

**MIDDLESEX TOWNSHIP
CUMBERLAND COUNTY, PENNSYLVANIA**

ORDINANCE NO. 3 - 2012

**AN ORDINANCE OF MIDDLESEX TOWNSHIP AUTHORIZING THE
EXECUTION OF A CABLE FRANCHISE AGREEMENT BETWEEN THE
TOWNSHIP AND COMCAST OF PENNSYLVANIA/MARYLAND, LLC.**

WHEREAS, pursuant to Title VI of the Communications Act (see 47 U.S.C. § 601 et seq.), the Cable Television Consumer Protection and Competition Act of 1992, and the Telecommunications Act of 1996, the regulations of the Federal Communications Commission and Pennsylvania law, Middlesex Township in Cumberland County is authorized to grant franchises to construct, operate and maintain a cable system utilizing public rights-of-way and properties within the Township's jurisdiction; and

WHEREAS, Comcast of Pennsylvania/Maryland, LLC ("Comcast") currently holds a cable franchise from Middlesex Township, through a previously approved agreement, which agreement, as previously extended, is scheduled to expire November 4, 2012; and

WHEREAS, Comcast has requested a renewal of its franchise to maintain, construct, operate and upgrade its cable system over, under and along the rights-of-way for use by residents and other users of the Comcast cable system in Middlesex Township; and

WHEREAS, the Township has determined Comcast to be financially, technically and legally qualified to operate the cable system to provide cable services; and

WHEREAS, the Township has determined that the public interest would be served by granting a franchise to Comcast according to the terms and conditions contained in the Franchise Agreement (the "Agreement") negotiated with representatives of Comcast.

NOW THEREFORE, BE IT ENACTED AND ORDAINED by the Middlesex Township Board of Supervisors as follows:

SECTION 1. Grant of Franchise; Execution of Franchise Agreement.

The Township hereby grants Comcast a non-exclusive cable franchise subject to and in accordance with the terms and conditions of the Agreement. A copy of the Agreement is attached hereto and made a part hereof as Exhibit A.

SECTION 2. Other Franchises Unaffected.

Nothing in this Ordinance, including the Agreement, shall alter the terms of any other franchise(s) previously granted by the Township. Such other franchise(s) shall remain in effect according to their particular terms and conditions.

SECTION 3. Severability.

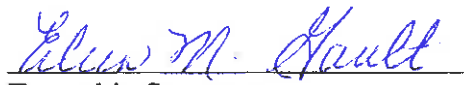
If any section, subsection, sentence, clause, phrase or word of this Ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision, and such holding shall not render this Ordinance invalid.

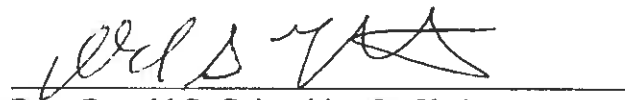
SECTION 4. Enactment.

ENACTED AND ORDAINED this 26st day of October, 2012.

ATTEST:

MIDDLESEX TOWNSHIP BOARD OF
SUPERVISORS


Township Secretary


By: Donald S. Geistwhite, Jr. Chairman

(Township Seal)

EXHIBIT A

Verizon Franchise Agreement

FRANCHISE AGREEMENT

This Franchise Agreement (hereinafter, the "Agreement" or "Franchise Agreement") is made between the Township of Middlesex (hereinafter, "Township" or "Franchising Authority") and Comcast of Pennsylvania/Maryland, LLC (hereinafter, "Grantee").

The Township having determined that the financial, legal, and technical ability of the Grantee is reasonably sufficient to provide the services, facilities, and equipment necessary to meet the future cable-related needs of the community, desires to enter into this Franchise Agreement with the Grantee for the construction, operation, and maintenance of a Cable System on the terms and conditions set forth herein.

SECTION 1 - Definition of Terms

For the purpose of this Franchise Agreement, capitalized terms, phrases, words, and abbreviations shall have the meanings ascribed to them in the Cable Communications Policy Act of 1984, as amended from time to time, 47 U.S.C. §§ 521 - 631 (the "Cable Act"), unless otherwise defined herein. When not inconsistent with the context, words used in the present tense include the future, words used to refer to the masculine include the feminine, and words in the plural number include the singular number. The word "shall" is mandatory and "may" is permissive. Words not defined in the Cable Act or herein shall be given their common and ordinary meaning.

1.1. "Cable Service" or "Service" means the one-way transmission to Subscribers of Video Programming or other Programming service and Subscriber interaction, if any, which is required for the selection or use of such Video Programming or other Programming service.

1.2. "Cable System" means 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 Franchise Area, and as further defined under Section 602 (7) of the Cable Act.

1.3. "Customer" or "Subscriber" means a Person or user of the Cable System who lawfully receives Cable Service therefrom with the Grantee's express permission.

1.4 "Drop" means the coaxial or fiber optic or other cable that connects a home or building to the Cable System.

1.5. "Effective Date" means the date on which all authorized persons necessary to sign this Agreement in order for it to be binding on both parties have executed this Agreement as indicated on the signature page(s), unless a specific date is otherwise provided in the "Term" section herein.

1.6. "FCC" means the Federal Communications Commission, or successor governmental entity thereto.

1.7. "Franchise" means the initial authorization, or renewal thereof, issued by the Franchising Authority, whether such authorization is designated as a franchise, agreement, permit, license, resolution, contract, certificate, ordinance or otherwise, which authorizes the construction and operation of the Cable System.

1.8. "Franchise Agreement" or "Agreement" shall mean this Agreement and any amendments or modifications hereto.

1.9. "Franchise Area" means the present legal boundaries of the Township of Middlesex, County of Cumberland, Pennsylvania, as of the Effective Date, and shall also include any additions thereto, by annexation or other legal means.

1.10. "Franchising Authority" or "Township" means the Township of Middlesex or the lawful successor, transferee, designee, or assignee thereof.

1.11. "Grantee" shall mean Comcast of Pennsylvania/Maryland, LLC.

1.12. "Gross Revenue" means all revenue received directly or indirectly by Comcast or its Affiliated Entities attributable to, or in any way derived from the operation of Comcast's Cable System in the Township to provide Cable Services calculated in accordance with Generally Accepted Accounting Principles ("GAAP"). 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 leased access channels;
- (10) charges based on the sale or lease of any portion of the Cable System for Cable Service;
- (11) rental or sales of any and all subscriber equipment, including converters and remote control devices;
- (12) any and all locally-derived advertising revenues;
- (13) revenues or commissions from locally-derived home shopping channels;
- (14) fees for video-on-demand;
- (15) late payment fees;
- (16) NSF check charges; and
- (17) franchise fees.

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

1.13. "Person" means any natural person or any association, firm, partnership, joint venture, corporation, or other legally recognized entity, whether for-profit or not-for profit, but shall not mean the Franchising Authority.

1.14. "Public Buildings" shall mean those buildings owned or leased by the Franchising Authority for municipal government administrative purposes, and shall not include buildings owned by Franchising Authority but leased to third parties or buildings such as storage facilities at which government employees are not regularly stationed.

1.15. "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, way, lane, public way, drive, circle or other public right-of-way, including, but not limited to, public utility easements, dedicated utility strips, or easements dedicated for compatible uses and any temporary or permanent fixtures or improvements located thereon now or hereafter held by the Franchising Authority in the Franchise 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 Franchising Authority within the Franchise 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, operating, and maintaining the Grantee's Cable System 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.

1.16. "Standard Installation" shall mean the standard one hundred twenty-five foot (125') aerial Drop connection to the existing distribution system.

1.17. "Video Programming" or "Programming" shall mean the programming provided by, or generally considered comparable to programming provided by, a television broadcast station.

SECTION 2 - Grant of Authority

2.1. Franchise Grant. The Franchising Authority hereby grants to the Grantee a non-exclusive Franchise authorizing the Grantee to construct and operate a Cable System in the Public Ways within the Franchise Area, and for that purpose to erect, install, construct, repair, replace, reconstruct, maintain, or retain in any Public Way such poles, wires, cables, conductors, ducts, conduits, vaults, manholes, pedestals, amplifiers, appliances, attachments, and other related property or equipment as may be necessary or appurtenant to the Cable System, and to provide such services over the Cable System as may be lawfully allowed.

2.2. Term of Franchise. The term of the Franchise granted hereunder shall be ten (10) years, commencing upon the Effective Date of the Franchise, unless the Franchise is renewed or is lawfully terminated in accordance with the terms of this Franchise Agreement and the Cable Act. This Franchise shall be automatically extended for three (3) additional terms of five (5) years each unless either party notifies the other in writing of its desire to enter renewal negotiations under the Cable Act at least three (3) years before the expiration date of the then-current Franchise Agreement, whether it be the initial term or a subsequent extended term.

2.3. Renewal. Any renewal of this Franchise shall be governed by and comply with the provisions of Section 626 of the Cable Act [47 U.S.C. §546], as amended.

SECTION 3 – Construction and Maintenance of the Cable System

3.1. Permits and General Obligations. The Grantee shall be responsible for obtaining all generally applicable permits, licenses, or other forms of approval or authorization prior to the commencement of any activity that disturbs the surface of any street, curb, sidewalk or other public improvement in the Public Way, or impedes vehicular traffic. The Grantee shall not undertake any activities in the public rights-of-way subject to a permit without receipt of such permit. The issuance of such permits shall not be unreasonably withheld or delayed. Construction, installation, and maintenance of the Cable System shall be performed in a safe, thorough and reliable manner using materials of good

and durable quality. Notwithstanding the requirements herein, Grantee shall not be required to obtain a permit for individual drop connections to Subscribers, servicing or installing pedestals or other similar facilities, or other instances of routine maintenance or repair to its Cable System. All transmission and distribution structures, poles, other lines, and equipment installed by the Grantee for use in the Cable System in accordance with the terms and conditions of this Franchise Agreement shall be located so as to minimize the interference with the proper use of the Public Ways and the rights and reasonable convenience of property owners who own property that adjoins any such Public Way.

3.2. Conditions of Street Occupancy.

3.2.1. New Grades or Lines. If the grades or lines of any Public Way within the Franchise Area are lawfully changed at any time during the term of this Franchise Agreement, then the Grantee shall, upon reasonable advance written notice from the Franchising Authority (which shall not be less than thirty (30) business days) and at Grantee's own cost and expense, protect or promptly alter or relocate the Cable System, or any part thereof, so as to conform with any such new grades or lines. If public funds are available to any other user of the Public Way for the purpose of defraying the cost of any of the foregoing, the Franchising Authority shall notify Grantee of such funding and make available such funds to the Grantee.

3.2.2. Relocation at Request of Third Party. The Grantee shall, upon reasonable prior written request of any Person holding a permit issued by the Franchising Authority to move any structure, temporarily move its wires to permit the moving of such structure; provided (i.) the Grantee may impose a reasonable charge on any Person for the movement of its wires, and such charge may be required to be paid in advance of the movement of its wires; and (ii.) the Grantee is given not less than thirty (30) business days advance written notice to arrange for such temporary relocation.

3.2.3. Restoration of Public Ways. If in connection with the construction, operation, maintenance, or repair of the Cable System, the Grantee disturbs, alters, or damages any Public Way, the Grantee agrees that it shall at its own cost and expense replace and restore any such Public Way to a condition reasonably comparable to the condition of the Public Way existing immediately prior to the disturbance within ten (10) business days, weather permitting, of the completion of the disturbance.

3.2.4. Safety Requirements. The Grantee shall undertake all necessary and appropriate efforts to maintain its work sites in a safe manner in order to prevent failures and accidents that may cause damage, injuries or nuisances. All work undertaken on the Cable System shall be performed in accordance with applicable FCC or other federal and state regulations. The

Cable System shall not unreasonably endanger or interfere with the safety of Persons or property in the Franchise Area.

3.2.5. Trimming of Trees and Shrubbery. The Grantee shall have the authority to trim trees or other natural vegetative growth encroaching or overhanging any of its Cable System in the Franchise Area so as to prevent contact with the Grantee's wires, cables, or other equipment. All such trimming shall be done at the Grantee's sole cost and expense. The Grantee shall be responsible for any collateral, real property damage caused by such trimming. Comcast shall notify adjacent property owners and the Township at least five (5) business days prior to commencing the work.

3.2.6. Aerial and Underground Construction. At the time of Cable System construction, if all of the transmission and distribution facilities of all of the respective public or municipal utilities in any area of the Franchise Area are underground, the Grantee shall place its Cable System transmission and distribution facilities underground, provided that such underground locations are actually capable of accommodating the Grantee's cable and other equipment without technical degradation of the Cable System's signal quality. In any region(s) of the Franchise Area where the transmission or distribution facilities of the respective public or municipal utilities are both aerial and underground, the Grantee shall have the discretion to construct, operate, and maintain all of its transmission and distribution facilities or any part thereof, aerially or underground. Nothing in this Agreement shall be construed to require the Grantee to construct, operate, or maintain underground any ground-mounted appurtenances such as customer taps, line extenders, system passive devices, amplifiers, power supplies, pedestals, or other related equipment.

3.2.7. Undergrounding and Beautification Projects. In the event all users of the Public Way relocate aerial facilities underground as part of an undergrounding or neighborhood beautification project, Grantee shall participate in the planning for relocation of its aerial facilities contemporaneously with other utilities. Grantee's relocation costs shall be included in any computation of necessary project funding by the municipality or private parties. Grantee shall be entitled to reimbursement of its relocation costs from public or private funds raised for the project and made available to other users of the Public Way. In the event that public and/or private funds are not available, Grantee reserves the right to pass its costs through to its Subscribers in accordance with applicable law.

SECTION 4 - Service Obligations

4.1. General Service Obligation. The Grantee shall make Cable Service available to every residential dwelling unit within the Franchise Area where the minimum density is at least twenty-five (25) dwelling units per aerial mile or fifty (50) homes per underground mile and is within one (1) mile of the existing Cable

System as measured in strand footage from the nearest active trunk or feeder line. Comcast shall complete said extensions within twelve (12) months of written notification to Comcast by the Township that an area has met the minimum density standard set forth herein (weather permitting). Subject to the density requirement, Grantee shall offer Cable Service to all new dwellings or previously unserved dwellings located within one hundred twenty-five (125) feet of the Grantee's nearest segment of Cable System from which a usable signal is technically available ("Standard Installation"). The Grantee may elect to provide Cable Service to areas not meeting the above density and distance standards. The Grantee may impose an additional charge in excess of its regular installation charge for any service installation requiring an underground installation, or a drop or line extension in excess of the above standards. Any such additional charge shall include a reasonable rate of return and shall be computed on a time plus materials basis to be calculated on that portion of the installation that exceeds the standards set forth above.

4.2. Programming. The Grantee shall offer to all Customers a diversity of Video Programming services in accordance with federal law.

4.3. No Unfair Discrimination. Neither the Grantee nor any of its employees, agents, representatives, contractors, subcontractors, or consultants, nor any other Person, shall discriminate or permit discrimination between or among any Persons in the availability of Cable Services provided in connection with the Cable System in the Franchise Area; provided, however, Grantee reserves the right to deny service for good cause, including but not limited to non-payment or theft of service, vandalism of equipment, or documented or founded harassment or abuse of Grantee's employees or agents. It shall be the right of all Persons to receive all available services provided on the Cable System so long as such Person's financial or other obligations to the Grantee are satisfied. Nothing contained herein shall prohibit the Grantee from offering bulk discounts, promotional discounts, package discounts, or other such pricing strategies as part of its business practice.

4.4. New Developments. The Franchising Authority shall provide the Grantee with written notice of the issuance of building or development permits for planned developments within the Franchise Area requiring undergrounding of cable facilities. The Franchising Authority agrees to require the developer, as a condition of issuing the permit, to give the Grantee access to open trenches for deployment of cable facilities and at least ten (10) business days written notice of the date of availability of open trenches.

4.5. Prohibition Against Reselling Service. No Person shall resell, without the express prior written consent of the Grantee, any Cable Service, program or signal transmitted over the Cable System by the Grantee.

SECTION 5 - Fees and Charges to Customers

5.1. All rates, fees, charges, deposits and associated terms and conditions to be imposed by the Grantee or any affiliated Person for any Cable Service as of the Effective Date shall be in accordance with applicable FCC rate regulations. Before any new or modified rate, fee, or charge is imposed, the Grantee shall follow the applicable FCC notice requirements and rules and notify affected Customers, which notice may be by any means permitted under applicable law.

SECTION 6 - Customer Service Standards; Customer Bills; and Privacy Protection

6.1. Customer Service Standards. The Franchising Authority hereby adopts the customer service standards set forth in Part 76, §76.309 of the FCC's rules and regulations, as amended. The Grantee shall comply in all respects with the customer service requirements established by the FCC including, but not limited to, §76.1602 and §76.1603, as amended.

6.2. Customer Bills. Customer Bills should be clear, concise and understandable. The bills must be fully itemized with itemizations including, but not limited to, all applicable service tiers, equipment charges and any installation or repair charges. Bills will also clearly delineate all activity during the billing period, including an effective due date, relevant credits and past due balances.

The Grantee shall not assess late fees for non-payment of a current bill until at least thirty (30) days have elapsed since the mailing of the bill by Grantee.

In case of any billing disputes, Grantee must respond to a written complaint from a customer within thirty (30) days.

6.3. Privacy Protection. The Grantee shall comply with all applicable federal and state privacy laws, including Section 631 of the Cable Act and regulations adopted pursuant thereto.

SECTION 7 - Oversight and Regulation by Franchising Authority

7.1. Franchise Fees.

7.1.1. The Grantee shall pay to the Franchising Authority a franchise fee in an amount equal to five percent (5%) of annual Gross Revenues received from the operation of the Cable System to provide Cable Service in the Franchise Area; provided, however, that Grantee shall not be compelled to pay

any higher percentage of franchise fees than any other cable operator providing service in the Franchise Area. Comcast shall not deduct or otherwise credit against the franchise fee any tax, fee or assessment of general applicability. The payment of franchise fees shall be made on a quarterly basis and shall be due forty-five (45) days after the close of each first, second and third calendar quarter (i.e., May 15, August 15, November 15) and sixty (60) days after the close of the calendar year (last day of February). For each franchise fee payment, the Grantee shall provide the Franchising Authority with a report prepared by a representative of the Grantee showing the basis for the computation of the Franchise Fees paid during that period. The report shall contain line items of the sources of revenue received and the amount of revenue from each source and be verified by a financial representative of Comcast.

7.1.2. The Township may amend the franchise fee percentage upon ninety (90) days written notice to Grantee provided that the franchise fee shall not exceed five percent (5%), the maximum rate permitted by the Cable Act. In the event that federal law is modified to authorize a franchise fee rate higher than five percent (5%), the Township may, at its discretion, direct in writing that Grantee pay the higher franchise fee. A copy of the Resolution or Ordinance authorizing the adjustment shall accompany such written notice. In the event that federal law is modified to authorize a maximum franchise fee rate lower than five percent (5%), the Grantee may, after notice to the Franchising Authority, pay the lower franchise fee.

7.2. Franchise Fees Subject to Audit.

7.2.1 Upon reasonable prior written notice, during Normal Business Hours at Grantee's principal business office, the Franchising Authority shall have the right to inspect and/or audit the Grantee's financial records used to calculate the Franchising Authority's franchise fees; provided, however, that any such inspection shall take place within three (3) years from the date the Franchising Authority receives such payment, after which period any such payment shall be considered final.

7.2.2. Upon the completion of any such audit by the Franchising Authority where there is an alleged underpayment by Comcast, the Franchising Authority shall provide to the Grantee a final report setting forth the Franchising Authority's findings in detail, including any and all substantiating documentation. If the franchise fee review reveals that there have been no underpayments, the Township shall provide written notice to Comcast indicating that no underpayments were found and that the franchise fee review is closed. In the event of an alleged underpayment, the Grantee shall have thirty (30) days from the receipt of the report to provide the Franchising Authority with a written response agreeing to or refuting the results of the audit, including any substantiating documentation. Based on these reports and responses, the parties shall agree upon a "Finally Settled Amount." For purposes of this

Section, the term "Finally Settled Amount(s)" shall mean the agreed upon underpayment, if any, to the Franchising Authority by the Grantee as a result of any such audit. If the parties cannot agree on a "Finally Settled Amount," the parties shall submit the dispute to a mutually agreed upon mediator within sixty (60) days of reaching an impasse. In the event an agreement is not reached at mediation, either party may bring an action to have the disputed amount determined by a court of law.

7.2.3. Any "Finally Settled Amount(s)" due to the Franchising Authority as a result of such audit shall be paid to the Franchising Authority by the Grantee within thirty (30) days from the date the parties agree upon the "Finally Settled Amount." Once the parties agree upon a Finally Settled Amount and such amount is paid by the Grantee, the Franchising Authority shall have no further rights to audit or challenge the payment for that period. The Franchising Authority shall bear the expense of its audit of the Grantee's books and records. Any franchise fee payment due to the Township as a result of the audit or franchise fee review shall be paid to the Township by Comcast within sixty (60) days from the date the Township notifies Comcast of its final determination, or if the matter is submitted to mediation or litigation, within sixty (60) days from the final disposition of such action. If the audit or franchise fee review shows that franchise fees have been underpaid, then Comcast shall pay the underpaid amount and monetary fines of ten (10) percent of the underpayment.

7.3. Oversight of Franchise. In accordance with applicable law, the Franchising Authority shall have the right to, at its sole cost and expense and upon reasonable prior written notice and in the presence of Grantee's employee, periodically inspect the construction and maintenance of the Cable System in the Franchise Area as necessary to monitor Grantee's compliance with the provisions of this Franchise Agreement.

7.4. Technical Standards. The Grantee shall comply with all applicable technical standards of the FCC as published in subpart K of 47 C.F.R. § 76.601 et seq. To the extent those standards are altered, modified, or amended during the term of this Franchise, the Grantee shall comply with such altered, modified or amended standards within a reasonable period after such standards become effective. The Franchising Authority shall have, upon written request, the right to obtain a copy of tests and records required to be performed pursuant to the FCC rules.

7.5. Maintenance of Books, Records, and Files.

7.5.1. Books and Records. Throughout the term of this Franchise Agreement, the Grantee agrees that the Franchising Authority may review the Grantee's books and records regarding customer service performance levels in the Franchise Area to monitor Grantee's compliance with the provisions of this Franchise Agreement, upon reasonable prior written notice to the Grantee, at the

Grantee's business office, during Normal Business Hours, and without unreasonably interfering with Grantee's business operations. All such documents that may be the subject of an inspection by the Franchising Authority shall be retained by the Grantee for a minimum period of twenty-four (24) months.

7.5.2. File for Public Inspection. Throughout the term of this Franchise Agreement, the Grantee shall maintain at its business office, in a file available for public inspection during normal business hours, those documents required pursuant to the FCC's rules and regulations.

7.5.3. Proprietary Information. Notwithstanding anything to the contrary set forth in this Section, the Grantee shall not be required to disclose information which it reasonably deems to be proprietary or confidential in nature. Except as otherwise required by law, the Franchising Authority agrees to treat any information disclosed by the Grantee as confidential and only to disclose it to those employees, representatives, and agents of the Franchising Authority that have a need to know in order to enforce this Franchise Agreement and who agree, through the execution of a non-disclosure agreement, to maintain the confidentiality of all such information. The Grantee shall not be required to provide Customer information in violation of Section 631 of the Cable Act or any other applicable federal or state privacy law. For purposes of this Section, the terms "proprietary or confidential" include, but are not limited to, information relating to the Cable System design, customer lists, marketing plans, financial information unrelated to the calculation of franchise fees or rates pursuant to FCC rules, or other information that is reasonably determined by the Grantee to be competitively sensitive. Grantee may make proprietary or confidential information available for inspection, but not copying or removal of information by the Franchising Authority's representative. In the event that the Franchising Authority has in its possession and receives a request under a state "sunshine," public records, or similar law for the disclosure of information the Grantee has designated as confidential, trade secret or proprietary, the Franchising Authority shall notify Grantee of such request and cooperate with Grantee in opposing such request. Grantee agrees to reimburse Franchising Authority for all of its cost and expenses, including its reasonable attorney's fees, in cooperating with Grantee in opposing such requests. Grantee agrees that it will indemnify and hold harmless Franchising Authority of and from any and all claims, suits, fees, penalties, fines, damages, attorney's fees and costs in the event opposition to any such request is unsuccessful.

SECTION 8 – Transfer of Cable System or Franchise of Grantee

8.1. Neither the Grantee nor any other Person may transfer the Cable System or the Franchise, or sell more than 25% of an equitable interest, without prior written consent of the Franchising Authority provided that such consent

shall not be unreasonably withheld. No prior notice shall be required, however, for: (i.) a transfer in trust, by mortgage, hypothecation, or by assignment of any rights, title, or interest of the Grantee in the Franchise or in the Cable System in order to secure indebtedness, (ii.) a transfer to an entity directly or indirectly owned or controlled by Comcast Corporation, or (iii) the sale, conveyance, transfer, exchange or release of fifty percent (50%) or less of its equitable ownership. Within thirty (30) days of receiving a notice of transfer, the Franchising Authority may, in accordance with FCC rules and regulations, notify the Grantee in writing of the additional information, if any, it requires regarding the legal, financial, and technical qualifications of the transferee or new controlling party.

8.2 The Grantee shall make a written application to the Franchising Authority of any transfer, change in control or assignment and shall provide all information required by FCC Form 394.

SECTION 9 - Insurance and Indemnity

9.1. Insurance. Throughout the term of this Franchise Agreement, the Grantee shall, at its own cost and expense, maintain Comprehensive General Liability Insurance with an insurance company which is authorized to conduct business in Pennsylvania and which has an A.M. Best rating (or equivalent) and provide the Franchising Authority certificates of insurance designating the Franchising Authority and its officers, boards, commissions, councils, elected officials, agents and employees as additional insureds and indemnifying the Township from and against all claims for injury and/or death and/or damage to property, both real and personal, caused by the construction, installation, reconstruction, operation, maintenance and/or removal of the Cable System by the Grantee or any of its contractors, subcontractors, agents and/or employees. Such policy or policies shall be in the minimum amount of One Million Dollars (\$1,000,000.00) for bodily injury or death to any one person, and One Million Dollars (\$1,000,000.00) for bodily injury or death of any two or more persons resulting from one occurrence, and One Million Dollars (\$1,000,000.00) for property damage resulting from any one accident, Three Million Dollars (\$3,000,000) excess liability in umbrella form, and One Million Dollars (\$1,000,000) for claims arising out of the operation of motor vehicles and general tort or contract liability. Such policy or policies shall be non-cancelable except upon thirty (30) days prior written notice to the Franchising Authority. The Grantee shall provide workers' compensation coverage in accordance with applicable law. The Grantee shall indemnify and hold harmless the Franchising Authority from any workers compensation claims to which the Grantee may become subject during the term of this Franchise Agreement.

9.2. Indemnification. Comcast shall indemnify, defend, save and hold harmless the Township, its elected and appointed officials, officers, agents and

employees acting in their official capacities, from 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 Comcast, its officers, agents, contractors, subcontractors or employees, arising out of but not limited to, the construction, installation, upgrade, reconstruction, operation, maintenance or removal of the Cable System or any other equipment or facilities. The Township shall give Comcast timely written notice of its obligation to indemnify and defend the Township. 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, and reasonable attorneys' fees. If the Township determines that it is necessary for it to employ separate counsel, in addition to that provided by Comcast, the cost for such separate counsel shall be the responsibility of the Township. Grantee shall not indemnify the Township for any claim resulting solely from acts of willful misconduct, or negligence on the part of the Township.

SECTION 10 - System Description and Service

10.1. System Capacity. During the term of this Agreement, the Grantee's Cable System shall be capable of providing Video Programming to its customers in the Franchise Area in accordance with the Cable Act.

10.2. Cable Service to School Buildings. Upon request, the Grantee shall provide, at no cost to the Township, Basic Cable Service and Standard Installation at one (1) outlet to each public and private grade school (K-12) building, not including "home schools," located in the Franchise Area within one hundred twenty-five (125) feet of the Grantee's distribution cable. No charge shall be made for installation or service, except that Grantee may charge for installation beyond one hundred twenty-five (125) feet aerial distance of the cable plant and service for more than one (1) drop in each building. For the purposes of this section, the term "school" means an educational institution that receives funding pursuant to Title I of the Elementary and Secondary Education Act of 1965, 20 U.S.C. § 6301 et seq., as amended, and does not include "home schools."

10.3. Cable Service to Governmental and Institutional Facilities. Upon request, the Grantee shall provide, at no cost to the Township, Basic Cable Service and Standard Installation at one outlet to each Public Building located in the Franchise Area within one hundred twenty-five (125) feet of the Grantee's distribution cable. No charge shall be made for installation or service, except that Grantee may charge for installation beyond one hundred twenty-five (125) feet aerial distance of the cable plant and service for more than one (1) drop in each building. Public Buildings are those buildings owned or leased by the Franchising Authority for municipal government administrative purposes, and shall not include buildings owned by Franchising Authority but leased to third

parties or buildings such as storage facilities at which government employees are not regularly stationed.

SECTION 11 - Enforcement and Revocation Proceedings

11.1. Notice of Violation or Default and Opportunity to Cure.

11.1.1. If the Township has reason to believe that Comcast violated any provision of this Agreement, it shall notify Comcast in writing by certified mail of the nature of such violation, the section(s) of this Agreement that it believes has been violated and the details relating thereto.

11.1.2. Comcast shall have thirty (30) days to cure such violation after written notice is received by taking reasonable steps to comply with the terms of this Agreement. If the nature of the violation is such that it cannot be fully cured within thirty (30) days, the period of time in which Comcast must cure the violation shall be extended by the Township in writing for such additional time necessary to complete the cure, provided that Comcast shall have taken reasonable steps to cure and is pursuing its reasonable efforts to cure.

11.1.3. If the violation has not been cured within the time allowed under Section 10.1(b) above, then Comcast may request that the Township schedule a public hearing to provide Comcast with the opportunity to demonstrate that Comcast continues to take reasonable steps to cure.

11.2. Technical Violation. The Franchising Authority agrees that it is not its intention to subject the Grantee to penalties, fines, forfeitures or revocation of the Franchise for so-called "technical" breach(es) or violation(s) of the Franchise, which shall include, but not be limited, to the following:

11.2.1. in instances or for matters where a violation or a breach of the Franchise by the Grantee was good faith error that resulted in no or minimal negative impact on the Customers within the Franchise Area; or

11.2.2. where there existed circumstances reasonably beyond the control of the Grantee and which precipitated a violation by the Grantee of the Franchise, or which were deemed to have prevented the Grantee from complying with a term or condition of the Franchise.

11.3. Liquidated Damages.

11.3.1. For the violation of any of the following provisions of this renewal franchise, liquidated damages shall be paid by the Grantee to the Franchising Authority; provided, however, that liquidated damages cannot be imposed unless and until the Franchising Authority has followed the notice and

opportunity to cure provisions in Section 11.1. Any such liquidated damages shall only be assessed after a finding of default according to the provisions of Section 11.1, effective beginning as of the date of a public hearing on the notice of default scheduled by the Franchising Authority in accordance with Section 11.1 above. On an annual basis from the Effective Date, the Grantee shall not be liable for liquidated damages that exceed five thousand dollars (\$5,000):

(i) for failure to operate and maintain the Cable System, in accordance with Section 7.4 herein, one hundred dollars (\$100.00) per day, for each day that such non-compliance continues; and,

(ii) for failure to comply with the FCC Customer Service Obligations pursuant to Section 6.1 herein, one hundred dollars (\$100.00) per day that any such non-compliance continues.

11.3.2. Such liquidated damages shall be in addition to, and not a limitation upon, any other provisions of this Renewal Franchise and applicable law, including revocation, or any other statutorily or judicially imposed penalties or remedies; provided, however, that in the event that the Franchising Authority collects liquidated damages for a specific breach pursuant to Section 11.3.1 above, the collection of such liquidated damages shall be deemed to be the exclusive remedy for said specific breach.

11.3.3. Grantee shall have thirty (30) days from receipt of written notice from the Franchising Authority to pay the liquidated damages; provided, however, that Grantee may appeal (by pursuing administrative, judicial or other relief) any assessment of liquidated damages within thirty (30) days of receiving written notice of the assessment.

11.3.4. Each of the above-mentioned cases of non-compliance in this Section 11.3.1.i. and 11.3.1.ii. shall result in damage to the Township, its residents, businesses and institutions, compensation for which will be difficult to ascertain. The Grantee agrees that the liquidated damages in the amounts set forth above are fair and reasonable compensation for such damage. The Franchisee agrees that said foregoing amounts are liquidated damages, not a penalty for forfeiture, and are within one or more exclusions to the term "franchise fee" provided by Section 622(g)(2)(A) of the Cable Act.

11.4. Performance Bond.

11.4.1. Comcast shall obtain and maintain during the term of this Agreement, at its sole cost and expense, a performance bond running to the Township with a surety company licensed to do business in the Commonwealth of Pennsylvania and satisfactory to the Township to ensure Comcast's faithful performance of its obligations. The performance bond shall provide that the Township may recover from the principal and surety any and all liquidated

damages and/or compensatory damages incurred by the Township for Comcast's violations of this Agreement, after notice and opportunity to cure, in accordance with Section 11.1 above.

11.4.2. The performance bond shall be in the amount of Fifteen Thousand Dollars (\$15,000). Comcast shall not reduce, cancel or materially change said bond from the requirement contained herein without the express prior written permission of the Township.

11.5. No Removal of System. In accordance with applicable law, Grantee shall not be required to remove its Cable System or to sell the Cable System, or any portion thereof as a result of revocation, denial of renewal, or any other lawful action to forbid or disallow Grantee from providing Cable Service, if the Cable System is actively being used to facilitate any other services not governed by the Cable Act, or any portion thereof [47 U.S.C. §621 (b)].

SECTION 12 – Competitive Equity

12.1. Comcast acknowledges and agrees that the Township reserves the right to grant one or more additional franchises to construct, operate and maintain a Cable System within the Township.

12.2. The Franchise granted to Comcast is non-exclusive; however, if the Township grants a subsequent franchise that, when taken as a whole upon consideration of all its material obligations, is more favorable or less burdensome to the subsequent franchisee than this Agreement is to Comcast, then Comcast may request an amendment to this Agreement to provide Comcast with competitive equity. If the Township agrees with Comcast that, when taken as a whole upon consideration of all its material obligations, the subsequent franchise is more favorable or less burdensome, then the Township and Comcast shall enter into discussions in order to modify the Agreement to the mutual satisfaction of both parties to provide Comcast with such competitive equity.

12.3. In the event an application for a new franchise for Cable Service is submitted to the Township proposing to serve Subscribers within the Township, then the Township shall notify Comcast in writing of the submission of that application.

SECTION 13 - Miscellaneous Provisions

13.1. Force Majeure. The Grantee shall not be held in default under, or in non-compliance with, the provisions of the Franchise, nor suffer any enforcement or penalty relating to noncompliance or default (including termination, cancellation or revocation of the Franchise), where such non-

compliance or alleged defaults occurred or were caused by lightning strike, earthquake, flood, tidal wave, unusually severe rain, ice or snow storm, hurricane, tornado, or other catastrophic act of nature; riot, war, labor disputes, environmental restrictions, failure of utility service necessary to operate the Cable System, governmental, administrative or judicial order or regulation or other event that is reasonably beyond the Grantee's ability to anticipate or control. This provision also covers work delays caused by waiting for utility providers to service or monitor their own utility poles on which the Grantee's cable or equipment is attached, as well as unavailability of materials or qualified labor to perform the work necessary.

13.2. Police Powers. Comcast'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.

13.3. Notice. All notices shall be in writing and shall be sufficiently given and served upon the other party by hand delivery, first class mail, registered or certified, return receipt requested, postage prepaid, or by reputable overnight courier service and addressed as follows:

To the Franchising Authority:

Township of Middlesex
350 N. Middlesex Rd, Suite 1
Carlisle, PA 17013
Attention: Township Manager

To the Grantee:

Comcast
4601 Smith Street
Harrisburg, PA 17109
Attention: Government Affairs Department

with a copy to:

Comcast Cable Northeast Division
676 Island Pond Rd.
Manchester, NH 03109
Attention: Government Affairs Department

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

13.4. Entire Agreement. This Franchise Agreement and any exhibits or addendums hereto constitute the entire agreement between the Franchising Authority and the Grantee and supersedes all prior or contemporaneous agreements, ordinances, representations, or understandings -- whether written or oral -- of the parties regarding the subject matter hereof. Any agreements, ordinances, representations, or understandings or parts of such measures that are in conflict with or otherwise impose obligations different from the provisions of this Franchise Agreement are superseded by this Franchise Agreement.

13.5. Severability. If any section, subsection, sentence, clause, phrase, or other portion of this Franchise Agreement is, for any reason, declared invalid, in whole or in part, by any court, agency, commission, legislative body, or other authority of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent portion. Such declaration shall not affect the validity of the remaining portions hereof, which other portions shall continue in full force and effect.

13.6. Governing Law. This Franchise Agreement shall be deemed to be executed in the Commonwealth of Pennsylvania, and shall be governed in all respects, including validity, interpretation and effect, and construed in accordance with, the laws of the Commonwealth of Pennsylvania, as applicable to contracts entered into and performed entirely within the State.

13.7. Modification. No provision of this Franchise Agreement shall be amended or otherwise modified, in whole or in part, except by an instrument, in writing, duly executed by the Franchising Authority and the Grantee, which amendment shall be authorized on behalf of the Franchising Authority through the adoption of an appropriate resolution or order by the Franchising Authority, as required by applicable law.

13.8. No Third-Party Beneficiaries. Nothing in this Franchise Agreement is or was intended to confer third-party beneficiary status on any member of the public to enforce the terms of this Franchise Agreement.

13.9. Captions. Captions to sections throughout this Franchise Agreement are solely to facilitate the reading and reference to the sections and provisions of this Franchise Agreement. Such captions shall not affect the meaning or interpretation of this Franchise Agreement.

13.10. No Waiver of Rights. Nothing in this Franchise Agreement shall be construed as a waiver of any rights, substantive or procedural, which Grantee or Franchising Authority may have under federal or state law unless such waiver is expressly stated herein.

13.11. Incorporation by Reference

(a) All presently and hereafter applicable conditions and requirements of federal, State and local laws, including but not limited to the rules and regulations of the FCC and the Commonwealth of Pennsylvania, as they may be amended from time to time, are incorporated herein by reference to the extent not enumerated herein. All such general laws, rules and regulations, as amended, shall control the interpretation and performance of this Renewal Franchise to the extent that any provision of this Renewal Franchise conflicts with or is inconsistent with such laws, rules or regulations.

(b) Should the Commonwealth of Pennsylvania, the federal government or the FCC require Franchisee to perform or refrain from performing any act the performance or non-performance of which is inconsistent with any provisions herein, the Franchising Authority and Franchisee will thereupon, if they determine that a material provision herein is affected, modify any of the provisions herein to reflect such government action.

13.12. Calculation of Time. Where the performance or doing of any act, duty, matter, payment, or operation is required hereunder and the period of time or duration for the performance or during thereof is prescribed and fixed herein, the time shall be computed so as to exclude the first day and include the last day of the prescribed or fixed period or duration of time. When the last day of the period falls on Saturday, Sunday, or a legal holiday, that day shall be omitted from the computation.

REMAINDER OF PAGE LEFT BLANK UNTIL SIGNATURE PAGE (20).

IN WITNESS WHEREOF, this Franchise Agreement has been executed by the duly authorized representatives of the parties as set forth below, as of the last date set forth below:

Attest:

Franchising Authority:

By: _____

Print Name: _____

Title: _____

Date: _____

Attest:

Grantee:

By: _____

Print Name: Jim Samaha

Title: Senior Vice President -- Keystone Region

Date: _____