNERSHIP OF THE FRANCHISE

- a. Grantee shall not transfer this Franchise to any other person, firm, Grantee, corporation or entity - other than to the principal parents of Grantee, a parent corporation, a subsidiary, or affiliate corporation of a parent Grantee or subsidiary or affiliate corporation of Grantee, or any other firm or entity owned by Grantee - without the prior approval of the Township as to the financial and technical ability of the transferee to operate the System. Such permission shall not be unreasonably withheld. Within thirty (30) days of receiving the request for transfer, the Township shall, in accordance with FCC rules and regulations, notify Grantee in writing of the information it requires to determine the legal, financial and technical qualifications of the transferee. If the Township has not taken action on Grantee's request for transfer within one hundred twenty (120) days after receiving such requested information, consent by the Township shall be deemed given.

SECTION 11: FRANCHISE RENEWAL

- a. Renewal of this Franchise shall be governed by Section 626 of the Cable Act and the provisions of this Agreement.
- b. This Franchise may be renewed at any time by mutual agreement between Grantee and the Township in accordance with the formal or informal procedures provided by federal law.

- c. Either the Township or the Grantee may submit during the six (6) month period which begins with the thirty-sixth (36th) month before the Franchise expiration, a written notice requesting the initiation of a franchise renewal proceeding.
- d. Within six (6) months of such notification, the Township may undertake a proceeding, including a public notice and participation, for the purpose of (a) identifying future cable-related community needs, and (b) reviewing compliance of Grantee with the then current Franchise. Such proceeding shall be completed within twelve (12) months of the date begun. The Township shall submit a copy of its findings in writing to Grantee within said twelve (12) months.
- e. After receipt of the findings, Grantee may submit to the Township a proposal for renewal. The Township may provide public notification of receipt of this proposal, and within four (4) months of receipt of such proposal shall either
 - i. renew the Franchise, or
 - ii. issue a preliminary assessment that the Franchise should not be renewed.
- f. If the Township preliminarily decides against renewal, and at Grantee's request, the Township shall begin an administrative proceeding, affording due process, including the rights to introduce evidence, subpoena evidence and examine witnesses to consider whether:
 - i. Grantee has substantially complied with the material terms of the existing Franchise Agreement and with applicable law;
 - ii. the quality of Grantee's cable service, except for the mix or quality of cable services or other services provided over the system, has been reasonable in light of community needs;
 - iii. Grantee has the financial, legal and technical ability to provide the cable services, facilities and equipment as set forth in this proposal; and
 - iv. the proposal is reasonable to meet future cable-related community needs and interests, taking into account the cost of meeting such needs.
- g. The Township shall issue a written decision granting or denying the proposal for renewal based solely on the record of the proceeding. A certified copy of such decision shall be furnished by the Township to Grantee.
- h. If such decision is to deny renewal, reasons therefore shall be stated. The Township shall give Grantee notice of and an opportunity to cure violations or

problems in accordance with the provisions outlined in Section 12 of this Franchise.

- i. If Grantee's proposal for renewal has been denied by a final decision of the Township, or if Grantee has been adversely affected by a failure of the Township to act in accordance with the procedural requirements of this section, Grantee may seek review of such final decision thorough any court of competent jurisdiction.
- j. If the current Franchise Agreement expires by its own term before the Township and Grantee have reached agreement on the terms and condition of a renewal Franchise or before completion of the formal renewal procedures set forth above, upon mutual agreement between the Grantee and the Township, may extend the expiration date of the current Franchise Agreement until either a new Franchise has been granted or the Township's denial has been upheld by a court of last resort.

SECTION 12: REVOCATION OF FRANCHISE

- a. The Township shall have the right to initiate revocation proceedings for a knowing and substantial breach of any of the material terms and conditions of this Franchise Agreement by Grantee. A revocation shall be declared only by the Township Board of Supervisors after an appropriate public hearing that shall afford Grantee due process and full opportunity to be heard. Said revocation shall not be effective until after written notice of the breach, setting forth the grounds for revocation, has been served upon Grantee by certified mail, return receipt requested, and Grantee shall not have cured the breach within ninety (90) days, or shall have failed to commence to cure said breach as soon as reasonably practicable, if such breach cannot be cured within ninety (90) days after notice.
- b. Prior to any such revocation, Grantee shall have the right to challenge the Township's allegations before an impartial administrative fact finder which challenge shall stay the time periods specified in Subsection 11(a). In any such administrative proceeding, both Grantee and the Township shall have the right to introduce evidence, to require production of evidence and to question witnesses in accordance with the standards of the process and fair hearing applicable to administrative hearings in the Commonwealth of Pennsylvania. Either party may thereafter seek judicial review in a court of competent jurisdiction. , All costs associated with the administrative proceedings or the judicial review, including reasonable attorney's fees, shall be borne by the non-prevailing party.
- c. Grantee shall not be in violation of this Franchise and no revocation shall be effected if Grantee is prevented from performing its duties and obligations or observing the terms and conditions of this Agreement by any Acts of God, labor

disputes, manufacturers' or contractors' inability to timely provide personnel or material or other causes of like or different nature force majeure beyond the control of Grantee.

SECTION 13: RATES

- a. The rates charged by Grantee for installations, the rental and sale of equipment, and the provision of any and all Cable Services shall be as determined by Grantee in its sole discretion, except insofar as federal law in and applicable FCC rate regulations permit the Township to regulate certain of said rates.
- b. The Township shall not regulate rates for video programming offered on a per-channel or per-program basis.
- c. Grantee shall provide notice to the Township and to affected subscribers of an increase in the rate of charge for any Cable Service. The notice shall be in writing and shall specify the service or services affected, the new rate, and the effective date thereof. Notice to subscribers affected by the rate increase shall be provided at least thirty (30) days prior to the effective date of the rate change. This section shall not apply to pay-per-view programming.
- d. Grantee may require subscribers to pay for each month of service in advance at the beginning of each month.
- e. Nothing contained in this Agreement shall be deemed to restrict or prohibit Grantee from pursuing such legal remedies to collect past due debts owed to it by subscribers, including the reasonable costs and expenses incurred in pursuing such remedies, such as collection fees, attorney's fees and trip charges.
- f. Grantee shall not, as to rates, charges, services, service facilities, rules, regulations, or in any respect make or grant any undue preference or disadvantage on the basis of race, creed, national origin, religion, color, gender or age. Nothing in this section shall be construed to prohibit the temporary reduction or waiving of rates or charges in conjunction with valid promotional campaigns; or the offering of rate discounts for Cable Service to Persons or organizations of similar classes, under similar circumstances and conditions; or the offering of discounts to senior citizens.

SECTION 14: SYSTEM REQUIREMENTS

- a. Grantee shall use reasonable efforts in good faith to provide to subscribers as wide a variety and number of services as is feasible in accordance with federal law.

- b. Grantee shall use materials of good and durable quality and all work involved in the construction, installation, maintenance, and repair of the Cable System shall be performed in a safe, thorough and reliable manner.
- c. Upon request, Grantee shall, without charge, provide basic Cable Service to one (1) outlet in each municipal building, police and fire station, emergency medical station, each public, private and parochial school building, and each public library, if situated within the Grantee's service area currently or at that time in the future; that is located within two hundred (200) feet of Grantee's distribution system and is able to be connected with a normal aerial installation. Grantee shall be permitted to recover its labor, material and monthly service costs to provide service to more than one outlet in each such building, or for other than normal installation. Users of such outlet shall hold Grantee harmless from any and all liability or claims arising out of their use of such outlets, including but not limited to, those arising from copyright liability.
- d. Grantee's Cable System shall be built with a bandwidth of no less than 750 MHz with addressable technology of no less than one hundred twenty-five (125) video channels received for digital and/or analog transmission and shall allocate sufficient portion of said bandwidth capable of two-way Cable Services. Notwithstanding, Grantee reserves the right to alter, adjust, modify, rebuild, upgrade, redesign, or otherwise reconfigure the Cable System at any time during the term of the Agreement, in accordance with the provisions of this Agreement; however, Grantee agrees that no alteration, adjustment, modification, rebuild, upgrade, redesign, or other reconfiguration of the Cable System shall have the effect of reducing the technical capabilities of the Cable System from those that exist on the Effective Date of this Agreement.
- e. On the effective date of this Agreement, Grantee's system shall be capable of telecasting digital technology by utilizing digitally compressed signal technology.
- f. Reserved EG Access Channel Capacity. In accordance with Section 611 of the Cable Act and if Township and/or school facilities are situated in the Grantee's Service Area currently or at that time in the future, Grantee shall reserve capacity for the use of up to two (2) dedicated channels, one for an "Educational Access Channel" for non-commercial, educational purposes for use by local public or non-profit, private school (K-12) authorities under the sanction of the Township; and/or one for a "Governmental Access Channel" for non-commercial, governmental purposes for use by the Township. The Township may activate one or both of the reserved "EG" Access Channels during the term of this Franchise Agreement by providing Grantee with written notice one hundred eighty (180) days prior to the date it intends to activate any or all of the reserved access capacity. In providing use of any Access Channels, Grantee reserves its external cost rights, and does not relinquish its ownership or ultimate right of control over a channel by activating it for Access

Channel use. The Township and/or its designees utilizing the EG Access Channels, may select, and Grantee at its one-time sole cost and expense shall connect to the Cable System via return lines, a maximum of two (2) remote origination points– one to the transmission site of the Educational Access Channel, and one to the transmission site of the Governmental Access Channel -- if located within the Grantee's Service Area.

- g. Upon the conversion of cable signals from an analog format, Grantee shall offer EG channels to Subscribers on the lowest level of Digital Cable Service available during the term of the Agreement.

SECTION 15: CONSTRUCTION AND INSTALLATION

- a. Wherever a telephone or other utility Grantee has erected poles, Grantee shall be expected to make a good faith attempt to enter into a joint use agreement for those poles. Grantee shall not set new poles, except where no pole exists or use of an existing utility pole is not practicable due to excessive rearrangements or other conditions, and such pole construction shall be subject to approval by the Township.
- b. Grantee shall apply for all required permits and shall not undertake any construction without receipt of such permits, issuance of which shall not be unreasonably withheld or delayed by the Township. Notwithstanding the requirements herein, Grantee shall not be required to obtain a permit for individual drop connections to Subscribers, servicing or installation of pedestals or other ancillary facilities, or other instances of routine maintenance or repair to its Cable System. The Township shall issue all such permits at no cost to Grantee, such cost being covered by Grantee's franchise fee.
- c. The construction, installation and maintenance of the Cable System shall be effectuated by Grantee in a manner that is consistent with the laws, ordinances and construction standards of the State of Pennsylvania, the Occupational Safety and Health Administration, the National Electrical Safety Code, National Electrical Code, FCC and the Standards of Good Engineering Practices for Measurement of Cable Television Systems of the National Cable Television Association to the extent applicable.
- d. All of Grantee's construction, installation, repair and maintenance shall be conducted in such a manner as to cause minimum interference with the rights and reasonable convenience of the public and any property owners that may be affected.
- e. Grantee shall promptly repair and restore any private property that may have been damaged as a result of the construction, installation, repair or maintenance of the system. Any Township property damaged or destroyed

shall be promptly repaired or replace by Grantee and restored to serviceable condition.

- f. The Township agrees to promptly notify Grantee of all permits granted for the development of residential subdivisions or multiple dwelling complexes to enable Grantee to make arrangements for installation of its cable facilities within same.
- g. For subscribers requesting connection requiring an aerial drop line in excess of two hundred (200) feet. Grantee shall extend cable service at a rate not to exceed Grantee's actual cost of construction from its main service line. In accordance with Section 2 (h) herein above, Comcast or its agents, including subcontractors, shall have the authority to trim, cut, or remove trees, as may be necessary for the installation and maintenance of its equipment in accordance with any Township regulations. All tree trimming and removal of trees shall be performed in conformance with applicable Township ordinances and/or regulations. Comcast shall reasonably compensate the Township or other property owners for any damages caused by such tree trimming, cutting, or removal. If Comcast or its agents, including subcontractors, wish to cut down and remove any tree or trees, it shall make every reasonable effort to notify the Township of such work.
- h. Grantee shall be required, at its expense, to protect, support, temporarily disconnect, relocate in or remove from public streets, lands or places any property of Grantee whenever required by the Township upon reasonable written notice by reason of traffic conditions, public safety, street construction, or any other public improvement purpose.
- i. Grantee, on the request of any person, firm or corporation holding a building permit issued by the Township, or permit issued by an appropriate state agency, shall temporarily raise or lower its wires to permit the moving of buildings. The person, firm or corporation requesting the same shall pay the expense of such temporary raising or lowering to Grantee, and Grantee shall have the authority to require such payment in advance. Grantee shall be given not less than ten (10) business days advance written notice to arrange for such temporary wire changes.
- j. In those areas of the Service Area where the transmission or distribution facilities of the respective public utilities providing telephone communications and electric services are both aerial and underground, Grantee shall have the sole discretion to construction, operate, and maintain all of its transmission and distribution facilities, or any part thereof, aerially or underground. Grantee shall not be required to construct, operate or maintain any flush mounted or below-ground level appurtenances such as subscriber taps, line extenders, system passive devices, pedestals or other related equipment.

SECTION 17:

OBSCENE PROGRAMMING

- a. Grantee shall make available, upon the request of a subscriber, either by sale or lease, a device or the capability to control the reception of any video and/or audio channel on the Cable System providing obscene, indecent or sexually explicit adult programming pursuant to Section 641 of the Cable Act.
- b. As provided under Section 639 of the Cable Act [47 U.S.C. §559], whoever transmits over the Cable System any material which is obscene or otherwise unprotected by the Constitution of the United States shall be fined under Title 18 of the United States Code, or imprisoned not more than 2 years, or both.

SECTION 18: EXCLUSIVE SERVICE ARRANGEMENTS; TESTING

- a. Grantee shall, upon the presentation evidence by the Township, provide reasonable proof to the contrary that access to Cable Service is being denied to any group of potential cable subscribers in the Township because of the income level of such residents.
- b. To the extent prohibited by federal or state law, Grantee agrees that, during the term of this Agreement, it shall not enter into exclusive service contracts, with owners of multiple family dwellings or real estate developers.
- c. Grantee agrees to comply with the provisions of Pennsylvania Act 1990-221, as amended, providing for tenants' access to cable service [68 P.S. §250.501, et seq.].
- d. Testing for Compliance is as follows:
 - (i.) Upon written request of the Township and in accordance with FCC regulations, the Grantee shall furnish to the Township a copy of all technical tests performed on the Cable System by it or on its behalf at no cost or expense to the Township.
 - (ii.) The Township may perform technical tests of the Cable System during normal business hours and in a manner which does not unreasonably interfere with the normal operations of the Grantee or the Cable System in order to determine whether or not the Grantee is in compliance with the terms hereof and all applicable laws, ordinances, rules and regulations. Such tests may be undertaken only after giving Grantee reasonable written notice thereof, not to be less than ten (10) business days, and providing a representative

of Grantee an opportunity to be present during such tests. In the event that such testing demonstrates that the Grantee has failed to comply with the terms hereof and all applicable laws, ordinances, rules and regulations, the costs of such tests shall be borne by the Grantee and paid to the Township within thirty (30) days. In the event that such testing demonstrates that Grantee has complied therewith, the cost of such testing shall be borne by the Township.

SECTION 19: SUBSCRIBER NOTICE; PRIVACY

- a. At the time of entering into an agreement to provide any Cable Service to a subscriber, and at least once a year thereafter, the Grantee shall provide notice in the form of a written statement to such subscriber of:
- b. Products and services offered;
 - i. Prices and options for programming services and conditions of subscription to programming and other services;
 - ii. Channel positions of programming carried on the Cable System;
 - iii. Installation and service maintenance policies;
 - iv. Instructions on how to use the Cable Service and any converters;
 - v. Billing and customer complaint procedures;
 - vi. Grantee's address, telephone number and office hours; and
 - vii. A notice of Subscriber privacy rights as required by federal law.
- c. For purposes of this section, the term "personally identifiable information" does not include a record of aggregate data that does not identify particular persons.
- d. Grantee shall not use the Cable System to collect personally identifiable information concerning any subscriber without the prior written or electronic consent of the subscriber concerned.
- e. Grantee may use the Cable System to collect such information in order to:

- i. obtain information necessary to render a Cable Service or other service provided by Grantee to the subscriber, checking for illegal taps or detect unauthorized reception of Cable Service; or
 - ii. conduct system-wide or individually addressed "sweeps" solely for the purpose of verifying system integrity, controlling return-path transmissions, billing for pay services, or monitoring Channel usage in a manner not inconsistent with the federal law.
- f. Grantee shall not disclose personally identifiable information concerning any subscriber without the prior written or electronic consent of the subscriber concerned.
- g. Grantee may disclose such information if the disclosure is:
 - i. necessary to render or conduct a legitimate business activity related to a cable service or other service provided by Grantee to the subscriber;
 - ii. subject to subsection 18(m), made pursuant to a court order authorizing such disclosure, if the subscriber is notified of such order by the person to whom the order is directed; or
 - iii. a disclosure of the names and addresses of subscribers to any cable service or other service, if
 - a. Grantee has provided the subscriber the opportunity to prohibit or limit such disclosure; and
 - b. the disclosure does not reveal, directly or indirectly
 - i. the extent of any viewing or other use by the subscriber of a cable service provided by Grantee, or
 - ii. the nature of any transaction made by the subscriber over the System of the Grantee.
- h. A Cable Service subscriber shall be provided access to all personally identifiable information regarding that subscriber which is collected and maintained by the Grantee. Such information shall be made available to the subscriber at reasonable times and at a convenient place designated by Grantee. A Cable

Service subscriber shall be provided reasonable opportunity to correct any error in such information.

- i. Grantee shall destroy personally identifiable information if the information is no longer necessary for the purpose for which it was collected and there are no pending requests or orders for access to such information under subsection 18 (g) or pursuant to a court order.
- j. Any person aggrieved by any act of Grantee in violation of this section may bring civil action in a United States District Court.
- k. Nothing in this section shall be construed to prohibit or limit any State or agency with appropriate jurisdiction from enacting or enforcing laws consistent with this Section for the protection of subscriber privacy.
- l. A governmental entity may obtain personally identifiable information concerning a Cable Service subscriber pursuant to a court order only if, in the court proceeding relevant to such order:
 - i. such entity offers clear and convincing evidence that the subject of the information is reasonably suspected of engaging in criminal activity and that the information sought would be material evidence in the case; and
 - ii. the subject of the information is afforded the opportunity to appear and contest such entity's claim.
- m. The privacy protections set forth herein above are subject to the provisions of Section 631 of the Cable Act [47 U.S.C. §551]

SECTION 20: CONSUMER PROTECTION; RECORDS; LOCAL OFFICE

- a. Nothing herein shall be construed to prohibit or limit any State or instrumentality with appropriate jurisdiction from enacting or enforcing any consumer protection law.
- b. **Records and Reports:** In accordance with Section 5 (d) herein above, Grantee shall keep full, true, accurate and current books of account related to the calculation and payment of franchise fees, which books and records shall be made available for inspection and copying by the Township or the Township's authorized representative during normal business hours and upon reasonable advance written notice.
- c. **Local Office, Complaint Procedures:**

- i. During the term of this Franchise and any renewal thereof, Grantee shall maintain a conveniently-located local business office for the purpose of receiving and resolving all complaints regarding the quality of service, equipment malfunctions, and similar matters. The provisions of this Section shall be complied with if the office may be reached by a local and/or toll-free telephone number, and provides the Township or its designee with the name, address and phone number of a person who will act as Grantee's agent to receive complaints regarding quality of service, equipment malfunctions and similar matters. The local office shall be open to receive inquiries or complaints from subscribers during Normal Business Hours, and in no event less than 9:00 a.m. to 5:00 p.m., Monday through Friday, except legal holidays. After normal business hours, the access telephone line may be answered by a service or an automated response system, including an answering machine. Any complaints from subscribers shall be investigated and acted upon as soon as possible, but at least within three (3) business days of their receipt. Grantee shall keep a maintenance service log that will indicate the nature of each service complaint originating from subscribers residing in the Township, which generated a work order and/or necessitated a service call within the prior twelve (12) month period. The log shall note the number of such complaints, the general nature of such complaints generating the calls, and summary descriptions of the resolutions of the complaints. Upon written request, the log shall be made available for inspection by the Township.

SECTION 21: NOTICES

- a. Unless expressly otherwise agreed between the parties, every notice or response required by this Franchise to be served upon the Township or Grantee shall be in writing and shall be deemed to have been duly given when received by overnight delivery, confirmed facsimile transmission, or certified or registered mail (return receipt requested).
- b. The notices or responses to the Township shall be addressed as follows:

Haycock Township
640 Harrisburg School Rd
Quakertown, PA 18951
Attention: Secretary/Treasurer

- c. The notices or responses to Grantee shall be addressed as follows:

Comcast of Southeast Pennsylvania, LLC.
55 Industrial Drive
Ivyland, PA 18974
Attention: Government Affairs Director

With a copy to:

Comcast Cable
One Comcast Center
1701 John F. Kennedy Boulevard
Philadelphia, PA 19103-2838
Attn: Government Affairs Department

SECTION 22: ENTIRE AGREEMENT

This Franchise Agreement constitutes the entire agreement between the parties and shall supersede all previous negotiations, commitments, representations and writings, or agreements, written or oral. All ordinances or parts thereof in conflict with the provisions of this Agreement are hereby repealed.

SECTION 23: CAPTIONS

The captions in this Franchise Agreement are for convenience only and shall not be considered a part of this Agreement. They are not intended to amplify or modify the terms and provisions herein.

SECTION 24: ARBITRATION

Upon mutual agreement of this Township and Grantee, any controversy, dispute or claim arising out of this Franchise Agreement shall be settled by arbitration in accordance with the then appertaining rules of the American Arbitration Association or other mutually acceptable arbitration procedure. The judgment, decision or award of the Association on the issues submitted to it shall be final and binding on both parties and shall be regarded as the terms of the issues so arbitrated by any court or administrative agency having jurisdiction thereof.

SECTION 25: AMENDMENTS

No provision of this Franchise Agreement may be amended or otherwise modified except by a written instrument, duly executed by the Township and the Grantee, which amendment shall be authorized through the adoption of an appropriate resolution or order by the Township, as required by applicable law.

SECTION 26: GOVERNING LAW

This Franchise Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

SECTION 27: SUCCESSORS AND ASSIGNS

Subject to the terms and conditions set forth in Section 10 ("Transactions Affecting Ownership of the Franchise"), this Franchise Agreement shall be binding on any successors and/or assigns of Township and/or Grantee.

SECTION 29: WAIVER

The waiver by any party hereto of a breach or violation of any provision of this Franchise Agreement shall not be a waiver or any subsequent breach of the same or any other provision of this Agreement.

SECTION 30: SEVERABILITY

If any section, sentences, phrase, provision, paragraph or term of the Franchise Agreement or the particular application thereof shall be held void or otherwise invalid by any court or regulatory agency of competent jurisdiction, the remaining provisions and their application shall remain in full force and effect for the term of the Franchise, or any renewals thereof.

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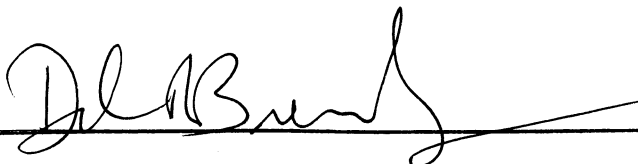
SECTION 31:

EFFECTIVE DATE OF THE FRANCHISE

The Effective Date of this Agreement is the 2nd day of NOVEMBER, 2009

GRANTEE

By: David Breidinger



Title: Senior Vice President of Government Affairs, Comcast Eastern Division

Attest: Ralph L. McCallister

Date: NOVEMBER 2, 2009

TOWNSHIP

By: Kathleen Babb

Title: Chairman of the Board

Attest: Nancy M. Yoder

Date: 11-2-09