PATTON TOWNSHIP CENTRE COUNTY, PENNSYLVANIA

ORDINANCE NO. 2023 - 629

SHENANDOAH CABLE TELEVISION FRANCHISE AGREEMENT

ORDINANCE OF THE TOWNSHIP OF PATTON AUTHORIZING EXECUTION OF A CABLE FRANCHISE AGREEMENT BETWEEN PATTON TOWNSHIP AND SHENANDOAH CABLE TELEVISION, LLC

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, the regulations of the Federal Communications Commission and Pennsylvania law, the Township of Patton ("Township") 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, pursuant to Title VI of the Communications Act, the regulations of the Federal Communications Commission ("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, Shenandoah Cable Television, LLC ("Grantee") has requested that the Township grant the Grantee a franchise to maintain, construct, operate, and maintain its Cable System over, under and along the aforesaid rights-of-ways for use by the Township's residents; and

WHEREAS, the aforesaid Public Rights-of-Way used by the Grantee are public properties acquired and maintained by the Township on behalf of the citizens of the Township, 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, establish standards of Subscriber service, maintain a technologically advanced Cable System, receive Franchise Fees for the Grantee's use of the Township's public rights-of-ways as provided by federal law, obtain the use of an educational and governmental channel, establish certain reporting requirements, obtain certain complimentary services, provide legal protections for the Township, and meet the current and future cable-related needs of its residents; and

WHEREAS, the Township has determined that this Agreement and the process for consideration of this Agreement complies with all applicable federal, state and local laws and regulations; and

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WHEREAS, the Township has determined that the public interest would be served by granting the Grantee a franchise according to the terms and conditions contained herein; and

NOW THEREFORE, **BE IT ORDAINED** that the Township Board of Supervisors does hereby approve the cable franchise agreement negotiated with the Grantee, including all of the terms and conditions contained therein, and does hereby authorize the execution of such agreement.

Attest:

PATTON TOWNSHIP BOARD OF SUPERVISORS

Secretary

Secretary

Secretary

Secretary

Secretary

CABLE FRANCHISE AGREEMENT

BETWEEN

PATTON TOWNSHIP

AND

SHENANDOAH CABLE TELEVISION, LLC

With assistance from:

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CABLE FRANCHISE AGREEMENT

This Cable Franchise Agreement (hereinafter referred to as the "Agreement") is by and between Patton Township, a municipality located in Centre County, Pennsylvania (hereinafter referred to as the "Township") and Shenandoah Cable Television, LLC (hereinafter referred to as "Grantee").

WHEREAS, pursuant to Title VI of the Communications 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, Grantee has requested that the Township grant Grantee a franchise to maintain, construct, operate, and maintain its Cable System over, under and along the aforesaid rights-of-ways for use by the Township's residents; and

WHEREAS, the aforesaid Public Rights-of-Way used by Grantee are public properties acquired and maintained by the Township on behalf of the citizens of the Township, 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, establish standards of Subscriber service, maintain a technologically advanced Cable System, receive Franchise Fees for Grantee's use of the Township's public rights-of-ways as provided by federal law, obtain the use of an educational and governmental channel, establish certain reporting requirements, obtain certain complimentary services, provide legal protections for the Township, and meet the current and future cable-related needs of its residents; and

WHEREAS, the Township held a public hearing on the subject of cable franchise renewal, including reviewing the cable operator's past performance and identifying the Township's future cable-related community needs; and

WHEREAS, the Township has determined that this Agreement and the process for consideration of this Agreement complies with all applicable federal, state and local laws and regulations; and

WHEREAS, the Township has determined that the public interest would be served by granting Grantee a 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 Grantee agree as follows:

SECTION 1 DEFINITIONS

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

- (a) <u>Affiliated Entity</u> Any persons(s) or entity(ies) who own or control, are owned or controlled by or are under common ownership or control with Shenandoah Cable Television, LLC, but does not include Affiliated Entities that are not involved with the use, management, operation, construction, repair and/or maintenance of Grantee's cable systems.
- (b) <u>Basic Service</u> The service tier that includes at least the retransmission of local broadcast television signals.
- (c) <u>Cable Act</u> Title VI of the Communications Act of 1934, as amended by the Cable Communications Policy Act of 1984, the Cable Television Consumer Protection and Competitive Act of 1992 and the Telecommunications Act of 1996, as it may, from time to time, be further amended.
- (d) <u>Cable Service or Service</u> 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) <u>Cable System or System</u> 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 (1) a facility that serves only to retransmit the television signals of one or more television broadcast stations; (2) a facility that serves Subscribers without using any public right-of-way; (3) 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; (4) an open video system that complies with Section 653 of the Cable Act; (5) any facilities of any electric utility used solely for operating its electric utility systems;
- (f) <u>Channel</u> A portion of the electromagnetic frequency spectrum which is used in a Cable System and which is capable of delivering a television channel as a television channel is defined by FCC regulation.
- (g) <u>Complaint</u> Any written (including electronic) or oral communication by a Subscriber expressing dissatisfaction with Grantee's operation of its Cable System that is within Grantee's control and requires a corrective measure on the part of Grantee or its contractors or subcontractors.
- (h) <u>Communications Act</u> The federal Communications Act of 1934, as amended, and as it may, from time to time, be further amended.

- (i) $\underline{\text{Drop}}$ The coaxial or fiber optic or other cable that connects a home or building to the Cable System.
- (j) <u>Educational and Governmental (EG) Access Channel</u> An access channel that consists of local, educational and/or governmental programming.
- (k) <u>Emergency</u> A condition that either (1) constitutes a clear and immediate danger to the health, welfare, or safety of the public; or (2) has caused or is likely to cause the Cable system in the Public Rights-of-Way to be unusable and result in loss of the services provided.
 - (1) FCC Federal Communications Commission.
- (m) <u>Force Majeure</u> Acts of God; acts of public enemies, including terrorist attacks; orders of any kind of the government of the United States of America or the Commonwealth of Pennsylvania or any of their departments, agencies, political subdivisions, or officials, or any civil or military authority; insurrections; riots; labor strikes; epidemics; landslides; lightning; earthquakes; fires; hurricanes; volcanic activity; storms; floods; washouts; droughts; explosions; unavailability of materials or equipment; extraordinary make ready costs; partial or entire failure of utilities or other event that is reasonably beyond Grantee's ability to anticipate or control.
- (n) <u>Franchise</u> The authorization granted by the Township to construct, operate and maintain a Cable System within the corporate limits of the Township as embodied in the terms and conditions of this Agreement.
- (o) <u>Franchise Fee</u> The fee that Grantee remits to the Township pursuant to Section 622 of the Cable Act, 47 U.S.C. §542, and Section 6.1 of this Agreement.
- (p) <u>Gross Revenues</u> All revenue received by Grantee or its Affiliated Entities arising from, attributable to, or in any way derived from the operation of Grantee's Cable System in the Township to provide Cable Services, as 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 Cable Service tier other than Basic Service;
 - (3) fees charged for premium Cable Services;
 - (4) fees for all digital video tiers;
 - (5) fees for video-on-demand;
 - (6) fees charged to Subscribers for any optional, per-channel or per-program Cable Services;
 - (7) revenue from the provision of any other Cable Services;
 - (8) charges for installation, additional outlets, relocation, disconnection, reconnection and change-in-service fees for Cable Service.
 - (9) fees for changing any level of Cable Service programming;

- (10) fees for service calls pertaining to Cable Services;
- (11) inside wire maintenance fees for Cable Services;
- (12) service plan protection fees for Cable Services;
- (13) convenience fees;
- (14) early termination fees on Cable Services;
- (15) fees for Leased Access Channels;
- (16) charges based on the sale or lease of any portion of the Cable System for Cable Service;
- (17) rental or sales of any and all equipment, including converters and remote control devices;
- (18) any and all locally-derived advertising revenues;
- (19) revenues or commissions from locally-derived home shopping channels;
- (20) broadcast retransmission fees;
- (21) regional sports fee;
- (22) late payment fees on Cable Services;
- (23) billing and collection fees on Cable Services;
- (24) NSF check charges; and
- (25) Franchise Fees.

Gross Revenue shall not include refundable deposits, investment income, programming launch support payments, nor any taxes, or other fees or assessments imposed or assessed by any governmental authority. Gross Annual Revenues shall not include actual bad debt that is written off, consistent with generally accepted accounting principles, provided however, that all or any part of any such actual bad debt that is written off, but subsequently collected, shall be included in the Gross Annual Revenues in the period so collected. In the event of any dispute over the classification of revenue, the Township and Grantee agree that reference should be made to generally accepted accounting principles ("GAAP") as promulgated and defined by the Financial Accounting Standards Board ("FASB").

- (q) <u>HD</u> High definition format.
- (r) <u>Leased Access or Commercial Access Channel</u> Any channel on Grantee's Cable System designated for use by any entity that is unaffiliated with Grantee pursuant to Section 612 of the Cable Act, 47 U.S.C. §532.
- (s) <u>Multiple Dwelling Units or MDU's</u> Any building, buildings or area occupied by dwelling units, appurtenances thereto, grounds and facilities, which dwelling units are intended or designed to be owned, occupied or leased for occupation, or actually occupied, as individual homes or residences for three (3) or more households.
- (t) <u>Normal Business Hours</u> Those hours during which most similar businesses in the community are open to serve Subscribers. In all cases, "Normal Business Hours" must include some evening hours at least one night per week and/or some weekend hours.
- (u) <u>Normal Operating Conditions</u> Business conditions within Grantee's service department which are within the control of Grantee. Those conditions that are not within the

control of Grantee include, but are not limited to, natural disasters, civil disturbances, power outages, telephone network outages and severe or unusual weather conditions or other conditions of Force Majeure.

- (v) Outlet An interior receptacle that connects a television set to the Cable System.
- (w) <u>Public Buildings</u> shall mean the Township Building, police stations, fire companies, public works buildings, and water and sewer authorities. Public Buildings shall not include buildings owned by the Township but leased to third parties, or buildings, such as storage facilities, at which government employees are not regularly stationed, or to facilities used by a private service provider, such as a private ambulance company. Public schools and libraries may be eligible under the then-current community investment policy of Grantee.
- (x) <u>Public Rights-of-Way</u> The surface and the area across, in, over, along, under and upon the public streets, roads, lanes, avenues, alleys, sidewalks, bridges, highways and other rights-of-way, as the same now or may thereafter exist, which are under the jurisdiction or control of the Township.
- (y) <u>Programming</u> Any video or audio signal carried over the Cable System that is generally considered comparable to programming provided by a television broadcast station.
 - (z) <u>Service Interruption</u> The loss of picture or sound on all Cable Service channels.
- (aa) <u>Subscriber</u> A person or entity who contracts with Grantee for, and lawfully receives, the video signals and Cable Services distributed by the Cable System.

SECTION 2 GRANT OF FRANCHISE

2.1 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 Grantee. Subject to the terms and conditions contained herein, the Township hereby grants to Grantee the authority 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 equipment as is necessary and appropriate to the operation of the Cable System in the Public Rights-of-Way, 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 and audio signals to provide Cable Services. Nothing herein shall preclude Grantee from offering any other service over the Cable System as may be lawfully allowed.

2.2 TERM OF FRANCHISE

The term of this Agreement shall be for a period of ten (10) years commencing on the date when fully executed by both parties, unless the Franchise is terminated prior to the expiration date in accordance with the terms and conditions of this Agreement.

2.3 REPRESENTATIONS AND WARRANTIES

- (a) Grantee represents, warrants and acknowledges that, as of the Effective Date:
- (1) Grantee is duly organized, validly existing and in good standing under the laws of the Commonwealth of Pennsylvania;
- (2) Grantee has the requisite approval from the applicable federal and state agencies;
- (3) There is no action or proceeding pending or threatened against Grantee which would interfere with its performance or its ability to perform the requirements of this Agreement;
- (4) Pursuant to Section 625(f) of the Cable Act, as of the Effective Date, the performance of all terms and conditions in this Agreement is commercially practicable.

2.4 NON-EXCLUSIVITY

This Franchise granted to Grantee shall be non-exclusive. Nothing in this Agreement shall affect the right of the Township to grant other Franchises to construct, operate or maintain a Cable System.

2.5 FRANCHISE SUBJECT TO FEDERAL, STATE AND LOCAL LAWS

This Franchise is subject to and shall be governed by all lawful and applicable provisions of federal, state and generally applicable local laws and regulations. This Franchise is further subject to all generally applicable ordinances and resolution of the Township. Without waiving any of its rights, the Township agrees that, to the extent any term of this Agreement is inconsistent with the terms of any Township cable franchise ordinance existing as of the Effective Date, this Agreement shall control.

2.6 COMPETITIVE EQUITY

- (a) Grantee 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.
- (b) The Franchise granted to Grantee is non-exclusive; however, if the Township grants a subsequent franchise or other authorization to provide similar wired video services, that, when

taken as a whole upon consideration of all of its material obligations, is more favorable or less burdensome to the subsequent provider than this Agreement is to Grantee, then Grantee may request an amendment to this Agreement to provide Grantee with competitive equity. If, when taken as a whole upon consideration of all of its material obligations, the subsequent Franchise is more favorable or less burdensome, then the Township and Grantee shall enter into good faith negotiations in order to modify this Agreement to the mutual satisfaction of both parties to provide Grantee with such competitive equity.

(c) 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 Grantee in writing of the submission of the application.

SECTION 3 SYSTEM CONSTRUCTION, OPERATION AND MAINTENANCE

3.1 <u>TECHNICAL REQUIREMENT</u>

- (a) Grantee shall operate, maintain, construct and extend the Cable System so as to offer Cable Services throughout all parts of the Township where the density requirements of Section 3.2 are met. The Cable Service provided by the Cable System shall be delivered in accordance with applicable FCC standards and the Cable Act. The Cable System shall meet or exceed any and all applicable technical performance standards of the FCC, the National Electrical Safety Code, the National Electric Code and any other applicable federal laws and regulations and the laws, ordinances and construction standards of the Commonwealth of Pennsylvania and the generally applicable laws, ordinances and construction standards of the Township.
- (b) Stand-by power at the headend(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) Grantee shall build out its Cable System to make Cable Service generally available to those businesses and residential units located within the Township. While Grantee shall use commercially reasonable efforts to build out its network to serve as much of the Township as is feasible taking into account build-out costs, geographical and geological conditions, and business conditions, Grantee reserves the right in its sole discretion as to where Grantee builds out its network in the Township.
- (b) Any dwelling unit within one hundred fifty (150) feet aerial distance from the main distribution line shall be entitled to a standard installation rate. For any dwelling unit in excess of one hundred fifty (150) feet or that requires an underground installation, Grantee shall extend the Cable Service if the Subscriber pays Grantee the actual cost of installation from its main distribution system with such cost being only the incremental portion beyond one hundred fifty (150) feet for aerial installations.

- (c) The Township has the authority to require Grantee to place wires and/or equipment underground, provided that the Township imposes such requirement on all similarly situated entities. All installations of wires and/or equipment by Grantee shall be underground in those areas of the Township where the wires and/or equipment of similarly situated entities (i.e. telephone and electric utilities) are underground; provided, however, that such underground locations are capable of accommodating Grantee's facilities without technical degradation of the Cable System's signal quality. Grantee shall not be required to construct, operate, or maintain underground any ground-mounted appurtenances such as Subscriber taps, line extenders, system passive devices, amplifiers, power supplies, or pedestals.
- (d) In the event that public or private funds are made available to pay for such underground projects, Grantee may apply or request that the Township apply for such funds. In the event that Grantee is required to place existing aerial plant underground, Grantee reserves its right to pass any remaining costs in excess of any such available public or private funds through to Subscribers if and to the extent allowed by applicable law.

3.3 <u>CABLE SYSTEM SPECIFICATIONS</u>

- (a) Grantee shall design, construct, and maintain a Cable System that has been built for digital television standards.
- (b) Grantee reserves the right to alter, adjust, modify, rebuild, upgrade, redesign, or otherwise reconfigure the Cable System at any time during the term of the Agreement, provided that no alteration, adjustment, modification, rebuild, upgrade, redesign or other reconfiguration of the Cable System shall have the effect of reducing the technical capabilities of the Cable System as set forth in Section 3.1.

3.4 **SYSTEM TESTS**

- (a) Grantee shall be responsible for ensuring that its Cable System is designed, installed and operated in a manner that fully complies with applicable FCC technical standards. Upon a showing of a pattern of Subscriber Complaints regarding signal quality or a determination of noncompliance related to signal quality through a compliance review under Section 5.2 herein, Grantee, upon written request by the Township, shall perform applicable tests to determine compliance with FCC technical standards. Grantee shall provide a report to the Township within thirty (30) days of completion of a Township-requested test that describes the results of the test. If any test under this Section indicates that the Cable System fails to meet applicable FCC requirements, Grantee shall take such corrective measures as are necessary to correct any failure and to prevent their recurrence as far as is possible.
- (b) Upon sixty (60) days' written request to Grantee, the Township may inspect the Cable System at any time to ensure compliance with this Agreement and applicable law, including to ensure that the Cable System is constructed and maintained in a safe condition. The Township reserves the right, upon at least sixty (60) days' notice to Grantee, to conduct a technical audit of the Cable System.

3.5 <u>EMERGENCY ALERT SYSTEM</u>

Grantee shall comply with the Emergency Alert System requirements of the FCC.

3.6 <u>SERVICES FOR SUBSCRIBERS WITH DISABILITIES</u>

Grantee shall comply with all applicable federal regulations, including the Communications Act of 1934, as amended, that ensure the provision of Cable Services and related equipment are accessible to and usable by persons with disabilities.

3.7 <u>SERVICE TO MULTIPLE DWELLING UNITS ("MDU's")</u>

Grantee and the Township hereto acknowledge and agree that installation and provision of Cable Service to MDU's are subject to a separate negotiation between the landlord, owner or governing body of any such MDU and Grantee, which negotiations shall be conducted in accordance with the procedures set forth in the Cable Act, as amended, applicable FCC regulations and applicable Pennsylvania law.

3.8 <u>INSTALLTIONS, REPAIRS AND RESTORATION</u>

- (a) Whenever Grantee or any of its agents, including any contractor or subcontractor, takes up or disturbs any pavement, sidewalk or other improvement of any public or private property, the same shall be replaced and the surface restored to the same condition or better as before the disturbance within twenty (20) business days of the completion of the disturbance, weather permitting. Upon failure of Grantee to comply within the time specified and the Township having notified Grantee in writing of the restoration and repairs required, the Township may cause proper restoration and repairs to be made and the expense of such work shall be paid by Grantee upon demand by the Township.
- (b) Whenever Grantee or any agent, including any contractor or 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 if required for the proper installation, operation and maintenance of such equipment, cable, or wires. Grantee shall promptly repair and restore any public or property that is damaged as a result of construction, installation, repair or maintenance of the Cable System within twenty (20) business days, weather permitting.
- (c) Grantee's operation, construction, repair and maintenance personnel, including all contractors and subcontractors, shall be trained in the use of all equipment and the safe operation of vehicles. Such 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 in accordance with such applicable federal, state and local laws and regulations so as to prevent hazardous conditions or risks to safety for the public and/or operating and maintenance personnel. Grantee 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 Grantee personnel, including all contractors and subcontractors, then such personnel shall immediately contact the applicable public safety emergency dispatcher (e.g. 9-1-1).
- (e) Whenever Grantee or any agent, including any contractor or 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. Grantee shall adhere to any additional undergrounding requirements which the Commonwealth may establish in the future. Grantee shall 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 in accordance with customary industry standards and practices.

3.9 SERVICE AREA MAPS

Upon thirty (30) days' written request, Grantee shall permit the Township to view a complete set of Grantee service area strand maps of the Township on which shall be shown those areas in which facilities exist and the location of streets. The strand maps shall also designate where the cable wires and other equipment are aerial and where they are underground. Such viewing by Township officials shall be at a mutually agreed time and location. Should the Township wish to obtain such strand maps of the Township for its exclusive use, Grantee shall provide such maps within thirty (30) days of a written request, but no more than once annually and only after the Township and Grantee have executed a non-disclosure agreement as such maps are confidential and proprietary pursuant to Section 5.1 of this Agreement.

3.10 DISCONNECTION AND RELOCATION

- (a) Grantee 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, street construction, change or establishment of street grade, site distance visibility, the construction of any public improvement or structure, or any other reason related to public health, safety and welfare.
- (b) In requiring Grantee to protect, support, temporarily disconnect, relocate or remove any portion of its property, the Township shall treat Grantee the same as, and require no more of Grantee than, any other similarly situated entity utilizing the Public Rights of Way.

3.11 <u>EMERGENCY REMOVAL OF EQUIPMENT</u>

(a) 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 Grantee notice and the ability to relocate wires, cable or other equipment.

(b) In cutting or moving any of the wires, cable or equipment of the Cable System in the event of fire or other disaster, the Township shall treat Grantee the same as, and require no more of Grantee than, any other similarly situated entity.

3.12 TREE TRIMMING

- (a) Grantee, or its agents, including contractors and subcontractors, shall have the authority to trim trees upon and overhanging 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 Grantee. Any such tree trimming shall only be performed in accordance with applicable laws and regulations.
- (b) If Grantee or its agents, including contractors and subcontractors, wish to cut down and remove any tree or trees as may be necessary for the installation and/or maintenance of its equipment, it shall apply to the Township for permission, with the exception of Emergency situations as defined in Section 1(k), and if permission is granted, shall perform such cutting and removal in accordance with the regulations of the Township.

3.13 CHANNEL CAPACITY

Grantee shall meet or exceed programming and channel capacity requirements set forth in this Agreement and required by applicable federal and state law and regulations.

3.14 BROADCAST CHANNELS

To the extent required by federal law, Grantee shall provide all Subscribers with Basic Service including, but not limited to: a) all broadcast television signals carried in fulfillment of the requirements of Section 614 of the Cable Act; b) the signals of qualified non-commercial educational television signals carried in fulfillment of the requirements of Section 615 of the Cable Act; and c) any Educational and Governmental Channel pursuant to Section 611 of the Cable Act. All such signals shall be delivered to Subscribers in accordance with FCC technical specifications.

3.15 **SIGNAL SCRAMBLING**

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

3.16 <u>CONTINUITY OF SERVICE</u>

Subscribers shall continue to receive Cable Service from Grantee provided their financial and other obligations to Grantee are honored. Subject to Force Majeure provisions in Section 9.1, Grantee 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, Grantee 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, Grantee 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.

SECTION 4 SUBSCRIBER SERVICE STANDARDS

4.1 OFFICE HOURS AND TELEPHONE AVAILABILITY

- (a) Grantee 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 respond to Subscriber 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.
- (b) Under Normal Operating Conditions and during Normal Business Hours, telephone answering time by a Subscriber representative, including wait time, shall not exceed thirty (30) seconds after the connection is made. If the call needs to be transferred, transfer time shall not exceed thirty (30) seconds. These standards shall be met no less than ninety percent (90%) of the time, measured on a quarterly basis. Under Normal Operating Conditions, the Subscriber shall receive a busy signal less than three percent (3%) of the time.
- (c) Grantee will not be required to perform surveys to measure compliance with the telephone answering standards above unless a historical record of Complaints indicates a clear failure to comply. If the Township determines, after receiving Complaints itself and/or receiving a record of Complaints made to Grantee in accordance with Sections 4.5 and/or 5.7(a), that there is a clear failure to comply with the telephone answering requirements above, the Township shall notify Grantee in writing that it must measure its compliance with these requirements for the next three months and report to the Township the results of such monthly average measurements.

4.2 <u>INSTALLATIONS AND SERVICE CALLS</u>

- (a) Grantee shall maintain a staff of employees sufficient to provide adequate and prompt service to its Subscribers. Grantee shall require that any 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 Grantee employee or agent, including any subcontractor, shall prominently display Grantee's logo.
- (b) Standard installations will be performed within seven (7) business days after an order has been placed. "Standard" installations are those aerial installations that are located up to one hundred fifty (150) feet from the existing main distribution line.

- (c) Upon scheduling of appointments with the Subscriber for installations, service calls and other activities, Grantee shall provide the Subscriber with either a specific time or an "appointment window" of a maximum of four (4) hours during Normal Business Hours. Grantee may schedule service calls and installation activities outside of Normal Business Hours at a time that is convenient for the Subscriber.
- (d) Grantee may not cancel an appointment with a Subscriber after the close of business on the business day prior to the scheduled appointment. If, at any time, an installer or technician is running late, an attempt to contact the Subscriber 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 Subscriber.

4.3 NOTICES

- (a) In accordance with applicable federal law, Grantee shall provide written information to each Subscriber upon initial subscription, and at least annually to Subscribers 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 of programming carried on the Cable System;
 - (4) Installation and service maintenance policies;
 - (5) Instructions on how to use the Cable Service and any converters;
 - (6) Billing and Subscriber complaint procedures;
 - (7) A notice of Subscriber privacy rights as required by federal law.
- (b) In accordance with applicable law, Grantee shall notify Subscribers and the Township in writing of any changes in rates, programming services or channel positions a minimum of thirty (30) days in advance of such changes provided that such change is within the control of Grantee. Grantee 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 Grantee and the Subscriber.

4.4 BILLING

(a) Bills shall be clear, concise and understandable. Bills must be fully itemized, and shall include 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.

(b) The Township hereby requests that Grantee omit the Township's name, address, and telephone number from Subscriber bills as permitted by 47 C.F.R. § 76.952.

4.5 SUBSCRIBER COMPLAINT PROCEDURES

Grantee shall establish clear written procedures for resolving all Subscriber Complaints, which shall include at least the following:

- (a) Grantee shall provide the Subscriber with a written response to a written Complaint within thirty (30) days of its receipt at the local business office. 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 Subscriber Complaint, it shall notify Grantee promptly and in writing. When Grantee receives such notification, Grantee shall respond in writing or by email to the designated Township representative within the time period specified in Section 4.5(a).
- (c) Any Subscriber who, in good faith, disputes all or part of any bill sent by Grantee has the option of withholding the disputed amount, without a late fee or disconnection, until Grantee 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 Grantee in a timely fashion and includes identifying information;
 - (2) The Subscriber pays all undisputed charges;
- (3) The Subscriber cooperates in determining the appropriateness of the charges in dispute; and
- (4) It shall be within Grantee's sole discretion to determine when the dispute has been resolved.
- (d) Grantee shall maintain Subscriber Complaint records for inspection by the affected Subscriber, 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.

4.6 <u>DISCONNECTION</u>

Grantee may disconnect or terminate a Subscriber's service for cause:

- (a) If at least thirty (30) days have elapsed from the due date of the bill that Subscriber has failed to pay; and
- (b) If Grantee has provided at least ten (10) days' notice to the affected Subscriber prior to disconnection, specifying the effective date after which Cable Services are subject to disconnection; and
 - (c) If there is no pending written dispute with Grantee regarding the bill; or
- (d) If at any time and without notice, Grantee determines in good faith that Subscriber has tampered with or abused Grantee's equipment or service, is engaged in theft of Cable Service or has exhibited violent or threatening behavior toward its employees.

4.7 <u>SERVICE INTERRUPTIONS</u>

- (a) Excluding conditions beyond its control, Grantee 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 pursue to completion. Notice of a Service Interruption of a single Subscriber shall give rise to this obligation on behalf of Grantee. All other service calls not affecting public health, safety or welfare shall occur within a maximum of forty-eight (48) hours after notice to Grantee or scheduled at the convenience of the Subscriber.
- (b) In the event that there is a Service Interruption to any Subscriber for six (6) or more consecutive hours and upon receipt of written or credible oral request, Grantee shall grant such Subscriber 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.

4.8 PRIVACY

Grantee shall comply with the privacy provisions of Section 631 of the Cable Act and all other applicable federal and state privacy laws and regulations. Grantee shall at all times maintain adequate physical, technical and administrative security safeguards to ensure that personally-identifiable Subscriber information is handled and protected strictly in accordance with this policy and all applicable laws and regulations.

SECTION 5 REGULATION BY THE TOWNSHIP

5.1 RIGHT TO INSPECT AND PROTECTION OF PROPRIETARY INFORMATION

(a) The Township shall have the option, upon thirty (30) business days' written notice and during Normal Business Hours, to inspect at the notice location for Grantee specified in Section 9.3, all documents, records and other pertinent information maintained by Grantee which

relate to the terms and conditions of this Agreement for the purpose of verifying compliance with the terms and conditions of this Agreement and applicable law.

- (b) In addition, Grantee 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.
- Notwithstanding anything to the contrary set forth herein, all information specifically marked by Grantee as proprietary or confidential in nature and furnished to the Township or its designated representatives shall be treated as confidential by the Township so long as it is permitted to do so under applicable law. Representatives and/or agents of the Township may be requested to execute a non-disclosure agreement prior to the provision by Grantee of certain confidential information, provided such representatives and/or agents are permitted to do so under applicable law. Information and documentation marked by Grantee as proprietary or confidential shall include a brief written explanation as to its proprietary nature or confidentiality subject to review by the Township. The Township and its officially designated representatives agree in advance to treat any such information or records which Grantee reasonably deems would provide an unfair advantage for Grantee's competitors (e.g. system design maps, engineering plans, programming contracts, etc.) as confidential so long as permitted to do so under applicable law and only to disclose it to Township employees, agents, or representatives who have a need to know or in order to enforce the provisions of this Agreement. In the event a request is made by an individual or entity not an employee, agent or representative of the Township acting in their official capacity for information related to the franchise and marked by Grantee as confidential and/or proprietary, the Township shall timely notify Grantee of such request and shall cooperate with Grantee in protecting its proprietary and confidential information to the extent permitted by applicable law. Grantee shall not be required to provide Subscriber information in violation of Section 631 of the Cable Act, or information which is not relevant to regulation of the franchise (e.g. employee files, tax returns, etc.).

5.2 RIGHT TO CONDUCT COMPLIANCE REVIEW

Not more than twice during the term of this Agreement, the Township or its representatives may conduct a full compliance review with respect to whether Grantee has complied with the material terms and conditions of this Agreement so long as it provides Grantee with forty-five (45) days' written notice in advance of the commencement of any such review. Such notice shall specifically reference the section(s) or subsection(s) of the Agreement that is (are) under review, so that Grantee may organize the necessary records and documents for appropriate review by the Township. Within thirty (30) days of a written request, Grantee shall provide the Township with copies of records and documents related to the cable compliance review. The period for any such review shall be for not more than the sixty (60) months immediately previous to the notice. The Township shall promptly inform Grantee in accordance with Section 8.1 of any alleged non-compliance issues that result from the compliance review.

5.3 <u>RESERVED AUTHORITY</u>

The Township reserves the regulatory authority arising from the Cable Act and any other applicable federal or state laws or regulations. Nothing in this Agreement shall remove, restrict or

reduce the Township's authority, rights and privileges it now holds, or which hereafter may be conferred upon it, including any right to exercise its police powers in the regulation and control of the use of the Public Rights-of-Way.

5.4 POLICE POWERS

Grantee'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. If the Township's exercise of the police power results in a material alteration of the terms and conditions of this Agreement, then the parties shall negotiate amendments in good faith to this Agreement to the mutual satisfaction of both parties to ameliorate the negative effects on Grantee of the material alteration.

5.5 NO LIMITATION ON TAXING OR FEE AUTHORITY

Nothing in this section or in this Agreement shall be construed to limit the authority of the Township to impose any tax, fee or assessment of general applicability. Such taxes, fees or assessments shall be in addition to Franchise Fees.

5.6 **PERMITS**

Grantee shall apply to the Township for all generally-applicable required permits and shall not undertake any activities in the Public Rights-of-Way subject to a permit without receipt of such permit, the issuance of which shall not be unreasonably withheld by the Township. Grantee shall not be required to obtain permits for Cable Service drops for individual Subscribers or for servicing or installation of pedestals or routine maintenance that does not disturb surface grade or impact vehicular traffic. Grantee shall pay any and all required permit fees.

5.7 REPORTING

In addition to the other reporting requirements contained in this Agreement, upon written request, Grantee shall provide the following reports to the Township:

(a) <u>Subscriber Complaint Reports</u>

Within thirty (30) days of a written request and no more than once per year, Grantee shall submit to the Township a report showing the number of Complaints, as defined in Section 1(g), that required a service call, originating from the Township and received during the previous 12-month reporting period, the dates they were received, summary descriptions of the Complaints, the dates the Complaints were resolved and summary descriptions of the resolutions.

In addition, and upon written request, Grantee shall provide a report containing at least the following statistical information for the previous 12-month period:

(1) Number of repair service requests received;

- (2) Breakdown by type of complaint received (i.e. complete outage, snowy picture, etc.);
- (3) Breakdown by cause of problem (i.e. subscriber equipment, drop/converter, system, etc.);
- (4) Number of known service interruptions and the approximate length of time of each such interruption

(b) Government Reports

Grantee shall provide to the Township, upon written request, copies of any and all communications, reports, documents, pleadings and notifications of any kind which Grantee has submitted to any federal, state or local regulatory agencies if such documents relate specifically to Grantee's Cable System within the Township. Grantee shall provide copies of such documents no later than thirty (30) days after their request.

SECTION 6 COMPENSATION TO THE TOWNSHIP

6.1 FRANCHISE FEES

Grantee shall pay to the Township an amount equal to five percent (5%) of the Gross Revenues derived from the operation of its Cable System to provide Cable Service in the Township. Grantee shall not deduct or otherwise credit against the Franchise Fee any tax, fee or assessment of general applicability, unless required by law. The Township may amend the Franchise Fee upon written notice to Grantee provided that the Franchise Fee may not exceed the maximum percentage permitted by law. A copy of the Resolution or Ordinance authorizing the Franchise Fee rate adjustment by the Township shall accompany such written notice. Any change in Grantee's Franchise Fee obligation contained herein shall commence within ninety (90) days from such written notice.

6.2 QUARTERLY PAYMENTS

Franchise Fee payments to the Township under this provision shall be computed at the end of each calendar quarter. Such payments shall be made within forty-five (45) days following the end of each of the first three calendar quarters and sixty (60) days after the fourth 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 March 1 (for the fourth quarter). In the event that any Franchise Fee payment is not made on or before the date by which it is due, then interest calculated at the then-current prime rate, as published by the Wall Street Journal, shall be added to the amount of Franchise Fee revenue due to the Township. The interest rate shall be applied as described from the date such Franchise Fee payment was originally due. 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. Upon request and if mutually agreeable, Grantee shall deposit the Franchise Fee payments electronically into an account as designated by the Township.

6.3 QUARTERLY REPORTS

Within ten (10) days of each Franchise Fee payment described in Section 6.2 above, Grantee shall provide a written report containing an accurate statement of Grantee's Gross Revenues received for Cable Services for each calendar quarter in connection with the operation of Grantee's Cable System and showing the basis for the computation of fees. Specifically, the report shall contain line items for sources of revenue received and the amount of revenue received from each source. The report shall be verified by a financial representative of Grantee.

6.4 FRANCHISE FEE REVIEW

Not more than twice during the franchise term, the Township shall have the right to conduct a Franchise Fee review or audit of Grantee's records reasonably related to the sources, amounts and computation of Gross Revenues. Any such Franchise Fee review or audit shall occur within sixty (60) months from the date the Township receives such payment, after which period any such payment shall be considered final. Within thirty (30) days of a written request, Grantee shall provide the Township with copies of financial records related to the Franchise Fee review or audit.

- (a) In the event of an alleged underpayment, the Township shall provide Grantee with a written statement indicating the basis for the alleged underpayment. If the Franchise Fee review or audit reveals that there have been no underpayments, the Township shall provide written notice to Grantee indicating that no underpayments were found and that the Franchise Fee review is closed. Grantee shall have thirty (30) days from the receipt of the statement regarding an alleged underpayment to provide the Township with any written objection to the results of the Franchise Fee review, including any substantiating documentation. Based on this exchange of information, the Township shall make a final determination of the underpayment(s), if any, within thirty (30) days of Grantee's objection and shall provide Grantee with written notice of the determination. If Grantee disputes the Township's final determination, it may submit the dispute to mediation or arbitration within thirty (30) days of receiving the Township's written notice of determination. In the event that Grantee fails to submit the matter to mediation or arbitration within the required time period, the Township's final determination shall be binding on Grantee.
- (b) Any Franchise Fee payment due to the Township as a result of the Franchise Fee review shall be paid to the Township by Grantee within forty-five (45) days from the date the Township notifies Grantee of its final determination, or if the matter is submitted to mediation or litigation, within forty-five (45) days from the final disposition of such action. If the Franchise Fee review shows that Franchise Fees have been underpaid, then Grantee shall pay the underpaid amount plus interest from the due date equal to the then-current prime rate of interest as published in *The Wall Street Journal* on the underpayment amount. If Franchise Fees have been underpaid by five percent (5%) or more, then Grantee shall also pay up to three thousand dollars (\$3,000) of documented out-of-pocket costs of the Franchise Fee review. Any entity employed by the

Township that performs an audit or franchise fee review shall not be permitted to be compensated on a success based formula, e.g. payment based upon underpayment of fees, if any.

6.5 **BUNDLED SERVICES**

All revenue earned from bundled services shall be allocated to Cable Service and non-Cable Service in accordance with generally accepted accounting principles (GAAP). It is understood that in some cases equipment and other non-service charges may be allocated at full retail price due to requirements related to sales taxes or similar tax requirements. To the extent such allocations are discretionary or otherwise not addressed by GAAP, allocations of revenue from such bundles shall not be structured for the purpose of evading franchise fees applicable to cable services.

SECTION 7 SERVICES TO THE COMMUNITY

7.1 <u>SERVICES TO COMMUNITY FACILITIES</u>

- (a) Grantee shall provide a cable service drop and Basic Service with any necessary cable box to one outlet at each Public Building listed in Exhibit A. In accordance with applicable law, Grantee will charge the fair market value for each such account, which fair market value shall match the then-current rate card for the level of service provided. Grantee shall notify the Township in writing regarding the amount of the monthly service fee for each account based on fair market value. The Township shall then notify Grantee, within thirty (30) days of receiving the notice from Grantee, whether it wishes the amount due each month to be invoiced for payment or deducted from the next franchise fee payment. The Township may upgrade the level of cable service received at then current rate card prices for the higher level of service. The Township may also elect in writing not to receive the service, in which case it will not be invoiced and no deduction will be taken from the franchise fee.
- (b) In the event the FCC's 2019 Third Report and Order In the Matter of Implementation of Section 621 of the Cable Act is reversed on appeal as to the issue of complimentary cable services as in-kind contributions in a cable franchise and such result becomes final within thirty (30) days of the result becoming final, Grantee will discontinue the charge for Basic Service for the Public Building locations listed in Exhibit A and provide such service on a complimentary basis. Any additional levels of cable service, outlets, or service locations ordered by the Township shall continue to be subject to standard rates.
- (c) During the term of the Franchise, the Township may change a Public Building location listed in Exhibit A upon ninety (90) days' written notice to Grantee, provided that the new location is within one hundred fifty (150) feet of existing Grantee cable distribution plant.

7.2 EDUCATIONAL AND GOVERNMENTAL (EG) CHANNEL

- (a) Grantee shall continue to provide to the Township the use of two (2) Educational and Governmental ("EG") Access Channels in accordance with Section 611 of the Cable Act. Such EG Channels shall be shared among the CACC communities which include the Township and used for community programming related to educational and/or governmental activities. The Township shall have complete control over the content, scheduling, administration and all other programming aspects of the EG Channels, and may delegate such functions, or a portion of such functions, to a designated access provider. Grantee shall not exercise any editorial control over EG Channel programming. Grantee shall cablecast the activated EG Channels so that they may be received by all Grantee Subscribers in the Township.
- (b) To enable the Township to utilize the EG Channel, Grantee shall continue to maintain direct fiber links, including activation equipment capable of transmitting high quality video and audio between the video origination location and the Grantee headend such that live programming can originate from this selected location and be distributed via the Cable System to Subscribers in the Township. This fiber link and equipment shall be collectively known as the "Return Line." Grantee shall determine the engineering solution necessary to allow distribution of the EG Channel programming, via the Cable System, to Subscribers in the Township.
- (c) Grantee shall be responsible for maintaining the Return Line(s) to the origination site(s) of the EG Channel(s) so long as the Township provides Grantee with access to such location and access to the EG Channel equipment within such locations. Grantee shall provide, install and maintain in good working order the equipment and the cable necessary for transmitting the signal to the channel aggregation site for further processing and distribution to Subscribers. Grantee shall maintain the EG Channel in accordance with the same FCC technical specifications that are comparable to the specifications used to maintain commercial channels transmitted to Subscribers on the Cable system, except that it shall not be responsible for the technical signal quality of programming produced by any EG channel programmer.
- (d) Any expenditure made in connection with the construction of the Return Line shall be at the expense of the Township. The Township and Grantee further agree that all costs incurred by Grantee for supporting such EG Channel, including any and all equipment, and EG capital support grants may be designated as "costs of franchise requirements" or "external costs" as defined by the FCC and Grantee reserves its right to pass these costs through to the Subscribers pursuant to federal law.
- (e) The Township or its designee shall be responsible for providing any necessary production or playback equipment and shall be responsible for securing and supervising any trained/qualified personnel who conduct the operation of the EG channel. The Township and Grantee agree to work cooperatively in implementing the EG channel through such means and in such manner as shall be mutually satisfactory.
- (f) To enable the Township or its designee to utilize the EG Access Channels, Grantee shall provide no more than twelve (12) total Remote Origination Points ("ROP(s)") to the participating municipalities in the Centre Area Cable Consortium ("CACC") in which the Grantee has a franchise agreement and offers Cable Service. Grantee shall provide and install, at the cost

of the Township, within one hundred eighty (180) days' written notice, cable and other necessary signal distribution equipment such that live or tape playback of programming can be originated from the selected locations and distributed to Subscribers through the designated access provider. Existing ROPs are listed in Exhibit B. The cost for additional ROPs or re-location of existing ROPs shall be the responsibility of the Township.

(g) HD Access Channel

- (1) The Township may request one (1) Access Channel in high definition ("HD") format when it demonstrates that at least three (3) hours per day, five (5) days per week of original, non-repetitive EG programming is being produced in HD.
- (2) Following written notice by the Township that the criteria in Section 7.2(g)(1) has been met, Grantee shall have one hundred eighty (180) days to make available one (1) HD Access Channel to be shared among the participating CACC communities and simultaneously carry the two (2) shared SD Access Channels provided under Section 7.2(a). Grantee shall carry all components of the HD Access Channel signals provided by the designated access provider including, but not limited to, closed captioning, stereo audio and other elements associated with the programming. The designated access provider shall be responsible for providing the Access Channel signal in an HD format to the demarcation point at the designated point of origination for the Access Channel.
- (3) At the cost of the designated access provider or Township, Grantee shall provide all necessary equipment including HD encoders or its equivalent outside or inside the demarcation point at the designated access provider channel origination point, at any ROP(s), and at its Headend and hubs or similar distribution facilities necessary to deliver the Access Channel in HD format to Subscribers. The Township shall pay for the cost of any resulting upgrades to the Return Line(s). The Township and Grantee agree that the costs for equipment or upgrades to the Return Line qualify as a capital cost for PEG Facilities within the meaning of the Cable Act 47 U.S.C.A. Section 542(g)(20)(C), and therefore is an appropriate use of revenues derived from the EG Capital Grants provided for in this Franchise.
- (4) Thirty-six (36) months after the launch of an HD Access Channel, Grantee shall have the right to reclaim one (1) of the SD Access Channels.
- (h) Within one hundred eighty (180) days of a written request by the Township, Grantee shall, at the Township's expense, relocate the EG origination site and the associated Return Line as follows: (i) Grantee's obligation shall be subject to the same terms and conditions that apply to the original EG origination site in this Section; and (ii) the Township shall provide access to such site at least ninety (90) days prior to anticipated use of the new EG origination site. The timeline for relocation of the EG origination site shall be subject to the timely granting of any and all required permits, walk-out, make ready, and the detection of all underground utilities.
- (i) In the event the Township or its designee does not program any EG Channel, Grantee may request the use of this channel subject to written approval by the Township. If the Township approves Grantee's use of an EG Channel and, subsequent to such approval, the

Township requests the utilization of the EG Channel being programmed by Grantee, Grantee shall relinquish such use no later than sixty (60) days after receipt of written notification from the Township that it requires such channel for educational and/or governmental use.

- (j) Grantee shall use its best efforts to maintain the channel assignments for the current EG Channel(s) as of the Effective Date. Notwithstanding the foregoing, in the event that Grantee deems a change in any EG Channel assignment to be necessary and changes any channel assignment in accordance with this Section, Grantee shall comply with the following requirements. Grantee shall provide the Township thirty (30) days advance written notice of any change in EG Channel assignments.
- (k) Interactive Guide Access. Grantee shall make available to the Township or its designated Access Channel operator the third-party vendor contact information necessary to participate in the interactive channel guide carried on the Cable System. It shall be the sole responsibility of the Access Channel operator to provide the necessary program information and descriptions to the channel guide vendor and to comply with all requirements of such vendor. Any associated costs shall be borne by the Township or its designee.

7.3 EG CAPITAL GRANT

(a) During the first four (4) years of this Agreement, Grantee shall pay a flat fee EG capital grant each year, based on the number of Housing Units (as defined in Section 7.3(d)) such term in the Township, as shown in the table below with the timing of such flat fee payments to be made as follows: for the first year within thirty (30) days of the Effective Date and for the second through and including fourth years within thirty (30) days of the anniversary date of this Agreement. For the first two (2) years of this Agreement, Grantee shall pay the full amount of the flat fee. In the third year, Grantee shall pay the greater of: (i) the flat fee or (ii) 50% of the flat fee plus a percentage of Gross Revenue as set forth in Sections 7.3 (b) – (c). In the fourth year, Grantee shall pay the greater of: (i) the flat fee or (ii) 25% of the flat fee plus a percentage of Gross Revenue as set forth in Sections 7.3 (b) – (c).

| Housing Units | EG Capital Grant |
|----------------------|-------------------------|
| 0 - 1,999 | \$ 1,000.00 |
| 2,000 - 3,999 | \$ 2,000.00 |
| 4,000 - 5,999 | \$ 3,000.00 |
| 6,000 - 7,999 | \$ 4,000.00 |
| > 8,000 | \$ 5,000.00 |

(b) Beginning in the third year from the Effective Date, Grantee shall pay an amount equal to 0.17% of the Gross Revenues received from the operation of the Cable System to provide Cable Service in the Franchise Area to be used for capital expenses related to the EG Channels. The EG Capital Grant payments shall be made within forty-five (45) days following the end of each of the first three calendar quarters and sixty (60) days after the fourth calendar quarter. Specifically, payments shall be made on or before May 15, August 15, November 15 and March 1. The Township shall ensure the use of the EG capital grant is consistent with federal law. Grantee and the Township agree that the cost of such grant may be designated as a "cost of franchise"

requirements" or "external cost" as defined by the FCC and Grantee reserves its right to pass these costs through to the Subscribers over the entire term of the Agreement pursuant to federal law.

- (c) At or after sixty (60) months from the Effective Date, the Township may request an increase of the EG Capital Grant up to a total of 0.25% of the Gross Revenues received from the operation of the Cable System to provide Cable Service in the Township. Any increase in EG Capital Grant must be approved by Township Board of Supervisors at a public meeting. A copy of the Resolution or Ordinance authorizing the increased EG Capital Grant by the Township shall accompany written notice to Grantee of said increase. Grantee shall implement and any requested increase in the EG Capital Grant obligation within ninety (90) days from such written request. The Township shall ensure the use of the EG capital grant is consistent with federal law. Grantee and the Township agree that the cost of such grant may be designated as a "cost of franchise requirements" or "external cost" as defined by the FCC and Grantee reserves its right to pass these costs through to the Subscribers over the entire term of the Agreement pursuant to federal law.
- (d) A Housing Unit is a house, an apartment, a group of rooms, or a single room intended for occupancy as separate living quarters. Separate living quarters are those in which the occupants live separately from any other individuals in the building and which have a direct access from the outside of the building or through a common hall. In accordance with this definition, each apartment unit in an apartment building is counted as one Housing Unit.

SECTION 8 ENFORCEMENT, INSURANCE AND INDEMINIFICATION

8.1 <u>VIOLATIONS AND OPPORTUNITY TO CURE</u>

- (a) If the Township has reason to believe that Grantee violated any material provision of this Agreement, it shall notify Grantee in writing of the nature of such violation and the section(s) of this Agreement that it believes has been violated and the details relating thereto. The person providing such notice shall do so pursuant to the requisite authority of the Township.
- (b) Grantee shall have forty-five (45) 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 forty-five (45) days, the period of time in which Grantee must cure the violation shall be extended by the Township in writing for such additional time necessary to complete the cure, provided that Grantee shall have promptly commenced to cure and is taking reasonable steps to complete the cure in the reasonable judgment of the Township.
- (c) If the violation has not been cured within the time period allowed under Section 8.1(b) and, in the Township's judgment, Grantee has not taken reasonable steps to cure the violation, then the Township may deem that Grantee is liable for liquidated damages and/or any other right or remedy in accordance with this Section 8.

8.2 **LIQUIDATED DAMAGES**

- (a) Because Grantee's failure to comply with the material terms of this Agreement may result in harm to the Township and because it will be difficult to measure the extent of such injury, the Township may assess liquidated damages against Grantee in the amount of Two Hundred Fifty Dollars (\$250.00) per day for each day the violation continues, provided Grantee has had an opportunity to cure in accordance with Section 8.1(b). Such damages shall not be a substitute for specific performance by Grantee or legal action by the Township, but shall be in addition to such specific performance or legal action.
- (b) The first day for which liquidated damages may be assessed, if there has been no cure after the end of the applicable cure period, shall be the day after the end of the applicable cure period, including any extension of the cure period granted by the Township. Liquidated damages may not be assessed for a time period exceeding one hundred and twenty (120) days per violation. The Township may commence revocation proceedings and/or initiate an action in law or equity in a court of competent jurisdiction after the assessment of liquidated damages or in lieu of liquidated damages. With respect to liquidated damages assessed, all similar violations or failures resulting from the same factual events affecting multiple Subscribers shall be assessed as a single violation.

8.3 **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) It is demonstrated that Grantee practiced any fraud or deceit upon the Township in the operation of its Cable System or any other activities pursuant to this Agreement;
- (2) Grantee 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;
- (3) Grantee 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 Grantee or occurs as a result of circumstances beyond its control or by reason of Force Majeure as defined in Section 9.1. Grantee 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 Grantee due process and full opportunity to be heard. This shall include the ability to introduce evidence, to question witnesses and to respond to any notice of grounds to terminate in accordance with the standards of a fair hearing applicable to administrative hearings in the Commonwealth of Pennsylvania. All notice

requirements shall be met by providing Grantee at least thirty (30) days prior written notice (via certified mail-return receipt requested) of any public hearing concerning the proposed revocation of this franchise. Such notice shall state the grounds for revocation. The Township, 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 Grantee of mitigating circumstances or good cause for the existence of such grounds. The Township shall issue such declaration and finding within thirty (30) days in a written decision which shall be sent via certified or overnight mail to Grantee. If Grantee appeals such determination to an appropriate court, the revocation shall be stayed.

8.4 PERFORMANCE BOND

- (a) Grantee shall obtain and maintain, throughout the term of this Agreement, at its sole cost and expense, a performance bond with a surety company licensed to do business in the Commonwealth of Pennsylvania to ensure Grantee'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 Grantee's violations of this Agreement, after notice and opportunity to cure, in accordance with Sections 8.1 and 8.2.
- (b) The performance bond shall be in the amount of Twenty-Five Thousand Dollars (\$25,000). Grantee shall not reduce, cancel or materially change said bond from the requirement contained herein without the express prior written permission of the Township.

8.5 INSURANCE

- (a) Grantee shall obtain and maintain, in full force and effect, at its sole cost and expense, during the Franchise term, the following minimum insurance coverage with an insurance company that is authorized to conduct business in Pennsylvania and which has an A.M. Best rating (or equivalent) no less than A-minus VII, 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 Grantee 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 One Million Dollars (\$1,000,000) 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 One Million Dollars (\$1,000,000).
- (3) The amount of such insurance for excess liability shall be Three Million Dollars (\$3,000,000) in umbrella form.
- (4) The amount of such insurance against all claims arising out of the operation of motor vehicles shall be One Million Dollars (\$1,000,000) combined single limit per occurrence.

- (b) The Township, its officials and employees, shall be designated as additional insureds under each of the insurance policies required in this Section 8.5.
- (c) Grantee shall not cancel any required insurance policy without obtaining alternative insurance in conformance with this Section 8.5 and without submitting insurance certificates to the Township verifying that Grantee has obtained such alternative insurance. Grantee shall provide the Township with at least thirty (30) days' prior written notice in the event the policies are cancelled or not renewed.
- (d) Grantee shall deliver to the Township Certificates of Insurance showing evidence of the required coverage within thirty (30) days of a written request by the Township.

8.6 <u>INDEMNIFICATION</u>

Grantee 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 Grantee, 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. The Township shall give Grantee 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 Grantee, the cost for such separate counsel shall be the responsibility of the Township. Grantee shall not indemnify the Township for any claims resulting from acts of willful misconduct or negligence on the part of the Township.

SECTION 9 MISCELLANEOUS

9.1 FORCE MAJEURE

If for any reason of Force Majeure, Grantee is unable in whole or in part to carry out its obligations hereunder, Grantee shall not be deemed in violation of this Agreement during the continuance of such inability. Grantee shall notify Township within ninety (90) days if a condition of Force Majeure causes an inability to complete a project otherwise meeting the density and other requirements in this Agreement.

9.2 **REMOVAL OF SYSTEM**

(a) Upon lawful termination or revocation of this Agreement, Grantee 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 reasonably restore the areas to their original condition. If such removal is not completed within six (6) 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 Grantee's cost.

- (b) During the term of the Agreement, if Grantee 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. Upon Grantee's abandonment of the Cable System, the Township shall have the right to either require Grantee to remove the property, remove the property itself and charge Grantee with the reasonable costs related thereto.
- (c) Notwithstanding the above, Grantee shall not be required to remove its Cable System, or to relocate the 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 Services, if the Cable System is actively being used to facilitate any other services not governed by the Cable Act.

9.3 NOTICES

Every notice or payment to be served upon or made to the Township shall be either by hand delivery or first class mail, registered or certified, return receipt requested, postage prepaid, or by reputable overnight courier service or electronic mail and addressed to:

Patton Township 100 Patton Plaza State College, PA 16803 Attention: Township Manager

Every legal notice to be served upon or made to the Township shall, in addition to the notice address above, also be delivered or mailed as described above to:

Cohen Law Group 413 S. Main Street Pittsburgh, PA 15215

The Township may specify any change of address in writing to Grantee. Every notice to be served upon or made to Grantee shall be either by hand delivery or first class mail, registered or certified, return receipt requested, postage prepaid, or by reputable overnight courier service or electronic mail and addressed to:

Shenandoah Cable Television, LLC 500 Shentel Way Woodstock, VA 22824 Attention: VP, Government Affairs Department Grantee may specify any changes of address in writing to the Township. Each delivery to Grantee 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.

9.4 EQUAL EMPLOYMENT OPPORTUNITY

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

9.5 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.

9.6 GOVERNING LAW; VENUE

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 Centre, or in the United States District Court for the Middle District of Pennsylvania.

9.7 TRANSFER, ASSIGNMENT OR CHANGE IN CONTROL

No transfer of control of Shenandoah Cable Television, LLC, defined as an acquisition of 51% or greater direct ownership interest in Shenandoah Cable Television, LLC, shall take place without prior written notice to the Township. No notice shall be required, however, for (i) a transfer in trust, by mortgage, hypothecation, or by assignment of any rights, title, or interest of Shenandoah Cable Television, LLC in the Franchise or in the Cable System in order to secure indebtedness, or (ii) a transfer to an entity directly or indirectly owned or controlled by Grantee.

9.8 ENTIRE AGREEMENT

This written instrument contains the entire agreement between the parties, supersedes all prior agreements or proposals whether written or oral except as specifically incorporated herein, and cannot be changed without written amendment approved by both the Township and Grantee. This Agreement supersedes all prior cable franchise agreements or cable ordinances, or parts of cable franchise agreements or cable ordinances, agreements, representations or understandings, whether written or oral, of the parties regarding the subject matter hereof that are in conflict with the provisions herein.

9.9 **SEPARABILITY**

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 separable from the remaining portions of this Agreement and shall not affect the legality, validity or enforceability of the remaining portions of this Agreement.

9.10 NO WAIVER OF RIGHTS

No course of dealing between the Township and Grantee, 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 Grantee in contravention of such rights, except to the extent expressly waived by the Township.

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

9.11 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 Grantee 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 Grantee shall amend this Agreement to comply with such change in statute or regulation provided such amendment is approved by the Township and Grantee.

9.12 <u>COMPLIANCE WITH LAWS</u>

Grantee shall comply with all federal, state and generally applicable local laws and regulations.

9.13 NO THIRD-PARTY BENEFICIARIES

Nothing in this Agreement is or was intended to confer third-party beneficiary status on any person other than the parties to this Agreement to enforce the terms of this Agreement.

9.14 APPLICABILITY OF AGREEMENT

All of the provisions in this Agreement shall bind Grantee, the Township and their respective successors and assigns. This Agreement is authorized by Ordinance No. 2023-629 dated April 12, 2023, 2023 of the Township Board of Supervisors.

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

PATTON TOWNSHIP

By: Elliot Abrams

Title: Chair, Board of Supervisors

Date: 4/12/2023

SHENANDOAH CABLE TELEVISION, LLC

By: Chus 14ge

Name: Chris Kyle

Title: VP, Industry Affairs & Regulatory

Date: 4/13/2023

EXHIBIT A LOCATIONS FOR COURTESY CABLE TELEVISION SERVICE

Patton Township Maintenance Building 100 Patton Plaza State College, PA 16803

Patton Township Municipal Building 100 Patton Plaza State College, PA 16803

Patton Township Fire Station 2598 Green Tech Drive Unit Fire Department State College, PA 16803

EXHIBIT B EXISTING REMOTE ORIGINATION POINTS *

Centre County Courthouse Annex 108 S Allegheny Street Bellefonte, PA 16823

Centre Region Council of Governments 2643 Gateway Drive State College PA 16801

College Township 1481 E. College Avenue State College, PA 16801

Ferguson Township 3147 Research Drive State College, PA 16801

Patton Township 100 Patton Plaza State College, PA 16803

State College Borough 243 S Allen Street State College, PA 16801

State College Area School District Administration Offices 240 Villa Crest Diver State College, PA 16801

Willowbank Office Building 420 Holmes Street Bellefonte, PA, 16823

^{* 12} sites are authorized by this Agreement of which the above are the 8 existing sites.

PATTON TOWNSHIP CENTRE COUNTY, PENNSYLVANIA

ORDINANCE NO. 2023 - 629

SHENANDOAH CABLE TELEVISION FRANCHISE AGREEMENT

ORDINANCE OF THE TOWNSHIP OF PATTON AUTHORIZING EXECUTION OF A CABLE FRANCHISE AGREEMENT BETWEEN PATTON TOWNSHIP AND SHENANDOAH CABLE TELEVISION, LLC

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, the regulations of the Federal Communications Commission and Pennsylvania law, the Township of Patton ("Township") 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, pursuant to Title VI of the Communications Act, the regulations of the Federal Communications Commission ("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, Shenandoah Cable Television, LLC ("Grantee") has requested that the Township grant the Grantee a franchise to maintain, construct, operate, and maintain its Cable System over, under and along the aforesaid rights-of-ways for use by the Township's residents; and

WHEREAS, the aforesaid Public Rights-of-Way used by the Grantee are public properties acquired and maintained by the Township on behalf of the citizens of the Township, 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, establish standards of Subscriber service, maintain a technologically advanced Cable System, receive Franchise Fees for the Grantee's use of the Township's public rights-of-ways as provided by federal law, obtain the use of an educational and governmental channel, establish certain reporting requirements, obtain certain complimentary services, provide legal protections for the Township, and meet the current and future cable-related needs of its residents; and

WHEREAS, the Township has determined that this Agreement and the process for consideration of this Agreement complies with all applicable federal, state and local laws and regulations; and

Page 2 of 2

WHEREAS, the Township has determined that the public interest would be served by granting the Grantee a franchise according to the terms and conditions contained herein; and

NOW THEREFORE, **BE IT ORDAINED** that the Township Board of Supervisors does hereby approve the cable franchise agreement negotiated with the Grantee, including all of the terms and conditions contained therein, and does hereby authorize the execution of such agreement.

Attest:

PATTON TOWNSHIP BOARD OF SUPERVISORS

Secretary

Secretary

Secretary

Secretary

Secretary