

FRANCHISE RENEWAL AGREEMENT

Between

THE CITY OF PHILADELPHIA

and

COMCAST CABLEVISION OF PHILADELPHIA, INC.

FRANCHISE AREA III

Dated July , 1998

FRANCHISE RENEWAL AGREEMENT
CITY OF PHILADELPHIA - FRANCHISE AREA III

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THIS RENEWAL AGREEMENT, (hereafter "Agreement" or "Renewal Agreement"), made this ___ day of July, 1998 , by and between the City of Philadelphia, Franchisor, acting through its Department of Public Property (hereafter "the City", "Franchisor", or "Franchising Authority") and Comcast Cablevision of Philadelphia, Inc., (hereafter "Comcast", or "Franchisee").

WITNESSETH:

WHEREAS, Franchisee has applied for a renewal of its cable communications franchise in the City of Philadelphia in accordance with the provisions of Bill No. 53-A, approved March 29, 1984 ("Bill No. 53-A"); and

WHEREAS, pursuant to Bill No. 341 (approved November 14, 1984), the City awarded the franchise for operation of a cable system in Area III to Rollins Cablevision of Philadelphia; and

WHEREAS, pursuant to Bill No.1399, (approved October 30, 1987), the City approved the transfer of the franchise from Rollins to Comcast Cablevision of Philadelphia, L.P. and executed an agreement under which Comcast agreed to be bound by the terms of the Area III Franchise Agreement; and

WHEREAS, Comcast has requested renewal of its franchise for Area III pursuant to 47 U.S.C. Section 546(h); and

WHEREAS, the Department of Public Property has reviewed the Franchisee's technical, financial and character qualifications; and request for renewal; and

WHEREAS, pursuant to Bill No. 960882 (approved June 25, 1998), the City has renewed the Franchise; and

WHEREAS, in order to insure that the understandings, assurances, and representations made by and between the City and the Franchisee are incorporated into the franchise renewal, the City and the Franchisee desire to document the terms and conditions upon which the franchise is to be renewed; and

WHEREAS, the City requires the formal acceptance and execution of a franchise agreement to effectuate any franchise renewal,

NOW, THEREFORE, in consideration of the mutual covenants contained herein, it is mutually agreed as follows:

The above Preamble is incorporated herein and made a part hereof.

ARTICLE I.

RENEWAL OF FRANCHISE AND GENERAL PROVISIONS

SECTION 1. TITLE OF AGREEMENT

This Agreement shall be known and may be cited as the Philadelphia Cable Communications Area III Franchise Renewal Agreement" (hereinafter "Area III Franchise Renewal Agreement", "Renewal Agreement" or "Agreement").

SECTION 2. DEFINITIONS

For the purpose of this Agreement the following terms, phrases, words and their derivations shall have the meaning given herein. When not inconsistent with the context, words used in the present tense include the future, words in the plural number include the singular number, and words in the singular number include the plural number. The word "shall" is mandatory and "may" is permissive. Words not defined shall be given their common and ordinary meaning.

a. "Access Channel" means a single channel dedicated in whole or in part for noncommercial programming which is not originated by the Franchisee.

b. "Access Corporation" means the nonprofit corporation established by Ordinance of Council for the administration, promotion and development of nondiscriminatory, free public access to cable systems within the City.

c. "Affiliate" means:

1. Any person directly or indirectly owning, controlling or holding, with power to vote, fifteen percent (15%) or more of the outstanding voting securities of the Franchisee;

2. Any person fifteen percent (15%) or more of whose outstanding voting securities are directly or indirectly owned, controlled or held with power to vote, by the Franchisee;
3. Another person who owns or controls, is owned or controlled by, or is under common ownership or control with, such person;
4. Any officer, director, or partner of the Franchisee; "partner" shall not include any limited partner solely by virtue of its status as a limited partner, provided, however, that a limited partner will be an Affiliate if it is otherwise included within the definition of Affiliate in this subsection 2.c.;
5. The term "Affiliate" shall not include any creditor of the Franchisee solely by virtue of its status as a creditor.

d. "Application" means Franchisee's request for renewal, as amended from time to time, pursuant to 47 U.S.C. § 546(h), to serve Franchise Area III submitted to the City on or about September 16, 1996.

e. "Area" means Franchise Area III of the City as such area is mapped out in Exhibit "B" to Bill No. 53-A.

f. "Area System" means that part of the Cable Communications System located or to be located in Area III and that part of the Cable Communications System constructed, in whole or in part, by or at the direction of the Franchisee and serving the Area, except that "Area System" shall not include public, educational and governmental access facilities.

g. "Cable Communications System" or "Cable System" or "Cable Television System" or "CATV System" or "System" means a facility consisting of a set of closed transmission paths and associated signal generation, reception, and control equipment that is designed to provide cable service which includes video programming and which is provided to multiple subscribers within a community, 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 of 1934, as amended, except that such facility shall be considered a Cable System to the extent such facility is used in the transmission of video programming directly to subscribers, unless the extent if such use is solely to provide interactive on-demand services;
4. any open video system that complies with 47 U.S.C. § 573; or
5. any facilities of any electric utility used solely for operating its electric utility systems.

h. "Cable Service" means (1) the one-way transmission to subscribers of (i) video programming, or (ii) other programming service, and (2) subscriber interaction, if any, which is required for the selection or use of such video programming or other programming service;

i. "Certification" means (i) the certification and approval by the Commissioner of the Upgrade construction schedule and plan of the Franchisee described in Article II, Section 2; and (ii) certification of the Completion of the Upgrade in accordance with Article II, Section 2.

j. "City" means the City of Philadelphia, a municipal corporation, in the Commonwealth of Pennsylvania.

k. "Commissioner" means the Commissioner of Public Property of the City.

l. "Completion of the Upgrade" or "Complete Upgrade" means, with respect to the entire Area System or any segment thereof: that strand has been put up and all necessary cable (including trunk and feeder cable) has been lashed; or, for underground construction, that all cable has been laid and trenches refilled and, except as prevented by weather conditions or

delayed because of seasons, landscaping and paving restored; that construction of the headends and hubs has been completed; that, with respect to the Subscriber Network, all amplifier housings and modules have been installed, power supplies have been installed, all bonding and grounding has been completed, all necessary connectors, splitters and taps have been installed, and all necessary processing equipment has been installed; that, with respect to the Subscriber Network, any and all other construction necessary for the Area System to be ready to deliver cable service to all dwelling units in the Area III (in the case of the Area System) or to all dwelling units served by a segment of the Area System (in the case of any segment) has been completed, subject, in either case, to Article II, Section 3.a.8. and that with respect to the Subscriber Network, proof of performance tests (as described in Appendix D, Section 2) have been conducted and any problems found during testing have been corrected. The term "Completion of Upgrade" or words of similar import, do not include marketing and installation of subscriber service.

m. "Converter" means an electronic device, which converts signals to a frequency not susceptible to interference within the television receiver of a subscriber, and by use of an appropriate channel selector also permits a subscriber to view all video signals to which the subscriber has subscribed.

n. "Council" or "City Council" means the City Council of the City.

o. "Dedicate" means to make available channel space or equipment for exclusive use of the designated user(s), including, but not limited to the general public, educational institutions and the City, subject to the provisions of this Agreement and applicable law.

p. "Dedication" means and is limited to those rights-of-way for the benefit of the public and controlled by the City, the terms, conditions or limitation upon which are not inconsistent with the erection, construction or maintenance of the Area System, its structures or equipment.

q. "Easement" means and is limited to those rights-of-way under the control of the City, the terms, conditions or limitations upon that are not inconsistent with the erection, construction or maintenance of the Area System, its structures or equipment.

r. "Effective Date" means the date of this Agreement.

s. "FCC" means the Federal Communications Commission and any legally appointed, designated or elected agent or successor.

t. "Franchise" means the franchise renewal granted pursuant to the terms of this Agreement.

u. "Franchisee" means Comcast Cablevision of Philadelphia, Inc., the grantee of franchise rights under this Agreement, or the successor, transferee or assignee of such grantee.

v. "Gross Revenues" means:

The annual gross revenue received by the Franchisee from the operation of the Cable System to provide cable television services, including but not limited to, monthly basic, premium and pay-per-view service fees, converter rental fees, installation fees, revenues received from the insertion of local commercial advertising availabilities, commissions received from home shopping channel sales generated in the franchise area, and cable modem service fees (as long as such service may be characterized as a cable service under applicable law; provided however, that in the event the Federal Communications Commission or any other adjudicative body with appropriate authority determines that cable modem service is not a cable service subject to franchise under the Cable Act, as amended from time to time, then the City reserves the right to regulate cable modem service and charge applicable fees (as permitted by applicable laws). The computation of gross revenues shall include all money collected from subscribers that is ultimately assessed by the Franchisee to pay the franchise fee. Gross Revenues shall not include: (i) any sales, service, occupation, or other tax, fee, assessment, or charge of any kind imposed by any governmental authority on the transaction between the Franchisee and its subscribers and remitted by the Franchisee directly to the franchising authority; (ii) investment income; (iii) any rebate, refund or credit made by the Franchisee to any subscriber; or (iv) billed but uncollected revenue (bad debt); provided however, that bad debt recoveries shall be included in Gross Revenue. In the event the City grants a franchise or otherwise is authorized to obtain a portion of revenues from a cable operator for the provision of services similar to those being provided by the Franchisee to the City, which franchise or authorization contains a definition of gross revenue which includes a lesser number of revenue items than the definition of gross

revenue applicable to Franchisee, then if, but only if, such cable operator offers the service to which the revenue item applies, the definition of Gross Revenues set forth in this Article I, Section 2. v. shall be automatically modified to delete the revenue items not included in such other definition.

w. "Highway" means a way or place of whatever nature, publicly maintained and open to the use of the public for purposes of vehicular travel. Highway shall include street or alley.

x. "Initial activation of service" or "initially providing cable television service" means, with respect to a particular segment, a group of segments of the Area System, that, unless specifically provided otherwise in this Agreement, all services and capabilities of the particular segment, group of segments or Area System, as the case may be, are available and/or in place, and that the Franchisee is authorized to begin direct marketing of such segment, group of segments or the Area System, in accordance with the provisions of Article II, Section 2.c.

y. "Installation" means the connection of the Area System from feeder cable to subscribers' terminals.

z. "Institutional Network" means that part of the Area System which will be capable of providing the services set forth in Appendix G to all of the institutions listed.

aa. "Key employee" means any employee who routinely and normally directs a significant aspect of the Franchisee's business operations, including, but not limited to, the technical, operational, financial and executive functions.

bb. "Law Department" means the Law Department of the City.

cc. "Local origination programming" means programming locally produced or locally cablecast by or on behalf of the Franchisee and under the control of the Franchisee.

dd. "Mayor" means the Mayor of the City.

ee. "Original Franchise" means the Franchise Agreement dated September 28, 1985, originally between Rollins Cablevision of Philadelphia, Inc. and transferred to the Franchisee pursuant to Bill 1399, approved October 30, 1987.

ff. "Parent" means any corporation, other than the Franchisee, in an unbroken chain of corporations ending with the Franchisee if each of the corporations other than the Franchisee owns stock comprising fifty percent (50%) or more of total combined voting power of any classes of stock in one of the other corporations in such chain.

gg. "Person" means any individual natural person, firm, partnership, joint venture, society, organization, club, association, trustee, trust, corporation, company or organization of any kind. "Person" shall not include a municipal corporation.

hh. "Public Property" means any real property owned by the City other than a Highway, Sidewalk, Easement or Dedication.

ii. "Sidewalk" means that portion of a Highway other than the roadway, set apart by curbs, barriers, markings or other delineation for pedestrian travel, including parkways, not on private lands.

jj. "Subscriber Network" means that part of the Area System that, upon request for service, is capable of serving every dwelling unit now or in the future located within Area III, in accordance with Article II, Section 3.a., and subject to Article II, Section 3.a. 8.

kk. "Subsidiary" means any corporation, other than the Franchisee, in an unbroken chain of corporations beginning with the Franchisee if each of the corporations other than the last corporation in the unbroken chain owns stock comprising fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

ll. "Upgrade" or "System Upgrade" means enhancement of the Area System to at least 750MHz in accordance with this Agreement and as set forth in Appendix B.

SECTION 3. RENEWAL

The City hereby renews its grant to the Franchisee of a nonexclusive Cable Communications System Franchise subject to all the terms and conditions provided in this Agreement.

SECTION 4. RIGHTS AND PRIVILEGES OF FRANCHISEE

Pursuant to City No. 960882 (approved June 25, 1998) the City hereby grants to the Franchisee renewal of the right and privilege, granted pursuant to City Ordinance No. 342, approved November 14, 1984, subject to ordinances of general applicability, to erect, construct, own, operate and maintain in, upon, along, across, above, over and under the Highways, Sidewalks, Easements, Dedications and Public Property now in existence and as may be created or established during the term of this Agreement, poles, wires, cable, underground conduits, manholes, pedestals, electronic equipment and other television conductors and fixtures necessary for the maintenance and operation of the Area System on the terms and conditions set forth in this Agreement.

SECTION 5. INCORPORATION BY REFERENCE

Upon execution hereof, the Franchisee agrees to be bound by all the terms and conditions contained in this Agreement and in Bill No. 53-A. All Appendices to this Agreement and Schedules attached thereto are hereby incorporated in this Agreement by reference.

By its execution of this Agreement, the Franchisee agrees that Bill No. 53-A is hereby incorporated by reference and made a part of this Agreement. This Agreement and Bill No. 53-A shall be read together and in a consistent manner. Notwithstanding the foregoing, where the provisions of this Agreement alter or directly contradict the provisions of Bill No. 53-A, the provisions of this Agreement shall prevail. If, however, a provision in Bill No. 53-A merely expands, clarifies or otherwise does not alter or directly contradict a provision in this Agreement, then that provision which provides the greatest benefit to the City, in the opinion of the Commissioner, shall prevail.

SECTION 6. TERM AND RENEWAL

Comcast Franchise Renewal – Area III

a. The term of the Franchise shall be renewed for a period of fifteen (15) years, commencing on the 28th of September, 2000. As partial consideration for the renewal, Franchisee will Upgrade the Area System to 750 MHz in accordance with Article II, Section 2, and Appendix B.

b. Subject to applicable law, the Franchisee may apply for renewal of the Franchise at any time before the expiration date of the Franchise; provided, however, that the City shall not be required to entertain any such application(s) except during the three (3) years immediately before the expiration date of the Franchise. Notwithstanding the foregoing sentence, if the Franchisee proposes newer or improved services which do not fall within the scope of the Franchise, the Franchisee may apply at any time for a new franchise to commence earlier than the expiration date of the Franchise.

c. The application for renewal shall be in form and content acceptable to the Commissioner and shall include the applicant's name, business address, business form and proposal, including, without limitation, types of service and operation, technical standards, and other proposed Area System or System modifications. The reasonable costs for review and evaluation of the Franchisee's application for renewal shall be borne by the Franchisee.

d. Prior to any renewal of the Franchise, the Commissioner shall, subject to applicable law, perform a comprehensive performance review and evaluation of the Franchisee. This evaluation will review all aspects of the Franchisee's performance with regard to the provisions of the Franchise, as well as comparing the state-of-the-art technology of other systems with the Area System.

e. The Commissioner shall issue a written report of the Commissioner's evaluation, which report shall include recommendations concerning at least the following items: channel capacity, channels for noncommercial access cablecasting, two-way capability, and the need for further service to be extended within the Areas based upon reassessment of the communication needs and interests of the City.

f. Subject to applicable law, if the Commissioner finds that the Franchisee has substantially complied with the terms of this Agreement and applicable law, that the Franchisee's service to subscribers and users has been reasonable in light of community needs, that the Franchisee's application for renewal is reasonable to meet the future cable-related needs and interests of the City taking into account the cost of meeting such needs and interests, and the Franchisee is found to have the financial, legal, and technical ability to provide the services, facilities and equipment set forth in its renewal application, the Commissioner shall recommend to Council that the Franchise be renewed. Following such recommendation, the City may grant a renewal for a term not to exceed fifteen (15) years, subject to the approval by Ordinance of the City Council.

SECTION 7. SEVERABILITY

If any Section, subsection, sentence, clause, phrase or portion of this Agreement 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 affect the validity of the remaining portions hereof.

SECTION 8. AREA

The Franchise is granted for Area III.

SECTION 9. FRANCHISE FEE

a. For the reason that (1) the Highways, Sidewalks, bridges, Easements, Dedications and other Public Property (collectively, the "Public Places") to be used by the Franchisee in the operation of the Area System within the boundaries of the City are valuable public properties acquired and maintained by the City at great expense to its taxpayers, and that the grant in Article I, Section 4 to the Franchisee to the said Public Places is a valuable property right without which the Franchisee would be required to invest substantial capital in right-of-way costs and acquisitions, and (2) the City will incur costs in regulating and administering the Franchise, the Franchisee shall pay each year to the City a franchise fee in an amount equal to five percent (5%) of the Franchisee's total Gross Revenues for that year. Except as specifically provided in Article

Comcast Franchise Renewal – Area III

I, Section 9.e. and Appendix E, such payment shall be in addition to any other required in this Agreement or under applicable law, and such payment shall commence as of the Effective Date.

b. The franchise fee shall be payable quarterly to the City and the Franchisee shall file a certified statement of Gross Revenues prepared by the chief financial officer of the Franchisee in accordance with Article I, subsection 2.v., for the period for which said quarterly payment is made. Said quarterly payment shall be made to the City not later than sixty (60) days after March 31, June 30, September 30, and December 31 of each year for the preceding three months. The Franchisee shall also file, within one hundred twenty (120) days after the expiration of each of the Franchisee's fiscal years, a certified statement of Gross Revenues prepared by an independent certified public accountant in accordance with Article I, Section 2.v., for such fiscal year. Any additional amount due to the City reflected in such yearly certified statement shall be payable to the City on the date of submission of the yearly certified statement, together with interest thereon from the quarterly due date (or if not determinable, from the fourth quarterly due date of such fiscal year) at the rate of two percent (2%) over the "Prime Rate" (defined below). "Prime Rate" means the per annum interest rate publicly announced from time to time by a national banking association selected by the City which maintains a business office in Philadelphia, Pennsylvania, or its successor or survivor in the event of bank merger, as the prime rate (or its equivalent if there shall be no prime rate) of such national bank or its successor or survivor. Any overpayment made to the City reflected in such yearly certified statement shall be credited, together with an amount which reflects the time value of such advance payment computed at the "One-Year Rate" (defined below) as of the due date of the franchise fee to which the credit shall apply, against the franchise fee payment next payable to the City. The "One-Year Rate" means an annual rate equal to the interest rate of one-year United States Treasury Bills.

c. The City shall have the right, from time to time, to inspect the Franchisee's income records and the right to audit and to recompute any amounts determined to be payable under this Agreement; provided, however, that any such audit shall commence within thirty-six (36) months following the close of the Franchisee's fiscal years to which such audit relates and shall be completed within a reasonable period of time. Any additional amount due to the City as a result of the audit shall be paid within thirty (30) days following written notice to the Franchisee by the City, which notice shall include a copy of the audit report. The Franchisee shall be

entitled to dispute the findings of the City's audit in any appropriate administrative and/or judicial forum. Pending the determination of any dispute, the Franchisee shall credit the amount deemed due by the City as provided in this subsection c. and such payment shall be without prejudice to the Franchisee's position. If the dispute shall be determined in the Franchisee's favor, the City shall forthwith pay to the Franchisee the amount of the Franchisee's overpayment, if any, together with interest thereon computed at the One-Year Rate (defined in Article I, Section 9.a.) commencing on the date the City shall have received such overpayment.

d. In the event that any franchise fee payment or recomputed amount, cost or other assessment is not made on or before the due date, interest shall be charged daily from the due date at the rate of two percent (2%) over the Prime Rate (defined in Article I, Section 9.b., above).

e. The Franchisee may offset against the franchise fee any fees it pays to the City pursuant to Section 9-302 of the Philadelphia Code, or similar provisions of any subsequently enacted City ordinance, for the erection and maintenance of overhead wire that constitutes part of the Area System.

SECTION 10. POLICE POWERS

In accepting the Franchise, the Franchisee acknowledges that its rights hereunder are subject to the police power of the City to adopt and enforce general ordinances necessary for the safety and welfare of the public; and it agrees to comply with all laws, ordinances and regulations of general applicability enacted by the City pursuant to such power.

Any conflict between the provisions of this Agreement and any other present or future lawful exercise of the City's police powers shall be resolved in favor of the latter.

SECTION 11. USE OF FRANCHISE FACILITIES

The City shall have the right, during the term of this Agreement, to install and maintain for use by the City for municipal purposes free of charge upon or in the poles, conduits (if any) or other franchise facility of the Franchisee any wire or pole fixtures that do not

unreasonably interfere with the CATV operations of the Franchisee; provided, however, that the Franchisee shall permit, free of charge, (a) the provider of electricity to wire on poles any light fixtures installed for the City, and (b) such ancillary use of such facilities as may be necessary to make the City's use effective. Jacketed cable (preassembled cable and conduit) shall not constitute "conduit" for the purpose of the preceding sentence. Except as provided in Article II, Section 5.g., if the City's use of such facilities necessitates the moving of existing wires or cables of the Franchisee, the City shall reimburse the Franchisee for the reasonable costs of such movement. The Franchisee shall notify the City of the amount of such costs in advance of the work upon request by the City.

SECTION 12. RATES

a. Rates shall be set in accordance with current applicable laws. Subject to applicable law, the Franchisee shall freeze rates for Basic Tier service (B-1) through March 31, 1999.

b. Any change in subscriber and user rates or charges shall be reported in writing to the Commissioner at least thirty (30) days prior to the Franchisee's implementation of such change. The Franchisee shall file with the Commissioner, on December 31 of each year, a full schedule of all subscriber and user rates and all other charges of the Franchisee.

c. The City may regulate rates to the extent, if any, permitted by applicable law at any time and from time to time during the term of the Franchise. If such rate regulation is permitted, the City may require, consistent with applicable law, submission to it by the Franchisee of any and all documentation appropriate to the City's regulation of rates.

SECTION 13. NOTICES

a. All notices from either party to the other shall be in writing and sent by United States registered or certified mail, postage prepaid, return receipt requested, or by hand delivery with receipt obtained, or by a nationally recognized and receipted overnight courier service (such as Federal Express) guaranteeing next business day delivery, addressed to the City at:

City of Philadelphia
1030 Municipal Services Building
Philadelphia, PA 19102

and

Chief Clerk of City Council
City of Philadelphia
402 City Hall
Philadelphia, PA 19107

and to the Franchisee at:

Comcast Cablevision of Philadelphia, Inc.
11400 Northeast Avenue
Philadelphia, PA 19116
Attention: General Manager

and/or to such other officers or address(es) as the party to receive the notice may hereafter designate to the other by notice in the manner described in this subsection a. All such notices, requests and other communications shall be deemed to have been sufficiently given for all purposes hereof on the third (3rd) business day after proper mailing thereof (in the case of United States registered or certified mail) or on the date of the delivery thereof to a courier service as aforesaid, and may be given on behalf of either party by its counsel.

b. The Franchisee shall also maintain in Area III local offices and telephone numbers for the conduct of matters related to the Franchise during normal business hours.

SECTION 14. PERFORMANCE BOND

a. Franchisee shall obtain and maintain at its cost and expense, and file with the Commissioner, a corporate surety bond issued by a company authorized to do business in the Commonwealth of Pennsylvania, which bond shall be subject to the approval of the Law Department, shall be in the amount of Two Hundred Fifty Thousand Dollars (\$250,000), and shall be conditioned upon compliance with this Agreement. Subject to Article III, Section 10 and Article IV, Section 8, if the City determines that the Franchisee has failed to comply with any provision of this Agreement, then there shall be recoverable jointly and severally from the principals and surety any and all damages and costs suffered or incurred by the City or by any

subscriber as a result thereof, including, but not limited to, attorneys' fees and costs of any action or proceeding, and including the full amount of any compensation, indemnification, cost of removal or abandonment of any property or other costs which may be in default, up to the full principal amount of such bond. The Franchisee shall maintain the performance bond during the entire term of this Agreement and thereafter until the Franchisee shall have satisfied in full any and all obligations to the City which arise out of or pertain to the Franchise and/or this Agreement. Upon the expiration or termination of the Franchise, the Franchisee shall notify the City when the Franchisee believes that it has satisfied in full any and all such obligations and request the release of its obligation to maintain the performance bond. The City, within six (6) months after receipt of such notice, shall advise the Franchisee, in writing, whether or not such obligations have been satisfied, and if such obligations have not been satisfied, the general reasons therefor. If the City fails to so advise the Franchisee within such time, the Franchisee may terminate the performance bond. If the Franchisee has the right to terminate the performance bond under any provision of this Agreement, the City shall cooperate with the Franchisee to permit such termination. The performance bond shall contain the following endorsement:

"At least sixty (60) days prior written notice shall be given to the City by the surety of any intention not to renew such bond, or to cancel, replace or alter same, such notice to be given by registered mail, return receipt requested, to City of Philadelphia Commissioner of Public Property and Chief Clerk of the Council of the City of Philadelphia."

b. The rights reserved to the City with respect to the performance bond are in addition to all other rights of the City, whether reserved by this Agreement or authorized by law or in equity, and no action, proceeding or exercise of a right with respect to such performance bond shall affect any other rights the City may have.

SECTION 15. CONSTRUCTION BOND

a. At least thirty (30) days prior to the date on which on-site Upgrade construction shall begin, the Franchisee shall obtain and maintain, or cause to be obtained and maintained, at its cost and expense, and file with the Commissioner, a construction bond issued by a company

authorized to do business in the Commonwealth of Pennsylvania, which bond shall be subject to the approval of the Law Department and shall be in the amount of \$3,000,000, to guarantee the timely construction of an Upgrade as described in Appendix B in accordance with the requirements of this Agreement. The construction bond shall provide, but shall not be limited to, the following conditions: There shall be recoverable by the City, jointly and severally from the principal and surety, any and all damages, losses and costs suffered by the City resulting from the failure of the Franchisee to Complete the Upgrade of the Area System as provided in this Agreement. The City's right to exercise its remedies under the construction bond shall be subject to Article III, Section 11 and Article IV, Section 8.

b. The construction bond shall be terminated only after the Commissioner finds that the Franchisee has satisfactorily Completed Upgrade of the Area System pursuant to the terms and conditions of this Agreement. Within one-hundred-twenty (120) days after any time that the Franchisee shall have notified the Commissioner that the Upgrade has been Completed, the Commissioner shall inform the Franchisee whether or not the Upgrade has been satisfactorily completed, and if not, the reasons therefore. If the City fails to so advise the franchisee within such time, upon Certification of the Upgrade as set forth in Article II, Section 2, the Franchisee may terminate the construction bond. If the Franchisee has the right to terminate the construction bond under any provision of this Agreement, the City shall cooperate with the Franchisee to permit such termination.

c. The rights reserved to the City with respect to the construction bond are in addition to all other rights of the City, whether reserved by this Agreement or authorized by law or equity, and no action, proceeding or exercise of a right with respect to such construction bond shall affect any other rights the City may have.

d. The construction bond shall contain the following endorsement:

"At least sixty (60) days prior written notice shall be given to the City by the surety of any intention not to renew such bond, or to cancel, replace or alter same, such notice to be given by registered mail, return receipt requested, to City of Philadelphia Commissioner of Public Property and Chief Clerk of the Council of the City of Philadelphia."

e. Notwithstanding subsection b above, the Commissioner may require an additional construction bond at any time after Completion of Construction when new or additional construction is authorized or required.

SECTION 16. INDEMNIFICATION

a. The City shall not at any time be liable for any injury or damage occurring to any person or property from any cause whatsoever arising from the construction, maintenance, repair, use, operation, condition or dismantling of the System.

b. The Franchisee shall, at its sole cost and expense, indemnify, save, hold harmless and defend the City, its officers, boards, commissions, employees, servants, agents, consultants and contractors, against any and all liens, charges, claims, demands, suits, actions, fines, penalties, losses, costs (including, but not limited to, libel, slander, invasion of privacy and unauthorized use of any trademark, trade name, copyright, patent, service mark or any other right of any person, firm or corporation, but excluding claims arising out of or relating to programming produced or provided by or on behalf of the City), in law or equity, of any and every kind and nature whatsoever (unless caused by the sole negligence of the City, its officers, employees and agents_ or arising out of any act of omission or commission, or any negligence of the City, its officers, servants, agents, employees, boards, commissions, consultants or contractors), arising out of or in any way connected with the installation, operation, maintenance, condition or dismantling of the Area System, or the public, educational and governmental access facilities to the extent of the Franchisee's obligations with respect to such public, educational and governmental access facilities under Article II, Section 3.b., or the Franchisee's failure to comply with any Federal, State, or local law or regulation, or the provisions of this Agreement.

SECTION 17. INSURANCE

a. Franchisee shall, at its sole cost and expense, procure and maintain in full force and effect, throughout the term of this Agreement, the types and minimum limits of insurance specified below. All insurance shall be procured from reputable insurers admitted to do business on a direct basis in the Commonwealth of Pennsylvania or otherwise acceptable to the City. All insurance herein shall be written on an "occurrence" basis and not a "claims made" basis. The Comcast Franchise Renewal – Area III

insurance shall provide for at least thirty (30) days prior written notice to be given to the City in the event coverage is materially changed, canceled or non-renewed. The City, its officers, employees and agents, shall be named as additional insured on all policies required hereunder except the Workers Compensation and Employers liability Policy. Also, an endorsement is required stating that the coverage afforded the City and its officers, employees and agents as additional insureds will be primary to any coverage available to them and that no act or omission of the City shall invalidate the coverage.

(1) Workers Compensation and Employers Liability

Workers Compensation: Statutory Limits

Employers Liability: \$500,000 each accident--bodily injury by accident;
\$500,000 each employee-bodily injury by disease; \$500,000 policy limit

(2) Commercial General Liability

Limit of Liability: \$10,000,000 per occurrence combined single limit for
bodily injury (including death) and property damage liability.

Coverage shall include premises operations; blanket contractual liability;
personal injury liability (employee exclusion deleted); independent
contractors; employees as additional insureds; cross liability/severability of
interests; broad form property damage; explosion, collapse, underground
hazards.

(3) Automobile Liability

Limit of Liability: \$10,000,000 per occurrence combined single limit for
bodily injury (including death) and property damage liability.

Coverage: owned, non-owned and hired vehicles

b. Certificates of Insurance evidencing the required coverage must be submitted to the Commissioner at the address set forth in Article I, Section 13, and to the City's Risk Manager (1515 Arch Street, 15th floor, Philadelphia, PA 19102-1595) at least ten (10) days before each renewal term. The City reserves the right to require Franchisee to furnish certified copies of the original policies of all insurance required hereunder at any time upon ten (10) days notice to contractor.

The Insurance requirements set forth herein are not intended and shall not be construed to modify, limit or reduce the indemnifications made in the Agreement by Franchisee

Comcast Franchise Renewal – Area III

to the City, or to limit Franchisee's liability under the Agreement to the limits of the policies of insurance required to be maintained by Franchisee in this Agreement.

SECTION 18. INSURANCE AND BOND LIMITS

After consultation with the Franchisee, the Commissioner on consultation with the City's Risk Manager, may require that the limits on insurance required by this Agreement, and/or the limits on bonds required by this Agreement, be increased by the Franchisee from time to time to reflect increased potential liability and damages; provided, however, that the Commissioner may not require that the limits on insurance be increased beyond the limits which are, at any given time, the limits consistent with the standards of the cable communications industry, and provided that the City document in reasonable detail the increased risk necessitating such change. If the City determines that an increase under this section is necessary the City shall provide notice to Franchisee identifying such additional risk and the City's intent to increase the required Insurance and/or Bond limits, and shall provide Franchisee with an opportunity to either object in writing or provide the City with evidence of such increased insurance or bond within a period of forty-five (45) days from the date of notice

SECTION 19. PUBLIC NOTICE

Minimum public notice of any City public meeting relating to the Franchise shall be given by the City by publication at least once in two local newspapers of general circulation at least ten (10) days prior to the meeting, and by posting as the Chief Clerk of City Council may direct, a copy of which notice shall be mailed to the Franchisee. Commencing on the seventh (7th) day prior to the meeting, the Franchisee shall notify its subscribers of the meeting by announcement on the half hour on at least one (1) channel on the lowest service tier of the Area System between the hours of 7:00 p.m. and 9:00 p.m., for five (5) consecutive days.

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ARTICLE II.

SYSTEM UPGRADE, OPERATION STANDARDS AND PROCEDURES

SECTION 1. SERVICE AVAILABILITY AND RECORD REQUEST

The Franchisee shall provide cable communications service throughout the Area pursuant to the provisions of this Agreement and shall keep a record of all reasonable requests (as described in Article II, Section 3.a.3.) for the provision of basic service in the Area received by the Franchisee. This record shall show when and what action was taken in connection with such requests, shall be maintained for at least three (3) years, and, in accordance with the terms of this Agreement (including, without limitation, Article II, Section 10) but subject to applicable law, shall be available for inspection by the City.

SECTION 2. AREA SYSTEM UPGRADE

a. (1) Subject to Article IV, Section 8 and Appendix B, the Franchisee, not later than twelve (12) months prior to the expiration of the Original Franchise, shall submit to the Commissioner a detailed plan (the "Upgrade Plan") covering all aspects of the construction of the Area System Upgrade, including, without limitation, a detailed construction schedule separately designating the miles of cable of the Area System to be upgraded, and the sections of the Area to be upgraded in each year. Such Upgrade Plan and construction schedules shall set forth, by census tract, zip code, neighborhood or other similar discrete geographical section of the Area, the sequence of the upgrade construction and the date by which each discrete geographical area will be fully upgraded. The size, boundary, and number of such discrete geographical areas shall be proposed by Franchisee and shall be subject to the Commissioner's prior approval. In order to ensure that the Upgrade is performed on an equitable basis throughout the Area, the Upgrade Plan shall provide for construction of the upgrade concurrently in multiple discrete geographical areas, without regard to the social, demographic, or economic characteristics of any of the geographical areas. The Franchisee, for good cause shown and with the approval of the Commissioner, which shall not be unreasonably withheld, may deviate from the construction schedules set forth in the Upgrade Plan, provided that construction and

activation proceeds concurrently throughout the socially, economically, and demographically diverse sections of the Area, and provided that Completion of the Upgrade of the Area System occurs within sixty (60) months after Certification in accordance with Section 2.b. below.

(2) Within one hundred and twenty (120) days following receipt of the Upgrade Plan, the Commissioner will deliver his/her written notice of Certification or rejection of the Upgrade Plan to Franchisee. In the event of rejection, the Commissioner's notice shall set forth in reasonable detail the deficiencies in the Upgrade Plan that are the basis for his/her rejection and the requirements that must be satisfied for Certification of the Upgrade Plan. Within thirty (30) days following the date of the Commissioner's notice, Franchisee shall submit to the Commissioner a revised Upgrade Plan that corrects all such deficiencies and complies with such requirements. Within thirty (30) days following receipt of the revised Upgrade Plan, the Commissioner shall issue his/her written notice of Certification or rejection of the Upgrade Plan as revised. In the event the Commissioner rejects the revised Upgrade Plan, the following procedure shall apply: Within thirty (30) days after the Franchisee receives the Commissioner's notification that the Upgrade Plan is not Certified, the parties shall retain a mutually agreeable third party knowledgeable about cable television system engineering and the technical and business aspects of cable system upgrades and upgrade construction (the "Engineer") who shall evaluate the Upgrade Plan, as revised, and, within thirty (30) days after appointment, issue a written report setting forth his/her determination as to whether the Upgrade Plan, as revised, (a) corrects the deficiencies and satisfies the requirements identified by the Commissioner in his/her notice of rejection, (b) complies with the terms and conditions of this Agreement, including, without limitation, all requirements of Section 2.a.(1) above, and (c) satisfies applicable engineering and other technical standards. If the Engineer determines that the Upgrade Plan, as revised, is deficient in any of the respects identified in subsections (a)-(c) preceding, his/her written determination shall specify the reasons why, what steps are required to make the Upgrade Plan conform to the requirements set forth in subsections (a) through (c) above, and a reasonable period of time to complete such additional steps. Within thirty (30) days following receipt of the Engineer's report, or such longer period as may be agreed by Franchisee and the Commissioner, Franchisee shall submit a second revision of the Upgrade Plan complying with all requirements of the Engineer's report. The Engineer shall promptly review the second revised Upgrade Plan and issue his/her written determination whether it complies with all requirements of his/her report. If the Engineer's written determination concludes that all such requirements have been met, then the Commissioner, within thirty (30) days following receipt of the Engineer's

determination, shall Certify the Upgrade Plan, as revised; if the Engineer determines that any such requirements have not been met, then Franchisee shall further revise its Upgrade Plan to comply with the Engineer's determination and shall continue to revise the Upgrade Plan until such time as the Engineer reports, in writing, that it is in compliance. Notwithstanding anything to the contrary that may be set forth in this Section 2.b or elsewhere in this Section 2 or in the Agreement, if the Engineer has not found the Upgrade Plan to be in compliance by the expiration date of the Original Franchise, then the liquidated damages set forth in Article III, Section 4.a. and Section 4.a.1.a. shall apply for each day that the Upgrade Plan is not in compliance until such time as the Engineer reports in writing that the Upgrade Plan is in compliance.

(3) If the Upgrade Plan is not Certified by the Commissioner and the Engineer retained in accordance with Section 2.a.(2) determines that the Upgrade Plan, as revised, is deficient as described in Section 2.a.(2), then all fees and expenses of the Engineer shall be borne by Franchisee. If the Engineer determines that the Upgrade Plan, as revised, complies with all requirements set forth in subsections (a)-(c) above set forth in Section 2.a.(2), then all fees and expenses of the Engineer shall be borne by the City.

b. The Franchisee shall apply for all governmental permits, licenses, certificates, approvals and authorizations within the time specified in Article II, Section 5.a. On-site upgrade construction in accordance with Appendix B, as it may be amended pursuant to the terms of this Agreement (Appendix B and any amendments thereto are hereafter collectively called "Appendix B"), shall commence as soon as is reasonably possible after Certification, but in no event later than six (6) months after Certification. The Franchisee shall complete the Upgrade of the Area System, as described in Appendix B, within a period of sixty (60) months after Certification. In no event shall construction of the Upgrade commence unless and until the Upgrade Plan is Certified by the Commissioner or, if rejected by the Commissioner in accordance with Section 2.a.(2), is determined by the Engineer to be in compliance with all requirements set forth in the Engineer's report(s), as described in Section 2.a.(2).

c. The Franchisee may activate and begin direct marketing of segments of the upgraded Area System as set forth in Appendix B, provided that: (1) Upgrade has been completed on each such segment, except that a proof of performance test need not be conducted; (2) a "mini-proof" (as described in Appendix D, Section 2) shall have been conducted on each

such segment; and (3) a full proof of performance test (as described in Appendix D, Section 2) shall be conducted on all activated portions of the Area.

d. The Commissioner shall have the right in the first instance to make the determination whether construction is being completed and service is being extended by the Franchisee in accordance with the requirements of this Agreement. At such time as the Franchisee determines that it has completed the system Upgrade in accordance with Appendix B, it shall provide written certification to the Commissioner specifying the date that the Upgrade in accordance with Appendix B was completed. If within one-hundred-twenty (120) days after receipt of certification the Commissioner does not agree that the Upgrade has been completed, the Commissioner shall notify the Franchisee in writing. The sixty (60) month period for Completion of Upgrade pursuant to Article I, Section 2.a. shall be tolled during the Commissioner's review. If the Commissioner does not notify the Franchisee in writing within one-hundred-twenty (120) days of receipt of the Franchisee's initial certification that the Commissioner does not agree that the Upgrade has been completed, then the Franchisee's certification shall be final. Within thirty (30) days after the Franchisee receives the Commissioner's notification that the Upgrade has not been completed, the parties shall retain a mutually agreeable third party knowledgeable about cable television system engineering (the "Engineer") who shall determine whether the Upgrade has been completed. Within thirty (30) days after appointment, the Engineer shall inspect the cable system and issue a written report setting forth his/her determination whether or not the Upgrade has been completed in accordance with Appendix B. If the Engineer determines that the Upgrade has not been completed, his/her written determination shall specify the reasons why, what steps are required for the Upgrade to be completed and a reasonable period of time to complete such additional steps. The Engineer shall promptly reinspect the cable system following Franchisee's recertification that it has completed the Upgrade, and within thirty (30) days of the recertification shall issue his/her written determination whether the Upgrade has been completed. If the Engineer determines that the Upgrade has been completed, the fees and expenses of the Engineer shall be paid by the City. If the Engineer determines that the Upgrade has not been completed, the fees and expenses of the Engineer shall be paid by Franchisee. Upon certification that the Upgrade has been completed in accordance with the procedures set forth in this Section 2.d., the Commissioner shall take the steps necessary to cause the release of the Construction Bond.

e. Subject to Article II, Section 3.a.8. and applicable law, cable service shall be available at a uniform system of rates to all dwelling units now or hereafter located within the Area, provided however, that discounts in connection with the marketing of services hereunder (including the marketing of services to dwelling units) may be uniformly offered, and discounts or additional charges to commercial subscribers (including, without limitation, hotels, motels, restaurants and taverns) may be uniformly offered or charged. Nothing in this Section 2.e. shall prohibit the Franchisee from: (1) offering a uniform discount during one period of time that differs from a uniform discount offered during a different period of time; or (2) requiring different amounts of deposits from different subscribers, provided that such difference in deposits is based on a subscriber's credit history with the Franchisee, and provided that all required deposits are reasonable. No "line extension policy", where residents in less densely populated areas will be required to make expenditures greater than the uniform rate to be charged, will be implemented by the Franchisee. Nothing in this Agreement (including, without limitation, Article II, Section 3.a.7.) shall prohibit the Franchisee, at its option, from imposing an additional, uniform system of charges for drops exceeding one hundred fifty (150) feet in total length.

f. After the adoption of appropriate legislation requiring developers and/or property owners, in cases of new construction or property development where utilities are to be placed underground, to cooperate with CATV operators for the pre-wiring of such developments, the Franchisee shall be required to comply with the requirements of such legislation.

g. The Commissioner or the Commissioner's designee shall have the right to inspect all construction or installation work performed pursuant to this Agreement and to make such tests as the Commissioner shall deem reasonably necessary to ensure compliance with the terms of this Agreement and all other applicable laws. All inspections and tests performed by any other City agencies shall be as required by law or ordinance. The time within which Construction must be completed under the terms of this Agreement shall be extended for a reasonable period to be determined by the Commissioner in the event of any delay necessarily resulting from such tests.

h . 1. The Franchisee shall comply with the plan set forth in Appendix for interconnection of the Area System with the other franchised systems serving the City.

2. The Franchisee may, after notice to and consultation with the Commissioner, interconnect the Area System with other types of systems, including, but not limited to, other Cable Communications Systems, both within and outside of the City, provided that, unless otherwise provided by this Agreement, no such notice or consultation shall be required for the purchase of programming for delivery to subscribers within the Areas.

3. Subject to Article II, Section 2.h.4., the Franchisee shall interconnect local origination, access and institutional channels of the Area System with any or all other systems upon the directive of and on the timetable set by the Commissioner.

4. Upon receiving the directive of the Commissioner to interconnect pursuant to Article II, Section 2.h.3., the Franchisee shall immediately initiate negotiations with the other affected system or systems in order that costs may be shared equitably for both construction and operation of the interconnection link. The Franchisee may be granted reasonable extensions of time to interconnect or the Commissioner may rescind the Commissioner's directive to interconnect, upon petition by the Franchisee to the Commissioner. The Commissioner shall grant such request if the Commissioner finds that the Franchisee has negotiated in good faith and has failed to reach an agreement with the system or systems of the proposed interconnection, or that the cost of the interconnection would cause an unreasonable or unacceptable increase in subscriber rates.

5. The Franchisee shall cooperate with any interconnection corporation, regional interconnection authority and/or city, county, State or Federal regulatory agency which may be hereafter established for the purpose of regulating, financing, or otherwise providing for the interconnection of cable systems beyond the boundaries of the City.

6. Any connection whatsoever of the Area System with any other kind of system, including, but not limited to, a Cable Communications System, shall not relieve the Franchisee of any of its obligations under this Agreement.

SECTION 3. FRANCHISEE SERVICES

The Franchisee shall provide services in accordance with this Agreement, including, without limitation, the following:

a. Subscriber Services

The Franchisee shall provide the subscriber services during the term of this Agreement which are set forth in Appendix A attached to this Agreement and made a part

hereof. The Franchisee shall provide the services set forth in Appendix A provided that, subject to applicable law, the Franchisee may, upon notice to the Commissioner, delete, substitute or reasonably alter the services so long as broad categories of video programming and other services are maintained.

1. Subscriber Services Plan

The Franchisee shall submit to the Commissioner a detailed consumer services plan thirty (30) days prior to commencement of any new services. Such plan shall describe the facilities, personnel, repair, complaint and adjustment procedures, telephone and other information systems of the Franchisee, and shall contain a certification signed by the Franchisee that the Franchisee believes that the plan is sufficient to ensure timely, efficient and effective services to consumers. Such plan shall also be consistent with the requirements set forth in Article II, Section 8.

2. Franchise Solicitation

At the time of entering into a written agreement with any Area resident for basic cable service the Franchisee shall provide (by means of a mailing or otherwise) each such resident with a simple but thorough written explanation of all services offered; the price of such services; the availability of the parental lock-out device; installation procedures and privacy rights of the subscriber as set forth in Section 5 of Article IV and Section 10 of Bill No. 53-A, and applicable Federal and State law.

3. Request for Installation

Standard installations will be performed within seven (7) business days after an order has been placed. "Standard" installations are those that are located up to 150 feet from the existing distribution system. Under normal operating conditions, this standard will be met no less than ninety-five (95) percent of the time measured on a quarterly basis. The Franchisee shall use its best efforts to fill all reasonable requests for any custom installation (described in Article II, Section 3.a.7.) within thirty (30) days after an order has been placed. A request shall be deemed reasonable if: (1) the services requested are uniformly available on the Area System, (2) the Franchisee in cooperation with appropriate agencies can accomplish a proper physical extension of the Area System to a person's premises within thirty (30) days, (3) the Franchisee can obtain access to a person's premises during normal business hours, (4) any reasonable advance deposits which may be required by the Franchisee have been paid, and (5) the person requesting services is not currently in debt to the Franchisee for the provision of

services. If the Franchisee fails within such period to provide the services requested because the Franchisee is unable to obtain access to the person's premises during normal business hours, the Franchisee, upon request of the person requesting such services, shall within thirty (30) days thereafter promptly refund any and all deposits and/or advance payments made by such person.

4. Installation or Reconnection Information

The Franchisee shall, upon installation or reconnection of service, by appropriate means such as a card or brochure, provide each subscriber with a simple but thorough written explanation concerning the procedures for inquiries, complaints, service and adjustment, and the proper use of the converter and other cable-related equipment provided by the Franchisee to the subscriber. Thereafter, the Franchisee shall provide subscribers with such information at the time of installation of service, at least annually and at any time upon request. Such information shall include the title, address and local telephone number of the employee or employees or agent to whom inquiries and complaints are to be addressed, and shall describe the City's responsibility for the administration of the Franchise with the address and telephone number of the appropriate City office responsible for such administration.

5. Translated Information

The information and materials described in subsections a.2. and a.4. above shall also be available in Spanish upon the request of any potential subscriber. The Franchisee shall cooperate with other identifiable ethnic groups to assist in translations to other appropriate languages.

6. Information Filed with Commissioner

The Franchisee shall file the information and materials set forth in subsections a.2. and a.4. above with the Commissioner as soon as they are available, but prior to any distribution of such information or materials.

7. Custom Installation, Reconnection and Relocation

A custom installation, reconnection or relocation shall consist of one which is in excess of 150 feet from the existing distribution system or where the subscriber has requested routing from the tap that is different from the easiest route that could otherwise be taken (usually following the telephone drop) and that results in a greater cost. Installation of concealed wiring is an example of custom installation. In each instance of a custom installation, reconnection or relocation, if offered by the Franchisee, the Franchisee will provide the requesting resident with an itemized estimate for such service. The Franchisee may require an

advance payment of no more than fifty percent (50%) of the custom installation, reconnection or relocation charge.

8. Service to Multiple-Dwelling Buildings

Installation or subscriber use of cable service which involves the retransmission of the signal to a multiple dwelling unit, as defined in the FCC's regulations as amended from time to time, and a tenement building, apartment, or multiple dwelling premises, as defined by 68 P.S. § 250.501-A, as amended from time to time shall be negotiated separately by the Franchisee and the owner of the structure and, if necessary, in accordance with applicable provisions of 68 P.S. § 250.501B through § 250.50510B, as amended from time to time, concerning Tenants' Rights to Cable Television. Service to condominium buildings shall be on such conditions as the governing body of the unit owners may agree with the Franchisee. Neither the Franchisee nor the City shall be responsible or liable for any failure to provide cable communications services to a lessee or condominium owner whose lessors or governing body does not reach agreement with the Franchisee for the installation of such service. The availability of Cable Service to any multiple-dwelling unit, tenement building, apartment or premises shall not be conditioned upon the purchase by the owner, lessor or governing body of such structure of any service other than Cable Services of the Franchisee or any person designated by it.

9. Attachment and Removal of Equipment

a. If attachment to or use of another person's property is necessary for the provision of cable communication services to a person, and there is no easement with respect to such property permitting such attachment or use which is available for the Franchisee's use or which can be obtained therefor by payment of no more than a nominal sum, then it shall be the obligation of the person desiring service to secure an easement with respect to such property which will enable the Franchisee to provide the services desired, and the Franchisee shall not be liable under this Agreement for its inability to provide services if such easement is not secured.

b. The Franchisee shall render reasonable assistance to persons who are obligated to secure such easements, including, but not limited to, providing such persons with legal forms of agreement.

c. All of the Franchisee's cable equipment used solely to provide Cable Service to a particular subscriber shall be removed from such subscriber's property upon such subscriber's request, within a reasonable period of time, such time not to exceed thirty (30)

days; provided, however, that the Franchisee shall not be required to so remove equipment upon request of a subscriber delinquent in payment to the Franchisee.

b. Access Service

1. The Franchisee shall provide all access channels on the Area System as provided in Appendix E. Franchisee shall provide access production facilities and equipment for users of the dedicated public, educational and government access channels on the system, and shall contribute to the funding of the Access Corporation all as required by Appendix E. Except as otherwise specifically provided in Appendix E, the Franchisee shall provide all such access channels, facilities and equipment at no cost to the City or users of the access channels. Subject to applicable law, the Franchisee shall also provide the leased access channels on the Area System as required by this franchise in accordance with Appendix E. Neither any reduction in the manner or type of access channels, nor any material alteration of access facilities or access equipment, shall be made by the franchisee without the prior approval of the Commissioner.

2. The Franchisee shall have no control over or responsibility for the content of public, educational and government access cablecast programs.

c. Institutional Network Services

The Franchisee shall provide institutional services to the City in accordance with Appendix G, which Appendix is adopted and incorporated herein.

d. Customer Service Standards

1. During the term of this Agreement, the Franchisee shall comply in all material respects with the FCC's Customer Service Standards, 47 C.F.R. § 76.309, as they may be amended from time to time. In addition, the Franchisee shall provide the following "On-Time Guarantee":

(a) In the event the Franchisee fails to arrive at the subscriber's premises within the promised four (4) hour period for a standard service installation, the subscriber shall receive free installation.

(b) In the event the Franchisee fails to arrive at the subscriber's premises within the promised four (4) hour period for a service appointment, the subscriber shall receive a \$20 credit.

2. During the term of this Agreement, the Franchisee shall at no time engage in “Negative option billing” as that term and practice is defined and described in 47 C.F.R. § 76.981.

e. Online Service to Schools

Within twelve (12) months after Franchisee makes a cable modem service providing Internet access for personal computers commercially available to residential customers over the Area System in the Area or a node serving a portion of the Area, the Franchisee will, upon request of the Commissioner, provide schools within the Area or node with one free connection to such cable modem service. At a minimum, such cable modem service will provide access to the Internet. Upon request, each connected public or private (K-12) school will receive a minimum one free cable modem and free, unlimited access to the Internet and the cable modem during the school year. Additional cable modems and certain operational support and services (for example, assisting connected schools in setting up and maintaining reliable Internet connections), will be provided to connected schools, at cost, upon request. In addition, for a period of five (5) years from the date of the Franchisee’s Social Contract with the FCC, Franchisee will sponsor local workshops on use of the cable modem service in the Area where the service is commercially available to educate teachers about the educational services being provided by Franchisee and to provide an opportunity for hands-on training.

SECTION 4. CONSTRUCTION AND TECHNICAL STANDARDS

a. The Franchisee shall construct, install, operate and maintain the Area System in a manner consistent with all Federal, State and local laws, regulations, construction standards, FCC technical standards, and all other applicable governmental requirements, including, but not limited to, U.S. Department of Transportation requirements relative to antennae structures, and the standards of the Occupational Safety and Health Administration, and detailed standards submitted by the Franchisee in the Application.

b. Multiple cable configurations shall be arranged in parallel and bundled in accordance with engineering and safety considerations.

c. All installations of cables and wires shall be underground in those areas of the City where both telephone and electric utilities' cables and wires are underground at the time of installation of the Area System. In areas where either telephone or electric utilities' cables and wires are above ground at the time of the installation of the Area System, the Franchisee may install its cables and wires above ground only upon the condition that at such time as those utilities' cables and wires are placed underground by the telephone and electric utility companies or such facilities are required to be placed underground by the City, the Franchisee shall likewise place its cables and wires underground at its sole cost and expense.

d. The Franchisee shall construct all cables and wires in a manner acceptable to the City in, on, under, upon, across and along the Highways parallel to existing utilities where possible. The Franchisee is authorized to utilize any utility poles with primary or secondary service lines, to attach cable and make service drops to buildings on both sides of a street. The Franchisee is authorized, with the approval of SEPTA, to utilize metal poles used to support trolley and trackless trolley power lines to attach cable and make service drops to the nearest adjacent buildings on one side of the street. In those instances in which utilities do not use poles, the Franchisee shall use its best efforts, subject to Article II, Section 3.a.9. and to applicable law, to construct cable at the rear of existing buildings and to acquire such permission as may be necessary. If the Franchisee is unable to construct the Area System in the manner set forth above, then the Franchisee shall request the approval of the Commissioner to serve such buildings by utilizing standard aerial cable construction techniques designated by the Franchisee. The Commissioner's approval shall not be unreasonably withheld or withheld on aesthetic grounds alone. If such standard aerial cable construction techniques are not approved by the Commissioner, the Franchisee and Commissioner shall meet and seek agreement upon an alternative aerial construction technique, provided that such technique shall allow buildings on both sides of the yard or street to be served by a single cable, in order to meet the goal of providing cable services to all dwelling units in Area III. However, if the Franchisee and Commissioner cannot agree on a mutually acceptable technique, the issue shall be submitted to the City Council for final resolution. Notwithstanding the previous provisions of this subsection, in any areas of the City in which cable service is already provided on the effective date of this Agreement, the Franchisee may utilize conventional aerial construction techniques, and any easements and facilities employed in the previous cable construction.

e. Without limiting the generality of any other provisions of this Agreement, the Franchisee shall at all times comply with:

1. National Electric Safety Code, as prepared by the Institute of Electrical and Electronics Engineers, existing as of the time of construction or rebuilding;

2. National Electrical Code of the National Fire Protection Association, existing as of the time of construction or rebuilding;

3. Bell Telephone System's Code of Pole Line Construction (also known as "Bell Systems Manual of Construction Procedures"), existing as of the time of construction or rebuilding; and

4. All other applicable Federal, State and local requirements. The Franchisee shall take all reasonable steps to ensure that the Area System shall not endanger or interfere with the safety of persons or property in Area III or other areas where the Franchisee may have equipment located.

f. FCC Rules and Regulations concerning radio frequency ("RF") leakage shall govern; however, if at any time FCC Rules and Regulations do not regulate RF leakage, then the following portion of this subsection f. shall govern. RF leakage shall be regularly checked at reception locations for emergency radio services to ensure that no interfering signal combinations are possible. Stray radiation shall be measured adjacent to any aeronautical navigation radio sites to ensure no interference to airborne navigational reception in the normal flight patterns.

g. The Franchisee shall maintain equipment capable of providing standby power for headend, transportation and trunk amplifiers for a minimum of two (2) hours under the most severe weather conditions reasonably foreseeable in the Area.

h. The Franchisee shall incorporate into the Area System the capability that will permit the City in times of emergency to override the audio portion of all channels simultaneously. The Franchisee, in consultation with the Commissioner, shall designate a channel which will be used for emergency broadcasts of both audio and video signals, which channel shall be the same throughout the System. The Franchisee shall cooperate with the City in the use and operation of the emergency alert override system. The City shall secure access to such override system.

SECTION 5. SYSTEM CONSTRUCTION STANDARDS

a. Permit and Construction Procedures

1. The Franchisee shall apply for all governmental permits, licenses, certificates, approvals and authorizations necessary to commence on-site Upgrade construction, and the Franchisee shall apply, in a timely fashion, for such additional permits, licenses, certificates, approvals and authorizations as are required to Complete the Upgrade and necessary to complete any construction of the System. The Commissioner shall cooperate with the Franchisee in the Franchisee's obtaining of such items. Provided, however, that in no event shall this provision relieve the Franchisee of its obligations to obtain such items within the times specified in this Agreement, subject to any extension granted pursuant to Article IV, Section 8.

2. Before commencing the Upgrade of any segment of the Area System, the Franchisee shall obtain the written approval of all appropriate City agencies as required by law and as identified by the Commissioner, and shall file design maps and underground plans with the Commissioner in such detail and number as the Commissioner shall require, and shall enter into use agreements with utility companies and other pole or conduit owners. Permit applications shall be processed in an expeditious manner, and no permit shall be unreasonably withheld. However, nothing in this Agreement shall be construed as a representation, promise or guaranty by the City that any permit shall be issued. Upon the rejection of any permit application, the City shall provide the Franchisee with written notice of the reasons for such rejection.

3. Upon obtaining such written approvals or permits, the Franchisee shall give the appropriate agencies written notice through the Commissioner within a reasonable time of proposed construction in any area, but in no event shall such notice be given to the Commissioner less than ten (10) business days prior to the commencement of any construction. All such notices shall identify the area in which construction shall commence by design map or plan number. Upon verbal request of the Commissioner, the Franchisee shall immediately notify the Commissioner of the general location of any construction or maintenance of any part of the Area System within the City.

4. In the event of any substantial routing change in the design maps or plans previously submitted to the City, the Franchisee shall resubmit corrected design maps or plans at least ten (10) business days in advance of performing the work.

5. Where advance notice of a substantial routing change in aerial plant construction is not practicable due to unforeseeable on-site conditions, proposed changes shall be reported to the Commissioner by telephone immediately for approval, and corrected design maps or plans shall be submitted to the City within ten (10) business days.

6. Construction and maintenance of existing cable television facilities by the Franchisee along major arterial streets on which parking is not permitted during rush hours or on which construction or maintenance would significantly interrupt normally heavy traffic flow, shall be done during nonrush hours. If it is necessary to occupy other major arterials during rush hours, such occupancy shall be controlled to cause the least disruption of traffic in the predominant direction of flow.

7. Wherever practicable, aerial cable shall be installed on existing poles. Should there be a requirement to place a new pole or new anchor in the Public Places, the Franchisee shall obtain a permit from the City.

8. Supervisory personnel of the Franchisee must maintain a copy of the approved City permit(s) and appropriate plan or map at the construction site or at a nearby construction site office.

9. Five sets of design maps, in sufficient detail to enable the Commissioner to approve or disapprove such maps, shall accompany each permit application for aerial plant submitted to the Commissioner. Each design map shall contain the following information (a key to all symbols used shall be printed on each map and plan):

- (a) Map Number
- (b) City limits
- (c) Existing utility poles
- (d) Street names
- (e) Proposed routing of Franchisee strand
- (f) Dwelling units per multiple dwelling unit complex and/or per pole, and/or per mile

Because System maps or plans provided to the City pursuant to this Article II may contain proprietary and confidential business information, any such documents which are marked by the Franchisee "CONFIDENTIAL" shall be for the use of the City only and shall not be available for public inspection. Design maps shall be submitted by the Franchisee not less than two (2) weeks in advance of anticipated work to be performed. Within ten (10) working days after submission, these maps shall be reviewed by the appropriate City agencies and permits will be issued as

required and when relevant conditions are met. Permits for aerial construction will be valid for a period of one (1) year. Make-ready requests shall be made to the appropriate pole owners, based on information obtained during a make-ready survey. The costs of all make-ready work performed by the City at the request of the Franchisee shall be paid by the Franchisee immediately upon demand by the City.

10. The Franchisee shall obtain all necessary permits for underground construction in the Public Places. Sets of detailed and accurately dimensioned plans, in such detail and number as the Commissioner shall require, shall accompany each application for an underground construction permit. The plans shall contain the specific location (within the area affected by cable facilities) of street lines, sidewalk and curb lines, and all underground facilities, including but not limited to sewers, water facilities, street-lighting cables, communications cables, municipal conduits, irrigation systems, electrical cables, telephone cables and gas mains. Cross-sections, where required by the City, and plan views, in all cases, shall be shown.

11. As electronic maps are developed, the Franchisee shall submit three sets of each map to the Commissioner. Each map shall contain the following information:

- (a) Proposed electronics
- (b) Proposed super-trunk, subscriber and institutional trunk and feeder
- (c) Street names

If such information is included in the submitted design maps, the Franchisee need not submit separate electronic maps.

12. The Franchisee shall operate and maintain all elements of the Area System in accordance with the "as built" maps submitted to the Commissioner as required by Article II, Section 5.c.

13. The Franchisee shall employ strict construction procedures and standards that will ensure the safety, longevity, reliability, performance and serviceability of the Area System. The procedures to be followed by the Franchisee shall be in conformance with the information contained in the Construction Manual provided for in subsection m. of this Section 5.

14. The Franchisee agrees to take charge of and be responsible for the entire installation and construction of the Area System. The Franchisee shall have a competent

representative present at the work site or at a nearby construction site office. Such representative shall have full authority to execute any order.

b. No Liability or Warranty

Neither this Agreement nor any act or omission of the City shall be construed to create or hold the City responsible or liable for any damages to persons or property (including, without limitation, the Franchisee and the Franchisee's property), by reason of any inspection or reinspection required or authorized herein or failure of any person to conduct such inspection or reinspection. Neither the issuance of any permit or license by the City, the approval or disapproval of any equipment authorized herein by the City, nor any agreement executed pursuant hereto, shall constitute any representation, guaranty or warranty of any kind or be a defense against the Franchisee's obligation to indemnify, defend and hold harmless the City pursuant to Article I, Section 16.

c. Availability of Plans and Data

The Franchisee shall keep at least one full set of accurate, complete and current maps, records, plans, specifications, drawings and technical data of the Area System and facilities at its principal office in the City. The Franchisee shall furnish to the Commissioner, one (1) complete set of reproducible, "as built" maps for each Upgraded segment of the Area System as soon as such maps are completed by the Franchisee and in no event later than one hundred twenty (120) days after initial activation of each segment not exceeding seventy-five (75) miles. The Franchisee shall furnish all area "as built" maps, plans and drawings on diskette or CD-ROM in a compatible version of AutoCAD as requested by the Commissioner. All City agencies shall have the right to request, through the Commissioner, and the Franchisee shall furnish, all maps, plans, drawings and technical data in sufficient detail so as to enable each City agency to fulfill its obligations.

d. Interference with Persons and Improvements

The Area System, poles, wires, and appurtenances shall be located, erected and maintained so that none of the facilities shall endanger or unreasonably interfere with the lives of persons, or interfere with any improvements the City has made or may deem proper to make, or unnecessarily hinder or obstruct the free use of the Public Places.

e. Minimum Interference with Public Places

All transmission and distribution structures, lines and equipment erected by the Franchisee within the City shall be so located as to cause minimum interference with the proper use of Public Places, and to cause minimum interference with the rights or reasonable convenience of property owners who adjoin any public Places.

f. Restoration to Prior Condition

Subject to the terms of any applicable regulations and policies of the City, laws and permits, and the other provisions of this Agreement, the Franchisee shall at its sole cost and expense

- (1) restore and replace in a manner approved by the City any and all Public Places, and
- (2) restore and replace any other property, real or personal, disturbed, damaged or in any way injured by or on account of the Franchisee, through its acts or omissions or those of its agents, employees, contractors, partners, directors or officers, to the same condition as such property was in immediately prior to the disturbance, damage or injury.

g. Relocation of the Facilities

The Franchisee shall, at its own cost and expense and upon at least thirty (30) days prior notice from the City, protect, support, temporarily disconnect, relocate in the same or other public right-of-way, or remove from such public right-of-way any portion of the Area System when required to do so by the City due to highway or other public excavation, construction, repair, regrading, or grading; traffic conditions; installation of sewers, drains, water pipes, City-owned power or signal lines, or tracks; the vacation, construction of or relocation of highways or any other type of structure or improvement of a public agency, or any other type of improvement necessary for the public health, safety or welfare. Notwithstanding anything herein to the contrary, (1) the City shall not be required to give any advance notice in the event of an emergency and the City shall not be liable for the cutting or moving of wires, cables, amplifiers, appliances or appurtenances during any emergency, and (2) reasonable interruption of service to the Franchisee's subscribers necessarily resulting from obligations of the Franchisee under this subsection g. shall not be deemed a breach of this Agreement by the Franchisee.

h. Interference with Utilities

The Franchisee shall not place poles or other fixtures where the same will interfere with any gas or water facilities, or unreasonably interfere with any electric or telephone facilities, or obstruct or hinder the various utilities serving the residents of the City. Upon request of the Franchisee, the City shall use its good faith efforts to work with the Franchisee and the utilities to accommodate the Area System construction; provided, however, that in no event shall the City's failure to use such efforts relieve the Franchisee of its obligations under this Agreement. All such poles or other fixtures placed in any public rights-of-way shall be placed close to the line of the lot abutting on said public rights-of-way and then in such manner as not to interfere with the usual travel on said public rights-of-way. If any City utility lines (including, but not limited to, water and gas), structures or facilities are damaged or disturbed in connection with the construction or operation of the Area System, then the Franchisee shall pay all costs of repair to the City immediately upon demand therefor. The Franchisee shall maintain, service, support and protect, all lines, structures and facilities of all City utility companies (including, but not limited to, water and gas) that may be liable to disturbance or damage during the progress of the construction or operation of the Area System.

i. Tree Trimming

The Franchisee shall not remove any tree or trim any portion, either above, at or below ground level, of any tree within any Public Place without the prior consent of, and subject to the direction of, the Fairmount Park Commission, nor of any tree within a private place without the prior consent of the owner. The Franchisee shall be responsible for, and shall defend and hold the City harmless from, any and all damages (in excess of any damages consented to by the Fairmount Park Commission or such owner) to any tree as a result of trimming or to the land surrounding any tree, if such tree is trimmed or removed. All trimming and removal shall be at the Franchisee's sole expense.

j. Notice to Property Owners

Property owners shall be given reasonable advance notice if the Franchisee shall use private property, in a manner reasonably calculated to provide such notice.

k. Inspections, Maps and Records

The City shall have the right to inspect and examine at any reasonable time and upon reasonable notice, the property owned or used, in part or in whole, by the Franchisee in

connection with the System. In addition, the Franchisee shall keep current records and maps on all underground facilities that the Franchisee owns or operates. Subject to the provisions of Article II, Section 5, such maps and records are to be available for inspection by all utilities for the utilities' purposes and the City within one (1) business day after request therefor or, in the event of an emergency, immediately after request therefor.

l. Identification Badges

All employees of the Franchisee and its contractors or subcontractors who must enter residences, private property or Public Places in the City for the purpose of performing any duty relating to the operation of the System shall be required to wear an identification badge which bears a photograph and the name and/or employee number identifying such person as an employee of the Franchisee or its contractor or subcontractor. Each such badge shall identify the Franchisee. Such badge shall be easily visible at all times during the performance of such duties, except during the limited times in which visibility would interfere with construction safety requirements.

m. Construction Manual

For Upgrade construction, the Franchisee shall comply with the specifications, standards and procedures for Upgrade construction of the Area System set forth in applicable industry standards which specifications, standards and procedures shall be referred to as the "Construction Manual".

n. Construction and Installation Regulations

The Franchisee shall comply with all FCC rules and regulations governing the construction and installation of cable systems. In the event of any deregulation by the FCC of technical or other standards for construction, installation, operation or maintenance, such regulations shall remain in force and effect with respect to the Franchisee under this Agreement until the Commissioner notifies the Franchisee of their suspension, and the City reserved the right to adopt and impose such standards, consistent with standards for comparable cable system, as it deems necessary.

SECTION 6. SYSTEM MAINTENANCE STANDARDS

a. Cooperation with Building Movers

The Franchisee shall, on the reasonable request of any person holding a building moving permit issued by the City, temporarily raise or lower its wires or other equipment to permit the moving of buildings. The reasonable expense of such temporary removal, raising or lowering of wires shall be paid by the person requesting the same, and the Franchisee shall have the authority to require such payment in advance. The Franchisee shall be given not less than five (5) business days advance notice to arrange for such temporary wire changes. Any reasonable interruption of service necessarily resulting from the Franchisee's obligations under this subsection shall not be deemed a breach of this Agreement by the Franchisee.

b. Maintenance of Area System

The Franchisee shall maintain the Area System (including, but not limited to, the Subscriber Network, the Institutional Network (excluding end user equipment provided by the City) and the local origination facilities) and any and all equipment located within any of the foregoing, in good condition, order and repair at all times during the term of this Agreement.

c. Efficient Service and Repairs

The Franchisee shall render efficient service, make repairs promptly, and interrupt service only for good cause and for the shortest time possible. Such interruptions, insofar as practicable, shall be preceded by notice and shall occur during periods of minimum Area System use.

d. Interference with Reception

FCC Rules and Regulations shall govern any interference of the Franchisee's operations with television reception of persons not served by the Franchisee. If at any time FCC Rules and Regulations shall not limit and regulate such interference, the rules and regulations of any successor agency or subsequently enacted set of legislative initiatives or laws shall govern the Franchisee during the term of this Agreement.

SECTION 7. CONTINUITY OF SERVICE

a. It shall be the right of all subscribers to continue receiving service insofar as their financial and other obligations to the Franchisee are honored. In the event that the Franchisee elects to overbuild, rebuild, modify, or sell the Area System, or the City gives notice of intent to terminate or fails to renew the Franchise, the Franchisee shall act so as to ensure that all subscribers receive continuous, uninterrupted service.

b. In the event of termination of or failure to renew the Franchise, a change of the Franchisee, or the acquisition of the Area System by a new operator, the Franchisee shall cooperate with the City and any new franchisee or operator in maintaining continuity of service to all subscribers. Such cooperation shall include, at the City's request, continued operation of the Area System. During any such period in which the Franchisee no longer operates the Area System, the Franchisee shall be entitled to reasonable compensation for any service rendered, as determined by the Commissioner after consultation with the Franchisee. During any such period in which the Franchisee operates the Area System, the Franchisee shall be entitled to the revenues therefrom. Any obligation of the Franchisee to continue to operate the Area System in the event of termination of or failure to renew the Franchise, a change of the Franchisee, or the acquisition of the Area System by a new operator, shall continue for the lesser of two (2) years or until such time as the Commissioner determines that a new franchisee or operator can operate the Area System. The terms and conditions of this Agreement (including, without limitation, payment of an annual franchise fee) shall govern any such continued operation of the Area System by the Franchisee.

c. Subject to Article IV, Section 8, in the event the Franchisee fails to operate the Area System for seven (7) consecutive days without prior approval of the Commissioner or without just cause, the City may, at its option, upon the Franchisee's failure to resume operation of the Area System within three (3) business days following receipt of notice from the City, operate the Area System or designate an operator until such time as either the Franchisee restores service under conditions acceptable to the City and a permanent operator is selected. If the City is required to fulfill this obligation for the Franchisee, the City shall be entitled to all revenues from the Area System, whether collected by the City or the Franchisee, during the period that the

City fulfills this obligation and the Franchisee shall reimburse the City for all reasonable costs and damages that are the result of the Franchisee's failure to perform and that are in excess of the amount of revenues from the Area System received by the City.

SECTION 8. COMPLAINT PROCEDURE

During the term of this Agreement, and any renewal hereof, the Franchisee shall maintain within the Area, a local business office for the purpose of receiving and resolving all complaints regarding the quality of service, equipment malfunctions, and similar matters. The office must be reachable by a local telephone call, and the Franchisee shall provide the City with the title, address and telephone number of a person who will act as the Franchisee's agent to receive complaints regarding quality of service, equipment malfunctions and similar matters. The local office shall be open to receive inquiries or complaints from subscribers during normal business hours, and in no event less than 9:00 a.m. to 5:00 p.m. Monday through Friday, excluding legal holidays. The Franchisee shall provide the means to accept complaint calls twenty-four (24) hours a day, seven days a week. Any service complaints from subscribers shall be investigated and acted upon as soon as possible, but in no event more than three (3) business days after the Franchisee has received such complaint, or as otherwise agreed between the Franchisee and the subscriber. The Franchisee shall credit a subscriber's account for any service interruption which exceeds twenty-four (24) hours from the time the Franchisee is notified that the subscriber is without service; provided, however, that the Franchisee need not so credit any subscriber for such time that such service interruption continues as a result of (1) the subscriber's failure to afford the Franchisee necessary access to the subscriber's premises, unless the Franchisee contributes to such failure (for example, by failing to appear at a prearranged time, (2) equipment not provided by the Franchisee, its agents or employees, provided that the equipment provided by the Franchisee does not partially or wholly cause the interruption, or (3) equipment damaged as a result of subscriber misuse. A subscriber so entitled to credit shall receive a full day's credit for each day or part thereof for which such subscriber is without service, measured from the time the Franchisee is notified that the subscriber is without service. The Franchisee shall have no obligation to repair equipment (1) not provided by the Franchisee, its agents or employees, provided that the equipment provided by the Franchisee does not partially or wholly cause the damage to the equipment not provided by the Franchisee, or (2) damaged as a result of subscriber misuse. The Franchisee shall keep a maintenance service log

which will indicate the nature of each service complaint, the date and time it was received, the disposition of the complaint and the time and date thereof. This log shall be maintained for two (2) years or for such lesser time as the Commissioner may approve in writing and shall be made available for periodic inspection by the City.

SECTION 9. FRANCHISE RULES AND REGULATIONS

The Franchisee shall have the authority to promulgate such rules, regulations, terms and conditions governing the conduct of its business as shall be reasonably necessary to enable the Franchisee to exercise its rights and perform its obligations under this Agreement, and to assure uninterrupted service to each and all of its customers. Such rules, regulations, terms and conditions shall not be in conflict with the provisions hereof or applicable Federal, State or local laws, rules and regulations.

SECTION 10. TRANSFER OF OWNERSHIP OR CONTROL

a. Neither the Franchise nor any interest of the Franchisee in this Agreement shall be assigned or transferred, either in whole or in part, or leased, or sublet, nor shall title thereto, either legal or equitable, or any right, interest or property therein, pass to or vest in any person without on each occasion first obtaining the consent of the City by ordinance, which consent shall not be unreasonably withheld. Neither the Franchise nor any interest of the Franchisee in this Agreement shall be mortgaged, pledged or encumbered in any manner without on each occasion first obtaining the consent of the Commissioner. Subject to subsections b. through h. below, immediately following, nothing contained in the preceding sentences shall be deemed to prevent (1) the Franchisee from entering into such arrangements as may be necessary to finance the Upgrade of the Area System and ongoing operations of the Franchisee, or (2) the transfer to or taking possession by any financial institution which is a secured creditor of the Franchisee of all or any of the physical assets of the Area System pursuant to the terms of the financing agreements between the Franchisee and such institution.

b. The Franchisee shall promptly notify the City prior to any change in, or transfer of, or acquisition by any other party of, control of the Franchisee. The word "control" as used herein is not limited to major stockholders or partners but includes actual working control, in whatever

manner exercised. Every change, transfer, or acquisition of control of the Franchisee shall make the Franchise subject to cancellation unless and until the City shall have consented thereto, which consent will not be unreasonably withheld. Except as expressly provided in this Section 10, any request for such consent shall be handled by the City in accordance with Section 617 of the Cable Act, 47 U.S.C. § 547, and with the regulations of the FCC, as amended from time to time. Unless otherwise provided herein, the City shall have one hundred-twenty (120) days to act upon any request for approval of such sale or transfer that contains or is accompanied by such information and/or forms as is required in accordance with the Cable Act and FCC regulations as well as any other information as the City may reasonably request. For the purpose of determining whether it shall consent to such change, transfer, or acquisition of control, the City may inquire into the qualifications of the prospective controlling party, and the Franchisee shall assist the City in any such inquiry. If the Franchisee is a partnership, then upon the death of a partner, any transfer of such deceased partner's partnership interest either to a remaining general partner or which does not result in the creation of a new general partner shall not be deemed to be a change, transfer, or acquisition of control of the Franchisee; provided, however, that any such transfer shall not relieve the Franchisee of its obligations as set forth in Article IV, Section 10. If the Franchisee is a corporation or controlled by a corporation, then upon the death of a controlling stockholder, either of the Franchisee or a corporation controlling the Franchisee, any transfer of such deceased stockholder's shares of the corporation to a member of the deceased stockholder's immediate family by devise or bequest or to a trust, (1) having a bank or trust company as a trustee, if such deceased stockholder was not a controlling stockholder as of November 14, 1984 or (2) having any person(s) appointed by such stockholder as trustee if such deceased stockholder was a controlling stockholder as of November 14, 1984, for the benefit of one or more members of the deceased stockholder's immediate family, or to a charitable corporation exempt from Federal Income Tax under Section 501(a) and Section 501(c)(3) of the Internal Revenue Code, or the corresponding provisions of any subsequent tax laws of the United States, shall not be deemed to be a change, transfer, or acquisition of control of the Franchisee; provided, however, that any such transfer shall not relieve the Franchisee of its obligations as set forth in Article IV, Section 10. If the Franchisee is a corporation or controlled by a corporation, then any disposition by a controlling stockholder, either of the Franchisee or a corporation controlling the Franchisee, of all or part of such stockholder's shares of the corporation by public offering, which results in the relinquishment of control of such stockholder, shall not be deemed to be a change or transfer of control of the Franchisee; provided, however, that (1) any

acquisition of control of the Franchisee as a result of such disposition shall be an acquisition of control within the meaning of this Section 10, and (2) any such transfer shall not relieve the Franchisee of its obligations as set forth in Article IV, Section 10.

c. The Franchisee shall have the responsibility to show to the satisfaction of the City whether the proposed transferee (of all or part of the Franchise, this Agreement or control of the Franchisee), and the proposed transferee's principals and key employees, which, in the case of a corporation or partnership, shall include officers, directors and general partners:

1. Has ever been convicted of a crime involving moral turpitude, including but not limited to criminal fraud, or is presently under an indictment charging such a crime; or
2. Has ever had a judgment in an action for fraud, deceit or misrepresentation entered against such transferee by any court of competent jurisdiction; or
3. Has pending any legal claim or lawsuit arising directly or indirectly out of or involving a cable communications system.

d. The Franchisee shall have the responsibility to establish to the satisfaction of the City (i) the financial solvency of the proposed transferee (of all or part of the Franchise or this Agreement) by submitting all current financial data for the proposed transferee of the type and in the form which the Franchisee was required to submit in its proposal for the Franchise, and such other financial data as the City may reasonably request, and (ii) that the financial standing of the proposed transferee is such that the proposed transferee shall be able to maintain and operate the Area System for the remaining term of this Agreement.

e. Any proposed transferee (of all or part of the Franchise or this Agreement) shall execute an agreement, in the form and containing conditions approved by the Law Department, that it will (i) assume and be bound by all of the provisions, terms and conditions of this Agreement and all applicable Federal, State and local laws and regulations, and (ii) be primarily liable and obligated under such agreements and laws and regulations, without, however, relieving the Franchisee from its obligations to the City under this Agreement which arise on or before the date of transfer and/or would survive under the provisions of Article IV, Section 23.

f. The consent or approval of the City to any transfer of the Franchise or this Agreement shall not constitute a waiver or release of the rights of the City in and to the Public Places and any transfer shall by its terms be expressly subject to the terms and conditions of this Agreement.

g. The City shall have the right to require further information and the satisfaction of additional conditions to those specified in this Agreement as a prerequisite to approval of a transfer, provided that such conditions are reasonable and not inconsistent with the terms of this Agreement.

h. Notwithstanding anything in this Agreement to the contrary in connection with obtaining financing for construction of the Area System, the Franchisee may propose to restructure its form and transfer the Franchise and all of the Franchisee's interest in this Agreement to such restructured entity which may be a corporation or partnership. The Commissioner shall recommend to the Council that it approve such a transfer, provided that at the time of such transfer such transferee is controlled by the same persons that control the Franchisee. Any such transfer shall be subject to approval by the Council by ordinance.

i. Notwithstanding anything else herein to the contrary, in the event Franchisee acquires control of a cable system in an area of the City other than Area III or Area IV, and provided the Franchisee agrees to be bound by any substantive provisions in the Franchise Agreement governing such other area (as identified by Franchisee and approved and agreed to by the Commissioner), then each of the terms and conditions of this Agreement shall be applicable to the Franchisee's operation and maintenance of such other cable system, except as so modified by the survival of the substantive provisions identified by Franchisee and approved and agreed to by the Commissioner. The Commissioner shall report to the City Council that Franchisee has agreed to be bound by the substantive provisions of the franchisee agreement governing such other area and shall recommend the approval of the applicable transfer on an expedited basis. Upon approval of the transfer, any other franchise or agreement governing such other area shall be amended as necessary to conform to the terms of this Agreement and shall be amended to include such substantive provisions as are agreed to by the Commissioner.

SECTION 11. AVAILABILITY OF BOOKS AND RECORDS

In addition to making available material required to be furnished to the City, the Franchisee shall fully cooperate in making available for the City's inspection, and the City shall have the right to inspect, for purposes relating to this Agreement, the books, records, maps, plans and other like materials of the Franchisee applicable to the Area System, at any time during normal business hours after two (2) business days prior notice, provided, where volume and convenience necessitate, the Franchisee may require inspection to take place at the Franchisee's office within the Area. Any books and records which the City has the right to inspect under the terms of this Agreement which contain proprietary and confidential material of the Franchisee shall be clearly marked "CONFIDENTIAL" by the Franchisee; the City shall maintain the confidentiality of material so marked. However, subject to applicable law, the City shall not be required to maintain the confidentiality of any items required to be delivered to the City under this Agreement for the City's retention.

SECTION 12. OTHER PETITIONS AND APPLICATIONS

a. Copies of all proof of performance tests, filings, and reports submitted by the Franchisee to the FCC relating to the System shall be provided to the Commissioner upon request at no cost to the City within ten (10) business days after the date of filing of such tests, filings and reports.

b. Subject to applicable law and except as otherwise set forth in subsection 12.a. above, notices containing a brief summary of all petitions, applications and communications relating to any tests, filings, reports, petitions or applications, submitted by the Franchisee to the FCC, the Securities and Exchange Commission, or any other Federal or State regulatory commission or agency having jurisdiction, concerning any matters affecting cable communications operations authorized pursuant to this Agreement, shall be provided to the Commissioner at no cost to the City within ten (10) business days after the date of filing of such tests, filings, reports, petitions, applications and communications. If the City requests a full copy of any filing or communication described in a notice, the Franchisee shall, subject to applicable law, provide the City with a full copy at no cost to the City within two (2) business days thereafter.

SECTION 13. FISCAL REPORTS

a. Within one hundred twenty (120) days after the close of each of the Franchisee's fiscal years or portions thereof during the term of this Agreement, the Franchisee shall submit a written report to the City, in a form approved by the City, including the following information:

1. A summary of the previous year's, or in the case of the initial reporting year the initial year's, activities in development of the Area System, including, but not limited to, services begun or discontinued, total number of subscribers, subscribers added or discontinued during the reporting year, and user participation;

2. A summary of complaints, identifying the number and nature of complaints and their disposition;

3. A list of all partners, or all stockholders holding five percent (5%) or more of the voting interest of the Franchisee, and its parents and subsidiaries, if any, during the first full fiscal year or portion thereof during the term of this Agreement, and, thereafter, to the extent of any change(s) from the prior year's report;

4. A copy of the Franchisee's annual report, if any, and those, if any, of its parents, subsidiaries and Affiliates; and

5. Such other information or reports as Council or the Commissioner may request, from time to time, including the following reports:

a. An opinion survey report which identifies dissatisfaction among subscribers with cable communications services offered by the Franchisee. Surveys required to make such report shall be conducted in conformance with such requirements, including supervision, as the City may prescribe.

b. General reports shall be prepared and furnished to the City at the times and in the form prescribed. Any reports required under this subsection 5.b. containing confidential information shall be clearly marked "CONFIDENTIAL" by the Franchisee and shall be made available for the City's inspection but not for the City's retention. Through these reports, the City shall obtain information concerning the Franchisee's operation, business affairs, transactions or property as may be reasonably necessary for the performance of any of the City's duties.

6. All reports retained by the City pursuant to this Section will be made available for public inspection in the appropriate City office during normal business hours.

7. The Franchisee shall, from time to time at the Commissioner's request, meet with the Commissioner to discuss the Franchisee's estimates of future Gross Revenues.

8. For so long as Franchisee owns or controls more than one Franchise in the City, the Franchisee may submit consolidated reports in full satisfaction of its obligations under this Article II, Section 13. In addition to consolidated reports, for so long as Franchisee owns or controls more than one Franchise Area in the City, Franchisee may maintain and/or submit the following on a consolidated basis: performance bonds; construction bonds; insurance policies; notices; construction schedules; design and/or construction (“as built”) maps; rules; regulations; terms and conditions governing the conduct of Franchisee’s business; books and records. In addition, upon approval of the Commissioner, which shall not be unreasonably withheld, Franchisee may fulfill any other administrative or reporting obligations on a consolidated basis.

SECTION 14. REMOVAL OF AREA SYSTEM

a. In the event of the termination or expiration of the Franchise, the City may, notwithstanding Article II, Sections 7.a. and 7.b., direct the Franchisee to remove all or part of the Area System, such direction to be given within six (6) months after the date of termination or expiration. In the event the Franchisee is directed to remove the Area System, the Franchisee shall remove its supporting structures, poles, transmission and distribution system and other appurtenances, fixtures and property, except underground conduit and underground cable, from the Public Places in, over, under, along or through which they are installed within twelve (12) months of being notified to do so. The Franchisee shall also restore any property, public or private, damaged or disturbed by the installation or removal of such property of the Franchisee. Restoration of City property, including, but not limited to, Public Places shall be in accordance with the directions and specifications of all affected agencies of the City and all applicable laws. The Franchisee, at the option and direction of the City, shall restore the same at its sole expense. If such removal and restoration is not completed within twelve (12) months of the notice by the City, all property remaining, including without limitation underground conduit and underground cable, shall, at the option of the City delivered in writing to the Franchisee, be deemed abandoned and shall, at the option of the City, become the City's property. In the event the Franchisee fails or refuses to remove the Area System or satisfactorily restore all areas to their

original condition, the City, at its option, may perform such work and collect the costs thereof from the Franchisee, together with interest on costs expended by the City at the rate of two percent (2%) over the Prime Rate (defined in Article I, Section 9.b.).

b. The Franchisee shall notify the City when the Franchisee believes that it has fulfilled its obligations under Article II, Section 14.a. The City, within four (4) months after receipt of such notice, shall certify to the Franchisee, in writing, whether or not such obligations have been fulfilled to the satisfaction of the City. If the City fails to give such certification within such time, such obligations shall be deemed to have been fulfilled to the satisfaction of the City.

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ARTICLE III.

ADMINISTRATION AND REGULATION

SECTION 1. COMMISSIONER'S DISCRETION

a. Unless expressly required in this Agreement with respect to any specific default by the Franchisee, the Commissioner shall not be required to enforce any right or remedy available to the City unless the Commissioner, in the Commissioner's sole discretion, so desires.

b. In exercising the Commissioner's discretion under this Agreement, the Commissioner may consider, in the Commissioner's sole discretion, the economic impact on the Franchisee and its subscribers resulting from the Commissioner's decision.

c. Unless otherwise specified in this Agreement, any material change to any substantive provision of this Renewal Agreement or to the Appendices attached hereto will be subject to the Commissioner's approval, which shall not be unreasonably withheld.

SECTION 2. APPLICATION PROCEDURE

Except as otherwise specifically provided for in this Agreement, all applications by the Franchisee such as for changes in services, construction schedules, transfer of ownership or control, proposed changes in regulations or ordinances, etc., and as otherwise authorized by or made pursuant to this Agreement, shall be made in the manner and upon forms provided by the Commissioner. No change in ownership or control shall be approved unless and until a public hearing has been held in accordance with Bill No. 53-A. In all other instances, the Commissioner shall, when required by law, and may, when the Commissioner otherwise deems it desirable, hold a public hearing before taking any action on an application.

SECTION 3. PERFORMANCE EVALUATION SESSION; ADDITIONAL TESTING

a. The Commissioner, in the Commissioner's sole discretion, may require the Franchisee to hold scheduled performance evaluation sessions with the Commissioner within ninety (90) days after the close of each fiscal year of the Franchise. All evaluation sessions shall be open to the public; public notice shall be given in accordance with Article I, Section 19.

b. Topics which may be discussed at any scheduled evaluation session may include, but not be limited to: service, rate structures, franchise fee, free or discounted services, application of new technologies, Area System performance, services provided, programming offered, customer complaints, privacy, amendments to ordinances, regulations and judicial or FCC rulings, this Agreement and City rules.

c. Members of the general public may add topics either by working through the City or Franchisee or by presenting a petition. If such a petition bears the valid signatures of fifty (50) or more residents of the Area, the proposed topic or topics shall be added to the list of topics to be discussed at the evaluation session.

d. During a review and evaluation by the City, the Franchisee shall fully cooperate with the Commissioner and shall provide such information and documents as the Commissioner determines to be reasonably necessary to perform the review.

e. If at any time during the review, the Commissioner determines that reasonable evidence exists of inadequate Area system performance, the Commissioner may require Franchisee at Franchisee's expense to perform tests and/or analyses directed toward investigating and resolving such suspected inadequacies. The Franchisee shall fully cooperate with the Commissioner in promptly performing such tests or conducting such analyses and shall report the results within thirty (30) days after the Commissioner's direction. Such report shall include the following information:

1. The nature of the complaint or problem which precipitated the special tests or analyses;
 2. The system component(s) tested;
 3. The equipment used and procedures employed in testing or analysis;
 4. The method, if any, by which such complaint or problem was resolved;
- and

5. Any other information pertinent to said tests and/or analyses that may be required.

If the Commissioner finds such report to be unsatisfactory in any respect, the Commissioner may require that such tests and/or analyses be repeated under the supervision of a qualified engineer chosen by the Commissioner, in the Commissioner's sole discretion, after consultation with the Franchisee. The Franchisee shall pay for all such repeated tests and/or analyses and the reasonable fees and costs of such engineer. Such engineer shall sign all records of special tests and forward to the Commissioner such records with a report interpreting the results of the tests and recommending actions to be taken.

f. In addition to those tests required under the immediately preceding subsection e., if at any time there exists evidence which in the judgment of the Commissioner raises doubt about the reliability or technical quality of service of the Area System, the Commissioner shall have the right to require the Franchisee, at the Franchisee's sole expense, to test, analyze and report on the performance of the Area System. The provisions of subsection e. shall govern such tests, analyses and reports.

SECTION 4. LIQUIDATED DAMAGES; TIME IS OF THE ESSENCE

a. In view of the difficulty of accurately ascertaining damages which the City will suffer by reason on the Franchisee's violations of certain of the provisions of this Agreement, such damages are hereby fixed and agreed as the reasonable liquidated damages that the City will suffer by reason of the violations described below, and not as penalties. Subject to Article II, Section 11 and Article IV, Section 8, for the breach of any of the following provisions of this Agreement, liquidated damages may, at the City's option, and subject to the notice and cure provisions set forth in Article III, Section 9 be assessed by the City or be drawn under any bond or otherwise collected from or on behalf of the Franchisee, as follows:

1. a. For failure to proceed with or complete Area System Upgrade construction in accordance with the Upgrade Plan Certified by the Commissioner, unless the Commissioner specifically approved the delay due to the occurrence of conditions beyond the Franchisee's control in accordance with the terms of this Agreement, or for failure to comply with construction, operational or maintenance standards provided for in this Agreement (except for those standards described solely in the Construction Manual described in Article II, Section

5.m.), the Franchisee shall pay to the City Two Thousand Dollars (\$2,000.00) per day for each day, or part thereof, the breach continues.

b. For failure to comply with any material provision of the Construction Manual described in Article II, Section 5.m., the Franchisee shall pay to the City One Thousand Dollars (\$1,000.00) per day for each day, or part thereof, the breach continues; provided, however, that (1) a repeated failure to comply with any immaterial provision of such Construction Manual shall be deemed a failure to comply with a material provision, and (2) to the extent that a failure to comply with any immaterial provision of such Construction Manual is also a failure to comply with any other provision of this Agreement, the immediately preceding subsection 1.a. shall control.

2. For failure to provide data, documents, reports or information upon request or to cooperate with the City during any application process or Area System review, in accordance with the terms of this Agreement, the Franchisee shall pay to the City Two Hundred Fifty Dollars (\$250.00) per day for each day that such noncompliance continues and for each breach.

3. For failure to test, analyze and report on the performance of the Area System following a request pursuant to this Agreement, the Franchisee shall pay to the City Two Hundred Fifty Dollars (\$250.00) per day for each day, or part thereof, that such noncompliance continues.

4. For initiating or using a procedure or device for procuring information or data from, or for monitoring, a subscriber's terminal, dwelling or business, or any cable, line, signal input device, outlet or receiver, without the prior valid authorization of the affected subscriber or a court order (except for such tapping or monitoring as shall be necessary for insuring the integrity of the System and for detecting unauthorized use of the System, subject to applicable law and the terms of this Agreement), the Franchisee shall pay to the City One Thousand Dollars (\$1,000.00) per subscriber per day for each day, or part thereof, that the breach continues or occurs.

5. For selling, providing or otherwise making available to anyone any information about subscribers obtained by monitoring transmissions or any type of signal from a subscriber's terminal, dwelling or place of business in violation of the Protection of Subscriber Privacy provisions of the Cable Act, 47 U.S.C. § 551, as amended from time to time, and/or the provisions of Chapter 119 of the Federal Crimes Code, title 18 U.S.C.S., Wire and Electronic Communications Interception and Interception of Oral Communications, as amended from time

to time, and/or the provisions of Pennsylvania's Wiretapping and Electronic Surveillance Control Act, 18 Pa. C. S. §§ 5701-5725, as amended and extended from time to time, the Franchisee shall pay to the City One Thousand Dollars (\$1,000.00) per day for each day, or part thereof, that the breach continues or occurs. In addition, the total amount of funds paid to the Franchisee for this information shall be forfeited to the City by the Franchisee.

6. For failure to provide access by a subscriber to information compiled on the subscriber by the Franchisee, the Franchisee shall pay to the City Five Hundred Dollars (\$500.00) per subscriber per day for each day, or part thereof, that the breach occurs or continues.

7. For failure to comply with any of the provisions of Appendix E, Paragraphs 2 and 3, or as such provisions may be revised pursuant to Appendix E, the Franchisee shall pay to the City One Thousand Dollars (\$1,000.00) for each day, or part thereof, that the breach occurs or continues.

8. For failure to comply with any of the provisions of Article IV, Section 10 (excluding subsection d), the Franchisee shall pay to the City One Thousand Dollars (\$1,000.00) per day for each day, or part thereof, that the breach occurs or continues.

b. Each breach of each provision of this Agreement shall be considered a separate violation for which separate damages or liquidated damages are imposed.

c. Whenever this Agreement shall set forth any time for an act to be performed by or on behalf of the Franchisee, such time shall be deemed of the essence and any failure of the Franchisee to perform within the time allotted shall be deemed to be a substantial breach of this Agreement, except as otherwise provided in Article III, Section 5.a.3.

d. Notwithstanding anything contained in this Agreement to the contrary (including, without limitation, Article III, Section 4.a.), but subject to Article III, Section 10 and Article IV, Section 8, if the Franchisee fails to pay to the City any compensation or payments within the time fixed herein; or fails to pay to the City any taxes due and unpaid; or fails to repay the City immediately upon the City's demand any damages, costs or expenses which the City pays by reason of any act or default of the Franchisee in connection with this Agreement; or fails to comply with any provision of this Agreement which the City reasonably determines can be remedied, in whole or in part, by an assessment of liquidated damages then the City may assess the amount thereof, together with interest as provided in this Agreement or by law and with any Comcast Franchise Renewal – Area III

penalties imposed by law, or call upon the sureties guaranteed by the Bonds. Prior to such assessment or call for payment, the City shall notify the Franchisee of the amount in issue, and shall provide Franchisee with an opportunity to cure such default within a period of five (5) business days.

e. The rights reserved by the City herein are in addition to all other rights and remedies the City may have under this Agreement in law or equity and are not intended to be exclusive.

SECTION 5. FORFEITURE AND TERMINATION

a. In addition to all other rights and powers retained by the City under this Agreement or otherwise, the City reserves the right to terminate the Franchise, this Agreement and all rights and privileges of the Franchisee hereunder in the event of a substantial breach of its terms and conditions which remain uncured after notice and a reasonable opportunity to cure, pursuant to Article III, Section 10. A substantial breach by the Franchisee shall include, but shall not be limited to, the following:

1. Attempt to evade or evasion of any material provision of this Agreement or the practice of any fraud or deceit upon the City or its subscribers or customers.

2. The occurrence of any event which constitutes any act by which the Franchisee has:

a. Concealed, removed, or permitted to be concealed or removed any part of its property, with intent to hinder, delay, or defraud its creditors or any of them, or made or suffered a transfer of any of its property which is fraudulent under any provisions of law; or

b. made or suffered a preferential transfer; or suffered or permitted, while insolvent, any creditor to obtain a lien upon any of its property through legal proceedings or distraint and not having vacated or discharged such lien within thirty (30) days from the date thereof or at least five (5) days before the date set forth any sale or other disposition of such property; or

c. made a general assignment for the benefit of its creditors;

or

d. subject to Article III, Section 8 been adjudicated a bankrupt or otherwise initiated or suffered against it proceedings for the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official or proceedings in bankruptcy or for reorganization, adjustment, or composition.

The Franchisee shall notify the City of any occurrence that constitutes an unauthorized transfer under the provisions of this subsection a .2. and of the entry of any judgment relating to the provisions of this subsection against it within twenty-four (24) hours after the Franchisee becomes aware of such transfer or entry. From and after any of the occurrences enumerated in this subsection and except as provided in any document relating to the financing of the construction or operation of the Area System by any financial institution (provided, however, that nothing herein shall limit the applicability of the provisions of Article II, Sections 10.b. through 10.h.), the Franchisee shall not make, execute or enter into any deed, deed of trust, mortgage, contract, conditional sales contract or any loan, lease, pledge, sale, pole agreement or any other agreement of hypothecation concerning any of the facilities or property, real or personal, of the Area System without the prior written approval of the Commissioner;

3. In connection with any audit, failure to provide books, records, and other communications as required by this Agreement; otherwise, repeated failure to provide books, records and other communications as required by this Agreement or repeated failure to honor a request to provide any such individual book, record or other communication;

4. Failure to begin or complete Upgrade of the Area System provided under this Agreement except where such delay is due to an event described in Article IV, Section 8 hereof;

5. Failure to maintain bonds and insurance as provided herein;

6. Failure to indemnify the City as provided herein;

7. Failure to comply with Article II, Section 3;

8. Material failure to comply with nondiscrimination provisions or equal employment opportunity/MBE-WBE plans and policies contained in this Agreement;

9. Failure to subcontract with minority business enterprises and women's business enterprises as required by this Agreement;

10. Failure to pay the franchise fee as provided in Article I, Section 9 or failure to provide fiscal reports required by Article II, Section 13;

11. Violation of the interconnection provisions of Article II, Section 2.h.;

12. Failure to provide access channels, production facilities, equipment, leased access facilities and funding relating to public, educational and governmental access pursuant to Article II, Section 3.b.; or

13. Violation of any material provision or warranty of this Agreement or any material rule, order, regulation or determination of the City made pursuant to this Agreement.

14. The occurrence of any event which constitutes any act by which any Guarantor has: been adjudicated a bankrupt or otherwise initiated or suffered against it proceedings for the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official or proceeding in bankruptcy or for reorganization, adjustment or composition, unless such receivership or other proceeding shall have been vacated within one hundred twenty (120) days, or unless (A) within one hundred twenty (120) days after election or appointment, such receiver or other official or such Guarantor as debtor-in-possession, shall have fully complied with all of the provisions of such Guarantor's Guaranty and remedied any and all defaults thereunder (except the default that caused the appointment of such receiver or other official), and (B) such receiver or other official, within such one hundred twenty (120) days, shall have executed an agreement duly approved by the court having jurisdiction, whereby such receiver or other official assumes and agrees to be bound by each and every provision of such Guarantor's Guaranty; made a general assignment for the benefit of its creditors; or suffered or permitted, while insolvent, any creditor to obtain a lien upon any of its property through legal proceedings or distraint without having vacated or discharged such lien within thirty (30) days from the date thereof or at least five (5) days before the date set for any sale or other disposition of such property.

b. The Franchisee shall not be excused from compliance with any provision of this Agreement by either misfeasance or malfeasance of its directors, officers or employees, and/or, subject to applicable law and Article II, Section 3.a.9.a., by economic hardship alone.

c. Without limiting the generality of any other provision of this Agreement, and as applied only to the potential termination of the Franchise and this Agreement in accordance with Section 5.b. and Section 8 of this Article III:

1. The Commissioner shall make a written demand that the Franchisee comply with any such provision, rule, order, or determination under or pursuant to this Agreement. If the violation by the Franchisee continues for a period of thirty (30) days

following such written demand without written proof that the violation has been cured or that corrective action is being diligently, actively and expeditiously pursued, the Commissioner shall schedule a hearing and cause to be served upon the Franchisee at least twenty (20) days prior to the date of the hearing, a written notice of intent to request such termination and the time and place of the hearing. Public notice shall be given of the hearing and issues that the Commissioner is to consider. Notwithstanding anything contained in this Agreement to the contrary, upon the occurrence of any event described in these Sections 5.a.2.b. through 5.a.2.e. or Section 8 of this

Article III, the Commissioner need not comply with this Section 5.c.1. or the following Section 5.c.2.

2. The Commissioner shall hear and consider the issues and shall hear any person interested therein, and shall determine, in the Commissioner's discretion, whether or not any violation or substantial breach by the Franchisee has occurred.

3. If the Commissioner shall determine the existence of a violation or substantial breach by the Franchisee, the Commissioner may give notice to the Franchisee that, unless there is compliance within such period as the Commissioner may fix, such period not to be less than sixty (60) days, this Agreement and the Franchise may be terminated and forfeited; provided, however, that no time for compliance need be granted for fraud, misrepresentation, violation of privacy rights referenced in this Agreement, or any event described in these Sections 5.a.2.b. through 5.a.2.e. of this Article III, and provided, further, that no time for compliance need be granted for any event described in Section-8 of this Article III in excess of the 120-day period granted therein. At the end of such period fixed by the Commissioner, the Commissioner shall determine whether the Franchisee is then in compliance. If the Commissioner determines that the Franchisee is not in compliance, the Commissioner may report this finding to the Council together with the Commissioner's recommendation that this Agreement and the franchise be terminated and forfeited. The Council shall accept or reject such recommendation by Ordinance.

d. Upon termination of this Agreement as set forth in this Section 5, the Franchisee shall immediately cease to hold the Franchise and the Franchisee shall promptly pay to the City all sums owing from the Franchisee to the City under the terms of this Agreement to the extent the City has not collected such sums under any bond or assessment of damages posted pursuant to this Agreement. Such sums owed by the Franchisee to the City shall include all damages,

costs and expenses, including, but not limited to, reasonable attorneys' fees incurred by the City by reason of default on the part of the Franchisee, whether or not such occur prior to or subsequent to the termination or expiration of the Franchise. Such sums shall include, without limitation, all costs and expenses, including, but not limited to, reasonable attorneys' fees, incurred by the City in obtaining injunctive relief and/or other relief, including, but not limited to, the enforcement of the provisions of this Agreement or execution upon any bond or assessment of damages. Upon termination of this Agreement as set forth in this Section 5 and subject to applicable law, if the Franchisee does not abandon the supporting structures, poles, transmission and distribution system and other appurtenances, fixtures and property included in the Area System, or any portion thereof, the City may, at its option, purchase such unabandoned property or any portion thereof at an equitable price. Such equitable price shall be set-off against any sums owing by the Franchisee to the City at such time.

e. The Franchisee represents and warrants all of the following:

1. The Franchisee was duly formed in accordance with, and is presently validly existing and in good standing under, the laws of the Commonwealth of Pennsylvania.
2. The Franchisee has all requisite power and authority to execute and deliver this Agreement.
3. This Agreement has been duly authorized, executed and delivered by the Franchisee.

f. The Franchisee acknowledges and accepts the legal right of the City to issue the Franchise and the Franchisee agrees that it shall not now or at any time hereafter challenge this right in any way.

SECTION 6. FORBEARANCE BY CITY

No failure of the City to exercise any power reserved to it under this Agreement, or to insist upon strict compliance by the Franchisee with any obligation or condition under this Agreement, and no custom or practice of the parties in variance with the terms of this Agreement shall constitute a waiver of the City's right to demand exact compliance with the terms of this Agreement. Waiver by the City of any particular default by the Franchisee shall not affect or

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impair the City's right in respect to any subsequent or continuing default of the same or of a different nature; nor shall any delay, failure, forbearance or omission of the City to exercise any power or right arising out of any breach or default by the Franchisee of any of the terms, provisions or covenants hereof affect or impair the City's rights, nor shall such constitute a waiver by the City of any right hereunder or of the right to declare any continuing or subsequent breach or default. Absent a written waiver by the City, subsequent acceptance by the City of performance due to it by the Franchisee shall not in itself be deemed to be a waiver by the City of any breach by the Franchisee of any terms, covenants or conditions of this Agreement.

SECTION 7. FORECLOSURE

Upon the foreclosure or other judicial sale of all or a substantial part of the Area System, or upon the termination of any lease covering all or a substantial part of the Area System, the Franchisee shall notify the City of such fact. Such notification shall be treated as a notification that a change in control of the Franchisee has taken place, and the provisions of this Agreement governing the consent of the City to such change in control of the Franchisee shall apply.

SECTION 8. RECEIVERSHIP

The City shall have the right to terminate the Franchise, in accordance with Article III, Sections 5.c. and d., one hundred twenty (120) days after the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official (any one being hereinafter referred to as "receiver"), to take over and conduct the business of the Franchisee, whether in receivership, reorganization, bankruptcy or other action or proceeding, unless such receivership shall have been vacated prior to the expiration of such one hundred twenty (120) days, or unless:

a. Within one hundred twenty (120) days after election or appointment, such receiver or the Franchisee as debtor-in-possession, shall have fully complied with all of the provisions of this Agreement and remedied all defaults hereunder (except the default that caused the appointment of such receiver); and

b. Such receiver, within such one hundred twenty (120) days, shall have executed an agreement, duly approved by the court having jurisdiction, whereby such receiver assumes and agrees to be bound by each and every provision of this Agreement.

SECTION 9. COMPLIANCE WITH FEDERAL, STATE AND LOCAL LAWS

a. The Franchisee shall at all times comply with all laws and regulations of the City, State and Federal governments and any administrative agencies thereof, provided, however, if any such law or regulation shall require or permit the Franchisee to perform any service, or shall prohibit the Franchisee from performing any service, in conflict with the terms of this agreement or of any other law or regulation of the City, then as soon as possible following knowledge of such conflict, the Franchisee shall notify the Commissioner of the conflict believed to exist.

b. If the Council with the advice of the Commissioner determines that a material provision of this Agreement is affected by any subsequent action of the City, State or Federal government, or any administrative agency thereof, the Council shall have the right to authorize the Commissioner to negotiate with Franchisee modifications to any of the provisions herein to such reasonable extent as may be necessary to carry out the full intent and purpose of this Agreement, provided that no such modification shall increase the aggregate obligations of the Franchisee under this Agreement without the prior written consent of the Franchisee.

SECTION 10. NOTICE AND GRACE PERIODS

Notwithstanding anything provided in this Agreement to the contrary, the City agrees that the City will not exercise any right or remedy provided for in this Agreement or allowed by law because of any default of the Franchisee, unless the City shall have first given notice of the default to the Franchisee, and the Franchisee, within a period of five (5) business days thereafter, shall have failed to pay the sum or sums due if the default consists of the failure to pay money, or if the default consists of something other than the failure to pay money, the Franchisee shall have failed, within five (5) business days thereafter, to actively and diligently in good faith proceed with and continue the correction of the default until it shall be fully corrected within no more than thirty (30) business days; provided, however, that (a) no notice under this Section 9 from the City shall be required nor shall the City be required to allow any part of the said grace period (i)

with respect to Article II, Section 7.c., (ii) upon the occurrence of any event described in Article III, Section 5.a.2., (iii) with respect to any proceeding under Article III, subsection 5.e., and (iv) with respect to Article III, Section 8; and (b) the City shall be permitted to cure any default by the Franchisee (and obtain reimbursement from the Franchisee therefor, together with interest, as described in Article III, Section 11), at the City's option, without allowing any notice or grace period if the City determines, in its sole judgment, that an emergency exists and that immediate action is required.

SECTION 11. CITY'S RIGHT TO CURE FRANCHISEE'S DEFAULTS

If the Franchisee shall be in default in the performance of any of its obligations under this Agreement, the City may (but shall not be obligated to do so), in addition to any other rights it may have under this Agreement or in law or in equity, cure such default on behalf of the Franchisee and the Franchisee shall reimburse the City upon demand, or the City may assess damages as provided in Article III, Section 4 or call on any surety or otherwise collect, for any sums paid or costs incurred by the City in curing such default, including, without limitation, interest thereon, computed at the rate of two percent (2%) over the Prime Rate, (defined in Article I, Section 9.b.), reasonable attorneys' fees and other legal costs and expenses; provided, however, that the City shall not so cure such default on behalf of the Franchisee until the giving of any notice and expiration of any cure period required by Article III, Section 10.

SECTION 12. MOST FAVORED FRANCHISEE

For the purposes of this Section 12, "Overlapping Franchise" means any CATV franchise granted by the City, after the Effective Date, for an area in which CATV is not in existence or operation as of the Effective Date. The Franchisee shall be entitled to substitute for any provision of this Agreement any provision in an agreement for an Overlapping Franchise which would be more favorable to the Franchisee than the comparable provision in this Agreement.

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ARTICLE IV.

MISCELLANEOUS

SECTION 1. REMEDIES

a. The rights and remedies reserved to the City by this Agreement are cumulative and concurrent and shall be in addition to and not in derogation of any other rights or remedies which the City may have with respect to the subject matter of this Agreement.

b. Specific mention of the materiality of any of the provisions herein is not intended to be exclusive of any other for the purpose of determining whether any failure of compliance hereunder is material and substantial.

c. Any termination or expiration of this Agreement or any renewal hereof shall be subject to any and all liabilities, actual or contingent, which all have arisen during the term of this Agreement or any renewal hereof.

SECTION 2. RIGHT TO INTERVENE IN SUITS AND ACTIONS

The City hereby reserves to itself, and the Franchisee hereby grants to the City, the right to intervene, except as otherwise set forth in Article I, Sections 16 and 17, in any suit, action or proceeding involving the System or any provision of this Agreement, at the City's expense; provided, however, that if the Franchisee fails to defend the City as provided in this Agreement, and without limiting any other rights or remedies of the City, the Franchisee shall pay all expenses incurred by the City in defending itself with regard to any and all such actions, suites or proceedings.

SECTION 3. OBLIGATIONS TO CONTINUE THROUGHOUT TERM

Unless specifically designated otherwise, all of the Franchisee's obligations under this Agreement shall continue throughout the entire term of this Agreement and any renewal thereof.

SECTION 4. COOPERATION IN OBTAINING AND IMPLEMENTING GRANTS

The Franchisee agrees to cooperate fully with the City in obtaining or implementing any Federal or State grants or other funds to be applied to the CATV system or to its development as a community resource.

SECTION 5. RIGHTS OF SUBSCRIBERS

During the operation of the Area System, the Franchisee shall strictly observe the privacy and property rights of subscribers. On request of the Commissioner the Franchisee shall demonstrate to the Commissioner the steps it has taken to prevent unauthorized tapping or monitoring of any cable, line, signal input device or subscriber outlet or receiver.

SECTION 6. PREVAILING WAGE

All employees of the franchisee shall be paid at least the prevailing wage as that term is defined in Section 17-107(1)(j) of the Philadelphia Code, as amended, or under any provisions of any subsequently enacted wage law. The Franchisee shall require all of its contractors and subcontractors to pay all of their employees at least such prevailing wage.

SECTION 7. EFFECTIVE DATE

This Agreement shall be effective on the date first written above.

SECTION 8. FORCE MAJEURE

If the Franchisee is prevented or delayed in the performance of any of its obligations under this Agreement by reason which are not reasonably foreseeable and not reasonably avoidable, including Acts of God, floods, fires, hurricanes, tornadoes, earthquakes or other

unavoidable casualty, acts of public enemy, insurrection, war, riot, sabotage, epidemic, strike or other labor disputes, freight embargoes, shortages or unavailability of materials or supplies, unusually severe weather conditions, concealed and unknown conditions below the surface of the ground differing materially from those ordinarily encountered and generally recognized as inherent in cable construction work or which are not reflected on current maps or drawings of underground conditions, or wrongful physical obstruction by any natural person at any Area System construction site, or by reason of the failure of a utility to provide the make-ready necessary for the Franchisee's cable construction work despite the diligent, active and expeditious efforts by the Franchisee to obtain such make-ready, the denial by the City of any permit application if such application has been properly made by the Franchisee and if there are no substantive reasons for denial, the failure of the City to respond to any permit application or approval request by the Franchisee within fifteen (15) business days after the Commissioner's receipt of such permit application or approval request, the failure of the City and the Franchisee to agree upon an alternative construction technique within fifteen (15) business days after any withholding of approval by the Commissioner of the construction technique designated by the Franchisee pursuant to the fifth sentence of Article II, Section 4.d., or, with respect to the Franchisee's obligations under Appendix E or Appendix H and provided that the delay is through no fault of the Franchisee, the failure of one or more of the other franchisees (as defined in Appendix E and Appendix H) to perform its or their contractual obligations concerning City-wide access studios, facilities and equipment, or concerning the interconnection system any of which is hereinafter called "Force Majeure"), then the time within which such obligations must be performed under the terms of this Agreement shall be extended for a reasonable period to be determined by the Commissioner. Nothing contained in this Section shall be deemed to extend or otherwise modify or affect any time limits and/or conditions otherwise required by any governmental instrumentality, agency or other authority. The Franchisee shall promptly notify the City of any Force Majeure event described in this Section and, in such notice, shall indicate the anticipated extent of such delay and shall indicate whether, and to what extent, if any, the Franchisee anticipates that such event shall affect the timely performance of the Franchisee's obligations under this Agreement.

SECTION 9. [INTENTIONALLY OMITTED]

SECTION 10. SPECIFIC LAWS

The provisions of this Section are not intended to limit the applicability of the other provisions of the Agreement, including, without limitation, Franchisee's agreement to comply with all Applicable Laws.

a. Non-Discrimination.

The Agreement is entered into under the terms of the Philadelphia Home Rule Charter, as it may be amended from time to time, and in complying with the terms and conditions of this Agreement, Franchisee shall not discriminate or permit discrimination against any person because of race, color, religion, national origin, or sex. In the event of such discrimination, the City may, in addition to any other rights or remedies available under the Agreement, at law or in equity, terminate the Agreement forthwith.

b. Fair Practices.

Franchisee agrees, in complying with the terms and conditions of this Agreement, to comply with the provisions of the Fair Practices Ordinance of The Philadelphia Code (Chapter 9-1100) and the Mayor's Executive Order No. 4-86, as they may be amended from time to time, both of which prohibit, inter alia, discrimination against persons with AIDS in employment and services.

c. The Philadelphia Code, Chapter 17-400.

1. In accordance with Chapter 17-400 of The Philadelphia Code, as it may be amended from time to time, Franchisee agrees that its payment or reimbursement of membership fees or other expenses associated with participation by its employees in an exclusionary private organization, insofar as such participation confers an employment advantage or constitutes or results in discrimination with regard to hiring, tenure of employment, promotions, terms, privileges or conditions of employment on the basis of race, color, sex, sexual orientation, religion, national origin or ancestry, constitutes, without limiting the generality of Article III, Sections 4 and 5 (Events of Default) and Article IV, Section 1 (Remedies), a substantial breach of this Agreement entitling the City to all rights and remedies provided in the Agreement or otherwise available at law or equity.

2. Franchisee agrees to cooperate with the Commission on Human Relations of the City of Philadelphia in any manner that the Commission deems reasonable and necessary for the Commission to carry out its responsibilities under Chapter 17-400 of The

Philadelphia Code. Failure to so cooperate shall constitute, without limiting the applicability of Article III, Sections 4 and 5 (Events of Default) and Article IV, Section 1 (Remedies), a substantial breach of this Agreement entitling the City to all rights and remedies provided herein or otherwise available at law or equity.

d. Minority Owned and Woman Owned Business Enterprise Participation and Employment Goals.

1. The City has established policies relating to the solicitation and utilization of minority owned business enterprises (“MBEs”) and woman owned business enterprises (“WBEs”) and the employment of minorities and women. The purpose of these policies is to provide equal opportunity for all businesses and persons and to assure that the City does not directly or indirectly, promote, reinforce or perpetuate discriminatory practices. In furtherance of these policies, the City has established a plan for employment, training and contracting which is set forth in Appendix I. Where goals are established in Appendix I, Franchisee agrees to comply with these goal requirements by, among other activities, submitting documentation to the City’s Minority Business Enterprise Council (“MBEC”), or its successor agency, responsive to each of the goals established in Appendix I.

2. In furtherance of the purposes of Appendix I, Franchisee agrees to and will comply with the following:

(a) Franchisee shall secure the prior written approval of the MBEC, before making any changes or modifications to the Appendix I commitments made by Franchisee, including, without limitation, substitutions for its MBEs and WBEs (collectively, “DBE Subcontractors”), changes or reductions in services provided by its DBE Subcontractors, or changes or reductions in the dollar and/or percentage amounts of commitments with its DBE Subcontractors.

(b) Franchisee shall submit, within the time frames prescribed by the MBEC, any and all documentation the MBEC may reasonably request, including but not limited to, copies of contracts and subcontract(s) with DBE(s), participation summary reports, DBE Subcontractor invoices, telephone logs and correspondence with DBE Subcontractors, canceled checks and certification of payments. Franchisee shall maintain all documentation related to this Section 10.d. for the term of this Agreement plus an additional period of five (5) years.

(c) Franchisee agrees that the MBEC may, in its sole discretion, conduct periodic reviews to monitor Franchisee's compliance with the terms of this Section and Appendix I and make recommendations to the Commissioner relating to Franchisee's compliance.

(d) Franchisee agrees that in the event the Commissioner determines that Franchisee has failed to use good faith efforts to achieve the goals set forth in Appendix I, the City may, in addition to any other rights and remedies it may have under this Agreement, in law or in equity, which shall be deemed cumulative and concurrent: recover as liquidated damages, one percent of the total dollar amount of the yearly franchise fees under this Agreement for every one percent of the MBE and/or WBE shortfall; provided, however, that the above remedy shall be the sole liquidated damages remedy for such failure to comply, notwithstanding anything to the contrary that may be set forth elsewhere in the Renewal Agreement.

3. It is understood that false certification or representation is subject to prosecution under Title 18 Pa.C.S. §§ 4107.2 and 4904.”

e. Federal Laws.

Franchisee shall comply with the provisions of Title VI of the Civil Rights Act of 1964 (42 U.S.C. §§ 2000d - 2000d.7), section 504 of the Federal Rehabilitation Act of 1973 (29 U.S.C. § 794), The Age Discrimination Act of 1975, (42 U.S.C. §§ 6101 - 6107), Title IX of the Education Amendments of 1972 (20 U.S.C. § 1681), and 45 C.F.R. Part 92, as they may be amended from time to time, which together prohibit discrimination on the basis of race, color, national origin, sex, handicap, age and religion.

f. Affirmative Action.

If required by the City, Franchisee agrees to provide to the Responsible Official or Responsible Official's designee, no later than January 31 of each year during the term of this Agreement, an annual report describing the increase or decrease in numbers of minority and female employees during the preceding calendar year, or Agreement period if less than a calendar year, in each of the following three categories:

- (a) rank and file employees (other than supervisors and managers);

- (b) supervisors (first level supervisors);
- (c) managers (all managerial personnel other than first level supervisors).

g. Americans With Disabilities Act.

As a condition of accepting and executing the Agreement, Franchisee shall comply with all provisions of the Americans With Disabilities Act (the "Act"), 42 U.S.C. §§12101 - 12213, and all regulations promulgated thereunder, as the Act and regulations may be amended from time to time, which are applicable (a) to Franchisee, (b) to the benefits, Services, activities, facilities and programs provided in connection with the Agreement, (c) to the City, or the Commonwealth of Pennsylvania, and (d) to the benefits, services, activities, facilities and programs of the City or of the Commonwealth, and, if any funds under the Agreement are provided by the federal government, which are applicable to the federal government and its benefits, services, activities, facilities and programs. Without limiting the applicability of the preceding sentence, Franchisee shall comply with the "General Prohibitions Against Discrimination," 28 C.F.R. Part 35.130, and all other regulations promulgated under Title II of "The Americans With Disabilities Act," as they may be amended from time to time, which are applicable to the benefits, services, programs and activities provided by the City through Agreements with outsider contractors.

h. The Philadelphia Code, Section 17-104.

1. In accordance with Section 17-104 of The Philadelphia Code, Franchisee by execution of this Agreement certifies and represents that (1) Franchisee (including any parent company, subsidiary, exclusive distributor or company affiliated with Franchisee) does not have, and will not have at any time during the term of this Agreement (including any extensions thereof), any investments, licenses, franchises, management agreements or operations in Northern Ireland and (2) no product to be provided to the City under this Agreement will originate in Northern Ireland, unless Franchisee has implemented the fair employment principles embodied in the MacBride Principles.

2. In the performance of this Agreement, Franchisee agrees that it will not utilize any suppliers, Subcontractors or subconsultants at any tier (1) who have (or whose parent, subsidiary, exclusive distributor or company affiliate have) any investments, licenses, franchises, management agreements or operations in Northern Ireland or (2) who will provide products

originating in Northern Ireland unless said supplier, subconsultant or Subcontractor has implemented the fair employment principles embodied in the MacBride Principles.

3. Franchisee agrees to cooperate with the City's Director of Finance in any manner that the said Director deems reasonable and necessary to carry out the Director's responsibilities under Section 17-104 of The Philadelphia Code. Franchisee expressly understands and agrees that any false certification or representation in connection with this Paragraph and/or any failure to comply with the provisions of this Paragraph shall constitute a substantial breach of this Agreement entitling the City to all rights and remedies provided in this Agreement or otherwise available in law (including, but not limited to, Section 17-104 of The Philadelphia Code) or equity. In addition, it is understood that false certification or representation is subject to prosecution under Title 18 Pa.C.S.A. § 4904.

SECTION 11. NO DELINQUENCIES

By executing this document Franchisee represents that Franchisee and any entities under common control with Franchisee or controlled by Franchisee are not currently indebted to the City, and will not at any time during the term of this Agreement (including any Additional Term(s)) be indebted to the City, for or on account of any delinquent taxes (including, but not limited to, taxes collected by the City on behalf of the School District of Philadelphia), water bills, sewer bills, liens, judgments, fees or other debts for which no written agreement or payment plan satisfactory to the City has been established. Franchisee shall remain current during the term of the Agreement with all such payments and shall inform the Commissioner in writing of Franchisee's receipt of any notices of delinquent payments within five (5) days after receipt. In addition to any other rights or remedies available to the City at law or in equity, Franchisee acknowledges that any breach or failure to conform to this representation and covenant, if such breach or failure is not resolved to the City's satisfaction within a reasonable time frame specified by the City in writing, may subject the Franchise to the remedies previously set forth in this Agreement, including but not limited to termination, for default (in which case Franchisee shall be liable for all excess costs and other damages resulting from the termination). In addition, it is understood that false certification or representation is subject to prosecution under Title 18 Pa.C.S.A. § 4904.

SECTION 12. PUBLICITY

Franchisee shall, upon request, provide the Commissioner or other designated City Officer with copies of news releases, articles, brochures, advertisements, prepared speeches and other information releases to be circulated in the City and County of Philadelphia and/or concerning this Franchise at the notification addresses listed in Article I, Section 13.

SECTION 13. CAPTIONS

Section captions or headings are intended solely to facilitate reading and reference to the provisions of this Agreement and shall not affect the meaning or interpretation of any provision.

SECTION 14. GOVERNING LAW

This Agreement and all disputes arising under this Agreement shall be governed by and construed in accordance with the laws of the United States of America and the Commonwealth of Pennsylvania.

SECTION 15. ENTIRE AGREEMENT

This Agreement represents the entire agreement between the parties hereto, supersedes all prior understandings, whether oral or written, and there are no collateral or oral agreements or understandings. This Agreement shall not be modified in any manner except by an instrument in writing executed by the parties hereto.

SECTION 16. AMENDMENTS; WAIVER

This Agreement may not be changed, amended, augmented, rescinded, or discharged (other than by performance), in whole or in part, except by a written Amendment signed by the Parties. Except to the extent that the Parties may have otherwise agreed in writing, no waiver of any provision of this Agreement shall be deemed: (a) to be a waiver of any other provision in the Agreement; or (b) to be a waiver of any breach of the obligations under this Agreement. Any forbearance by a Party in seeking a remedy for any noncompliance or breach by the other Party shall not be deemed to be a waiver of rights and remedies with respect to such noncompliance or breach.

SECTION 17. INTEGRATION

These provisions together with the Appendices attached hereto contain all the terms and conditions agreed upon by the Parties, and no other Agreement, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or to bind any party hereto or to vary any of the terms contained in this Agreement.

SECTION 18. NO JOINT VENTURE

The Parties do not intend to create, and nothing contained in this Agreement shall be construed as creating, a joint venture arrangement or partnership between the City and Franchisee.

SECTION 19. NO THIRD PARTY BENEFICIARIES

Nothing in this Agreement, express or implied, is intended or shall be construed to confer upon or give to any person, firm, corporation, or legal entity, other than the Parties, any rights, remedies, or other benefits under or by reason of the Agreement.

SECTION 20. COUNTERPARTS

This Agreement may be executed simultaneously in multiple counterparts, each of which shall be deemed an original, but all of which taken together shall constitute but one and the same instrument.

SECTION 21. NUMBER AND GENDER

Whenever the context requires, words used in the singular shall be construed to mean or include the plural and vice versa, and pronouns of any gender shall be deemed to include and designate the masculine, feminine or neuter gender.

SECTION 22. SEVERABILITY AND PARTIAL VALIDITY

The provisions of this Agreement shall be severable. If any provision of the Agreement or the application thereof for any reason or circumstances shall to any extent be held to be invalid or unenforceable, the remaining provisions of the Agreement or the application of such provision to persons or entities other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each provision of the Agreement shall be valid and enforceable to the fullest extent permitted by law.

SECTION 23. SURVIVAL

Any and all provisions set forth in this Agreement which, by its or their nature, would reasonably be expected to be performed after the termination of the Agreement shall survive and be enforceable after such termination. Any and all liabilities, actual or contingent, which shall have arisen in connection with the Agreement; the obligation to indemnify, defend and hold harmless the City, its officers, employees and agents as set forth in Article I, Section 16 (Indemnification); and the rights and obligations set forth in Article II, Section 11 (Confidentiality) shall survive the termination or expiration of this Agreement.

SECTION 24. INTERPRETATION; ORDER OF PRECEDENCE

In the event of a conflict or inconsistency between the terms of these provisions and the terms of the Franchisee Agreement, the terms of these provisions shall control, except to the extent (if any) that the Franchisee Agreement contains an express change, by specific reference, to the General Provisions.

SECTION 25. HEADINGS

The headings in the Agreement do not in any way define, limit, describe or amplify the provisions of the Agreement or the scope or intent of the provisions, and are not a part of the Agreement.

SECTION 26. CITATIONS

All statutory or other citations of law referenced in this Agreement shall refer to the statute referenced, as it may be amended or superseded from time to time.

SECTION 27. DAYS

Any references to a number of days in this Agreement shall mean “calendar” days, unless business days are specified.

SECTION 28. FORUM SELECTION CLAUSE; CONSENT TO JURISDICTION

The Parties agree that any lawsuit, action, claim, or legal proceeding involving, directly or indirectly, any matter arising out of or related to this Agreement, or the relationship created or evidenced thereby, shall be brought exclusively in the United States District Court for the Eastern District of Pennsylvania or the Court of Common Pleas of Philadelphia County. It is the express intent of the Parties that jurisdiction over any lawsuit, action, claim, or legal proceeding shall lie exclusively in either of these two forums and in no other court, administrative agency, board or commission, whether state or federal. The Parties further agree not to raise any objection to any lawsuit, action, claim, or legal proceeding that is brought in either of these two forums and the Parties expressly consent to the jurisdiction and venue of these two forums. The Parties further agree that service of original process in any such lawsuit, action, claim, or legal proceeding may be duly effected by mailing a copy thereof, by certified mail, postage prepaid to the addresses specified in the Notice section of the Franchisee Agreement.

SECTION 29. WAIVER OF JURY TRIAL

Franchisee hereby waives trial by jury in any legal proceeding involving, directly or indirectly, any matter (whether sounding in tort, Agreement or otherwise) in any way arising out of or related to this Agreement or the relationship created or evidenced hereby. This provision is a material inducement for the City to enter into this Agreement.

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IN WITNESS WHEREOF, and intending to be legally bound by this Agreement, **The City of Philadelphia**, by the Commissioner of the Department of Public Property, and **Comcast Cablevision of Philadelphia, Inc.**, by its duly authorized officers, have caused these presents to be properly executed, under seal, the day and year first above written.

The City of Philadelphia

Approved As To Form
Stephanie Franklin-Suber,
City Solicitor

Andres Perez, Jr.
Commissioner,
Department of Public Property

Per: _____
Deputy City Solicitor

**Comcast Cablevision of
Philadelphia, Inc.**

By: _____
President/Vice President

Attest: _____
Secretary

[SEAL]

FRANCHISE RENEWAL AGREEMENT

Between

THE CITY OF PHILADELPHIA

and

COMCAST CABLEVISION OF PHILADELPHIA, INC.

FRANCHISE AREA III

Dated July , 1998

AREA III
APPENDICES

AREA III
APPENDICES

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AREA III

APPENDIX A

SUBSCRIBER SERVICES

APPENDIX A

SUBSCRIBER SERVICES

1. SUBSCRIBER SERVICES

The Franchisee shall, in accordance with and subject to Article II, subsection 3.a, provide the services set forth in the following schedules attached hereto:

Schedule 1:	Video Services - Analog
Schedule 2:	Video Services - Digital
Schedule 3:	Audio Services – Digital

SCHEDULE 1

VIDEO SERVICES - ANALOG

Cable Channel Number	Designated Programming/Service	Cable Channel Number	Designated Programming/Service
2	TBS - Atlanta - Variety	46	Comcast Home Theater - Pay-Per-View
3	KYW 3 (CBS) - Philadelphia	47	SHOWTIME - Movies
4	CNN - News	48	WGTW 48 - Philadelphia
5	USA - Broad-based, special interest	49	The Movie Channel - Movies
6	WPVI 6 (ABC) - Philadelphia	50	CINEMAX - Movies
7	ESPN - Sports	51	Philadelphia School District A - Educational Access
8	CN8 - The Comcast Network - Regional news, sports and general interest programming	52	Philadelphia School District B - Educational Access
9	Comcast SportsNet - Regional sports programming	53	Community College of Phila. - Educational Access
10	WCAU 10 (NBC) - Philadelphia	54	Drexel University - Educational Access
11	Turner Network Television (TNT) - Variety	55	WFMZ 69 - Allentown
12	WHYY 12 - (PBS) - Philadelphia	56	LaSalle University - Educational Access
13	MTV - Music	57	Game Show Network - Variety
14	American Classic Movies (AMC) - Movies	58	SCI-FI - Variety
15	WTFX 29 (FOX) - Philadelphia	59	ESPN2 - Sports Programming
16	WPSG 57 (UPN) - Philadelphia	60	The BOX - Music
17	WPHL 17 (WB) - Philadelphia	61	WTGI 61 - Wilmington
18	VH-1 - Music	62	C-SPAN2/PCN - Government Access
19	The Discovery Channel - Family entertainment	63	Government Access 1
20	The Learning Channel - Educational	64	Government Access 2
21	BET/BET on JAZZ - African-American-oriented programming	65	Trinity (TBN) - Interfaith Programming
22	E! Entertainment TV - Variety	66	Comcast 66 - Community Bulletin Board
23	WNJS (PBS) - Camden	67	TV LAND - Variety
24	Arts & Entertainment (A&E) - Variety	68	Galavision - Hispanic Programming
25	STARZ! - Movies	69	Univision - Hispanic Programming
26	HBO (Home Box Office) - Movies, Sports and Entertainment specials	70	ESPN Classic Sports Network - Sports Programming
27	HBO 2 - Movies, Sports and Entertainment specials	71	Speedvision - Motor Sports Programming
28	HBO 3 - Movies, Sports and Entertainment specials	72	BRAVO - Cultural STORYVISION - Movies
29	Lifetime - Women's Programming	73	TV Food Network - Cooking Programming
30	Headline News - News	74	Q2 - Home Shopping
31	Outdoor Life - Variety/Outdoor Programming	75	EWTN - Catholic Programming
32	The Family Channel - Family	76	The History Channel - Educational

	Programming		Programming
33	Nickelodeon - Children's Programming	77	HGTV - Home and Garden Programming
34	The Disney Channel - Family/Children's Movies	78	C-SPAN 1 - Public Affairs
35	WYBE 35 - America's Store	79	MSNBC - News
36	QVC - Home Shopping	80	CNBC - News
37	WHSP 65 (HSN) - Home Shopping	81	Russian Broadcasting FIT TV - Fitness and Health Programming
38	Encore - Movies	82	The Weather Channel - Local and National Weather
39	WLVT 39 (PBS) - Allentown	83	Cartoon Network - Children's Programming
40	Comedy Central - Comedy Programming	84	The Golf Channel - Golf Programming
41	Animal Planet - Education/Family programming	85	The Nashville Network - Country oriented entertainment
42	ODYSSEY! - Interfaith Programming	86	Prevue Channel - Programming Guide PCN - Government Access
43	Philadelphia Park - Horse Races	87	Comcast Home Theater Previews - Pay-Per-View
44	Comcast Home Theater- Pay-Per-View		
45	Country Music Television (CMT) - Music		

Schedule 2
VIDEO SERVICES - DIGITAL

Premium Services

201	HBO West	220	Cinemax West	233	Movie Channel West
202	HBO West	221	Cinemax 2 West	234	Showtime East
203	HBO 3 West	222	Cinemax Mountain	235	Showtime 2 East
204	HBO Family West	223	Cinemax 2 Mountain	236	Showtime 3 East
205	HBO Family West	224	Cinemax East	237	Movie Channel East
206	HBO Mountain	225	Cinemax 2 East		
207	HBO 2 Mountain			240	Starz
208	HBO East	230	Showtime West	241	Starz 2
209	HBO 2 East	231	Showtime 2 West	242	Bet/Starz3
210	HBO 3 East	232	Showtime 3 West		

Comcast Home Theater (CHT)

401	Comcast Home Theater 1	423	Comcast Home Theater 23
402	Comcast Home Theater 2	424	Comcast Home Theater 24
403	Comcast Home Theater 3	425	Comcast Home Theater 25
404	Comcast Home Theater 4	426	Comcast Home Theater 26
405	Comcast Home Theater 5	427	Comcast Home Theater 27
406	Comcast Home Theater 6	428	Comcast Home Theater 28
407	Comcast Home Theater 7	429	Comcast Home Theater 29
408	Comcast Home Theater 8	430	Comcast Home Theater 30
409	Comcast Home Theater 9	431	Comcast Home Theater 31
410	Comcast Home Theater 10	432	Comcast Home Theater 32
411	Comcast Home Theater 11	433	Comcast Home Theater 33
412	Comcast Home Theater 12	434	Comcast Home Theater 34
413	Comcast Home Theater 13	435	Comcast Home Theater 35
414	Comcast Home Theater 14	436	Comcast Home Theater 36
415	Comcast Home Theater 15	437	Comcast Home Theater 37
416	Comcast Home Theater 16	438	Comcast Home Theater 38
417	Comcast Home Theater 17	439	Comcast Home Theater 39
418	Comcast Home Theater 18	440	Comcast Home Theater 40
419	Comcast Home Theater 19	441	Comcast Home Theater 41
420	Comcast Home Theater 20	442	Comcast Home Theater 42
421	Comcast Home Theater 21	443	Comcast Home Theater 43
422	Comcast Home Theater 22		

Schedule 3
AUDIO SERVICES - DIGITAL
MUSIC CHOICE LINEUP

<u>Channel</u>	<u>Format</u>
301	Hit List
302	Dance
303	Rap
304	R&B Hits
305	Body and Soul
306	World Beat
307	Blues
308	Jazz
309	Lite Jazz
310	New Age
311	Progressive Album Mix
312	Alternative Rock
313	Metal
314	Classic Rock
315	70's Super Hits
316	Solid Gold Oldies
317	Soft Rock
318	Today's Country
319	Classic Country
320	Easy Listening
321	Singers and Standards
322	Big Band
323	Classical Masterpieces
324	Lite Classical
325	For Kids Only
326	Contemporary Christian
327	Gospel
328	Musica Latina
329	Showcase 1
330	Showcase 2
331	Tropical
332	Mexicana
333	80's Power Hits
334	Show Tunes
335	Party Favorites
336	Rock Hits
337	Tejano
338	Soul Classics
339	Opera
340	Sounds of the Season

AREA III
APPENDIX B
SYSTEM UPGRADE

APPENDIX B
SYSTEM UPGRADE

1. SYSTEM UPGRADE

The architecture for the Area System upgrade will consist of a master headend serving four hubs. The hubs will be interconnected with fiber optic cable in a “self healing” ring configuration. This ring configuration will enable the hub to automatically switch to an identical secondary source should a catastrophic loss occur to the primary source.

The hubs will route signals via fiber to multiple nodes, with each node serving approximately 1200 homes. The node is where the transition from optical signal to RF signal occurs. Coaxial cable from the existing system will be connected to each node. It is anticipated that the maximum number of amplifiers from the node to any customer will be three trunk amplifiers and three feeder “line-extender” amplifiers. The power supplies serving the amplifiers and nodes will have stand by capacity of up to 2 hours and all of the amplifiers will be 750MHz capable.

Each of the “passive” devices in the system (signal splitters and subscriber taps) will be removed and replaced with passives that are 750MHz capable. A small percentage of the existing coaxial cable will be augmented or replaced in situations where the signal level is not adequate or the cable is not capable of passing 750MHz. Replacement of cable or adding additional cables will be kept to an absolute minimum in the rear bracket areas.

In addition to notifications to City officials, Comcast will communicate pending upgrade activity to the City residents in a variety of ways. Newspaper advertisements, direct mailings and commercials on a number of major cable networks will announce and update the upgrade activities. Door hangers will be delivered to each residence just prior to the start of upgrade activity in the neighborhood and may also include an in person follow-up.

2. UPGRADE PLAN

The terms and conditions of Article II, Sections 2. shall govern, inter alia, Franchisee's submission and the Commissioner's review and Certification or rejection the Upgrade Plan; the procedures the parties shall follow in the event the Upgrade Plan is not Certified; Franchisee's commencement and Completion of the Upgrade; the Commissioner's review and Certification or non-certification of the Completion of the Upgrade; and the procedures the parties shall follow in the event Completion is not Certified. The Certified Upgrade Plan shall be deemed to be a part of this Appendix B;

a. Schedule 1 to this Appendix B, entitled "Upgraded System Mileage", sets forth the number of miles of the Area System that is to be upgraded during each of the next five (5) years after Certification of the Upgrade Plan.

b. As used in paragraph 1 of this Appendix B, the term "construction" has the same meaning as "Completion of Upgrade", as that term is defined in Article I, Section 2.

c. As used in the Schedules attached hereto, Year 1 begins on the date of Certification, and subsequent Years begin on the anniversaries of the date of Certification.

3. REVISED UPGRADE SCHEDULE

The Franchisee may, at its option, submit to the Commissioner, for the Commissioner's approval, a revised Upgrade Plan which shall not exceed sixty (60) months in accordance with Bill No. 53-A. The Commissioner shall not disapprove any revised Upgrade Plan solely because it provides for a sixty (60) month construction period. Any revised upgrade construction schedule approved by the Commissioner in accordance with this paragraph 2 shall be deemed to be a part of this Appendix B.

AREA III

APPENDIX B

SCHEDULE 1

UPGRADED SYSTEM MILEAGE

AREA SYSTEM

	<u>Category</u>	<u>Total</u>
a.	Aerial plant miles	1414
b.	Underground plant miles with conduit	72
c.	Underground plant miles without conduit	0

AREA III

APPENDIX C

SYSTEM DESIGN

APPENDIX C SYSTEM DESIGN

1. GENERAL-EQUIVALENT EQUIPMENT AND SERVICES

This Appendix C sets forth a detailed description of the Area System, detailing the types and uses of equipment included in the Area System to insure that the performance standards set forth in Appendix D are met. However, the designation of specific types of equipment in this Appendix C is not intended to limit the Franchisee's choice of equipment to the brands so named, and this Agreement confers no rights on the manufacturers of such equipment. Rather, such designation shall establish the minimum standard of quality for the equipment to be used in the Area System. The Franchisee may substitute equivalent equipment, provided such substituted equipment has at least substantially equal quality and function. The Franchisee may also, at its option, prior to commencement of the upgrade of the Area System, submit to the Commissioner for his written approval, which shall not be unreasonably withheld, a new Area System design, which new design shall provide the number of upstream and downstream channels set forth in Paragraph 2.a of this Appendix C, and which shall meet the performance standards set forth in Appendix D.

2. SYSTEM DESIGN

The Area System shall conform substantially with this Appendix C, and the following:

a. General Description of the Area System

The Franchisee shall upgrade the Area System to consist of a centrally-located, self contained headend feeding a fiber optic ring configuration connecting four (4) OTN/Hub locations.

The Area System shall have a forward bandpass of 54-750 MHz providing a total capacity of (82) downstream analog channels and 200 MHz available for digital video and data services. In addition, the Area System shall have a return bandpass of 5-40 MHz that will provide a total of five (5) 6 MHz return channels.



All trunk amplifiers will be Jerrold BTN or MB series two-way amplifiers employing Automatic Slope Control (ASC) and Automatic Gain Control (AGC) at every trunk station in order to minimize amplitude variations within the Area System. All trunk amplifiers shall have the capacity for redundant power packs and remotely controlled automated status monitoring, as set forth in paragraph 3 of this Appendix C, to provide insurance against any interruption in the flow of communications to and from the subscriber.

The system design shall incorporate standby power at all the head end, hub, OTN and satellite terminals. Standby power will support a power outage at those locations for a least four (4) hours.

All of the Franchisee's active and passive electronic distribution equipment exposed to the elements shall be enclosed in corrosion-resistant aluminum alloy housings. These housings shall incorporate a bolt closure system to provide ready access for maintenance; in conjunction with the housing's environmental and electromagnetic gaskets, these bolt closures shall be designed to ensure the RF and environmental integrity of the housing.

Underground cables, whether in conduit or directly buried, shall be jacketed and contain a flooding compound designed to prevent the possibility of soil or water corrosion of the cable's aluminum jacket.

The Franchisee's satellite earth stations shall include spare low noise amplifiers and spare tunable satellite receivers to provide standby protection for all satellite services.

b. Activation of Bidirectional Capability

Upon Completion of the Upgrade, the Area System shall be capable of bidirectional operation which may be activated by Franchisee as necessary in connection with the provision of services requiring two-way capability.

c. Towers

The Franchisee's tower design and construction will adhere to the following standards or regulations as currently existing or as amended or applicable provisions of subsequently adopted or enacted standards, rules, regulations, or codes:

- (1) Structural Standards for Steel Antenna Towers and Antenna Supporting Structures - - Electronics Industries Association Standard RS-222-C;

- (2) Federal Communications Commission Rules and Regulations Part 17, Construction Marking and Lighting of Antenna Structures; and
- (3) Federal Aviation Administration Department of Transportation, Federal Aviation Regulations, Part 17, Objects Affecting Navigable Airspace, and manual #AC 70/7460-IF, Obstruction Marking and Lighting.
- (4) Title 14 of The Philadelphia Code, entitled “Zoning and Planning,” and Chapter 9-300 of The Philadelphia Code, entitled “Communications.”

Antennas will be constructed to withstand one hundred (100) mile-per-hour winds with no ice and seventy (70) mile-per-hour winds with one inch of radial ice.

The Franchisee’s channel lineup will avoid the use, for video, of any channels shown to be in conflict with present FCC rules and regulations or which may be subject to citizens’ band interference.

3. STATUS MONITORING

In order to promote reliability and safety, the Area System may utilize a Jerrold Status Monitoring System to insure high quality performance at each node and power supply locations. The system shall monitor channel output levels and report power supply status. At locations of primary power supply, the system will monitor standby operation, output voltage, output current and ambient temperature. These features will be activated selectively.

4. EMERGENCY ALERT SYSTEM

The Franchisee will include, as an integral part of the Area System, an emergency alert override system capable of interrupting the audio portion of all of the Franchisee’s downstream subscriber channels. This system will be developed so as to allow designated authorized City officials to interrupt the entire downstream portion of the Area System for emergency messages affecting public safety. This single unit will contain a telephone answering unit and a tone decoder.

5. STANDBY POWER

The Area System shall provide standby power capability to sustain operation of all electronic signal processing equipment, computers and environmental equipment for a period of at least four (4) hours, and to sustain operation of all distribution equipment for two (2) hours, as set forth in Article II, subsection 4.g. Primary standby power for the

headend and earth station terminal shall be supplied by generators with 48 hour fuel capacity. These generators shall be supervised by the status monitoring system to ensure maximum reliability and shall support all electronic systems, lighting systems, and heating and cooling systems at the headend building.

6. PLANT CAPABILITY FOR SERVICES

The Area System shall include a CATV plant with the capacity of providing enhanced services, including but not limited to, home banking, home shopping, news and information retrieval, travel information and reservations, captioning, data transmission and pay-per-view. Only subscribers who elect to receive any of these services which require interactive capability will be provided with equipment enabling use of the Area System's interactive capability (at such time as said capability is available).

AREA III

APPENDIX D

PERFORMANCE REQUIREMENTS

PERFORMANCE REQUIREMENTS

1. PERFORMANCE

a. The minimum performance requirements of the FCC shall be met. In addition, the Franchisee warrants and agrees to provide a system of quality in excess of certain of the FCC requirements, as specified in this Agreement. Table 1, attached hereto, sets forth the total guaranteed minimum Area System performance, which is beyond that required by the FCC, for the three cases given. These statistics represent minimum performance specifications to be maintained throughout the term of this Agreement. However, should FCC performance standards be increased beyond those specified in Table 1, the Franchisee's performance standards shall be updated, amended or otherwise revised to reflect such changed standards.

All calculations used to produce Table 1 are related to full loading of nonsynchronized television signals, and are based upon assumed system input parameters set forth in the Application or in any new system design approved by the Commissioner pursuant to paragraph 1 of Appendix C. Enhancement such as HRC channelization, synchronous carriers or FM video modulation are not reflected and corresponding dB improvements are not considered. The Franchisee does propose to use a HRC system from which subjective benefits will be derived.

b. Subject to the provisions of paragraph a above,

- (1) The longest overall trunk from any of the Franchisee's nodes on the Area System will not exceed 10,000 feet;
- (2) The longest trunk will require a maximum cascade of four (4) amplifiers; and
- (3) The longest distribution feeder will be 5,000 feet and will not require more than three line extenders in cascade.

2. TESTING

a. Copies of all test reports shall be submitted to the City upon the request of the Commissioner.

b. The term “mini-proof” means a test of at least three (3) discrete points within any segment of the System to determine all of the following:

- (1) Video carrier levels on at least one (1) channel in each band (LOW VHF, HIGH VHF, mid, super and hyper);
- (2) Carrier-to-noise on the lowest frequency activated channels;
- (3) Visual Picture Quality, on all activated channels looking for composite triple beat, cross modulation and noise; and
- (4) Measured system radiation/signal leakage.

c. The term “proof of performance test” means a test conducted in accordance with FCC Rules and Regulations, 47 Code of Federal Regulations Part 76.601, to determine compliance with (1) FCC technical standards and (2) the standards in Appendix D, Table 1. Such tests shall be made on representative activated cable television channels. In the event the FCC regulations currently set forth in 47 CFR Part 76.601 are eliminated or substantially reduced in scope, the requirements of 47 CFR Part 76.601 as of the Effective Date shall continue to apply for the purposes of this Agreement.

TABLE 1

	<u>CARRIER TO NOISE RATIO (dB)</u>	<u>CROSS MODULATION (dB)</u>	<u>COMPOSITE TRIPLE-BEAT (dB)</u>
a) Worst-case satellite received signal to furthest subscriber tap including distribution system (down-stream) and system inter-connection	47.0	50.0	50.0
b) Worst-case offair TV signal to furthest			

subscriber tap
(including
downstream
distribution system)
and system
interconnection

47.0

50.0

50.0

AREA III
APPENDIX E
ACCESS CHANNELS AND FACILITIES

APPENDIX E

ACCESS CHANNELS AND FACILITIES

1. ACCESS SCHEDULES

The following Schedules are attached hereto:

Schedule 1: Area Public Access Equipment and Capital Facilities

Schedule 2: City-Wide Public Access Center Capital Facilities

Schedule 3: City-Wide Government Access Center Capital Facilities

Schedule 4: Provision of Access Facilities

2. ACCESS CHANNELS

In order that City-wide access channels may be provided on the same cable channels on all cable systems in the City, the Franchisee warrants and represents that it shall negotiate in good faith with the Commissioner to establish City-wide access channel allocations and to maintain existing City-wide access channel locations. These allocations include and shall continue to include five public access channels, five education access channels, two City government access channels and leased access channels provided in accordance with applicable law delivered on the Franchisee's basic service provided to all subscribers. The Franchisee further warrants and agrees that such negotiated access channel allocations shall be maintained throughout the term of this Renewal Agreement unless a change in such access channel allocations is specifically authorized by the Commissioner in writing. The Franchisee further warrants and represents that it will reasonably cooperate with the City in making any change in or additions to the negotiated access channel

allocations as may be requested by the Commissioner to further facilitate the objective of maintaining an adequate number of common access channel allocations throughout the City; provided, however, that the Franchisee shall not be required to allocate more common access channels than the total number of access channels set forth above. The access channel allocations as negotiated shall control and shall be deemed to be the Franchisee's required allocations for City-wide access channels. All such City-wide access channels shall be provided by the Franchisee at no cost to users for non-commercial purposes, except that Leased Access channels shall be provided at rates determined by the Franchisee subject to applicable law. Notwithstanding anything to the contrary that may be contained in this Section 2, the Franchisee and the City agree as follows: (a) The City shall loan to Franchisee, one Government Access Channel, Channel 63, effective upon Certification of the Upgrade Plan. Such channel shall be returned to the City for its use as a Government Access Channel within sixty days of the Commissioner's written request; provided, however, that the City agrees that no such request for return of the channel shall be prior to Certification of Completion of the Upgrade. (b) The City shall grant to Comcast the use of one Educational Access analog channel now used by the Philadelphia School District upon, but only upon, Franchisee implementing and making fully operational for Area School District use one dedicated closed digital channel that complies with the following requirements:

- Seamless continuity of programming throughout the analog to digital transition including digital hardware necessary to convert analog signals to digital signals and digital signals to analog signals.
- Development of a coordination plan with the other cable franchisees that will ensure transition from an analog to digital channel throughout the four City franchise areas; and
- Implementation of Franchisee's Cable-in Classroom programming.

1. ACCESS FACILITIES

a. Subject to the provisions of this Section 3, the Franchisee warrants and represents that it will provide all City-wide public, educational and government access studios, facilities and equipment listed in Schedules 2 and 3 of this Appendix E on a shared cost basis with other franchisees (for purposes of this Appendix E, “franchisees” means the franchisees for the portions of the System in Areas I, II, III and IV, as such areas are defined in Bill No. 53-A). Franchisee further warrants and represents that it will provide all Area and Special Access equipment listed in Schedule 1 of this Appendix E.

b. The actual studios, facilities and equipment listed in Schedule 1 to be provided by the Franchisee for area public access centers and the locations shall be determined by decision of the Access Corporation after consultation with the Franchisee, provided, however, the total initial and replacement cost need not exceed \$450,000. The Franchisee will provide all facilities and equipment listed in Schedule 1 in consultation with the Access Corporation.

c. [City wide Governmental Access Center N/A]

d. Schedule 5 establishes the dates by which the required Area and City-wide public, educational and government access studios, facilities and equipment shall be initially provided and replaced. Subject to the applicable conditions set forth in this Appendix E and the Renewal Agreement, all required City-wide public, educational and governmental access facilities and equipment shall be installed or replaced and made fully operational by the Franchise in cooperation with the other franchisees and the designated recipients as of the indicated dates in Schedule 5, and all required Area Access facilities and equipment shall be installed or replaced and made fully operational by the Franchise as of the indicated dates in Schedule 5.

e. The Franchisee shall warrant and guarantee the initial workmanship, technical performance and overall quality of any and all public, educational, and government access studios and facilities (as distinguished from access equipment purchased from a separate manufacturer or supplier) provided by the Franchisee, either alone or in concert with the other franchisees, under this Agreement, for a period of two (2) years after formal written acceptance (as set forth below in this paragraph). The Franchisee shall be jointly and severally liable with the other franchisees for such warranty and guaranty with respect to studios and facilities provided by the Franchisee in concert with the other franchisees. Upon formal written acceptance of the studios, facilities and/or equipment by the designated recipient, which shall not be unreasonably withheld, the Franchisee, in concert with other franchisees where applicable, shall provide such recipient with all appropriate guarantees and warranties provided by contractors, manufacturers, and suppliers involved in the construction or provision of the facilities and equipment and such studios, facilities and/or equipment shall become the sole property of the designated recipient.

4. ACCESS CORPORATION

The Access Corporation or its designee shall be responsible for the operation and maintenance of all public access studios, facilities and equipment provided by the Franchisee pursuant to this Agreement. The Franchisee warrants and represents that it will contribute to the funding of the Access Corporation in an amount ranging from \$75,000 to \$125,000 per year as directed by the City Council, subsequent to consultation with the Access Corporation.

Pursuant to applicable laws as of the Effective Date, any amounts contributed by the Franchisee to the funding of the Access Corporation under this paragraph 4 may be taken, at the Franchisee's discretion, as an offset against the franchise fee. However, if at any time after the Effective Date the City is not required to permit such offsets under the provisions of controlling law, then the

Franchise may not offset such amounts against the franchise fee, and such payments shall be in addition to the franchise fee.

5. ALTERNATE ACCESS PLAN

If the franchise of one or more franchisees terminates before construction of the City-wide access facilities listed in this Appendix E is completed, then the Commissioner shall, after consultation with the remaining franchisees, develop a revised access plan providing for the design, construction and equipping of City-wide access facilities. Such revised plan shall not increase the Franchisee's capital contribution above the total amount of the Franchisee's capital contributions as listed in Schedules 1 and 2 of this Appendix E, pending resolution of the Governmental Access Center funding.

6. DEFAULT OF OTHER FRANCHISEES

Notwithstanding anything in this Agreement to the contrary, if the City-wide access studios, facilities, and equipment are not provided in accordance with this Appendix E solely because of the failure of one or more of the other franchisees to perform its or their contractual obligations with respect to the City-wide access system and through no fault of the Franchisee, then the Franchisee shall not be in breach of its obligations under this Appendix E for as long as, and to the extent that, such failure by one or more of the other franchisees continues.

7. EDUCATIONAL ACCESS GRANT

Within 120 days after Certification and approval of the Upgrade Plan by the Commissioner, the Franchisee shall make a one-time grant to the Philadelphia School District (or to such matching-

grant fund as the Philadelphia School District may designate) in the amount of \$250,000 for use by the School District to fund its communications needs, as determined by the School District.

APPENDIX E
SCHEDULE 2
CITYWIDE PUBLIC ACCESS CENTER

CAPITAL FACILITIES

The Franchisee, in cooperation with other Area Franchisees and the Access Corporation, shall purchase and install all facilities and equipment necessary to establish a City-wide Public Access Production Center for the Access Corporation meeting the following minimum specifications:

Total size = 1200 Square feet

Main Studio/Control Room

 3 Camera-Color

 Fully Equipped

Film/Slide Chain

Reception Area

Offices

Storage Room

Equipment Repair Room

Channel Programming Center

 2 Editing Stations

 5 Porta Paks/Associated Equipment

Leasehold Improvements

Total Initial Cost:	\$	600,000	
Franchisee's Capital Contribution:	\$	150,000	
<hr/>			
Total Replacement Cost:	\$	300,000	
Franchisee's Capital Contributions	\$	75,000	
<hr/>			
Total Cost:	\$	900,000	
Franchisee's Capital Contribution:	\$	225,000	

APPENDIX E

SCHEDULE 3

CITY-WIDE GOVERNMENT ACCESS CENTER

CAPITAL FACILITIES

The Franchise, in cooperation with other Area Franchisees and the City, shall purchase and install all equipment and facilities necessary for purposes of replacement, upgrade and maintenance of existing City-wide Government Access Center facilities:

Location: City Hall

Main Studio/Control Room

Total Cost:	\$ N/A
Franchisee's Capital Contribution:	\$ N/A

APPENDIX E

SCHEDULE 4

PROVISION OF ACCESS FACILITIES

<u>Access Facility</u>	<u>Date Initially Due</u>	<u>Date(s) Replacements Due</u>	<u>Recipient</u>
City-Wide Public Access Portable Editing & Playback Equipment	July 1, 2002	July 1, 2006} (Portable July 1, 2009} Equipment July 1, 2012} Only)	Access Corporation
City-Wide Public Access Center Facilities	July 1, 2003	July 1, 2009	Access Corporation
Area Public Access Facilities	July 1, 2003	July 1, 2009	Access Corporation

AREA III

APPENDIX F

LOCAL ORIGINATION

APPENDIX F

LOCAL ORIGINATION

1. FACILITIES

The Franchisee warrants and represents that it will provide studios, facilities and equipment for the provision of local origination programming on the Area System as set forth in this Appendix F.

2. PROGRAMMING

The Franchisee warrants and represents that it will provide a minimum of 110 hours per week of local origination programming on the Area System of interest to the residents of Philadelphia consisting of programming produced locally by Franchisee and programming obtained from other sources; and that during the term of the Renewal Agreement and subject to applicable law, it will produce and present local origination programming and programming obtained from other sources on the Area Systems in the same relative proportions as were agreed to in the Original Franchise.

3. DATE OF OPERATION

The Franchisee warrants and represents that all its local origination facilities are fully operational and the programming amounts given in Paragraph 2 above will be provided over the Area System throughout the Term of the Franchise.

AREA III

APPENDIX G

MUNICIPAL AND INSTITUTIONAL SERVICES

APPENDIX G

MUNICIPAL AND INSTITUTIONAL SERVICES

1. MUNICIPAL SERVICES

The Franchisee shall provide free basic and expanded basic tier Service, and free installation of one outlet to each municipal building, public school building, public library, fire station and police station (collectively, the “Municipal Institutions”) within 150 feet of the System in the Area upon request by the Commissioner. Installation of free drops will be completed to a location no later than sixty (60) days after receipt of a request by the Commissioner. Any services in addition to those included in the basic and expanded basic tier Service which are made available on the Area System and for which there are published rates shall be available to Municipal Institutions at the least expensive published rates.

2. INSTITUTIONAL SERVICES

Within six (6) months of the Effective Date, Franchisee shall submit to the Commissioner a design plan for the interconnection of forty-four police and fire locations in Areas III and IV listed on Schedule 1 to this Appendix G. On and after the Effective Date, the Franchisee will consult with the Commissioner and conduct a site visit and examination of each site listed on Schedule 1 to ensure that the design plan and architecture will provide the basic capabilities and the flexibility for enhancements as set forth below. The interconnection (“Institutional System”) will utilize a fiber/coaxial-based network topology which will enable the City to provide basic data exchange capability at a minimum of 56 Kbps. All interconnected locations will be able to communicate over the Franchisee’s system at no cost to the City. The Institutional System will provide the City with the flexibility to implement various service upgrades to meet future needs depending on an individual site’s specific requirements, including, but not necessarily limited to, transmission speed enhancement and Internet access. Any incremental monthly service fees for selected upgrades would be charged to the City at

discounted rates, which shall be less than the lowest rates charged to commercial entities for similar service.

For each site listed on Schedule 1, implementation of the Institutional System shall commence upon Completion of the Upgrade in the portion of the Area where the applicable site is located.

3. DEDICATED CLOSED FIBER NETWORK

Within twelve (12) months after Certification of the upgrade construction schedule by the Commissioner, Franchisee will construct and maintain a closed fiber optic telecommunications network (the "Closed Fiber Network") consisting of one bi-directional video channel between the Prison complex on State Road in Northeast Philadelphia and Franchisee's Wayne Avenue headend and capacity equivalent to seven (7) T-1 lines. Transmission equipment (excluding end-user equipment) and services from the Prison complex to the Wayne Avenue headend will be provided at no cost to the City. The cost of transmission of signal from the Wayne Avenue headend to any location outside the Area will be the responsibility of the City.

APPENDIX G

SCHEDULE 1

**INTERCONNECTION SYSTEM SITES:
PHILADELPHIA POLICE DEPARTMENT**

SITE	LOCATION
25th District	3300 N. Front Street
East Detectives	3300 N. Front Street
26th District	615 Girard Avenue
Stakeout Unit	660 Erie Avenue
Police Tow Squad	4298 Macalester Street
Northwest Detectives	5860 N. Broad Street
7th District	1701 Bowler Street
Police Sub Station	1220 W. Lindley Avenue
14th District	43 W. Haines Street
8th District	10100 Academy Road
15th District	2831 Levick Street
2nd District	2831 Levick Street
Police Academy	8501 State Road
Police Stables	601 Krewestown Road
Pennsylvania Fish Commission	5601 Tacony Street

**INTERCONNECTION SYSTEM SITES:
PHILADELPHIA FIRE DEPARTMENT**

SITE	LOCATION
Engine 52	5800 Jackson Street
Engine 55	4000 N. Front Street
Fire Academy	5200 Pennypack Street
Fire Safety Office	5200A Pennypack Street
Engine Ladder 2	2422 N. 2nd Street
Engine 46	9191 Frankford Avenue
Engine 51	5931 Old York Road
Engine 28	2530 E. Ontario Street
Engine 38	4930 Longshore Avenue
Engine 64	6100 Rising Sun Avenue
Engine 62	1701 Bowler Street
Engine 50	1329 W. Cambria Street
Engine 14	1600 Foulkrod Street
Engine 33	Richmond and Kirkbridge Streets
Engine 71	1900 Cottman Avenue
Engine 36	7818 Frankford Avenue
Engine 6	2601 Belgrade Street
Engine 59	812 Hendrix Street
Engine 61	5300 Rising Sun Avenue
Engine 56	834 Rhawn Street
Engine 22	3270 Comly Road
Engine 63	1210 Oak Lane Avenue
Engine 19	300 E. Cheltenham Avenue
Engine 70	4700 Langdon Street
Engine 72	1127 W. Loudon Street
Engine 73	7515 Ogontz Avenue
Engine 25	2931 Boudinot Street
Engine 9	6900 Germantown Avenue
Engine 37	101 W. Highland Avenue

AREA III
APPENDIX H
INTERCONNECTION

APPENDIX H

INTERCONNECTION

The Franchisee shall coordinate and work in concert with the franchisees for the other area systems to maintain for the term of the Franchise the interconnection of each of the area systems in accordance with the terms of this Appendix H. For the purposes of this Appendix H, (a) “area systems” means the portions of the System in Areas I, II, III, and IV, as such Areas are defined in Bill No. 53-A, and (b) “franchisees” means the franchisees for the area systems.

1. SERVICES

The interconnection system shall provide interconnection among the area systems for distribution throughout the City of local origination and public, governmental, and educational access programming.

The interconnection system shall also be structured so as to be capable of distributing any other programming or services between and among the area systems as well as to and from sources outside the System in accordance with Article II, subsection 2.g.

3. OPERATION

The Franchisee shall develop with the other franchisees a Board to manage the interconnection system. The Board shall consist of a representative of each of the area systems. The Board shall establish and review design standards, technical specifications and maintenance and operating procedures and shall oversee the operation of the interconnection system.

Operating costs shall be divided equally among the franchisees for all common uses of the interconnection system, but each franchisee shall be responsible for the operations and equipment at its own headend/hub.

Upon activation, seven (7) channels in each direction shall be available for distribution throughout the City of local origination, and public, educational and governmental access programming twenty-four (24) hours every day, seven (7) days every week.

4. DEFAULT OF OTHER FRANCHISEES

Notwithstanding anything in this Agreement to the contrary, if the interconnection system is not maintained in accordance with this Appendix H solely because of the failure of one or more of the other franchisees to perform its or their contractual obligations with respect to the interconnection system and through no fault of the Franchisee, then the Franchisee shall not be in breach of its obligations under this Appendix H for as long as, and to the extent that, such failure by one or more of the other franchisees continues.

AREA III

APPENDIX I

EMPLOYMENT, TRAINING AND SUBCONTRACTING

APPENDIX I

EMPLOYMENT, TRAINING AND SUBCONTRACTING



1. FRANCHISEE'S COMMITMENTS

a. Board Membership



Minorities and women shall participate as members of the Board of Advisors of the Area III Franchise throughout the term of the Franchise.

b. Contracting

For purposes of determining Franchisee's compliance with the goals set forth in this subparagraph b, a business may be considered as either a minority owned business or a woman-owned business, but not both.

Over the term of the franchise, the Franchisee shall meet or exceed the following subcontracting goals:

- (1) A minimum of thirty-seven and one-half percent (37.5%) of capital expenditures shall be procured through local businesses;
- (2) A minimum of thirty-eight and one-half percent (38.5%) of capital expenditures, inclusive of capital expenditures related to the Upgrade, shall be procured through local minority-owned businesses;
- (3) A minimum of ten percent (10%) of capital expenditures, inclusive of capital expenditures related to the Upgrade, shall be procured through local female-owned businesses;
- (4) A minimum of thirty-two and one-half percent (32.5%) of the dollar value of non-intrinsic goods and services (other than capital expenditures) shall be procured through local businesses;
- (5) A minimum of thirty percent (30%) of the dollar value of non-intrinsic goods and services (other than capital expenditures), inclusive of any non-intrinsic expenditures related to the Upgrade, shall be procured through local minority-owned businesses; and
- (6) A minimum of ten percent (10%) of the dollar value of non-intrinsic goods and services (other than capital expenditures), inclusive of any non-intrinsic

expenditures related to the Upgrade, shall be procured through local female-owned businesses.

All Minority Business Enterprise and Women Business Enterprise firms utilized by the Franchisee shall be certified by the City of Philadelphia Philadelphia's Minority Business Enterprise Council or its successor agency. During the term of the Franchise, the Franchisee shall allocate a minimum of \$250,000 to the Philadelphia Commercial Development Corporation ("PCDC"), or such other agency designated by the Commissioner, to fund its revolving loan fund for the benefit of certified local MBE's and WBE's.

During the term of the Franchise, Franchisee will list as a separate line item on its quarterly MBE/WBE Spending Reports the dollar amount of loans generated from the PCDC funding provided by Franchisee as reported by PCDC.

b. Employment

The Franchisee represents and warrants that it shall recruit and train employees sufficient to meet the following employment goals pertaining to minorities and women:


1. Thirty percent (30%) of all job hours of all classifications shall go to minority employees.


2. Twenty percent (20%) of all job hours of all classifications shall go to women.

The Franchisee shall provide equal employment opportunity to all qualified and qualifiable individuals without regard to race, religion, creed, national origin, gender, age, marital status, or non-disqualifying physical or mental handicap, in each and every personnel action, including but not limited to all promotions, transfers, demotions, and layoffs. All employees within each employment category shall be treated equally in pay, fringe benefits and opportunities for overtime. The Franchisee shall conduct periodic reviews of each job category to determine whether a racial or sexual imbalance in that category exists. If such disparity is found, the Franchisee shall take prompt measures to correct such disparity.

c. Training

Over the term of the Franchise, the Franchisee shall provide training and educational opportunities in the various aspects of cable system development including installation, management, operations, marketing, programming and maintenance of the system. Training and educational opportunities shall be provided to minorities, women, the handicapped, veterans and

senior citizens on a non-discriminatory basis. During the term of the Franchise, the Franchisee shall provide the following training programs: 

- (1) The Franchisee shall recruit and hire an experienced training coordinator to design, implement and evaluate all personnel training programs.
- (2) Franchisee shall participate in the Walter Kaitz Foundation Fellowship Program whereby the Franchisee will accept one minority candidate annually during the Franchise term, such candidate to be provided with experience in cable television management.
- (3) Franchisee shall maintain an Educational Financial Assistance Program for all full-time employees to provide tuition reimbursement for approved courses of instruction taken at accredited schools.
- (4) Franchisee shall provide to its employees the opportunity for computer training.
- (5) Franchisee shall establish an annual intern training program for women, minorities and other students enrolled in communications programs in cooperating colleges and universities within the City. 
- (6) Franchisee shall participate in the Summer Job Program sponsored by the City.

2. UNION AGREEMENTS

If union agreements exist as of the Effective Date, the Franchisee shall cooperate with unions in the development of programs to assure maximum qualified minority and female equal employment opportunities. If union agreements do not exist as of the Effective Date, the Franchisee shall include an effective nondiscrimination clause in new and/or renegotiated agreements.