

ORDINANCE NO. 1224

(2 of 1986)

AN ORDINANCE OF THE BOROUGH OF DONORA GRANTING A FRANCHISE TO CENTRE VIDEO CORPORATION FOR THE CONSTRUCTION AND OPERATION OF A CABLE TELEVISION SYSTEM.

BE IT ORDAINED AND ENACTED by the Council of the Borough of Donora as follows:

SECTION ONE: That the Borough of Donora does hereby grant to Centre Video Corporation a franchise for the construction and operation of cable television service.

SECTION TWO: That the proper officials of the Borough are hereby authorized to execute a contract with Centre Video Corporation delineating the legal rights and obligations of the respective Parties.

SECTION THREE: That the terms and conditions of the CABLE TELEVISION PROPOSAL as presented by Centre Video Corporation and dated February 1, 1986 which include, inter alia; the comprehensive Ordinance and Exhibits A, B, C, D, E and F are hereby incorporated into the terms of this Ordinance as if the same were set forth in their entirety.

SECTION FOUR; That the comprehensive Ordinance as set forth in said CABLE TELEVISION PROPOSAL shall be executed simultaneously with the execution of this Ordinance and the terms thereof shall be the law of this Municipality.

ORDAINED AND ENACTED into Ordinance this 8th day of MAY, 1986.

John Leguilli
President of Council

EXAMINED AND APPROVED this 8th day of MAY, 1986.

Anthony Massaro
Mayor

ATTEST:
Robert M. Sanasero
Borough Secretary

ORDINANCE

ORDINANCE NUMBER _____

An Ordinance of the Borough of Donora Granting a Franchise to Centre Video Corporation for the Construction and Operation of a Cable System.

The Borough of Donora having determined that the financial, legal and technical ability of Centre Video Corporation, is reasonably sufficient to provide services, facilities and equipment necessary to meet the future cable-related needs of the community, does hereby ordain as follows:

SECTION I
Definition of Terms

1.1 Terms. For the purpose of this Ordinance, the following terms, phrases, words, and abbreviations shall have the meanings ascribed to them below. When not inconsistent with the context, words used in the present tense include the future tense, words in the plural number include the singular number, and words in the singular number include the plural number:

a. "Affiliate" means an entity which owns or controls, is owned or controlled by, or is under common ownership with Grantee.

b. "Basic Cable" is the tier of service regularly provided to all subscribers that includes the retransmission of local broadcast television signals and the public, educational and governmental channels, if required by the terms hereof.

c. "Cable Act" means the Cable Communications Policy Act of 1984, as amended.

d. "Cable Service" means (i) the one-way transmission to subscribers of Video Programming or other programming service, and (ii) subscriber interaction, if any, which is required for the selection of such Video Programming or other programming service.

e. "Cable System" means a facility, consisting of a set of closed transmission paths and associated signal generation, reception, and control equipment or other communications equipment that is designed to provide Cable Service and other service to subscribers.

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

g. "Franchise" shall mean the initial authorization, or renewal thereof, issued by the Franchising Authority, whether such authorization is designated as a franchise, permit, license, resolution, contract, certificate, or otherwise, which authorizes construction and operation of the Cable System for the purpose of offering Cable Service or other service to subscribers.

h. "Franchise Authority" means the Borough of Donora, or the lawful successor, transferee or assignee thereof.

i. "Grantee" means Centre Video Corporation, or the lawful affiliate, successor, transferee or assignee thereof.

j. "Gross Revenues" Any and all compensation and other consideration received directly by the Grantee from Subscribers in payment for all furnished basic Cable Television Services. Included also are revenues generated by Home Box Office (HBO) or a similar substitute service and converter rentals associated with expanded basic service. Gross subscriber revenues shall not include any taxes on services furnished by the company imposed directly on any subscriber or used by any municipality, state or other governmental unit and collected by the company for such governmental unit.

k. "Person" means an individual, partnership, association, joint stock company, trust corporation, or governmental entity.

l. "Public Way" shall mean the surface of, and the space above and below, any public street, highway, freeway, bridge, land path, alley, court, boulevard, sidewalk, parkway, way, lane, public way, drive, circle or other public right-of-way, including public utility easements, dedicated utility strips or rights-of-way dedicated for compatible uses and any temporary or permanent fixtures or improvements located thereon now or hereafter held by the Franchise Authority in the Service Area which shall entitle the Franchise Authority and the Grantee to the use thereof for the purpose of installing, operating, repairing and maintaining the Cable System. Public Way shall also mean any easement now or hereafter held by the Franchise Authority within the Service Area for the purpose of public travel, or for utility or public service use dedicated for compatible uses, and shall include other easements or rights-of-way as shall within their proper use and meaning entitle the Franchise Authority and the Grantee to use thereof for the purposes of installing or transmitting Grantee's Cable Service or other service over poles, wires, cables, conductors, ducts, conduits, vaults, manholes,

amplifiers, appliances, attachments and other property as may be ordinarily necessary and pertinent to the Cable System.

m. "Service Area" means the present municipal boundaries of the Franchising Authority, and shall include any additions thereto by annexation or other legal means.

n. "Service Tier" means a category of Cable Service or services, provided by Grantee and for which a separate charge is made by Grantee.

o. "Subscriber" means a person or user of the Cable System who lawfully receives Cable Services or other service therefrom with Grantee's expressed permission.

p. "Video Programming" means programming provided by, or generally considered comparable to programming provided by, a television broadcast station.

SECTION II Grant of Franchise

2.1 Grant. The Municipality hereby grants to Grantee a non-exclusive Franchise which authorizes the Grantee to construct and operate a Cable System and offer Cable Service and other services in, along, among, upon, across, above, over, under or in any manner connected with Public Ways within the Service Area and for that purpose to erect, install, construct, repair, replace, reconstruct, maintain or retain in, on, over, under, upon, across or along any Public Way and all extensions thereof and additions thereto, such poles, wires, cables, conductors, ducts, conduits, vaults, manholes, pedestals, amplifiers, appliances, attachments, and other related property or equipment as may be necessary or appurtenant to the Cable System.

2.2 Term. The Franchise granted pursuant to this Ordinance shall be for an initial term of fifteen (15) years from the effective date of the Franchise as set forth in Section 2.3, unless otherwise lawfully terminated in accordance with the terms of this Ordinance. Upon application by the Grantee to the Municipality, the Franchise may be renewed for two (2) subsequent five (5) year periods.

2.3 Acceptance; Effective Date. Grantee shall file a written acceptance of the Franchise granted pursuant hereto with the Borough Secretary or other appropriate official or agency of the Franchising Authority within sixty (60) days after the passage and final adoption of this Ordinance. The Franchising Authority shall notify Grantee of the date that the Ordinance is finally passed and adopted, as well as, the date by which a written acceptance is required to be filed.

The effective date of this Ordinance shall be the date Grantee delivers its written acceptance, as required herein.

2.4 Non-Exclusive Grant. The right to use and occupy said Public Ways, as defined above, for the purpose herein set forth shall not be exclusive in Grantee. However, the Franchise Authority shall require a franchise agreement for any other person or entity, as defined above, engaging in the Cable Service business within any portion of the Municipality. Grantee shall hold as exclusive and optional the right to adjust current rates according to evaluation of those rates as effected by another Cable System operator. Such rate adjustments shall be accomplished through notification filed with the Borough Secretary and shall become effective automatically on the date established by Grantee.

SECTION III Standards of Service

3.1 Conditions of Street Occupancy. All transmission and distribution structures, poles, other lines, and equipment installed or erected by the Grantee pursuant to the terms hereof shall be so located so as to cause a minimum of interference with the proper use of Public Ways and with the rights and reasonable convenience of property owners who own property that adjoins any of said Public Ways.

3.2 Restoration of Public Ways. If during the course of Grantee's construction, operation or maintenance of the Cable System there occurs a disturbance of any Public Way by Grantee, it shall, at its expense, replace and restore such Public Way to a condition reasonably comparable to the condition of the Public Way existing immediately prior to such disturbance.

3.3 Relocation at Request of Franchising Authority. Upon its receipt of reasonable advance notice, not to be less than two (2) business days, the Grantee shall, at its own expense, protect, support, temporarily disconnect, relocate in the Public Way, or remove from the Public Way, any property of the Grantee when lawfully required by Franchising Authority by reason of traffic conditions, public safety, street abandonment, freeway and street construction, change or establishment of street grade, installation of sewers, drains, gas or water pipes, or any other type of structures or improvements by the Franchising Authority; but, the Grantee shall in all cases have the right of abandonment of its property. If public funds are available to any company using such street, easement or right of way for the purpose of defraying the cost of any of the foregoing, such funds shall also be made available to the Grantee. Should said public fund reimbursement request

to fully compensate Grantee be denied, and should the Franchising Authority and the Grantee be unable to agree on an acceptable method and amount of reimbursement, then Grantee shall be released from any obligation to provide Cable Service to the affected street or area.

3.4 Relocation at Request of Third Party. The Grantee shall, on the request of any person holding a building moving permit issued by the Franchising Authority, temporarily raise or lower its wires to permit the moving of such building, provided: (a) the expense of such temporary raising or lowering of wires is paid by said person, including, if required by the Grantee, making such payment in advance; and (b) the Grantee is given not less than ten (10) business days advance written notice to arrange for such temporary wire changes.

3.5 Trimming of Trees and Shrubbery. The Grantee shall have the authority to trim trees or other natural growth overhanging any of its Cable System in the Service Area so as to prevent branches from coming in contact with the Grantee's wires, cables or other equipment. Grantee shall be permitted to charge persons who own, or are responsible for, such trees or natural growth for the cost of such trimming, provided that similar charges are assessed by and paid to the utilities or the Franchising Authority for tree trimming. The Grantee shall reasonably compensate the Franchising Authority or property owner for any damages caused by such trimming, or shall, in its sole discretion and at its own cost and expense, reasonably replace all trees or shrubs damaged as a result of any construction of the Cable System undertaken by Grantee. Such replacement shall satisfy any and all obligations Grantee may have to the Franchise Authority or property owner pursuant to the terms of this Section 3.5.

3.6 Use of Grantee's Equipment by Franchising Authority. Subject to any applicable state or federal regulations or tariffs, the Franchising Authority shall have the right to make additional use, for any public purpose, of any poles or conduits controlled or maintained exclusively by or for the Grantee in any Public Way; provided that (a) such use by the Franchising Authority does not interfere with a current or future use by the Grantee; (b) the Franchising Authority holds the Grantee harmless against and from all claims, demands, costs, or liabilities of every kind and nature whatsoever arising out of such use of said poles or conduits, including, but not limited to, reasonable attorneys' fees and costs; and (c) at Grantee's sole discretion, the Franchising Authority may be required either to pay a reasonable rental fee or otherwise reasonably compensate Grantee for the use of such poles, conduits, or equipment; provided, however, that Grantee agrees that such compensation or charge shall not exceed those paid by it to

public utilities pursuant to the applicable pole attachment agreement, or other authorization, relating to the Service Area.

3.7 Safety Requirements. Construction, installation and maintenance of the Cable System shall be performed in an orderly and workmanlike manner. All cables, wires and other equipment shall be installed, where possible, parallel with electric and telephone lines. All such work shall be performed in accordance with applicable safety code or technical requirements, including, but limited to, National Electrical Safety Code (National Bureau of Standards); National Electrical Code (National Bureau of Fire Underwriters); and applicable FCC or other federal, state and local regulations. The Cable System shall not endanger or interfere with the safety of persons or property in the Service Area. In particular, Grantee shall substantially comply with all local, state or federal laws or regulations which govern cable plant signal leakage or interference with communications media. Any antenna structure used in the Cable System shall comply with all construction, marking, and lighting of antenna structure requirements of the United States Department of Transportation (Federal Aviation Administration) and the FCC.

3.8 Aerial and Underground Construction. In those areas of the Service Area where all of the transmission or distribution facilities of the respective public utilities providing telephone communications and electric services are underground, the Grantee likewise shall construct, operate and maintain all of its transmission and distribution facilities underground; provided that such facilities are actually capable of receiving Grantee's cable and other equipment without technical degradation of the Cable System's signal quality. In those areas of the Service Area where the transmission or distribution facilities of the respective public utilities providing telephone communications, and electric services are both aerial and underground, Grantee shall have the sole discretion to construct, operate and maintain all of its transmission and distribution facilities, or any part thereof, aerially or underground. Nothing contained in this Section 3.8 shall require Grantee to construct, operate, and maintain underground any ground-mounted appurtenances such as subscriber taps, line extenders, system passive devices (splitters, directional couplers), amplifiers, power supplies, pedestals or other related equipment. Notwithstanding anything to the contrary contained in this Section 3.8, in the event that all of the transmission or distribution facilities of the respective public utilities providing telephone communications and electric services are placed underground after the effective date of this Ordinance, Grantee shall only be required to construct, operate and maintain all of its transmission and

distribution facilities underground if it is given reasonable notice and access to the public utilities' facilities at the time that such are placed underground.

3.9 Required Extensions of Service. The Cable System as presently constructed is hereby approved as to extent of Service Area; Grantee is hereby authorized to extend the Cable System as necessary, as desirable, or required pursuant to the terms hereof within the Service Area. Whenever Grantee shall receive a request for service from at least fifteen (15) subscribers within 1320 cable bearing strand feet (one-quarter cable mile) of its trunk cable, it shall extend its Cable System to such subscribers at no cost to said subscribers for system extension, other than the usual connection fees for all subscribers; provided that such extension is technically feasible, and if it will not adversely affect the operation, financial condition or market development of the Cable System. These same terms and conditions shall apply to underground service; however, the required number of requests shall increase to twenty-five (25).

3.10 Subscriber Charges for Extensions of Service. No person in the Grantee's Service Area shall be arbitrarily refused service; but in recognition of the capital costs involved in unusual circumstances, including, without limitation, instances when the distance from distribution cable to connection of service to subscribers is more than 45 meters (150 cable feet) or when a subscriber density exists less than the density as specified hereinabove, service may be made available on the basis of costs of materials, labor and easements, in order to prevent inequitable burdens on cable subscribers in more densely populated areas.

3.11 Service to Public Buildings. The Grantee shall provide without charge one (1) outlet of Basic Service to each governmental office building, fire station, police station, and public school building that is passed by its Cable System. The outlets of Basic Service shall not be used to distribute or sell Cable Services in or throughout such buildings; nor shall such outlets be located in common or public areas open to the public. Users of such outlets shall hold Grantee harmless from any and all liability or claims arising out of their use of such outlets, including but not limited to, those arising from copyright liability. Notwithstanding anything to the contrary set forth in this Section 3.11, the Grantee shall not be required to provide an outlet to such buildings where the drop line from the feeder cable to said buildings or premises exceeds 150 cable feet unless it is technically feasible and if it will not adversely affect the operation, financial condition or market development of the Cable System to do so, or unless the appropriate governmental entity agrees to pay the

incremental cost of such drop line in excess of 150 cable feet. In the event that additional outlets of Basic Service are provided to such buildings, the building owner shall pay the usual installation and service fees associated therewith.

3.12 Emergency Usage. In the case of any emergency or disaster, the Grantee shall, upon request of the Franchising Authority, make available its facilities for the Franchising Authority to provide emergency information and instructions during the emergency or disaster period. The Franchising Authority shall hold the Grantee, its agents, employees, officers, and assigns hereunder harmless from any claims arising out of the emergency use of its facilities by the Franchising Authority, including, but not limited to, reasonable attorneys' fees and costs.

SECTION IV Regulation by Franchise Authority

4.1 Franchise Fee. Grantee shall pay to the Franchising Authority a franchise fee equal to 3% of Gross Revenues received by Grantee from the operation of the Cable System. Franchise fee payments due to the Franchising Authority under this section shall be computed quarterly. For the purpose of the franchise fee computation, the applicable accounting period shall be a calendar year, unless otherwise agreed to in writing by the Franchising Authority and Grantee. The quarterly franchise fee payments shall be due and payable ninety (90) days after the close of the preceding quarter. The Grantee shall provide an annual summary report from a representative of Grantee showing the basis for the computation. In no event shall the franchise fee payments required to be paid by Grantee exceed 3% of Gross Revenues received by Grantee in any 12-month period. The franchise fee payment shall be the sole compensation due and no other fee, charge, tax or other consideration shall be paid by Grantee. Sales tax or other tax levied on a per subscription basis and collected by Grantee shall be deducted from Gross Revenues in computing any sum due.

4.2 Rates and Charges. The Franchising Authority may not regulate the rates for the provision of Cable Service and other service, including, but not limited to, ancillary charges relating thereto, except to the extent expressly provided herein. The rates and charges collected by Grantee for Basic Service are those set forth on Exhibit 1 hereto which is incorporated herein by this reference. From time to time, and at any time, Grantee may change such rates and charges for Basic Service, including, but not limited to, the implementation of additional charges and rates for Basic Service; provided, however, that Grantee shall give notice to the Franchising Authority of any such changes or

additional charges thirty (30) days prior to the effective date thereof.

4.3 Renewal of Franchise. The Franchising Authority and the Grantee agree that any proceedings undertaken by the Franchising Authority that relate to the renewal of the Grantee's Franchise shall be governed by and comply with the provisions of Section 626 of the Cable Act (as such existed as of the effective date of the Cable Act), unless the procedures and substantive protections set forth therein shall be deemed to be preempted and superseded by the provisions of any subsequent provision of federal or state law.

In addition to the procedures set forth in said Section 626(a), the Franchising Authority agrees to notify Grantee of its preliminary assessments regarding the identity of future cable related community needs and interests, as well as, the past performance of Grantee under the then current Franchise term. The Franchising Authority further agrees that such a preliminary assessment shall be provided to the Grantee prior to the time that the four (4) month period referred to in Subsection (c) of Section 626 is considered to begin. Notwithstanding anything to the contrary set forth in this Section 4.3, the Grantee and Franchising Authority agree that at any time during the term of the then current Franchise, while affording the public appropriate notice and opportunity to comment, the Franchising Authority and Grantee may agree to undertake and finalize negotiations regarding renewal of the then current Franchise and the Franchising Authority may grant a renewal thereof. The Grantee and the Franchising Authority consider the terms set forth in this section to be consistent with the express provisions of Section 626 of the Cable Act. A reproduction of Section 626 of the Cable Act as such existed as of the effective date of the Cable Act is attached hereto as Exhibit F and incorporated herein by this reference.

4.4 Conditions of Sale. If a renewal of Grantee's Franchise is denied and the Franchising Authority either lawfully acquires ownership of the Cable System or by its actions effects a transfer of ownership of the Cable System to another party, any such acquisition or transfer of the Cable System shall be at a fair market value, determined on the basis of the Cable System valued as a going concern, but with no value allocated to the Franchise itself.

If Grantee's Franchise is lawfully revoked for cause and the Franchising Authority acquires ownership of the Cable System or by its actions effects a transfer of ownership of the Cable System to another person, any such acquisition or transfer shall be at an equitable price. Grantee and Franchising Authority agree that in the case of a revocation, at Grantee's request, which shall be made in its sole discretion, Grantee shall be given a reasonable

opportunity to effectuate a transfer of its Cable System to a qualified third party at fair market value, determined on the basis of the Cable System valued as an ongoing concern. The Franchising Authority further agrees that during such a period of time, it shall authorize the Grantee to continue to operate pursuant to the terms of its prior Franchise; however, in no event shall such authorization exceed a period of time greater than six (6) months from the effective date of such revocation. If, at the end of that time, Grantee is unsuccessful in procuring a qualified transferee or assignee of its Cable System, which is reasonably acceptable to the Franchising Authority, Grantee and Franchising Authority may avail themselves of any rights they may have pursuant to federal or state law; it being further agreed that Grantee's continued operation of its Cable System during the six (6) month period shall not be deemed to be a waiver, nor an extinguishment of, any rights of either the Franchising Authority or the Grantee. Notwithstanding anything to the contrary set forth in Section 4.4, neither Franchise Authority nor Grantee shall be required to violate federal or state law.

4.5 Transfer of Franchise. Grantee's right, title, or interest in the Franchise shall not be sold, transferred, assigned or otherwise encumbered, other than to an Affiliate, without the prior consent of the Franchising Authority; however, such consent shall not to be unreasonably withheld. No such consent shall be required, however, for a transfer in trust, by mortgage, by other hypothecation, or by assignment of any rights, title, or interest of Grantee in the Franchise or Cable System in order to secure indebtedness.

SECTION V Compliance and Monitoring

5.1 Testing for Compliance. The Franchising Authority may perform technical tests of the Cable System during reasonable times and in a manner which does not unreasonably interfere with the normal business operations of the Grantee or the Cable System in order to determine whether or not the Grantee is in compliance with the terms hereof and applicable state or federal laws. Except in emergency circumstances, such tests may be undertaken only after giving Grantee reasonable notice thereof, not to be less than two (2) business days, and providing a representative of Grantee an opportunity to be present during such tests. In the event that such testing demonstrates that the Grantee has substantially failed to comply with a material requirement hereof, the reasonable costs of such tests shall be borne by the Grantee. In the event that such testing demonstrates that Grantee has substantially complied with such material provisions hereof, the cost of such testing shall be borne by the Franchising Authority. Except in

emergency circumstances, the Franchising Authority agrees that such testing shall be undertaken no more than two (2) times a year in the aggregate, and that the results thereof shall be made available to the Grantee upon Grantee's request.

5.2 Books and Records. The Grantee agrees that the Franchising Authority may review such of its books and records as are reasonably necessary to monitor compliance with the terms hereof. Such records shall include, but shall not be limited to, any public records required to be kept by the Grantee pursuant to the rules and regulations of the FCC. Notwithstanding anything to the contrary set forth herein, Grantee shall not be required to disclose information which it reasonably deems to be proprietary or confidential in nature. The Franchising Authority agrees to treat any information disclosed by the Grantee to it on a confidential basis, and only to disclose it to employees, representatives, and agents thereof that have a need to know, or in order to enforce the provisions hereof.

5.3 Periodic Review. Beginning three (3) years after the effective date of the Franchise, and every three (3) years thereafter, the Franchising Authority may on its own initiative, and shall at the request of the Grantee, schedule a public meeting for the purpose of identifying the cable-related community needs and interests and reviewing the performance of the Grantee under the Franchise. The Franchising Authority shall notify Grantee of the time and place of such meeting and provide the Grantee with an opportunity to be heard. The public shall be afforded appropriate notice; however, only residents of the Municipality shall have opportunity for comment. Within four (4) months of such meeting, the Franchising Authority shall provide Grantee with a written copy of its findings.

SECTION VI

Insurance, Indemnification, and Bonds

6.1 Insurance Requirements. Grantee shall maintain in full force and effect, at its own cost and expense, during the term of the Franchise, General Comprehensive Liability Insurance in the amount of \$500,000 for bodily injuries, (including accidental death) to any one person, and subject to the same limit for each person in amount not less than \$300,000 on account of any one occurrence, and Property Damage Liability Insurance in an amount not less than \$500,000 resulting from any one occurrence. Said insurance shall designate the Franchising Authority as an additional named insured. Such insurance shall be non-cancellable except upon thirty (30) days prior written notice to the Franchising Authority.

6.2 Indemnification. The Grantee agrees to indemnify, save and hold harmless and defend the Franchising Authority, its officers, boards and employees, from and against any liability for damages and for any liability or claims resulting from property damage or bodily injury, (including accidental death), which arise out of the Grantee's construction, operation, or maintenance of its Cable System, including, but not limited to, reasonable attorney's fees and costs.

6.3 Bonds. The Grantee shall not be required to obtain or maintain bonds or other surety as a condition of being awarded the Franchise or continuing its existence. The Franchising Authority acknowledges that the legal, financial and technical qualifications of Grantee are sufficient to afford compliance with the terms of the Franchise and the enforcement thereof.

SECTION VII Enforcement and Termination of Franchise

7.1 Notice of Violation. In the event that the Franchising Authority believes that the Grantee has not complied with the terms of the Franchise, it shall notify Grantee of the exact nature of the alleged non-compliance in writing.

7.2 Grantee's Right to Cure or Respond. Grantee shall have thirty (30) days from receipt of the notice described in Section 7.1 to (a) respond to the Franchising Authority contesting the assertion of non-compliance, or (b) to cure such default or, in the event that, by the nature of default, such default cannot be cured within the thirty (30) day period, initiate reasonable steps to remedy such default and notify the Franchising Authority of the steps being taken and the projected date that they will be completed.

7.3 Public Hearing. In the event that Grantee fails to respond to the notice described in Section 7.1 pursuant to the procedures set forth in Section 7.2, or in the event that the alleged default is not remedied within forty-five (45) days after the Grantee is notified of the alleged default pursuant to Section 7.1, The Franchising Authority shall schedule a public meeting to investigate the default. Such public meeting shall be held at the next regularly scheduled meeting of the Franchising Authority which is scheduled at a time which is no less than five (5) business days therefrom. The Franchising Authority shall notify the Grantee of the time and place of such meeting and provide the Grantee with an opportunity to be heard.

7.4 Enforcement. Subject to applicable federal and state law, in the event the Franchising Authority, after

such meeting, determines that Grantee is in default of any provision of the Franchise, the Franchising Authority may:

- (a) Commence an action at law for monetary damages or seek other equitable relief;
- (b) In the case of a substantial default of a material provision of the Franchise, declare the Franchise to be revoked; or
- (c) Seek specific performance of any provision, which reasonably lends itself to such remedy, as an alternative to damages.

The Grantee shall not be relieved of any of its obligations to comply promptly with any provision of the Franchise by reason of any failure of the Franchising Authority to enforce prompt compliance.

7.5 Acts of God. The Grantee shall not be held in default or non-compliance with the provisions of the Franchise, nor suffer any enforcement or penalty relating thereto, where such non-compliance or alleged defaults are caused by acts of God, strikes, power outages, or other events reasonably beyond its ability to control.

SECTION VIII Unauthorized Reception

8.1 Misdemeanor. In addition to those criminal civil remedies provided by state and federal law, it shall be a misdemeanor for any person, firm, or corporation to create or make use of any unauthorized connection, whether physically, electrically, acoustically, inductively or otherwise, with any part of the Cable System without the expressed consent of the Grantee. Further, without the expressed consent of Grantee, it shall be a misdemeanor for any person to tamper with, remove or injure any property, equipment or part of the Cable System or use any unauthorized means of receiving Cable Service or other services provided thereto. Subject to applicable federal and state law, the Franchising Authority shall incorporate into its criminal code, if not presently a part thereof, criminal misdemeanor law which will enforce the intent of this Section 8.1.

SECTION IX Miscellaneous Provisions

9.1 Documents Incorporated and Made a Part Hereof. The following documents shall be incorporated herein:

- Exhibit A - Subscriber Rate Schedule - Residential
- Exhibit B - Subscriber Rate Schedule - Commercial

Exhibit C - Multi-Dwelling Units
Exhibit D - Proposed Additional Channels
Exhibit E - Future Cable Television System
Exhibit F - Section 626, Cable Communications Policy
Act of 1984

9.2 Preemption. If the FCC, or any other federal or state body or agency shall now or hereafter exercise any paramount jurisdiction over the subject matter of the Franchise, then to the extent such jurisdiction shall preempt and supersede or preclude the exercise of the like jurisdiction by the Franchising Authority, the jurisdiction of the Franchising Authority shall cease and no longer exist.

9.3 Actions of Franchising Authority. In any action by the Franchising Authority or representative thereof mandated or permitted under the terms hereof, such party shall act in a reasonable, expeditious and timely manner. Furthermore, in any instance where approval or consent is required under the terms hereof, such approval or consent shall not be unreasonably withheld.

9.4 Notice. Unless expressly otherwise agreed between the parties, every notice or response to be served upon the Franchising Authority or Grantee shall be in writing, and shall be deemed to have been duly given to the required party five (5) business days after having been posted in a properly sealed and correctly addressed envelope by certified or registered mail, postage prepaid, at a Post Office or branch thereof regularly maintained by the U.S. Postal Service. The notices or responses to the Franchising Authority shall be addressed as follows:

Robert G. Paraschak
Donora Borough Administrator
603 Meldon Avenue
Donora, PA 15033

with a copy to the solicitor.

The notices or responses to the Grantee shall be addressed as follows:

ATTENTION: "Legal Department"
Centre Video Corporation
5455 South Valentia Way
Englewood, CO 80111

with a copy to:

David G. Grazier
Centre Video Corporation
687 O'Neil Blvd.
McKeesport, PA 15132

9.5 Descriptive Headings. The captions to Sections contained herein are intended solely to facilitate the reading thereof. Such captions shall not affect the meaning or interpretation of the text herein.

9.6 Severability. If any Section, sentence, term, paragraph or provision hereof is determined to be illegal, invalid or unconstitutional, by any court of common jurisdiction or by any state or federal regulatory authority having jurisdiction thereof, such determination shall have no effect on the validity of any other Section, sentence, term, paragraph or provision hereof, all of which will remain in full force and effect for the term of the Franchise or any renewal or renewals thereof. All ordinances and parts of ordinances in conflict with the provisions of this ordinance are hereby repealed.

Draft

Ordained and enacted into an Ordinance this _____ day
of _____ 1986.

John Lignelli
President

ATTEST:

Robert G. Paraschak
Administrator

Examined and approved by me this _____ day of
_____, 1986.

Anthony Massafra
Mayor

Centre Video Corporation

By: _____

ATTEST:

Date: _____

EXHIBIT A

Subscriber Rate Schedule

Connection Fees - Residential

Connection of first outlet.....\$17.50
(An additional charge of \$1.00 per foot for underground "drop" line may be required. Drop line runs from easement to customer's home)

Connection of additional outlet.....\$17.50
(If at a time other than first outlet installation)

Relocation or rearrangement of outlets at customer request.....\$17.50

Reconnection after disconnect for any reason.....\$22.50
(Basic cable and/or pay)

Reconnect paid up subscriber who relocates within Franchise Area.....\$12.50

Collection charge on late payment collected at disconnect service.....\$12.50

Collection charge on delinquent account assigned to collection agency.....\$20.00

Monthly Service Charges - Residential

First outlet.....\$9.00

Each additional outlet.....\$3.00

The Cable Communications Policy Act of 1984 has deregulated charges other than charges involving initial installation and basic service. Charges involving initial installation and basic cable service will remain regulated up to January 1, 1987

EXHIBIT B

Subscriber Rate Schedule

Connection Fees - Commercial

Connection of first outlet.....\$25.00
(An additional charge of \$1.00 per foot for underground "drop" line may be required. Drop line runs from easement to subscriber's establishment)

Connection of additional outlet.....\$17.50
(If at a time other than first outlet installation)

Relocation or rearrangement of outlets at subscriber's request.....\$17.50

Reconnection after disconnect for any reason.....\$22.50

Reconnect paid subscriber who relocates within Franchise Area.....\$12.50

Collection charge on late payment collected at disconnect service.....\$12.50

Collection charge on delinquent account assigned to collection agency.....\$20.00

Monthly Service Charges - Commercial

First outlet.....\$11.00

Each additional outlet.....\$4.00

The Cable Communications Policy Act of 1984 has deregulated charges other than charges involving initial installation and basic service. Charges involving initial installation and basic cable service will remain regulated up to January 1, 1987

EXHIBIT C

Subscriber Rate Schedule

Multi-Dwelling Units

Defines and includes but is not limited to apartments, Condominiums, Hotels, Motels, Trailer Courts and Hospitals.

- (1) Where each unit in a multi-dwelling complex pays for cable service separately, the rates are the same as those for single residential dwelling units.
 - (a) The initial installation of cable in multi-dwelling complex shall be negotiated by the owner or agent of the multi-dwelling complex and the Grantee.
- (2) Where cable service is provided to all units contained within one multi-dwelling unit structure or complex, and where service is billed and paid for by one subscriber for the said multi-dwelling structure or complex, the charge per unit shall be negotiated by the owner/agent and the Grantee.
- (3) The installation and connection charges shall be negotiated on an individual basis relative to size, locations and construction of each particular multi-dwelling building or complex.

EXHIBIT D

Proposed Additional Channels

Cable Channel	15	CNN I	NEWS	Satellite
	16	LIFETIME	LIFESTYLES	Satellite
	17	TNN	COUNTRY	Satellite
	18	CNN II	HEADLINE NEWS	Satellite
	20	USA NET	VARIETY	Satellite
	21	ESPN	SPORTS	Satellite
	22	C-SPAN	PUBLIC AFFAIRS	Satellite
	29	CBN	FAMILY	Satellite
	30	MTV	MUSIC	Satellite
	31	TWC	WEATHER	Satellite
	33	FNN	FINANCIAL	Satellite

Additional Pay Services to be Added

	25	SHOWTIME	Satellite
	26	CINEMAX	Satellite
	27	THE DISNEY CHANNEL	Satellite

Note: The Grantee must maintain as exclusive, the right to add, delete or substitute programming.

EXHIBIT E

Future Cable Television System

The Grantee shall construct, operate and maintain a Cable System having a minimum channel capacity of 35 channels. The Grantee shall begin to install converters within nine (9) months of the effective date of the Franchise. The Grantee shall complete the installation of converters within twelve (12) months of the effective date of the Franchise. The Grantee fully anticipates addition of signals within a period of twelve (12) months. However circumstances beyond our control sometimes cause unavoidable delay. In this regard, the Grantee commits to written notification of extension to the twelve (12) month period set forth above. Notification will state the required extension period and will clearly state and support reason for same. Absent further written notice to the Municipality, the Grantee shall be bound by the newly established time frame. IT SHOULD BE SPECIFICALLY NOTED that there will not be any change in basic rates to equal those in Exhibits A and B until all subscribers of record on the effective date of this Franchise have the opportunity to receive or reject the additional channels above.

The Grantee shall provide a converter to each subscriber to receive the new basic programming. The Grantee will further provide a converter to each outlet of record at the residence of the subscriber. No charge shall be imposed for these converters. However, the Grantee reserves the right to impose an equipment deposit on new subscribers for the converters, ninety (90) days after the New Cable System becomes operational; provided, all subscribers in good standing at that time have received the converters to be provided by the Grantee.

The Grantee shall provide a special addressable converter to any subscriber who subscribes to any of the new Pay Services. No charge shall be imposed for these converters. However, the Grantee reserves the right to impose an equipment deposit on new subscribers for the converters, ninety (90) days after the New Cable System becomes operational.

services required by the franchise at the time it was granted will be maintained after such modification.

"(2) Any final decision by a franchising authority under this subsection shall be made in a public proceeding. Such decision shall be made within 120 days after receipt of such request by the franchising authority, unless such 120 day period is extended by mutual agreement of the cable operator and the franchising authority.

"(b)(1) Any cable operator whose request for modification under subsection (a) has been denied by a final decision of a franchising authority may obtain modification of such franchise requirements pursuant to the provisions of section 635.

"(2) In the case of any proposed modification of a requirement for facilities or equipment, the court shall grant such modification only if the cable operator demonstrates to the court that—

"(A) it is commercially impracticable for the operator to comply with such requirement; and

"(B) the terms of the modification requested are appropriate because of commercial impracticability.

"(3) In the case of any proposed modification of a requirement for services, the court shall grant such modification only if the cable operator demonstrates to the court that the mix, quality, and level of services required by the franchise at the time it was granted will be maintained after such modification.

"(c) Notwithstanding subsections (a) and (b), a cable operator may, upon 30 days' advance notice to the franchising authority, rearrange, replace, or remove a particular cable service required by the franchise if—

"(1) such service is no longer available to the operator; or

"(2) such service is available to the operator only upon the payment of a royalty required under section 801(b)(2) of title 17, United States Code, which the cable operator can document—

"(A) is substantially in excess of the amount of such payment required on the date of the operator's offer to provide such service, and

"(B) has not been specifically compensated for through a rate increase or other adjustment.

"(d) Notwithstanding subsections (a) and (b), a cable operator may take such actions to rearrange a particular service from one service tier to another, or otherwise offer the service, if the rates for all of the service tiers involved in such actions are not subject to regulation under section 623.

"(e) A cable operator may not obtain modification under this section of any requirement for services relating to public, educational, or governmental access.

"(f) For purposes of this section, the term 'commercially impracticable' means, with respect to any requirement applicable to a cable operator, that it is commercially impracticable for the operator to comply with such requirement as a result of a change in conditions which is beyond the control of the operator and the nonoccurrence of which was a basic assumption on which the requirement was based.

"RENEWAL

"SEC. 626. (a) During the 6-month period which begins with the 36th month before the franchise expiration; the franchising authority may on its own initiative, and shall at the request of the cable

operator, commence proceedings which afford the public in the franchise area appropriate notice and participation for the purpose of—

“(1) identifying the future cable-related community needs and interests; and

“(2) reviewing the performance of the cable operator under the franchise during the then current franchise term.

“(b)(1) Upon completion of a proceeding under subsection (a), a cable operator seeking renewal of a franchise may, on its own initiative or at the request of a franchising authority, submit a proposal for renewal.

“(2) Subject to section 624, any such proposal shall contain such material as the franchising authority may require, including proposals for an upgrade of the cable system.

“(3) The franchising authority may establish a date by which such proposal shall be submitted.

“(c)(1) Upon submittal by a cable operator of a proposal to the franchising authority for the renewal of a franchise, the franchising authority shall provide prompt public notice of such proposal and, during the 4-month period which begins on the completion of any proceedings under subsection (a), renew the franchise or, issue a preliminary assessment that the franchise should not be renewed and, at the request of the operator or on its own initiative, commence an administrative proceeding, after providing prompt public notice of such proceeding, in accordance with paragraph (2) to consider whether—

“(A) the cable operator has substantially complied with the material terms of the existing franchise and with applicable law;

“(B) the quality of the operator’s service, including signal quality, response to consumer complaints, and billing practices, but without regard to the mix, quality, or level of cable services or other services provided over the system, has been reasonable in light of community needs;

“(C) the operator has the financial, legal, and technical ability to provide the services, facilities, and equipment as set forth in the operator’s proposal; and

“(D) the operator’s proposal is reasonable to meet the future cable-related community needs and interests, taking into account the cost of meeting such needs and interests.

“(2) In any proceeding under paragraph (1), the cable operator shall be afforded adequate notice and the cable operator and the franchise authority, or its designee, shall be afforded fair opportunity for full participation, including the right to introduce evidence (including evidence related to issues raised in the proceeding under subsection (a)), to require the production of evidence, and to question witnesses. A transcript shall be made of any such proceeding.

“(3) At the completion of a proceeding under this subsection, the franchising authority shall issue a written decision granting or denying the proposal for renewal based upon the record of such proceeding, and transmit a copy of such decision to the cable operator. Such decision shall state the reasons therefor.

“(d) Any denial of a proposal for renewal shall be based on one or more adverse findings made with respect to the factors described in subparagraphs (A) through (D) of subsection (c)(1), pursuant to the record of the proceeding under subsection (c). A franchising authority may not base a denial of renewal on a failure to substantially

comply with the material terms of the franchise under subsection (c)(1)(A) or on events considered under subsection (c)(1)(B) in any case in which a violation of the franchise or the events considered under subsection (c)(1)(B) occur after the effective date of this title unless the franchising authority has provided the operator with notice and the opportunity to cure, or in any case in which it is documented that the franchising authority has waived its right to object, or has effectively acquiesced.

"(e)(1) Any cable operator whose proposal for renewal has been denied by a final decision of a franchising authority made pursuant to this section, or has been adversely affected by a failure of the franchising authority to act in accordance with the procedural requirements of this section, may appeal such final decision or failure pursuant to the provisions of section 635.

"(2) The court shall grant appropriate relief if the court finds that—

"(A) any action of the franchising authority is not in compliance with the procedural requirements of this section; or

"(B) in the event of a final decision of the franchising authority denying the renewal proposal, the operator has demonstrated that the adverse finding of the franchising authority with respect to each of the factors described in subparagraphs (A) through (D) of subsection (c)(1) on which the denial is based is not supported by a preponderance of the evidence, based on the record of the proceeding conducted under subsection (c).

"(f) Any decision of a franchising authority on a proposal for renewal shall not be considered final unless all administrative review by the State has occurred or the opportunity therefor has lapsed.

"(g) For purposes of this section, the term 'franchise expiration' means the date of the expiration of the term of the franchise, as provided under the franchise, as it was in effect on the date of the enactment of this title.

"(h) Notwithstanding the provisions of subsections (a) through (g) of this section, a cable operator may submit a proposal for the renewal of a franchise pursuant to this subsection at any time, and a franchising authority may, after affording the public adequate notice and opportunity for comment, grant or deny such proposal at any time (including after proceedings pursuant to this section have commenced). The provisions of subsections (a) through (g) of this section shall not apply to a decision to grant or deny a proposal under this subsection. The denial of a renewal pursuant to this subsection shall not affect action on a renewal proposal that is submitted in accordance with subsections (a) through (g).

"CONDITIONS OF SALE

"Sec. 627. (a) If a renewal of a franchise held by a cable operator is denied and the franchising authority acquires ownership of the cable system or effects a transfer of ownership of the system to another person, any such acquisition or transfer shall be—

"(1) at fair market value, determined on the basis of the cable system valued as a going concern but with no value allocated to the franchise itself, or

"(2) in the case of any franchise existing on the effective date of this title, at a price determined in accordance with the