

ORDINANCE NO. 72 OF 2008

AN ORDINANCE OF SOUTH BUFFALO TOWNSHIP, ARMSTRONG COUNTY, PENNSYLVANIA, AUTHORIZING THE EXECUTION OF A CABLE FRANCHISE AGREEMENT BETWEEN THE TOWNSHIP AND CONSOLIDATED COMMUNICATIONS, INC.

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, South Buffalo Township, Armstrong 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, Consolidated is in the process of installing a Fiber Optic Telecommunications Network ("FTTx Network") in the Township for the transmission of non-cable services pursuant to authority granted by the Commonwealth of Pennsylvania; and

WHEREAS, the FTTx Network will occupy the public rights-of-way within the Township, and Consolidated desires to use portions of the FTTx Network once installed to provide cable services in the Township; and

WHEREAS, the Township desires to protect and manage the public rights-of-way, require high standards of customer service, receive financial compensation for Consolidated's use of the public rights-of-way as provided by federal law, obtain the right to complimentary services for its public buildings, obtain the right to educational and governmental channels, establish certain reporting requirements, and provide for the future cable-related needs of its residents; and

WHEREAS, the Township has determined Consolidated 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 Consolidated according to the terms and conditions contained in the Cable Franchise Agreement (the "Agreement") negotiated with representatives of Consolidated.

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

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

The Township hereby grants Consolidated a non-exclusive cable franchise subject to and in accordance with the terms and conditions of the Cable Franchise Agreement entered into between the Township and Consolidated Communications, Inc.. 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 previously granted by the Township, each of which shall remain in effect according to their particular terms and conditions.

SECTION 3. Severability

If any section, subsection, sentence, clause, phrase or work 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. Repealer.

All ordinances or parts of ordinances insofar as they are inconsistent herewith are hereby repealed.

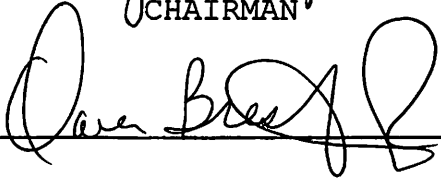
SECTION 5. Effective Date.

The effective date of this Ordinance shall be immediately after enactment.

ORDAINED AND ENACTED into law by the Board of Supervisors of the Township of South Buffalo, Armstrong County, Pennsylvania at a regular meeting this 21 day of July, 2008.


TOWNSHIP OF SOUTH BUFFALO

BY: 
CHAIRMAN



ATTEST:


SECRETARY



(SEAL)

CABLE FRANCHISE AGREEMENT
BETWEEN
THE TOWNSHIP OF SOUTH BUFFALO
AND
CONSOLIDATED COMMUNICATIONS, INC.

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CABLE FRANCHISE AGREEMENT

This Cable Franchise Agreement (hereinafter referred to as the "Agreement") is executed as of the 21st day of July, 2008 (hereinafter referred to as the "Effective Date") by and between the Township of South Buffalo, a Pennsylvania Township located in Armstrong County, Pennsylvania (hereinafter referred to as the "Township") and Consolidated Communications, Inc., a Pennsylvania corporation (hereinafter referred to as "Consolidated").

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

WHEREAS, Consolidated is in the process of installing a Fiber Optic Telecommunications Network ("FTTx Network") in the Township for the transmission of Non-Cable Services pursuant to authority granted by the Commonwealth of Pennsylvania; and

WHEREAS, the FTTx Network will occupy the public rights-of-way within the Township, and Consolidated desires to use portions of the FTTx Network once installed to provide Cable Services in its service area within the Township; and

WHEREAS, the Township wishes to grant a cable franchise to Consolidated to construct, operate, maintain and upgrade its Cable System over, under and along the aforesaid rights-of-way for use by the Township's residents; and

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

WHEREAS, the Township desires to protect and manage the aforesaid rights-of-way, ensure future technical improvements to maintain a state-of-the-art Cable System, receive financial compensation for Consolidated's use of the Township's rights-of-way as provided by federal law, require high standards of customer service, reserve the right for educational and governmental channels, allow for cable competition in the Township, obtain Cable Services for its public buildings and provide for the current and future cable-related needs of

its residents; and

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

WHEREAS, the Township, after affording the public notice and opportunity for comment, has determined that the public interest would be served by granting Consolidated a cable franchise according to the terms and conditions contained herein;

WHEREAS, the Township acknowledges that Consolidated is an existing public utility that operates within the Township's public rights-of-ways and that Consolidated currently provides other communications services to Subscribers in the Township in addition to Cable Services.

WHEREAS, the Township and Consolidated agree that the terms and conditions of this Agreement apply to the provision of Cable Services by Consolidated over its Cable System.

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

SECTION 1

DEFINITIONS

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

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

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

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

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

(e) Cable System - A facility, consisting of a set of closed transmission paths and associated signal generation, reception, and control equipment that is designed to provide Cable Service which includes video programming and which is provided to multiple Subscribers in the Township, but such term does not include (A) a facility that serves only to retransmit the television signals of one or more television broadcast stations; (B) a facility that serves Subscribers without using any public right-of-way; (C) a facility of a common carrier which is subject, in whole or in part, to the provisions of Title II of the Cable Communications Act, except that such facility shall be considered a Cable System (other than for purposes of Section 621 of the Cable Communications Act) to the extent that facility is used in the transmission of video programming directly to Subscribers unless the extent of that use is solely to provide interactive on-demand services; (D) an open video system that complies with Section 653 of the Cable Communications Act; or (E) any facilities of any electric utility used solely for operating its electric utility systems. The Cable System shall be limited to the optical spectrum wavelength(s), bandwidth, or future technological capacity that is used for the transmission of Cable Services directly to Subscribers within the Township and shall not include the bandwidth of a common carrier subject in whole or in part to Title II of the Communications Act or of an Information Services provider.

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

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

(h) FCC - Federal Communications Commission.

(i) FTTx Network - Fiber Optic Telecommunications Network consisting of both Fiber to the Premise ("FTTP") and Fiber to the Neighborhood ("FTTN") architectures.

(j) Gross Revenues - All revenue received directly or indirectly by Consolidated or its Affiliated Entities from any source whatsoever arising from, attributable to, or in any way derived from the operation of Consolidated's Cable System in the Township. 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 "trouble calls";
- (9) fees for leasing of channels;
- (10) charges based on the sale or lease of any portion of the Cable System or fiber capacity;
- (11) rental or sales of any and all equipment, including converters and remote control devices;
- (12) studio rental, production equipment and personnel fees;
- (13) any and all advertising revenues;
- (14) sale or rental of Subscriber lists;
- (15) revenues or commissions from home shopping channels;
- (16) revenue from interactive television services;
- (17) fees for any and all music services;
- (18) fees for video-on-demand;
- (19) sales of program guides;
- (20) late payment fees; and
- (21) franchise fees.

Gross Revenues shall not include Non-Cable Service revenue under federal or state law including, as of the Effective Date, revenue received from Telecommunications Services including telephone and telephone-related services and Information Services including Internet Access and other broadband services, electronic mail service, Internet-based electronic bulletin board service or similar online computer services; bad debts or any taxes on services furnished by Consolidated and imposed directly upon any subscriber or user by the Township, state, federal or other governmental unit; and any other revenues deemed to be Non-Cable Services in accordance with applicable law or regulations.

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

(l) Internet Access – Dial-up or broadband access service that enable Subscribers to access the Internet.

(m) Municipality - Township of Freeport.

(n) Non-Cable Services – Any communications service that is deemed by the FCC or a court of competent jurisdiction not to be a Cable Service.

(o) Normal Business Hours - Those hours during which most similar businesses in the community are open to serve customers. In all cases, “Normal Business Hours” must include some evening hours at least one night per week and/or some weekend hours.

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

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

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

(s) PUC - Pennsylvania Public Utilities Commission.

(t) Service Area - All portions of the Municipality where Consolidated is offering Telecommunications Services as of the Effective Date. The Service Area is co-extensive with the area in which Consolidated will offer Cable Services.

(u) Service Interruption - The loss of picture, sound, data or text on one (1) or more channels.

(v) Subscriber - A person or entity who contracts with Consolidated for, and lawfully receives, Cable Services distributed by the Cable System.

(w) Telecommunications Facilities – Consolidated’s existing Telecommunications Services facilities and its FTTx Network facilities.

(x) Telecommunications Services - , Shall be defined herein as it is defined under Section 3 of the Communications Act, 47 U.S.C. § 153(46).

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 Consolidated, authorizing and permitting Consolidated to construct, operate, and maintain a Cable System in the Township's public right-of-way.

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

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

The parties recognize that Consolidated's FTTx Network is being constructed, installed, and will be operated and maintained as an upgrade to and/or extension of its existing Telecommunications Facilities for the provision of Non-Cable Services. The jurisdiction of the Township over such Telecommunications Facilities is governed by federal and state law, and the Township will not assert jurisdiction over Consolidated's FTTx Network in contravention of those laws. This Agreement shall not be construed to limit the regulatory authority the Township has under federal, state, and local law with respect to the FTTx Network facilities.

2.2 MUNICIPALITY'S REGULATORY AUTHORITY

The parties recognize that Consolidated provides Telecommunications Services in addition to Cable Services. The jurisdiction of the Municipality over such

Telecommunications Services is governed by federal and state law and the Municipality will not assert jurisdiction over such Telecommunications Services in contravention of those laws. This Agreement shall not be construed to limit the existing regulatory authority the Municipality has over such Telecommunications Services.

2.3 TERM OF FRANCHISE

The term of this Agreement shall be for a period of eight (8) years commencing on the Effective Date and expiring on July 20, 2016, unless the franchise is terminated prior to the expiration date in accordance with the terms and conditions of this Agreement.

2.4 NON-EXCLUSIVITY

This franchise granted to Consolidated shall be non-exclusive. Nothing in this Agreement shall affect the right of the Township to grant another franchise to construct, operate or maintain a Cable System or for any other purpose.

2.5 POLICE POWERS

Consolidated'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.

2.6 NO WAIVER OF RIGHTS

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

SECTION 3

SYSTEM CONSTRUCTION, OPERATION AND MAINTENANCE

3.1 TECHNICAL REQUIREMENT

(a) Consolidated shall operate, maintain, constrict and extend the Cable System so as to provide high quality signals and reliable delivery of Cable Services for all programming services throughout all parts of the Township as specified in Section 3.2. The Cable System

shall meet or exceed any and all technical performance standards of the FCC, the National Electrical Safety Code, the National Electric Code and any other applicable federal laws and the laws, ordinances and construction standards of the Commonwealth of Pennsylvania and the Township. The Cable System shall provide signals which are free from any significant co-channel interference which is within the control of Consolidated.

(b) Stand-by power at the headend(s) shall be provided in the event of an outage. Standby-by power must activate automatically upon the failure of commercial utility power.

3.2 AREA TO BE SERVED

(a) Service shall be provided to every dwelling within two hundred feet (200 ft) (consistent with Section 5.2(b)), occupied by a person requesting Cable Service provided that Consolidated is able to obtain from the property owners any necessary easements and/or permits in accordance with Section 621(a)(2) of the Cable Act. For any dwelling unit in excess of two hundred (200) feet, Consolidated shall extend the Cable Service at a rate not to exceed Consolidated's actual cost of installation from its main distribution system. Consolidated shall extend the Cable System into all areas within the Township where Consolidated is authorized, by the FCC and PUC, to provide telephone service and in such areas where there is a minimum of ten (10) dwelling units per linear plant mile of aerial cable, and twenty (20) dwelling units per underground mile of cable, calculated from the end of the nearest trunk line. If Township requests extension of the Cable System into an area or areas of the Township with fewer dwelling units per mile than defined herein, then representatives of Consolidated and Township shall discuss the possibility of reducing the required number of dwelling units per mile for such specific area or areas. Consolidated shall use its best efforts to commence any extensions within three (3) months of notification to Consolidated by the Township or by a developer that an area has met the minimum density standard set forth herein. Consolidated's obligation hereunder shall be subject to the timely performance of field surveys, make ready and location of all underground utilities.

(b) All installations of wires and/or equipment by Consolidated shall be underground in those areas of the Township where the wires and/or equipment of other telephone and electric utilities are required to be underground.

3.3 PERMITS

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

3.4 REPAIRS AND RESTORATION

(a) Whenever Consolidated or any agent, including any subcontractor, takes up or disturbs any pavement, sidewalk or other improvement of any public or private way or place, the same shall be replaced and the surface restored in as good condition as before the disturbance in accordance with the Township's surface restoration requirements. Upon failure of Consolidated to comply within the time specified by such requirements, the Township may cause proper restoration and repairs to be made and the expense of such work shall be paid by Consolidated upon demand by the Township along with any liquidated damages applied by the Township in accordance with Section 9 "Franchise Violations, Damages and Revocation" below.

(b) Whenever Consolidated or any agent, including any subcontractor, shall install, operate or maintain equipment, cable, or wires, it shall avoid damage and injury to property, including structures, improvements and trees in and along the routes authorized by the Township, except as may be approved by the Township if required for the proper installation, operation and maintenance of such equipment, cable, or wires. Consolidated shall promptly repair and restore any private property that is damaged as a result of construction, installation, repair or maintenance of the Cable System within ten (10) business days, weather permitting, of notification. If such damage to private property creates a threat to public safety, Consolidated shall repair and restore such private property within twenty-four (24) hours of notification.

(c) Consolidated's operating, construction, repair and maintenance personnel, including all agents and subcontractors, shall be thoroughly trained in the use of all equipment and the safe operation of vehicles. Consolidated's operating, construction, repair and maintenance personnel shall follow all safety procedures required by all applicable federal, state and local laws and regulations. All areas of the Cable System shall be routinely inspected and maintained so that conditions that could develop into safety hazards for the public and/or operating and maintenance personnel can be corrected before they become a hazard. Consolidated shall install and maintain its wire, cable, 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) Whenever Consolidated or any agent, including any subcontractor, shall disturb any pavement, sidewalk or other public property in order to perform any underground activity, it shall utilize the Pennsylvania One Call System prior to any such disturbance. It shall notify the Pennsylvania One Call System no less than three (3) and no more than ten (10) working days in advance of any such disturbance or adhere to the time periods which the Commonwealth of Pennsylvania may establish by law or regulation in the future. Consolidated shall adhere to all requirements of the Pennsylvania Underground Utility Line

Protection Act.

(e) 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.

3.5 SYSTEM MONITORING

(a) Consolidated shall conduct periodic signal monitoring in accordance with the requirements of the FCC. Such capability shall enable Consolidated to monitor the signal quality of all channels delivered on the Cable System, including any Educational and Governmental Channels.

3.6 SERVICE AREA MAPS

Consolidated shall provide to the Township, upon request and at no cost to the Township, for the Township's use and shall maintain at Consolidated's local offices a complete set of service area maps of the Cable System located in the Township, on which will be shown those areas in which its facilities exist and the location of all streets. Maps updated solely for the construction of the Cable System shall be delivered to the Township within sixty (60) days of any change. If Consolidated claims that a map or a portion thereof is confidential or proprietary, it shall provide a brief explanation as to the reason it is claimed to be confidential or proprietary. Municipality shall treat any such information as confidential so long as it is permitted to do so under applicable law and shall only disclose it to employees, representatives, and agents that have a need to know.

3.7 BUILDING MOVES

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

3.8 DISCONNECTION AND RELOCATION

(a) Consolidated shall, at its sole cost and expense, protect, support, temporarily disconnect, relocate in the same street, or other public way and place, or remove from any street or any other public way or place, any of its property as required by the Township or its designee by reason of traffic conditions, public safety, street construction, change or

establishment of street grade, or the construction of any public improvement or structure.

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

3.9 EMERGENCY REMOVAL OF EQUIPMENT

(a) If, at any time, in case of fire or other natural 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 Consolidated notice and the ability to relocate wires, cable or other equipment.

(b) In instances where there does not exist an emergency, the Township shall give Consolidated notice and the ability to relocate wires, cable and other equipment.

(c) In either case, Consolidated shall have the right to seek reimbursement, if any, under any applicable insurance or state or federal government programs for reimbursement.

3.10 TREE TRIMMING

Consolidated, or any agent, including any subcontractor, shall have the authority to trim trees upon and overhanging public streets, alleys, sidewalks and the public rights-of-way so as to prevent the branches of such trees from coming in contact with the wires, cables or other equipment of Consolidated, in accordance with applicable laws and regulations. Consolidated shall reasonably compensate the Township or other property owner for any damages caused by such tree trimming. If Consolidated or any agent, including any subcontractor, wishes to cut down and remove any tree or trees as may be necessary for the installation and maintenance of its equipment, it shall apply to the Township for permission and, if permission is granted, shall perform such cutting and removal in accordance with accepted arboreal standards and with the regulations of the Township. Consolidated shall employ a certified or professional arborist to oversee such tree trimming and tree removal. Consolidated shall notify adjacent property owners at least seven (7) days or the time afforded in any applicable municipal ordinance, whichever is greater, prior to any tree removal.

SECTION 4
SYSTEM SPECIFICATIONS AND STATE-OF-THE-ART EQUIPMENT

4.1 SYSTEM SPECIFICATIONS

Consolidated has designed and constructed a Cable System covering the Municipality that operates over an FTTx Network and provides Cable Services. Consolidated shall offer Cable Service to all residential areas in the Service Area of the Municipality, subject to the requirements contained in Section 3.2 above, within thirty-six (36) months of the Effective Date. Upon written notice by Consolidated to the Municipality, the period of time for Consolidated to offer Cable Services to all residential areas in the Service Area of the Municipality may, at the complete discretion of the Municipality, be extended in writing. Any such extension may not exceed twelve (12) months in duration.

4.2 STATE-OF-THE-ART SERVICES

(a) Throughout the term of this Agreement, Consolidated shall construct, operate, maintain and upgrade the Cable System in order to ensure that it continuously conforms to levels of service comparable to any and all other Cable Systems owned and/or operated by Consolidated. Consolidated will provide the Township, upon request, but not more than once every three (3) years, a report describing the following: (1) information available to Consolidated regarding the introduction of any new Cable Services, nationwide by any Cable Operator that have not been introduced in the Township; and (2) any and all Cable Services, which Consolidated has introduced in any of its Cable Systems that have not been introduced in the Township, the percentage of Consolidated subscribers to whom such Cable Services are available and if and when Consolidated anticipates providing such Cable Services in the Township.

(b) If the Cable Services identified in subsection (a)(2) above are being offered to twenty-five percent (25%) or more of Consolidated's subscribers, then the Township may, subject to the following limitations, require Consolidated to make such Cable Services available in the Township. Should the Township determine that Consolidated shall commence provision of such Cable Services, then Township and Consolidated shall negotiate a schedule for deployment that takes into consideration the following: the benefits and costs of such Cable Services; the technical and economic feasibility of providing such Cable Services; and the impact, if any, on Subscriber rates.

(c) The Township and Consolidated agree that Consolidated shall retain its rights under federal law with respect to "external costs" or "costs of franchise requirements" as defined by the FCC, except that it is mutually agreed that any and all costs incurred by Consolidated in providing such Cable Services shall not be itemized on subscribers' bills.

SECTION 5
CUSTOMER SERVICE STANDARDS

5.1 OFFICE HOURS AND TELEPHONE AVAILABILITY

(a) Consolidated shall maintain at least one business office that is conveniently located. Such business office or offices shall be open during Normal Business Hours.

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

(c) Under Normal Operating Conditions, telephone answering time by a customer representative, including wait time, shall 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 (90) percent of the time under Normal Operating Conditions measured on a quarterly basis.

(d) Under Normal Operating Conditions, the customer shall receive a busy signal less than three (3) percent of the time.

(e) Consolidated shall not be required to acquire equipment or perform surveys to measure compliance with the telephone answering requirements above unless a historical record of complaints indicates a clear failure to comply.

5.2 INSTALLATIONS AND SERVICE CALLS

(a) Consolidated shall maintain a competent staff of well-trained employees sufficient to provide adequate and prompt service to its Subscribers. Any Consolidated employee or agent, including any subcontractor, who personally visits any residential dwelling shall display a photo identification badge and shall have foot coverings available if requested. Any vehicle used or installation, operation or maintenance activities by any Consolidated employee or agent, including any subcontractor, shall prominently display the Consolidated 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 two hundred (200) feet from the existing distribution system.

(c) Excluding conditions beyond its control, Consolidated shall begin working on a Service Interruption promptly and in no event later than twenty-four (24) hours after the interruption becomes known. Notice of a Service Interruption of a single Subscriber shall give rise to this obligation on behalf of Consolidated. All other service calls not affecting public health, safety or welfare, including Internet Access service calls, shall occur within a maximum of forty-eight (48) hours after notice to Consolidated or scheduled at the convenience of the customer. This subsection shall not apply to Telecommunications Service provided by Consolidated.

(d) Upon scheduling of appointments with the customer for installations, service calls and other activities, Consolidated shall provide the customer with either a specific time or an "appointment window" of a maximum of four (4) hours during Normal Business Hours. Consolidated may schedule service calls and installation activities outside of Normal Business Hours for the express convenience of the customer which may result in additional charges to the customer.

(e) Consolidated may not cancel an appointment with a customer 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 customer must be made prior to the time of the appointment. If the appointment must be rescheduled, it must be done so at a time that is convenient for the customer.

5.3 NOTICES

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

- (1) Products and services offered;
- (2) Prices and options for programming services and conditions of subscription to programming and other services;
- (3) Channel guides and information regarding programming carried on the Cable System such that the programming carried information corresponds to the channel digital location;
- (4) Installation and service maintenance policies;
- (5) Instructions on how to use the Cable Service and any converters;

- (6) Customer service requirements contained in Section 5 of this Agreement herein;
- (7) Billing and customer complaint procedures;
- (8) Policy and procedures for disconnecting or terminating a subscriber's service for cause;
- (9) Consolidated's address, telephone number and office hours;
- (10) The subscriber's right to obtain the parental control capabilities contained in Section 10.5; and
- (11) A notice of subscriber privacy rights as required by federal law.

(b) Consolidated shall notify Subscribers in writing of any changes in rates, programming services or channel positions a minimum of thirty (30) days in advance of such changes, provided the change is within the control of Consolidated. Consolidated 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, Commonwealth of Pennsylvania or the Township on the transaction between Consolidated and the subscriber.

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

5.4 BILLING

(a) Bills shall be clear, concise, understandable and in compliance with applicable law. Bills must be fully itemized, with itemizations including all applicable service tiers, equipment charges, and any installation or repair charges. Bills shall state the billing period, including an effective due date, the amount of current billing and any relevant credits or past due balances. Bills shall not include the telephone number of the Township.

(b) Consolidated shall not assess late fees for non-payment of a current bill until the last day before the generation of a customer's next monthly bill that contains an undisputed balance from the prior month.

5.5 CUSTOMER COMPLAINT PROCEDURES

Consolidated shall establish clear written procedures for resolving all customer Complaints, except for complaints relating to programming and rates, which shall include at

least the following:

(a) Consolidated shall provide the customer with a written response to a written Complaint within thirty (30) days of its receipt. Such response shall include the results of its inquiry into the subject matter of the Complaint, its conclusions based on the inquiry, and its decision in response to the Complaint or it will state the need to perform further investigation into the Complaint. If the Consolidated response states the need to perform further investigation, then it will provide the customer with a written response containing its decision within sixty (60) days of the original Complaint.

(b) If the Township is contacted directly about a customer complaint, it shall notify Consolidated by letter, facsimile or electronic mail. When Consolidated receives such notification, the time period for Consolidated to respond as required above shall commence.

(c) Any Subscriber who, in good faith, disputes all or part of any bill sent by Consolidated has the option of withholding the disputed amount, without a late fee, the initiation of collection procedures or disconnection, until Consolidated 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 Consolidated in a timely fashion and includes identifying information;
- (2) The Subscriber pays all undisputed charges; and
- (3) The Subscriber cooperates in determining the appropriateness of the charges in dispute.

(d) Consolidated shall maintain customer complaint records, which shall contain the date each written complaint is received, the name and address of the affected subscriber, a description of the complaint, the date of resolution, and a description of the resolution. Such records shall be maintained by Consolidated for two (2) calendar years.

5.6 DISCONNECTION

Consolidated may disconnect or terminate a subscriber's service for cause:

(a) If Consolidated has provided at least ten (10) days written notice, which notice may be placed on the bill, to the affected Subscriber prior to disconnection specifying the effective date after which Cable Services are subject to disconnection; and

(b) If there is no pending written dispute regarding the bill to which Consolidated has not issued a final decision in writing; or

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

5.7 CREDIT FOR SERVICE OUTAGES

In the event that Consolidated's Cable Service to any Subscriber is completely interrupted for twenty-four (24) or more consecutive hours, it 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.

5.8 PRIVACY

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

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

(c) Neither Consolidated nor its designee shall tap, monitor, arrange for the tapping or monitoring, or permit any person to tap or monitor, any cable, line, signal, input device, or subscriber outlet or receiver for any purpose, without the prior written authorization of the affected subscriber or user, provided, however, that Consolidated may conduct system-wide or individually addressed "sweeps" solely for the purpose of verifying system integrity, checking for illegal taps, controlling return-path transmission, billing for pay services or monitoring channel usage or other legitimate business purposes in a manner not inconsistent with federal law. Consolidated shall not record or retain any information transmitted between a subscriber and any third party, except as required for lawful business purposes. This provision does not include wires, cable, facilities or equipment used for the purpose of providing services other than Cable Services.

(d) Except as permitted by Section 631 of the Cable Act as amended, neither Consolidated nor its designee nor its employees shall make available to any third party, including the Township, information concerning the viewing habits or subscription package decisions of any individual Subscriber. If a court authorizes or orders such disclosure,

Consolidated shall notify the subscriber not less than fourteen (14) calendar days prior to disclosure, unless such notification is otherwise prohibited by applicable law or the court.

(e) Upon a request by a subscriber, Consolidated shall make available for inspection at a reasonable time and place all personal subscriber information that Consolidated maintains regarding said Subscriber upon the showing of proper and accurate forms of identification for said Subscriber. Consolidated shall use its best efforts to ensure that all information related to billing and service requests is accurate and up to date and shall promptly correct any errors upon discovery.

(f) Consolidated shall comply with federal and state laws and regulations regarding telephone solicitation. Consolidated shall further comply with any and all Municipal solicitation ordinances.

(g) Consolidated shall comply with federal and state laws and regulations regarding the sale of subscriber lists.

SECTION 6

SERVICES TO THE COMMUNITY

6.1 SERVICES TO COMMUNITY FACILITIES

Consolidated shall, at no charge to the Township, provide the following services to all present and future public facilities in Consolidated's service territory and passed by the Cable System including, but not limited to, the Municipal building, fire companies, police stations, public works buildings, sanitary plants, water plants, community centers, recreation facilities, all public and private school buildings and libraries:

(a) Within six (6) months of the Effective Date, one (1) DSL line dedicated for video transmission, one (1) digital set top device and the Basic Service package to each building. No charge shall be made for installation or service, except that Consolidated may charge for installation and service for more than one (1) drop in each building.

(b) Within six (6) months of the Effective Date, high-speed internet service to each building. No charge shall be made for installation service.

(c) The buildings designated to receive the services described in (a) and (b) above are identified in Exhibit "A" below.

6.2 EDUCATIONAL AND GOVERNMENTAL (EG) CHANNEL

(a) Consolidated shall provide to the Township, upon its request and upon ninety (90) days written notice, one dedicated educational ("E") channel and one dedicated governmental ("G") channel in accordance with Section 611 of the Cable Act for use by the Township and/or its designee. Such EG channels shall be used for community programming related to educational and/or governmental activities. Their purpose is to contribute to an informed citizenry by, among other things, showing local government at work, responding to local needs, airing community programs, except for programming containing obscenity or nudity, and bringing local education into the home. The Township shall have complete control over the content, scheduling, administration and all other aspects of the EG channels. Consolidated shall not exercise any editorial control over EG channel programming.

(b) The Municipality shall require all producers and users of the EG facilities or channels to agree in writing to authorize Consolidated to transmit programming consistent with this Agreement, and to indemnify and hold Consolidated harmless for any damages or claims, including reasonable attorneys' fees, resulting directly from the programming content cablecast over the EG Channels granted herein. Consolidated hereby agrees to indemnify and hold Municipality harmless for any damages or claims, including reasonable attorneys' fees, that relate to the continuity of service or signal quality associated with the EG Channels granted herein.

(c) To enable distribution of the EG Channel, Consolidated shall use reasonable efforts to interconnect its Cable System with the Cable System of the existing cable operator. If such reasonable efforts do not result in interconnection of Consolidated's Cable System with the Cable System of the existing cable operator, then the Municipality shall select and Consolidated shall connect to the Cable System, within one hundred twenty (120) days after receiving written notice from the Municipality, up to two remote origination points. Consolidated shall provide and install, at its sole cost and expenses cable, wire, lines and/or other necessary signal distribution equipment such that live or tape playback of cablecasts or other programming can originate from the selected locations and be distributed via the Cable System to Subscribers in the Municipality; provided, however, that Consolidated shall not be obligated to provide the Municipality with either cablecast equipment, facilities, or personnel responsible for operating the EG channels.

(d) Township and Consolidated agree that Consolidated shall retain its rights under federal law with respect to "costs of franchise requirements" or "external costs" as defined by the FCC, except that it is mutually agreed that the costs incurred by Consolidated in supporting the EG Channels shall not be itemized on subscribers' bills.

(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 all of

the trained/qualified personnel required to utilize the Return Lines and conduct the operation of the EG channel. The Township and Consolidated agree to work cooperatively in implementing the EG channel through such means and in such manner as shall be mutually satisfactory.

SECTION 7

REGULATION BY TOWNSHIP

7.1 RIGHT TO INSPECT

(a) The Township shall have the right, upon thirty (30) days written notice and during normal business hours, to inspect all documents, records and other pertinent information maintained by Consolidated which relate to the terms of this Agreement. Township shall not exercise the right to inspect more than once per year without cause.

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

7.2 RIGHT TO CONDUCT COMPLIANCE REVIEW

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

7.3 RIGHT TO REGULATE RATES

(a) The Township has the right to regulate Cable Service rates to the extent authorized by applicable federal law.

(b) Consolidated shall file all required FCC forms and documentation for any increase in the rates or charges for any Cable Service or equipment subject to regulation with the Township on or before the notification period required by applicable federal law.

7.4 RESERVED AUTHORITY

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

SECTION 8

REPORTING REQUIREMENTS

8.1 QUARTERLY FRANCHISE FEE REPORT

In accordance with Section 13.3 of this Agreement, Consolidated shall accompany each quarterly franchise fee payment with a written report containing an accurate statement of Consolidated's Gross Revenues, as defined in Section 1(j) "Definitions," received for the quarter in connection with the operation of Consolidated's Cable System and a brief report showing the basis for computation of fees. The report shall contain a line item for every source of revenue received and the amount of revenue received from each source. The report shall be certified by a financial representative of Consolidated.

8.2 CUSTOMER COMPLAINT REPORT

Upon request by the Township, Consolidated shall submit a report showing the number of Complaints originating from the Township received during the requested reporting period, the dates they were received, summary descriptions of the Complaints, the dates the Complaints were resolved and summary descriptions of the resolutions of the Complaints.

8.3 GOVERNMENT REPORTS

Consolidated shall, upon request by the Township, make available for inspection any and all communications, reports, documents, pleadings and notifications of any kind which Consolidated has submitted to any federal, state or local regulatory agencies (other than taxing authorities), if such documents directly relate to Consolidated's Cable System within the Township. Consolidated shall provide copies of such documents no later than thirty (30) days following its receipt of the Township's request. Consolidated shall not claim confidential, privileged or proprietary rights to such documents unless such documents have been determined to be confidential, privileged or proprietary by a court of competent jurisdiction or a federal or state agency. Consolidated is under no obligation to provide any such reports, documents, pleadings and notifications pertaining to Non-Cable Services provided by Consolidated.

SECTION 9

FRANCHISE VIOLATIONS, DAMAGES AND REVOCATION

9.1 VIOLATIONS

(a) If the Township has reason to believe that Consolidated violated any provision of this Agreement, it shall notify Consolidated in writing of the nature of such violation and

the section of this Agreement that it believes has been violated. If the Township does not notify Consolidated of any violation of this Agreement, it shall not operate as a waiver of any rights of the Township hereunder or pursuant to applicable law.

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

(c) If the violation has not been cured within the time allowed under Section 9.1(b) above, then Consolidated shall be liable for liquidated damages in accordance with Section 9.2 below.

9.2 LIQUIDATED DAMAGES

Because Consolidated's failure to comply with provisions of this Agreement will result in injury to the Township and because it will be difficult to measure the extent of such injury, the Township may assess liquidated damages against Consolidated in the amount of one hundred dollars (\$100) per day for each day the violation continues, provided Consolidated has had an opportunity to cure in accordance with Section 9.1(b). The damage described herein shall not be a substitute for specific performance by Consolidated, but shall be in addition to such performance.

9.3 PERFORMANCE BOND

(a) Consolidated shall obtain and maintain during the franchise term, 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 to ensure Consolidated'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 Consolidated's violations of this Agreement, after notice and opportunity to cure, in accordance with Sections 9.1 and 9.2 above.

(b) The performance bond shall be in the amount of Twenty-Five Thousand Dollars (\$25,000). Consolidated shall not reduce, cancel or materially change said bond from the requirement contained herein without the express prior written permission of the Township.

(c) The following municipalities shall be named on the performance bond and shall have access to such bond in accordance with the terms and conditions of the bond and of this Agreement: Freeport Borough, Gilpin Township, Jefferson Township, and South Buffalo Township.

9.4 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) Consolidated practices any material fraud or deceit upon the Township in its operation of its Cable System or any other activities pursuant to this Agreement;

(2) Consolidated transfers, assigns or changes the control of this franchise, the Cable System or any significant portion thereof, or more than twenty percent (20%) of the equitable ownership of the Cable System to a non-Affiliated Entity without the consent of the Township;

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

(4) Consolidated 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 Consolidated or occurs as a result of circumstances beyond its control in the reasonable judgment of the Township. Consolidated 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 at an appropriate public hearing which shall afford Consolidated due process and full opportunity to be heard and to respond to any notice of grounds to terminate, including, but not limited to the right to introduce evidence and question witnesses. All notice requirements shall be met by providing Consolidated at least sixty (60) days prior written notice of any public hearing concerning the proposed revocation of this franchise. Such notice shall state the grounds for revocation, including a detailed explanation of the Township's position. The, Township Board of Supervisors, after a public hearing and upon

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

SECTION 10 **PROGRAMMING**

10.1 CHANNEL CAPACITY

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

10.2 BROADCAST CHANNELS

To the extent required by federal law, Consolidated shall provide all Subscribers with Basic Service including, but not limited to: 1) all broadcast television signals carried in fulfillment of the requirements of Section 614 of the Cable Television Consumer Protection and Competition Act of 1992; 2) qualified local non-commercial educational television signals; and 3) the Educational and Governmental channels. All such signals shall be delivered to subscribers in high quality resolution.

10.3 SIGNAL SCRAMBLING

Consolidated shall at all times comply with all FCC regulations regarding scrambling or other encryption of signals,

10.4 CONTINUITY OF SERVICE

It shall be the right of all Subscribers to continue to receive service from Consolidated provided their financial and other obligations to Consolidated are honored. Subject to the Force Majeure provisions in Section 14 of this Agreement, Consolidated 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, Consolidated 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, Consolidated shall notify Subscribers in advance of such service interruption.

10.5 PARENTAL CONTROL CAPABILITY

Upon request, Consolidated shall provide subscribers with the capability to control the reception of any video and/or audio channel on the Cable System providing sexually explicit

adult programming.

10.6 TIER BUY THROUGH PROHIBITION

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

SECTION 11 **LIABILITY AND INDEMNIFICATION**

11.1 INDEMNIFICATION

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

(b) The Township shall not at any time be liable for any injury or damage to persons or property from any cause whatsoever arising from or in any way connected to the construction, installation, reconstruction, operation, maintenance or removal of the Cable System or any other equipment or facilities by Consolidated, its employees, agents, representatives, contractors and subcontractors.

11.2 INSURANCE

(a) Consolidated shall maintain insurance throughout the term of this Agreement with the Township as an additional insured, with an insurance company which is authorized to conduct business in Pennsylvania and which has an A.M. Best rating (or equivalent) no less than "A," indemnifying the Township from and against any and all claims for injury or damage to persons or property, both real and personal, caused by the construction, installation, reconstruction, operation, maintenance or removal of the Cable System by Consolidated 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 Five Million Dollars (\$5,000,000) in umbrella form.

(4) The amount of such insurance against all claims arising out of the operation of motor vehicles and general tort or contract liability shall be One Million Dollars (\$1,000,000).

(5) Consolidated shall maintain Workers' Compensation insurance on all employees engaged in its installation or service of its equipment.

(6) All insurance coverage shall be maintained throughout the period of this Agreement. All insurance policies shall contain a provision that the Township will receive thirty (30) days written notice prior to any changes or cancellation of the policy. All expenses incurred for said insurance shall be at the sole expense of Consolidated.

(b) A certificate evidencing the insurance coverage required herein shall be provided by Consolidated to the Township within thirty (30) days of the Effective Date.

SECTION 12

FRANCHISE TRANSFER OR RENEWAL

12.1 TRANSFER, ASSIGNMENT OR CHANGE IN CONTROL

(a) Neither Consolidated nor any Affiliated Entity shall transfer, assign, change control or otherwise encumber, through its own action or by operation of law, its right, title or interest in this Agreement without the prior written consent of the Township.

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

(c) The prohibitions contained in subsections (a) and (b) above do not apply to the transfer assignment, or sale to an Affiliated Entity.

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

(e) Any consent required herein by the Township for any transfer or assignment described above shall not be effective until the proposed transferee or assignee shall have executed a legally binding document stating that it shall be bound by all the terms and conditions contained in this Agreement.

(f) Consolidated agrees that all reasonable legal and other expenses incurred by the Township in review of such assignment or transfer shall be promptly reimbursed to the Township by Consolidated after receipt of an itemized listing of such expense.

12.2 RENEWAL

The Township and Consolidated agree that any proceedings or activities that relate to the renewal of Consolidated's franchise shall be governed by applicable federal, state and local law.

SECTION 13

COMPENSATION TO THE TOWNSHIP

13.1 FRANCHISE FEES

Consolidated shall pay to the Township an amount equal to five percent (5%) of the Gross Revenues derived from the operation of its Cable System in the Township. Consolidated shall not deduct or otherwise credit against the franchise fee any tax, fee or assessment of general applicability. The Township may increase or decrease the franchise fee percentage upon sixty (60) days written notice to Consolidated provided that the franchise fee may not exceed five percent (5%). In the event that federal law is amended to authorize a franchise fee higher than five percent (5%), the Township may, after a public hearing at which Consolidated shall have the right to address the issue of franchise fees and after obtaining proper authority from its governing body, direct Consolidated to pay a higher franchise fee.

13.2 QUARTERLY PAYMENTS

Franchise fee payments to the Township under this provision shall be computed at the

end of each calendar quarter and shall be due and payable for the preceding quarter on or before April 30 (for the first quarter), July 31 (for the second quarter), October 31 (for the third quarter) and January 31 (for the fourth quarter) of each year. In the event any franchise fee payment is not made on or before the date by which it is due, then interest shall be added at the annual rate of six percent (6%) of the amount of the franchise fee revenue due to the Township. 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.

13.3 QUARTERLY REPORTS

Each franchise fee payment shall be accompanied by a written report containing an accurate statement of Consolidated's Gross Revenues received for Cable Services for the quarter in connection with the operation of Consolidated's Cable System and a brief report showing the basis for computation of fees. The report shall contain a line item for every source of revenue received and the amount of revenue received from each source. The report shall be certified by a financial representative or informed representative of Consolidated.

13.4 AUDITS

On an annual basis, upon thirty (30) days prior written notice, the Township shall have the right to conduct an independent audit of Consolidated's records reasonably related to the sources, amounts and computation of Gross Revenues, in accordance with Generally Accepted Accounting Principles. Copies of such records shall be provided to the Township within thirty (30) days of a written request. Any reproduction of such records for purposes of inspection shall be performed at Consolidated's expense. If the audit shows that franchise fees have been underpaid, then Consolidated shall pay the underpaid amount plus interest equal to eight percent (8%) per annum. If franchise fees have been underpaid by five percent (5%) or more, then Consolidated shall also pay the total cost of the audit.

13.5 BUNDLED SERVICES

If Cable Services subject to the franchise fee are provided to Subscribers in conjunction with Non-Cable Services, the franchise fee shall be applied only to the Cable Services portion of Subscribers' bills as reflected on the books and records of Consolidated in accordance with FCC and PUC rules, regulations, standards, or orders, any other applicable laws and regulations, and generally accepted accounting principles.

SECTION 14

MISCELLANEOUS

14.1 FORCE MAJEURE

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

14.2 REMOVAL OF SYSTEM

(a) Upon the Township's written notice to Consolidated (the "Removal Notice") following the termination or expiration of this Agreement, Consolidated shall commence, within thirty (30) days of such notice, removing those network and equipment elements that are exclusive to the Cable System, as opposed to the local telephone operating business. The Cable System would include, but not be limited to, customer premise equipment including any set top television converters and CPE wiring to the television. Due to Consolidated's obligations as a local telephone utility, the removal of the Physical Plant as it relates to the local telephone operating business within the approved service area is not applicable to the Franchise Agreement and Removal Notice process. The term Physical Plant for the local telephone operating business as used herein shall include the supporting structures, poles, transmissions and distribution systems and other appurtenances within the streets, ways, lanes, alleys, parkways, bridges, highways, and other public and private places in, over, under, or along which they are installed.

(b) Facilities Located outside PUC-approved Service Territory

i) With regard to the Cable System network and equipment installed by Consolidated within the Township but outside Consolidated's PUC-approved service territory, upon the Township's written notice to Consolidated (the "Removal Notice") following the termination or expiration of this Agreement, Consolidated shall commence, within thirty (30) days of such notice, removing its supporting structures, poles, transmissions and distribution systems and other appurtenances (the "Physical Plant") from the streets,

ways, lanes, alleys, parkways, bridges, highways, and other public and private places in, over, under, or along which they are installed and shall restore the areas to their original condition. If the removal of the Physical Plant is not substantially complete within six (6) months after the thirty (30) day period to be set forth in the Removal Notice, the Township may deem that portion of the Physical Plant not removed as having been abandoned and the Township may remove such portion of the Physical Plant at Consolidated's cost or transfer it to Township's designee for the then fair market value of the Cable System.

ii) Notwithstanding Section 14.2(b)(i), the Township may, after the termination or expiration of this Agreement and anytime prior to its delivery of the Removal Notice, request that Consolidated transfer ownership of the Physical Plant to Township's designee at the then fair market value of the Cable System. Consolidated shall have no obligation to transfer such ownership to the Township or its designee and shall inform the Township, within thirty (30) days following its receipt of the Township's request, of its decision whether or not it intends to enter into negotiations for the transfer of the Physical Plant. In the event that the Township requests that Consolidated transfer the Physical Plant and Consolidated elects to proceed with negotiations regarding such transfer, Consolidated's obligations, and the time periods applicable thereto, under Section 14.2(b)(i) hereof shall be stayed until the earlier of the date the parties hereto agree, in writing, that the negotiations for the transfer have ceased or Consolidated transfers the Physical Plant to the Township or its designee.

iii) If Consolidated decides to abandon or no longer use all or part of the Physical Plant during the term of this Agreement, it shall give the Township written notice of its intent at least thirty (30) days prior to the date it will abandon or cease using the subject Physical Plant and its location. The Township shall have the right to require Consolidated to remove the subject portion of the Physical Plant. In the event that the Township elects to have Consolidated remove the subject portion of the Physical Plant, Consolidated shall commence such removal within thirty (30) days of the Township's notice. If the removal of the subject Physical Plant is not substantially complete within six (6) months after Consolidated commences removal, the Township may deem that portion of the subject Physical Plant not removed as having been abandoned and the Township may remove such portion of the Physical Plant at Consolidated's cost or transfer it to Township's designee at the then fair market value of that portion of the Cable System attributable to the subject portion of the Physical Plant.

iv) For purposes of this Section 14.2(b), the term "fair market value" means the value agreed upon by the Township's designee and Consolidated or, if the parties are unable to agree upon fair market value within thirty (30) days after the event giving rise to such determination, then fair market value will be determined in accordance with the

following: (A) each of the Township's designee and Consolidated will promptly choose an appraiser to appraise the subject Cable System located outside the PUC-approved service territory; (B) if the two appraisals are within ten percent (10%) of each other, then the fair market shall be the average of the two appraisals; (C) if the two appraisals vary by more than ten percent (10%), then the appraisals shall choose a third appraiser to appraise the identified portion of the Cable System, provided, that if the two appraisers are unable to agree on a third appraiser within thirty (30) days, then such third appraiser will be chosen by the American Arbitration Association in Pittsburgh, Pennsylvania upon application by either party; (D) fair market value shall then be the value contained in that appraisal chosen by the third appraiser from the appraisals obtained by the Township's designee and Consolidated under this Section; (E) each party will pay for the appraiser chosen by it and the third appraiser will be paid for by the party whose original appraisal was not used in determining fair market value.

14.3 NOTICES

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

Michele Brestensky
Manager/Secretary
South Buffalo Township
384 Iron Bridge Road
Freeport, PA 16229

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

Every notice served upon Consolidated shall be sent to:

Senior Vice President
Consolidated Communications, Inc.
4008 Gibsonia Road
Gibsonia, PA 15044

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

Each delivery to Consolidated 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.

14.4 EQUAL EMPLOYMENT OPPORTUNITY

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

14.5 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.

14.6 GOVERNING LAW

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 Armstrong, or in the United States District Court for the Western District of Pennsylvania.

14.7 ENTIRE AGREEMENT

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

14.8 SEVERABILITY

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

14.9 CHANGE OF LAW

In the event there is a change in a federal or state statute or regulation applicable to the Cable System or to this Agreement, the Township or Consolidated 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 Consolidated may amend this Agreement to comply with such change in statute or regulation provided such amendment is approved by the Township and

Consolidated.

14.10 APPLICABILITY OF AGREEMENT

All of the provisions in this Agreement shall bind Consolidated, the Township and their respective successors and assigns. This Agreement is authorized by Ordinance No. 7-08 dated 7-21, 2008 of the Township Board of Supervisors.

WITNESS our hands and official seals, this 21 day of JULY, 2008.

ATTEST:

Michelle Bostensky

SOUTH BUFFALO TOWNSHIP

By: Terry Van Dyke

Print: Terry VAN DYKE

Title: Supervisor Chair

Date: 7-21-08

ATTEST:

[Signature]

CONSOLIDATED
COMMUNICATIONS, INC.

By: Joseph R. Dively

Print: JOSEPH R DIVERLY

Title: Senior Vice President

Date: 8/29/08

EXHIBIT A

LIST OF DESIGNATED LOCATIONS FOR SERVICES TO COMMUNITY FACILITIES

South Buffalo Township Building
384 Ironbridge Road
Freeport, PA 16229

Water Authority Office
384 Ironbridge Road
Freeport, PA 16229

South Buffalo Police Department
384 Ironbridge Road
Freeport, PA 16229

Township Garage
384 Ironbridge Road
Freeport, PA 16229

South Buffalo Township Fire Department
695 Freeport Road
Freeport, PA 16229

South Buffalo Elementary School
562 Freeport Road
Freeport, PA 16229