

AGREEMENT

THIS AGREEMENT dated the 3rd day of December, 2012 by and between Service Electric Cable TV & Communications, Inc. ("SECTV"), and Haycock Township (the "Township").

WITNESSETH

WHEREAS, on December 2, 1996, the Township by Ordinance No. 77 renewed SECTV's franchise agreement to operate cable television business with the Township;

WHEREAS, the term of the Franchise Ordinance was fifteen (15) years and therefore expired on December 2, 2011;

WHEREAS, the Township and SECTV are entering into a new franchise agreement by separate agreement to commence in December 2012;

WHEREAS, the former franchise agreement required SECTV to pay the Township an amount equal to three percent (3%) of the annual gross subscriber revenues received by SECTV for regular monthly cable television rendered to customers located within the Township;

WHEREAS, the new franchise agreement requires SECTV to pay the Township an amount equal to five percent (5%) of the annual gross subscriber revenues received by SECTV for regular monthly cable television rendered to customers located within the Township;

WHEREAS, the Township and SECTV intend by this agreement to require SECTV to pay the Township the difference between five percent (5%) of the annual gross subscriber revenues and three percent (3%) of the annual gross subscriber revenues for the period starting January 1, 2012 and ending upon the commencement of the new franchise agreement.

NOW THEREFORE, in consideration of the mutual agreements and promises contained herein, the Township and SECTV agree as follows:

1. SECTV shall pay to the Township an amount equal to five percent (5%) of the Gross Revenues, as that term is defined in the existing franchise agreement between SECTV and the Township, derived from the operation of its cable system in the Township for the period starting January 1, 2012 and ending upon the commencement of the new franchise agreement, less the three percent (3%) of Gross Revenues already paid by SECTV to the Township for that same period. SECTV shall not deduct or otherwise credit against this fee any tax, fee or assessment of general applicability.

2. SECTV shall pay this additional two percent (2%) fee on or before February 28, 2013.

3. In the event that this additional fee is not paid on or before February 28, 2012, interest shall be added at the rate of six percent (6%).

IN WITNESS WHEREOF this **AGREEMENT** has been duly executed, the parties intending to be legally bound hereby:

ATTEST:

HAYCOCK TOWNSHIP

Nancy D. Godin James V. Babb
By:

ATTEST

SERVICE ELECTRIC CABLE TV, INC.

J. L. Hille J. L. Hille
By:

Ordinance No. 114

CABLE FRANCHISE AGREEMENT

BETWEEN

TOWNSHIP OF HAYCOCK

AND

SERVICE ELECTRIC CABLE TV, INC.

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CABLE FRANCHISE AGREEMENT

This Cable Franchise Agreement (hereinafter referred to as the "Agreement") is executed as of the 3rd day of December, 2012 (hereinafter referred to as the "Effective Date") by and between the Township of Haycock, a municipality located in Bucks County, Pennsylvania (hereinafter referred to as the "Township") and Service Electric Cable TV, Inc. (hereinafter referred to as "Service Electric").

WHEREAS, pursuant to the Cable Communications Policy Act of 1984, the Cable Television Consumer Protection and Competition Act of 1992, and the Telecommunications Act of 1996 (hereinafter collectively referred to as the "Cable Act"), the regulations of the Federal Communications Commission (hereinafter referred to as the "FCC") and Pennsylvania law, the Township is authorized to grant and renew franchises to construct, operate and maintain a Cable System utilizing public rights-of-way and properties within the Township's jurisdiction; and

WHEREAS, Service Electric currently holds a cable franchise from the Township by virtue of a cable franchise agreement/ordinance originally granting a cable franchise to Service Electric; and

WHEREAS, Service Electric has requested that the Township renew Service Electric's franchise to maintain, construct, operate, and upgrade its Cable System over, under and along the aforesaid rights-of-ways for use by the Township's residents; and

WHEREAS, the aforesaid rights-of-way used by Service Electric are public properties acquired and maintained by the Township at significant expense to the Township's taxpayers and the right to use said rights-of-way is a valuable property right; and

WHEREAS, the Township desires to protect and manage the aforesaid rights-of-way, require high standards of customer service, ensure future technical improvements to maintain a state-of-the-art Cable System, establish certain reporting requirements, obtain certain complimentary services, maintain educational and governmental channels, receive financial compensation for Service Electric's use of the Township's rights-of-ways as provided by federal law, and provide for the current and future cable-related needs of its residents; and

WHEREAS, the Township has determined that Service Electric has the financial, legal and technical ability to provide Cable Services to Subscribers located in the Township; and

WHEREAS, the Township, after affording the public notice and opportunity for comment, has determined that the public interest would be served by renewing Service Electric's franchise according to the terms and conditions contained herein;

NOW THEREFORE, in consideration of the mutual promises contained herein and intending to be legally bound hereby, the Township and Service Electric agree as follows:

SECTION 1

GRANT OF FRANCHISE

1.1 GRANT OF AUTHORITY

Pursuant to the Cable Act, the regulations of the FCC and Pennsylvania law, the Township hereby grants a non-exclusive and revocable franchise to Service Electric, authorizing and permitting Service Electric to construct, operate, and maintain a Cable System in the Township's public rights-of-way.

Subject to the terms and conditions contained herein, the Township hereby grants to Service Electric the right to construct, extend, install, operate, maintain, upgrade and rebuild a Cable System, including such wires, cables, fiber, conductors, ducts, conduits, amplifiers, pedestals, attachments and other property and equipment as are necessary and appropriate to the operation of the Cable System in, under, over, along, across and upon the streets, lanes, avenues, alleys, sidewalks, bridges, highways and other public places and rights-of-way under the jurisdiction of the Township, including property over which the Township has a sufficient easement or right-of-way, for the purpose of reception, transmission, amplification, origination, distribution or redistribution of video, audio, and other electronic signals and impulses to provide Cable Services as permitted by applicable law.

Notwithstanding this authority, Service Electric shall obtain all necessary government permits for occupying or disturbing any public places and/or rights-of-way. Prior to obtaining such permits, Service Electric shall provide the Township with all reasonable information and documentation that the Township requires. Service Electric shall comply with all other government regulations and requirements thereto.

1.2 TERM OF FRANCHISE

The term of this Agreement shall be for a period of fifteen (15) years commencing on the Effective Date and expiring on December 3, 2027, unless the franchise is terminated prior to the expiration date in accordance with the terms and conditions of this Agreement. This Agreement may be renewed at any time by mutual agreement between Service electric and the Township. Prior to the expiration of the fifteen (15) year term of this Agreement, the Township and Service Electric shall make good faith efforts to negotiate a renewal Agreement. If the current Agreement expires by its own term before the Township and Service Electric have reached agreement on the terms and conditions of a renewal Agreement, the Township shall extend the expiration date of the current Agreement until either a new Agreement has been granted or the Township's denial has been upheld by a court of last resort.

1.3 NON-EXCLUSIVITY

This franchise granted to Service Electric shall be non-exclusive. Nothing in this Agreement shall affect the right of the Township to grant another franchise to construct, operate or maintain a Cable System or for any other purpose. To the extent that such other franchise shall contain terms deemed more favorable than that awarded Service Electric, the more favorable terms shall be deemed to be incorporated herein by reference.

1.4 POLICE POWERS

Service Electric's rights under this Agreement are subject to the police powers of the Township to adopt and enforce general laws and regulations necessary for the safety and welfare of the public. Such laws and regulations are separate and distinct from the terms and conditions contained in this Agreement.

1.5 NO WAIVER OF RIGHTS

No course of dealing between the Township and Service Electric, nor any delay on the part of the Township in exercising any rights hereunder, shall operate as a waiver of any such rights of the Township or acquiescence in the actions of Service Electric in contravention of such rights, except to the extent expressly waived by the Township.

SECTION 2 COMPENSATION TO THE TOWNSHIP

2.1 FRANCHISE FEES

Service Electric shall pay to the Township an amount equal to five percent (5%) of the Gross Revenues derived from the operation of its Cable System in the Township. The term "Gross Revenues" is defined in Section 14 "Definitions" below. Service Electric shall not deduct or otherwise credit against the franchise fee any tax, fee or assessment of general applicability. The Township may amend the franchise fee upward or downward upon ninety (90) days written notice to Service Electric provided that the franchise fee may not exceed the maximum percentage permitted by law.

2.2 QUARTERLY PAYMENTS

Beginning January 1, 2013, franchise fee payments to the Township under this provision shall be computed at the end of each calendar quarter and shall be due and payable within forty-five (45) days after 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). Service Electric shall mail the franchise fee payments to the Township. In the event that any franchise fee payment is not made on or before the date by which it is due, then interest shall be added at the rate of six percent (6%). The interest rate shall be applied as described from the date such franchise fee payment was originally due. No acceptance of any payment shall be construed as an accord that the amount paid is in fact the correct amount, nor shall acceptance of any payment be construed as a release of any claim the Township may have for additional sums payable under this Agreement.

2.3 QUARTERLY REPORTS

Each franchise fee payment shall be accompanied by a written report to the Township containing an accurate statement of Service Electric's Gross Revenues received for Cable Services for each calendar quarter in connection with the operation of Service Electric'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 also include the number of Subscribers in the Township for each tier of Cable Service. The report shall be verified by a financial representative of Service Electric.

2.4 AUDITS

On an annual basis, upon thirty (30) days prior written notice, the Township shall have the right to conduct an independent audit or franchise fee review of Service Electric's records reasonably related to the sources, amounts and computation of Gross Revenues in accordance with Generally Accepted Accounting Principles. Upon request, Service Electric shall make available to the Township at Service Electric's main office the financial records related to the franchise fee audit or review. Any reproduction of such records for purposes of inspection shall be performed at Service Electric's expense. If the audit or franchise fee review shows that franchise fees have been underpaid, then Service Electric shall pay the underpaid amount and monetary fines of five percent (5%) of the underpayment. If franchise fees have been underpaid by five percent (5%) or more, then Service Electric shall also pay the total cost of the audit or the review.

SECTION 3

SYSTEM CONSTRUCTION, OPERATION AND MAINTENANCE

3.1 TECHNICAL REQUIREMENT

(a) Service Electric 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 programming services throughout all parts of the Township. The video signals provided by the Cable System shall be delivered in high quality resolution. 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, ordinances and construction standards of the Commonwealth of Pennsylvania and the Township.

(b) Stand-by power at the headend(s) and at the hub(s) shall be provided in the event of a service interruption. Stand-by power must activate automatically upon the failure of commercial utility power.

3.2 AREA TO BE SERVED

(a) Service shall be provided to every dwelling occupied by a person requesting Cable Service provided that Service Electric is able to obtain from the property owners any necessary easements and/or permits in accordance with Section 621(a)(2) of the Cable Act. Service Electric shall extend the Cable System into all areas within the Township where there is a minimum of twenty-five (25) dwelling units per linear plant mile of cable, calculated from the end of the nearest trunk line. Service Electric shall complete said extensions within six

(6) months of notification to Service Electric by the Township that an area has met the minimum density standard set forth herein. Service Electric's obligation hereunder shall be subject to the timely performance of walk-out, pole permitting, make ready and location of all underground utilities.

(b) Any dwelling unit within two hundred feet (200 ft.) aerial distance of the cable system shall be entitled to a standard installation rate. For any dwelling unit in excess of two hundred feet (200 ft.) aerial distance or that requires an underground installation, Service Electric shall extend Cable Service at a rate not to exceed Service Electric's actual cost of installation from its main distribution system.

(c) The Township has the right to require that Service Electric places wires and/or equipment underground in any new residential developments, provided that the Township imposes such requirement on all similarly situated entities.

3.3 PERMITS

Service Electric shall apply to the Township for all required permits and shall not undertake any activities in the public rights-of-way subject to a permit without receipt of such permit, issuance of which shall not be unreasonably withheld by the Township. Service Electric shall not be required to pay any applicable permit fees.

3.4 REPAIRS AND RESTORATION

(a) Whenever Service Electric or any agent, including any subcontractor, takes up or disturbs any pavement, sidewalk or other improvement of any public or private way or place, the same shall be replaced and the surface restored in as good condition as before the disturbance within ten (10) business days, weather permitting, of the completion of the disturbance. Upon failure of Service Electric to comply within the time specified, the Township may cause proper restoration and repairs to be made and the expense of such work shall be paid by Service Electric upon demand by the Township.

(b) Whenever Service Electric or any agent, including any subcontractor, shall install, operate or maintain equipment, cable, or wires, it shall avoid damage and injury to property, including structures, improvements and trees in and along the routes authorized by the Township, except as may be approved by the Township if required for the proper installation, operation and maintenance of such equipment, cable, or wires. Service Electric shall promptly repair and restore any private property that is damaged as a result of

construction, installation, repair or maintenance of the Cable System within ten (10) business days, weather permitting.

(c) Service Electric's operating, construction, repair and maintenance personnel, including all agents and subcontractors, shall be thoroughly trained in the use of all equipment and the safe operation of vehicles. Service Electric's operating, construction, repair and maintenance personnel shall follow all safety procedures required by all applicable federal, state and local laws and regulations. All areas of the Cable System shall be inspected at least twice a year and maintained so that conditions that could develop into safety hazards for the public and/or operating and maintenance personnel may be corrected before they become a hazard. Service Electric shall install and maintain its wires, cables, fixtures, and other equipment in such a manner as shall not interfere with any installations of the Township or any public utility serving the Township.

(d) Should a public safety emergency occur as a result of, incident to, or connected with operation, construction, repair, or maintenance activities by Service Electric personnel, including all agents and subcontractors, then such personnel shall immediately contact the applicable public safety emergency dispatcher and all relevant utility companies to respond to the emergency.

(e) Whenever Service Electric or any agent, including any subcontractor, shall disturb any pavement, sidewalk or other public property in order to perform any underground activity, it shall utilize the Pennsylvania One Call System prior to any such disturbance. It shall notify the Pennsylvania One Call System no less than three (3) and no more than ten (10) working days in advance of any such disturbance and adhere to any additional requirements which the Commonwealth may establish in the future. Service Electric shall also adhere to all requirements of the Pennsylvania Underground Utility Line Protection Act.

(f) All structures and all lines, equipment and connections in, over, under, and upon streets, sidewalks, alleys, and public and private ways and places of the Township, wherever situated or located, shall at all times be kept and maintained in a safe and suitable condition and in good order and repair. Service Electric shall not keep or maintain disconnected or loose cables, lines, or wires on utility poles or anywhere else in the public rights-of-way.

3.5 SYSTEM MONITORING

Upon completion of any construction, Service Electric shall conduct periodic signal monitoring in accordance with the requirements of the FCC. Such capability shall enable Service Electric to monitor the signal quality of all

channels delivered on the Cable System, including any Educational and Governmental Channels.

3.6 SERVICE AREA MAPS

Service Electric shall provide to the Township for its exclusive use and shall maintain at its local offices a complete set of Service Electric service area maps of the Township, on which will be shown those areas in which its facilities exist and the location of all streets. The maps shall be provided to the Township in hardcopy format. The maps shall also designate where the cable wires and other equipment are aerial and where they are underground.

3.7 BUILDING MOVES

In accordance with applicable laws, Service Electric shall, upon the request of any person holding a building moving permit issued by the Township, temporarily raise or lower its wires to permit the moving of the building. Service Electric shall be given at least thirty (30) days advance notice to arrange for such temporary wire changes. If the building to be moved is owned or operated by the Township, Service Electric shall raise or lower its wires at no cost to the Township.

3.8 DISCONNECTION AND RELOCATION

(a) Service Electric shall, at no cost to the Township, protect, support, temporarily disconnect, relocate in the same street, or other public way and place, or remove from any street or any other public way or place, any of its property as required by the Township or its designee by reason of traffic conditions, public safety, street construction, change or establishment of street grade, or the construction of any public improvement or structure.

(b) In requiring Service Electric to protect, support, temporarily disconnect, relocate or remove any portion of its property, the Township shall treat Service Electric the same as, and require no more of Service Electric than, any similarly situated entity.

3.9 EMERGENCY REMOVAL OF EQUIPMENT

If, at any time, in case of fire or other disaster in the Township, it shall be necessary, in the reasonable judgment of the Township or its agent, to cut or move any of the wires, cable or equipment of the Cable System, the Township

shall have the right to do so without cost or liability, provided that, wherever possible, the Township shall give Service Electric notice and the ability to relocate wires, cable or other equipment.

3.10 TREE TRIMMING

(a) Service Electric, or its agents, including subcontractors, shall notify the Township prior to trimming trees upon and overhanging public streets, alleys, sidewalks and the public rights-of-way so as to prevent the branches of such trees from coming in contact with the wires, cables, or other equipment of Service Electric. Any such tree trimming shall only be performed in accordance with accepted arboreal standards and applicable laws and regulations. Service Electric shall reasonably compensate the Township or other property owner for any damages caused by such tree trimming. Service Electric shall be treated the same as other similarly situated entities with regard to tree trimming.

(b) If Service Electric or its agents, including subcontractors, wish to cut down and remove any tree or trees as may be necessary for the installation and maintenance of its equipment, it shall apply to the Township for permission, and if permission is granted, comply with accepted arboreal standards and applicable laws and regulations. Service Electric shall notify adjacent property owners at least seven (7) days prior to any tree removal or tree trimming.

SECTION 4

CABLE SYSTEM SPECIFICATIONS AND STATE-OF-THE-ART

4.1 CABLE SYSTEM SPECIFICATIONS

Service Electric shall design, construct and maintain a Cable System covering the Township that utilizes fiber optic backbone connections from headend to hubs, hubs to hubs, and hubs to nodes. Within three (3) years of the Effective Date, this Cable System shall be built for digital television standards with a bandwidth no less than 750 MHz with addressable technology with no less than one hundred fifty (150) video channels received for digital and analog transmission and shall allocate sufficient portion of said bandwidth to deliver reliable two-way Cable Services. The Cable System shall include nodes that serve no more than six hundred (600) dwellings.

SECTION 5

CUSTOMER SERVICE STANDARDS

5.1 OFFICE HOURS AND TELEPHONE AVAILABILITY

(a) Service Electric shall maintain a business office that is conveniently located and which shall be open during Normal Business Hours. The term "Normal Business Hours" is defined in Section 14 "Definitions" below.

(b) Service Electric shall provide and maintain a toll free telephone access line that will be available to Subscribers twenty-four (24) hours a day, seven (7) days a week. Trained representatives shall be available to respond to customer telephone inquiries during Normal Business Hours. After Normal Business Hours, the access line may be answered by a service or an automated response system. Inquiries received after Normal Business Hours must be responded to by a trained company representative on the next business day.

(c) Under Normal Operating Conditions, telephone answering time by a customer representative, including wait time, shall, subject to Service Electric's best efforts obligation, not exceed thirty (30) seconds after the connection is made. If the call needs to be transferred, transfer time shall, subject to Service Electric's best efforts obligation, not exceed thirty (30) seconds. These standards shall be met no less than ninety (90) percent of the time under Normal Operating Conditions measured on a quarterly basis. The term "Normal Operating Conditions" is defined in Section 14 "Definitions" below.

(d) Under Normal Operating Conditions, the customer shall receive a busy signal less than five (5) percent of the time.

5.2 INSTALLATIONS AND SERVICE CALLS

(a) Service Electric shall maintain a competent staff of well-trained employees sufficient to provide adequate and prompt service to its Subscribers. Any Service Electric employee or agent, including any subcontractor, who personally visits any residential dwelling shall display a photo identification badge. Any vehicle used for installation, operation or maintenance activities by any Service Electric employee or agent, including any subcontractor, shall prominently display the Service Electric logo.

(b) Standard cable and internet service installations will be performed within seven (7) business days after an order has been placed except that such "appointment window" may be extended to fourteen (14) days during periods of unusually high installations. "Standard" installations are those aerial installations

that are located up to two hundred (200) feet from the existing distribution system.

(c) Excluding conditions beyond its control, Service Electric shall begin working on a Service Interruption promptly and in no event later than twenty-four (24) hours after the interruption becomes known and shall diligently pursue to completion. Notice of a Service Interruption of a single Subscriber shall give rise to this obligation on behalf of Service Electric. The term "Service Interruption" is defined in Section 14 "Definitions" below. All other service calls not affecting public health, safety or welfare shall occur within a maximum of seventy-two (72) hours after notice to Service Electric or scheduled at the convenience of the customer and shall be diligently pursued to completion.

(d) Upon scheduling of appointments with the customer for standard cable or internet installations, service calls and other activities, Service Electric shall provide the customer with either a specific time or an "appointment window" of a maximum of four (4) hours during Normal Business Hours. Service Electric may schedule service calls and installation activities outside of Normal Business Hours for the express convenience of the customer.

(e) Service Electric may not cancel an appointment with a customer after the close of business on the business day prior to the scheduled appointment other than in the case of extreme weather conditions. If, at any time, an installer or technician is running late, an attempt to contact the customer must be made prior to the time of the appointment. If the appointment must be rescheduled, it must be done so at a time that is convenient for the customer.

5.3 NOTICES

(a) Service Electric shall provide written notice to each Subscriber upon initial subscription, at intervals not more than one (1) year thereafter to each Subscriber and the Township, and at any time upon request, regarding each of the following areas:

- (1) Products and services offered;
- (2) Prices and options for programming services and conditions of subscription to programming and other services;
- (3) Channel positions and information regarding programming carried on the Cable System such that the programming information corresponds to the channel positions;

- (4) Installation and service maintenance policies;
- (5) Instructions on how to use the Cable Service and any converters;
- (6) Customer service requirements contained in the Section 76.309 of the Code of Federal Regulations;
- (7) Billing and customer complaint procedures;
- (8) Policy and procedures for disconnecting or terminating a Subscriber's service for cause;
- (9) Service Electric's address, telephone number and office hours;
- (10) The Subscriber's right to obtain at cost a parental control device contained in Section 10.5; and
- (11) A notice of Subscriber privacy rights as required by federal law.

(b) Service Electric shall notify Subscribers and the Township in writing of any changes in rates a minimum of thirty (30) days in advance of such changes. Service Electric shall not be required to provide prior notice to Subscribers of any rate change that is the result of a regulatory fee, franchise fee or any other fee, tax, assessment or charge of any kind imposed by any federal agency, the Commonwealth of Pennsylvania or the Township on the transaction between Service Electric and the Subscriber.

(c) Service Electric shall maintain a file available to the public containing all written notices provided to Subscribers pursuant to the requirements contained herein by Service Electric during the previous twenty-four (24) months.

5.4 BILLING

(a) Bills shall be clear, concise and understandable. Bills must be fully itemized, with itemizations including, all applicable service tiers, equipment charges and any installation or repair charges. Bills shall state the billing period, including an effective due date, the amount of current billing and any relevant credits or past due balances.

5.5 CUSTOMER COMPLAINT PROCEDURES

Service Electric shall establish clear written procedures for resolving all customer complaints, which shall include at least the following:

(a) Service Electric shall provide the customer with a written or electronic response to a written complaint within thirty (30) days of its receipt. Such response shall include the results of its inquiry into the subject matter of the complaint, its conclusions based on the inquiry, and its decision in response to the complaint.

(b) If the Township is contacted directly about a customer complaint, it shall notify Service Electric in writing. When Service Electric receives such notification, the time period for Service Electric to respond as required above shall commence.

(c) Any Subscriber who, in good faith, disputes all or part of any bill sent by Service Electric has the option of withholding the disputed amount, without a late fee or disconnection, until Service Electric has investigated the dispute in good faith and has made a determination that the amount is owed provided that:

- (1) The Subscriber provides a written complaint to Service Electric in a timely fashion and includes identifying information;
- (2) The Subscriber pays all undisputed charges; and
- (3) The Subscriber cooperates in determining the appropriateness of the charges in dispute.

(d) Service Electric shall maintain customer complaint records, which shall contain the date each complaint is received, the name and address of the affected Subscriber, a description of the complaint, the date of resolution of the complaint, and a description of the resolution.

5.6 DISCONNECTION

(a) Service Electric may disconnect or terminate service for cause:

(b) If there is no pending written dispute with Service Electric regarding the bill; or

(c) If at any time and without notice, Service Electric determines in good faith that Subscriber has tampered with or abused Service Electric's equipment or is engaged in theft of Cable Service.

5.7 CREDIT FOR SERVICE INTERRUPTIONS

In the event that there is a Service Interruption to any Subscriber for twenty-four (24) or more consecutive hours, Subscriber can request a pro rata credit or rebate, on a daily basis, of that portion of the service charge during the next consecutive billing cycle, or, at its option, apply such credit to any outstanding balance that is currently due.

5.8 PRIVACY

(a) Service Electric shall protect and abide by the rights of privacy of every Subscriber and shall not violate such rights through the use of any device or signal associated with the Cable System. Service Electric shall at all times comply with the privacy provisions of Section 631 of the Cable Act and all other applicable federal and state privacy laws and regulations.

(b) Service Electric shall be responsible for carrying out and enforcing such privacy policy and shall at all times maintain adequate physical, technical and administrative security safeguards to ensure that personal Subscriber information is handled and protected strictly in accordance with this policy and all applicable laws and regulations.

(c) Neither Service Electric nor its designee shall tap, monitor, arrange for the tapping or monitoring, or permit any person to tap or monitor, any cable, line, signal, input device, or Subscriber outlet or receiver for any purpose, without the prior written authorization of the affected Subscriber or user, provided, however, that Service Electric may conduct system-wide or individually addressed "sweeps" solely for the purpose of verifying system integrity, checking for illegal taps, controlling return-path transmission, billing for pay services or monitoring channel usage in a manner not inconsistent with the federal law. Service Electric shall report to the affected parties any instances of monitoring or tapping of the Cable System, or any part thereof, of which it has knowledge, whether or not such activity has been authorized by Service Electric. Service Electric shall not record or retain any information transmitted between a Subscriber and any third party, except as required for lawful business purposes.

(d) Except as permitted by Section 631 of the Cable Act as amended, neither Service Electric nor its designee nor its employees shall make available to any third party, including the Township, information concerning the viewing

habits or subscription package decisions of any individual Subscriber. If a court authorizes or orders such disclosure, Service Electric shall notify the Subscriber prior to disclosure, unless such notification is otherwise prohibited by applicable law or the court.

(e) Upon a request by a Subscriber, Service Electric shall make available for inspection at a reasonable time and place all personal Subscriber information that Service Electric maintains regarding said Subscriber. Service Electric shall ensure that all information related to billing and service requests is accurate and up to date and shall promptly correct any errors upon discovery.

(f) Service Electric shall not make its Subscriber list or lists, or any portion thereof, available to any other person or entity, with or without remuneration, except where expressly permitted by law.

SECTION 6

SERVICES TO THE COMMUNITY

6.1 SERVICES TO COMMUNITY FACILITIES

Service Electric shall, at no charge to the Township, provide the following services to all present and future public facilities including, but not limited to, the Township Building, police stations, fire companies, public works buildings, water and sewer authorities, recreational facilities, senior citizens centers, all public elementary and secondary school buildings and libraries. No charge shall be made for installation or service, except that Service Electric may charge for installation or service for more than one (1) drop in each building.

(a) Within three (3) months of the Effective Date, one (1) cable Drop, outlet and Basic and Expanded Basic Services (or equivalent) package to each building. No charge shall be made for installation or service, except that Service Electric may charge for installation and service for more than one drop in each building. The Township may add any new facilities during the term of this Agreement to receive such complimentary service to the extent that such new facilities would have been accepted by Service Electric had they originally been included in Exhibit A.

(b) The buildings currently designated to receive the services described in (a) above as of the Effective Date are identified in Exhibit "A" below.

SECTION 7

REGULATION BY THE TOWNSHIP

7.1 RIGHT TO INSPECT

(a) The Township shall have the right, upon ten (10) business days written notice and during Normal Business Hours, to inspect at the notice location for Service Electric specified in Section 13.3 below all documents, records and other pertinent information maintained by Service Electric which relate to the terms of this Agreement.

(b) In addition, Service Electric shall maintain for inspection by the public and the Township all records required by the FCC and as specified in 47 C.F.R. § 76.305 in the manner specified therein.

7.2 RIGHT TO CONDUCT COMPLIANCE REVIEW

The Township or its representatives may conduct a full compliance review, including possible public hearings, with respect to whether Service Electric has complied with any material term of this Agreement so long as it provides Service Electric with thirty (30) days written notice in advance of the commencement of any such reviews or public hearings.

7.3 RESERVED AUTHORITY

The Township reserves the regulatory authority arising from the Cable Act, any amendments thereto, and any other federal, state or local laws or regulations.

SECTION 8

REPORTING REQUIREMENTS

8.1 QUARTERLY FRANCHISE FEE REPORT

In accordance with Section 2.3 of this Agreement, Service Electric shall provide to the Township a quarterly report containing an accurate statement of Service Electric's Gross Revenues received for each calendar quarter in connection with the operation of Service Electric's Cable System and a brief report showing the basis for computation of fees. The report will 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 Service Electric.

8.2 ANNUAL CUSTOMER COMPLAINT REPORT

Upon written request by the Township, Service Electric shall submit to the Township on an annual basis a report showing the number of Complaints, as defined in Section 14 of "Definitions" below, originating from the Township received during the reporting period, the dates they were received, summary descriptions of the Complaints, the dates the Complaints were resolved and summary descriptions of the resolutions.

8.3 GOVERNMENT REPORTS

Service Electric shall provide to the Township, upon request, copies of any and all communications, reports, documents, pleadings and notifications of any kind which Service Electric or any of its Affiliated Entities have submitted to any federal, state or local regulatory agencies, courts or other governmental bodies if such documents relate to Service Electric's Cable System within the Township. Service Electric shall provide copies of such documents no later than thirty (30) days after their request. Service Electric shall not claim confidential, privileged or proprietary rights to such documents unless such documents have been determined to be confidential, privileged or proprietary by a court of competent jurisdiction or a federal or state agency.

SECTION 9 FRANCHISE VIOLATIONS, DAMAGES AND REVOCATION

9.1 VIOLATIONS

(a) If the Township has reason to believe that Service Electric violated any provision of this Agreement, it shall notify Service Electric in writing of the nature of such violation and the section of this Agreement that it believes has been violated. If the Township does not notify Service Electric of any violation of this Agreement, it shall not operate as a waiver of any rights of the Township hereunder or pursuant to applicable law.

(b) Service Electric shall have thirty (30) days to cure such violation after written notice is received by taking appropriate steps to comply with the terms of this Agreement. If the nature of the violation is such that, in the Township's reasonable judgment, it cannot be fully cured within thirty (30) days due to circumstances outside of Service Electric's control, the period of time in which Service Electric must cure the violation may be extended by the Township in writing for such additional time necessary to complete the cure, provided that Service Electric shall have promptly commenced to cure and is diligently pursuing its efforts to cure in the reasonable judgment of the Township.

9.2 LIQUIDATED DAMAGES

Because Service Electric's failure to comply with any material provisions of this Agreement will result in injury to the Township and because it will be difficult to measure the extent of such injury, the Township may assess liquidated damages against Service Electric in the amount of one hundred dollars (\$100.00) per day for each day the violation continues, for a maximum of sixty (60) days, provided Service Electric has had an opportunity to cure in accordance with Section 9.1. Such damages shall not be a substitute for other possible remedies.

9.3 REVOCATION

(a) In addition to the other rights, powers and remedies retained by the Township under this Agreement, the Township reserves the separate and distinct right to revoke this franchise if:

(1) Service Electric practices any fraud or deceit upon the Township in its operation of its Cable System or any other activities pursuant to this Agreement;

(2) Service Electric repeatedly fails, after notice and opportunity to cure, to maintain signal quality pursuant to the standards provided for by the FCC or the technical requirements set forth in Section 3.1 of this Agreement;

(3) Service Electric repeatedly violates, after notice and opportunity to cure, one or more of the material terms or conditions of this Agreement.

(b) The foregoing shall not constitute a violation of a material term or condition if the violation occurs without the fault of Service Electric or occurs as a result of circumstances beyond its control in the reasonable judgment of the Township. Service Electric shall not be excused from the performance of any of its obligations under this franchise by mere economic hardship or by the misfeasance or malfeasance of its directors, officers or employees.

(c) A revocation shall be declared only by a written decision of the Township Board of Supervisors after an appropriate public hearing that shall afford Service Electric due process and full opportunity to be heard and to respond to any notice of grounds to terminate. All notice requirements shall be met by providing Service Electric at least thirty (30) days prior written notice of any public hearing concerning the proposed revocation of this franchise. Such notice shall state the grounds for revocation. The Township Board of Supervisors, after a public hearing and upon finding the existence of grounds for

revocation, may either declare this franchise terminated or excuse such grounds upon a showing by Service Electric of mitigating circumstances or good cause for the existence of such grounds.

SECTION 10 **PROGRAMMING**

10.1 CHANNEL CAPACITY

Service Electric shall meet or exceed programming and channel capacity requirements set forth in this Agreement and required by federal, state and local law and regulations.

10.2 BROADCAST CHANNELS

To the extent required by federal law, Service Electric shall provide all Subscribers with Basic Service including, but not limited to: 1) all broadcast television signals carried in fulfillment of the requirements of Section 614 of the Cable Act; 2) the signals of qualified non-commercial educational television signals carried in fulfillment of the requirements of Section 615 of the Cable Act. All such signals shall be delivered to Subscribers in high quality resolution.

10.3 SIGNAL SCRAMBLING

Service Electric shall at all times comply with FCC regulations regarding scrambling or other encryption of audio and video signals.

10.4 CONTINUITY OF SERVICE

It shall be the right of all Subscribers to continue to receive service from Service Electric provided their financial and other obligations to Service Electric are honored. Subject to the force majeure provisions in Section 13 of this Agreement, Service Electric shall use its best efforts to ensure that all Subscribers receive continuous, uninterrupted service regardless of the circumstances. For the purpose of construction, routine repairing or testing of the Cable System, Service Electric shall use its best efforts to interrupt service only during periods of minimum use. When necessary service interruptions of more than twenty-four (24) hours can be anticipated, Service Electric shall notify Subscribers in advance of such service interruption along with providing Subscribers with a pro-rata credit for the time of such service interruption.

10.5 PARENTAL CONTROL CAPABILITY

Upon request, Service Electric shall provide Subscribers with the capability to control the reception of any video and/or audio channel on the Cable System providing sexually explicit adult programming.

10.6 TIER BUY THROUGH PROHIBITION

Service Electric shall not require Subscribers in the Township to purchase a particular video service tier, other than the Basic Service tier, in order to obtain access to video programming on a per-channel or per-program basis, unless Service Electric has been granted a written waiver by the FCC pursuant to Section 623(b)(8)(c) of the Cable Act.

SECTION 11 LIABILITY AND INDEMNIFICATION

11.1 INDEMNIFICATION

Service Electric shall indemnify, defend, save and hold harmless the Township, its elected and appointed officials, officers, agents and employees, from any and all claims for injury, loss, liability, cost or expense arising in whole or in part from, caused by or connected with any act or omission of Service Electric, its officers, agents or employees, arising out of or in any way connected to, but not limited to, the construction, installation, upgrade, reconstruction, operation, maintenance or removal of the Cable System or any other equipment or facilities. The obligation to indemnify, defend, save and hold the Township harmless shall include, but not be limited to, the obligation to pay judgments, injuries, liabilities, damages, penalties, attorneys' fees, expert fees, court costs and all other costs of such indemnification.

11.2 INSURANCE

(a) Service Electric shall maintain insurance throughout the term of this Agreement with the Township as an additional insured, with an insurance company which is authorized to conduct business in Pennsylvania and which has an A.M. Best rating (or equivalent) no less than "A", indemnifying the Township from and against any and all claims for injury or damage to persons or property, both real and personal, caused by the construction, installation, reconstruction, operation, maintenance or removal of the Cable System by Service Electric or any of its contractors, subcontractors, agents or employees in the following amounts:

(1) The amount of such insurance against liability for damage to property shall be no less than Two Million Dollars (\$2,000,000) as to any one (1) occurrence.

(2) The amount of such insurance against liability for injury or death to any person shall be no less than Two Million Dollars (\$2,000,000).

(3) The amount of such insurance for excess liability shall be Five Million Dollars (\$5,000,000) in umbrella form.

(4) The amount of such insurance against all claims arising out of the operation of motor vehicles and general tort or contract liability shall be Two Million Dollars (\$2,000,000).

(b) All insurance coverage shall be maintained throughout the period of this Agreement. All insurance policies shall contain a provision that the Township will receive thirty (30) days written notice prior to any changes or cancellation of the policy. All expenses incurred for said insurance shall be at no cost to the Township.

(c) A certificate evidencing the insurance coverage required herein shall be provided by Service Electric to the Township within thirty (30) days of the Effective Date and within thirty (30) days of obtaining new insurance coverage or renewal of such insurance coverage throughout the term of this Agreement.

SECTION 12

FRANCHISE TRANSFER

12.1 TRANSFER, ASSIGNMENT OR CHANGE IN CONTROL

(a) Neither Service Electric nor its parent nor any Affiliated Entity shall transfer, assign or otherwise encumber (other than pledging its ownership in the Cable System as security for ordinary course financing matters or through a transfer to any parent or subsidiary), through its own action or by operation of law, its right, title or interest in the Cable System or in this Agreement without the prior written consent of the Township.

(b) Neither Service Electric nor its parent nor any Affiliated Entity shall change, transfer or assign, through its own action or by operation of law, its control of the Cable System or of this Agreement without the prior written consent of the Township.

(c) Neither Service Electric nor its parent nor any Affiliated Entity shall sell, convey, transfer, exchange or release more than twenty percent (20%) of its equitable ownership in the Cable System without the prior written consent of the Township.

(d) Service Electric shall make written application to the Township of any transfer, change in control or assignment as described above and shall provide all information required by FCC Form 394 and any other applicable federal, state, and local statutes and regulations regarding transfer or assignment. The Township shall have thirty (30) days from the receipt of FCC Form 394 to notify Service Electric of any additional information it needs to make an informal decision on the transfer or assignment. The Township shall have one hundred twenty (120) days from the receipt of all required information to take action on the transfer or assignment.

(e) Any consent by the Township for any transfer or assignment described above 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.

SECTION 13

MISCELLANEOUS

13.1 FORCE MAJEURE

If for any reason of force majeure, Service Electric is unable in whole or in part to carry out its obligations hereunder, Service Electric shall not be deemed in violation of this Agreement during the continuance of such inability. The term "force majeure" as used herein shall have the following meaning: acts of God; acts of public enemies, including terrorist attacks; orders of any kind of the government of the United States of America or of the Commonwealth of Pennsylvania or any of their departments, agencies, political subdivisions, or officials, or any civil or military authority; insurrections, riots, epidemics; landslides; lightning; earthquakes; fires; hurricanes; volcanic activity; storms; floods; washouts; droughts; explosions; and partial or entire failure of utilities.

13.2 REMOVAL OF SYSTEM

(a) Upon lawful termination or revocation of this Agreement or of any renewal hereof by passage of time or otherwise, Service Electric shall remove its supporting structures, poles, transmissions and distribution systems and other appurtenances from the streets, ways, lanes, alleys, parkways, bridges, highways, and other public and private places in, over, under, or along which

they are installed and shall restore the areas to their original condition. If such removal is not completed within three (3) months of such lawful termination or revocation, the Township or property owner may deem any property not removed as having been abandoned and the Township may remove it at Service Electric's cost.

(b) During the term of the Agreement, if Service Electric decides to abandon or no longer use all or part of its Cable System, it shall give the Township written notice of its intent at least ninety (90) days prior to the announcement of such decision, which notice shall describe the property and its location. The Township shall have the right to either require Service Electric to remove the property, remove the property itself and charge Service Electric with the costs related thereto, or transfer ownership of the property to the Township's designee provided fair market value is paid to Service Electric.

13.3 NOTICES

Every notice or payment to be served upon or made to the Township shall be sent to:

Township Manager
Township of Haycock
640 Harrisburg School Road
Quakertown, PA 18951

The Township may specify any change of address in writing to Service Electric.

Every notice to be served upon Service Electric shall be sent to:

General Manager
Service Electric Cable TV, Inc.
2260 Avenue A
Bethlehem, PA 18017

Service Electric may specify any changes of address in writing to the Township.

Each delivery to Service Electric or the Township shall be equivalent to direct personal notice, direction or order, and shall be deemed to have been given at the time of receipt.

13.4 EQUAL EMPLOYMENT OPPORTUNITY

Service Electric is an equal opportunity employer and shall comply with all applicable federal and state laws and regulations regarding equal opportunity employment.

13.5 CAPTIONS

The captions for 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.

13.6 GOVERNING LAW AND ARBITRATION

This Agreement shall be governed and construed by and in accordance with the laws of the Commonwealth of Pennsylvania. If suit is brought by a party to this Agreement, the parties agree that trial of such action shall be vested exclusively in the state courts of Pennsylvania, County of Bucks, or in the United States District Court for the Eastern District of Pennsylvania.

13.7 ENTIRE AGREEMENT

This written instrument contains the entire agreement between the parties, supersedes all prior agreements or proposals except as specifically incorporated herein, and cannot be changed without written amendment approved by both the Township and Service Electric.

13.8 SEVERABILITY

If any section, provision or clause of this Agreement is held by a court of competent jurisdiction to be illegal, invalid or unenforceable, or is pre-empted by federal or state laws or regulations, such section, provision or clause shall be deemed to be severable from the remaining portions of this Agreement and shall not affect the legality, validity or enforceability of the remaining portions of this Agreement.

13.9 CHANGE OF LAW

In the event there is a change in a federal or state statute or regulation applicable to the Cable System or to this Agreement, the Township or Service Electric may notify the other party of its desire to amend this Agreement in order to comply with the change in statute or regulation. The Township and Service Electric may amend this Agreement to comply with such change in statute or

regulation provided such amendment is approved by the Township and Service Electric.

13.10 APPLICABILITY OF AGREEMENT

All of the provisions in this Agreement shall bind Service Electric, the Township and their respective successors and assigns. This Agreement is authorized by Ordinance No. 114 dated December 3, 2012 of the Township Board of Supervisors.

SECTION 14 **DEFINITIONS**

The following terms used in this franchise shall have the following meanings:

(a) Affiliated Entity - Any corporation, partnership or other business entity that owns or controls, is owned or controlled by, or is under common ownership or control with Service Electric.

(b) Basic Service - That service tier which shall include at least the retransmission of local broadcast television signals and any Educational and Governmental ("EG") access channel.

(c) Broadcast - Over-the-air transmission by a television or radio station.

(d) Cable Service - The one-way transmission to Subscribers of video programming or other programming service and Subscriber interaction, if any, which is required for the selection or use of such video programming or other programming service.

(e) 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.

(f) Complaint - Any written or oral communication by a Subscriber expressing dissatisfaction with any aspect of Service Electric's business or the operation of its Cable System.

(g) Drop - The coaxial or fiber optic or other cable that connects a home or building to the Cable System.

(h) FCC - Federal Communications Commission.

(i) Gross Revenues - All revenue received directly or indirectly by Service Electric or its Affiliated Entities from any source whatsoever arising from, attributable to, or in any way derived from the operation of Service Electric's Cable System in the Township to provide Cable Services. Gross Revenues shall include, but are not limited to, the following:

- (1) Basic Service fees;
- (2) fees charged to Subscribers for any service tier other than Basic Service;
- (3) fees charged for premium services;
- (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 or audio programming;
- (7) fees for downgrading any level of Cable Service programming;
- (8) fees for service calls;
- (9) fees for leasing of channels;
- (10) charges based on the sale or lease of any portion of the Cable System or fiber capacity;
- (11) rental or sales of any and all equipment, including converters and remote control devices;
- (12) studio rental, production equipment and personnel fees;
- (13) any and all advertising revenues;
- (14) sale or rental of Subscriber lists;
- (15) revenues or commissions from home shopping channels;
- (16) launch fees;

- (17) Internet access or cable modem service fees (provided such service is deemed to be a Cable Service by the FCC or a court of competent jurisdiction);
- (18) revenue from interactive television services;
- (19) fees for any and all music services;
- (20) fees for video-on-demand; and
- (21) sales of program guides.

Gross Revenues shall not include bad debts or any taxes on services furnished by Service Electric and imposed directly upon any Subscriber or user by the Township, state, federal or other governmental unit.

(j) 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.

(k) Normal Operating Conditions - Business conditions within Service Electric's service department which are within the control of Service Electric. Those conditions that are not within the control of Service Electric include, but are not limited to, natural disasters, civil disturbances, power outages, telephone network outages and severe or unusual weather conditions.

(l) Outlet - An interior receptacle that connects a television set to the Cable System.

(m) Programming - Any video or audio signal carried over the Cable System.

(n) Service Interruption - The loss of picture or sound on one (1) or more channels.

(o) Subscriber - A person or entity who contracts with Service Electric for, and lawfully receives, the video signals and Cable Services distributed by the Cable System.

WITNESS our hands and official seals to this Cable Franchise Agreement.

ATTEST:

TOWNSHIP OF HAYCOCK

Nancy Myodis

By: Kathleen Babb

Name (Print): Kathleen M. Babb

Title: Chairman

Date: 12-3-2

ATTEST:

[Signature]

SERVICE ELECTRIC CABLE TV, INC.

By: [Signature]

Name (Print): John J. Cappareu

Title: GENERAL MANAGER

Date: Dec 4, 2012

EXHIBIT A

LIST OF DESIGNATED LOCATIONS FOR SERVICES TO COMMUNITY FACILITIES

1. Township Building
640 Harrisburg School Road
Quakertown, PA 18951

2. Township Fire Department
850 Old Bethlehem Road
Quakertown, PA 18951