CABLE FRANCHISE AGREEMENT

BETWEEN

CITY OF WILMINGTON, DELAWARE

AND

VERIZON DELAWARE LLC

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THIS CABLE FRANCHISE AGREEMENT (the "Franchise" or "Agreement") is entered into by and between the CITY OF WILMINGTON, New Castle County, a municipal corporation of the State of Delaware (the "Local Franchising Authority" or "LFA"), and VERIZON DELAWARE LLC, a limited liability company duly organized under the applicable laws of the State of Delaware (the "Franchisee").

WHEREAS, the Franchisee is a "cable operator" and the LFA is a "franchising authority" in accordance with Title VI of the Communications Act (*see* 47 U.S.C. §§ 522(5), 522(10)) and the LFA is authorized to grant one (1) or more nonexclusive cable franchises to operate a Cable System within the LFA pursuant to Title VI of the Communications Act;

WHEREAS, the LFA wishes to grant the Franchisee a nonexclusive franchise to own, construct, operate, and maintain a Cable System in the LFA as designated in this Franchise;

WHEREAS, the Franchisee has installed a Fiber to the Premise Telecommunications Network ("FTTP Network") that occupies the Public Rights-of-Way within the LFA for the transmission of Non-Cable Services pursuant to authority granted by applicable state law and Title II of the Communications Act, which Non-Cable Services are not subject to Title VI of the Communications Act or this Agreement;

WHEREAS, pursuant to and in accordance with applicable federal and state law, the LFA undertook a process to determine whether the grant of a nonexclusive franchise to the Franchisee to provide Cable Service in the LFA is consistent with the public interest;

WHEREAS, the LFA has found the Franchisee to be financially, technically and legally qualified to operate the Cable System and has identified the LFA's future cable-related needs and interests in accordance with applicable law;

WHEREAS, following good faith negotiations between the parties, the LFA and the Franchisee have agreed on the terms for a franchise agreement under which the Franchisee will operate its Cable System in the LFA; and

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

NOW, THEREFORE, in consideration of the LFA's grant of a franchise to the Franchisee, the Franchisee's promise to provide Cable Service to residents of the LFA pursuant to and consistent with the Communications Act (as hereinafter defined), pursuant to the terms and conditions set forth herein, the promises and undertakings herein, and other good and valuable consideration, the receipt and the adequacy of which are hereby acknowledged,

THE SIGNATORIES DO HEREBY AGREE AS FOLLOWS:

1. DEFINITIONS

Except as otherwise provided herein, the definitions and word usages set forth in the Communications Act (as hereinafter defined) are incorporated herein and shall apply in this Agreement. In addition, the following definitions shall apply:

1.1 *Access Channel*: A video Channel that the Franchisee shall make available to the LFA without charge for educational and/or governmental use for the transmission of Video Programming as directed by the LFA.

1.2 *Additional Service Area*: Shall mean any portion of the LFA added pursuant to Subsection 3.1.2 of this Agreement.

1.3 *Affiliate:* Any Person who, directly or indirectly, owns or controls, is owned or controlled by, or is under common ownership or control with, the Franchisee.

1.4 *Basic Service:* Any service tier that includes the retransmission of local television broadcast signals as well as the EG Channels required by this Franchise.

1.5 *Cable Service* or *Cable Services:* Shall be defined herein as it is defined under Section 602 of the Communications Act, 47 U.S.C. § 522(6), as may be amended, which currently states: "(A) the one-way transmission to subscribers of (i) video programming, or (ii) other programming service, and (B) subscriber interaction, if any, which is required for the selection or use of such video programming or other programming service."

1.6 *Cable System* or *System:* Shall be defined herein as it is defined under Section 602 of the Communications Act, 47 U.S.C. § 522(7), as may be amended, which currently states: "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 (A) a facility that serves only to retransmit the television signals of 1 or more television broadcast stations; (B) a facility that serves subscribers without using any public right-of-way; (C) a facility of a common carrier which is subject, in whole or in part, to the provisions of [T]itle II of this Act, except that such facility shall be considered a cable system (other than for purposes of section 621(c)) to the extent such facility is used in the transmission of video programming directly to subscribers, unless the extent of such use is solely to provide interactive on-demand services; (D) an open video system that complies with section 653 of this title; or (E) any facilities of any electric utility used solely for operating its electric utility systems."

1.7 *Channel:* Shall be defined herein as it is defined under Section 602 of the Communications Act, 47 U.S.C. § 522(4), as may be amended, which currently states: "a portion of the electromagnetic frequency spectrum which is used in a cable system and which is capable of delivering a television channel (as television channel is defined by the [FCC] by regulation)."

1.8 *Communications Act*: The Communications Act of 1934, as may be amended.

1.9 *Complaint*: Any written communication, including electronic mail, by a Subscriber expressing dissatisfaction with any aspect of the Franchisee's Cable System or Cable Service operations in the LFA.

1.10 *Control:* The ability to exercise *de facto* or *de jure* control over day-to-day policies and operations or the management of the Franchisee's affairs.

1.11 *Customer Service Standards:* The standards for customer service as set forth in Exhibit A.

1.12 *Educational Access Channel*: An Access Channel available for the use of the local schools in the LFA.

1.13 *Effective Date*: Shall mean the later of the date on which both parties sign this Agreement.

1.14 *EG*: Educational and/or Government.

1.15 *FCC*: The United States Federal Communications Commission, or successor governmental entity thereto.

1.16 *Fiber to the Premise Telecommunications Network* or *FTTP Network*: The Franchisee's network that transmits Non-Cable Services pursuant to the authority granted under the laws of the State of Delaware and under Title II of the Communications Act, which Non-Cable Services are not subject to Title VI of the Communications Act or this Agreement, and which provides Cable Services from the operation of a Cable System.

1.17 *Force Majeure*: An event or events reasonably beyond the ability of the Franchisee to anticipate and control. This includes, but is not limited to, the following: severe or unusual weather conditions; labor strikes and slowdowns; war or act of war (whether an actual declaration of war is made or not); insurrection, riots, or act of public enemy, including terrorist attacks; orders of the government of the United States or the State of Delaware; actions or inactions of any government instrumentality or public utility other than the Franchisee (including condemnation to the extent not foreseeable); major accidents for which the Franchisee is not responsible; fire, flood, epidemics, pandemics, public health emergencies, or other acts of God; or work delays caused by waiting for utility providers to service utility poles to which the Franchisee's FTTP Network is attached and the unavailability of materials and/or qualified labor to perform the work necessary to the extent that such unavailability of materials and/or qualified labor was reasonably beyond the ability of the Franchisee to foresee or control.

1.18 *Franchisee:* Verizon Delaware LLC, and its lawful and permitted successors, assigns, and transferees.

1.19 *Government Access Channel*: An Access Channel available for the use of the LFA for governmental purposes.

1.20 *Gross Revenue:* All revenue, as determined in accordance with generally accepted accounting principles, which is derived by the Franchisee or its Affiliates, from the operation of the Cable System to provide Cable Service in the Service Area including, but not limited to:

(1) Basic Service fees;

(2) fees charged to Subscribers for any service tier other than Basic Service;

(3) fees charged to Subscribers for premium Cable Services;

(4) fees charged to Subscribers for video-on-demand and pay-per-view Cable Services;

(5) fees charged to Subscribers for any optional, per-channel or per-program Cable Services;

(6) revenues from the provision of any other Cable Services;

(7) charges for installation, additional outlets, relocation, disconnection, reconnection and change-in-service fees for Video Programming;

(8) fees for changing any level of Cable Service programming;

(9) fees for service calls;

(10) early termination fees (solely to the extent such early termination fee can be proportionately attributable to Cable Service);

(11) fees for leasing of Channels;

(12) rental of any and all Subscriber equipment, including digital video recorders, converters and remote control devices;

(13) advertising revenues (on a pro rata basis) as set forth herein;

(14) revenues from the sale or rental of Subscriber lists;

(15) revenues or commissions received from the carriage of home shopping channels (on a pro rata basis as set forth herein) subject to Subsection 1.20.5 below;

(16) fees for music services that are Cable Services over the Cable System;

(17) fees for DVR Cable Services;

(18) regional sports programming fees;

(19) broadcast retransmission fees;

(20) late payment fees;

(21) NSF check charges;

(22) franchise fees collected from Subscribers for the provision of Cable Services over the Cable System in the Service Area; and

(23) forgone revenue that the Franchisee chooses not to receive in exchange for trades, barters, services, or other items of value consistent with Subsection 1.20.8 below.

For the avoidance of doubt, advertising revenues shall include the amount of the Franchisee's gross advertising revenue calculated in accordance with generally accepted accounting principles (i.e., without deducting commissions paid to independent third parties). Advertising and home shopping revenue, as described in Sections 1.20(13) and 1.20(15) above, is based upon the ratio of the number of the Franchisee's Subscribers in the Service Area as of the last day of the period for which Gross Revenue is being calculated to the number of the Franchisee's Subscribers within all areas covered by the particular revenue source as of the last day of such period. By way of illustrative example, the Franchisee sells two ads: Ad "A" is broadcast nationwide; Ad "B" is broadcast only within Delaware. The Franchisee has 100 Subscribers in the Service Area, 500 Subscribers in Delaware, and 1,000 Subscribers nationwide. Gross Revenue as to the LFA from Ad "A" is ten percent (10%) of the Franchisee's revenue therefrom. Gross Revenue as to the LFA from Ad "B" is twenty percent (20%) of the Franchisee's revenue therefrom.

Gross Revenue shall not include:

1.20.1 Revenues received by any Affiliate or other Person in exchange for supplying goods or services used by the Franchisee to provide Cable Service over the Cable System;

1.20.2 Bad debts written off by the Franchisee in the normal course of its business; provided, however, that bad debt recoveries shall be included in Gross Revenue during the period collected;

1.20.3 Refunds, rebates, or discounts made to Subscribers or other third parties;

1.20.4 Any revenues classified, in whole or in part, as Non-Cable Services revenue under federal or state law including, without limitation, revenue received from Telecommunications Services; revenue received from Information Services including, without limitation, Internet Access service, electronic mail service, internet-derived electronic bulletin board service, or similar online computer services; charges made to the public for commercial or cable television that is used for two-way communication that is classified as Non-Cable Services; and any other revenues classified as Non-Cable Services in accordance with applicable laws or regulations;

1.20.5 Any revenue of the Franchisee or any other Person that is received directly from the sale of merchandise through any Cable Service distributed over the Cable System, notwithstanding that portion of such revenue which represents or can be attributed to a Subscriber fee or a payment for the use of the Cable System for the sale of such merchandise, which portion shall be included in Gross Revenue;

1.20.6 The sale of Cable Services on the Cable System for resale in which the purchaser is required to collect cable franchise fees from purchaser's customer;

1.20.7 Any tax of general applicability imposed upon the Franchisee or upon Subscribers by a local, state, federal, or any other governmental entity and required to be collected by the Franchisee and remitted to the taxing entity (including, but not limited to, sales/use tax, gross receipts tax, excise tax, utility users tax, public service tax, communication taxes, and non-cable franchise fees);

1.20.8 Any forgone revenue that the Franchisee chooses not to receive in exchange for its provision of free or reduced cost cable or other communications services to any Person including, without limitation, employees of the Franchisee and public institutions or other institutions designated in this Franchise; provided, however, that such forgone revenue that the Franchisee chooses not to receive in exchange for trades, barters, services, or other items of value shall be included in Gross Revenue;

1.20.9 Sales of capital assets or sales of surplus equipment that are not deemed to be a Cable Service;

1.20.10 Program launch fees; and

1.20.11 Directory or Internet advertising revenue including, but not limited to, yellow page, white page, banner advertisement, and electronic publishing; and

1.20.12 Any fees or charges collected from Subscribers or other third parties for any EG Grant required by this Franchise.

1.21 *High Definition* or *HD:* Format for digital television transmission with video transmitted in at least a 16:9 aspect ratio with a resolution of at least 720p or 1080i.

1.22 *Information Services*: Shall be defined herein as it is defined under Section 3 of the Communications Act, 47 U.S.C. § 153(24), as may be amended, which currently states: "the offering of a capability for generating, acquiring, storing, transforming, processing, retrieving, utilizing, or making available information via telecommunications, and includes electronic publishing, but does not include any use of any such capability for the management, control, or operation of a telecommunications system or the management of a telecommunications service."

1.23 *Initial Service Area*: All portions of the LFA where Cable Service is being offered as of the Effective Date as shown on Exhibit A.

1.24 *Internet Access*: Broadband access service that enables Subscribers to access the Internet.

1.25 *Local Franchising Authority* or *LFA*: The incorporated area (entire existing territorial limits) of the City of Wilmington and such additional areas as may be included in the corporate (territorial) limits of the City of Wilmington during the term of this Franchise.

1.26 *Non-Cable Services*: Any service that is not a Cable Service as defined herein including, but not limited to, Information Services and Telecommunications Services.

1.27 *Normal Operating Conditions*: Those service conditions that are within the control of the Franchisee. Those conditions that are not within the control of the Franchisee include, but are not limited to, natural disasters, civil disturbances, power outages, telephone network outages, and severe or unusual weather conditions. Those conditions that are ordinarily within the control of the Franchisee include, but are not limited to, special promotions, pay-per-view events, rate increases, regular peak or seasonal demand periods, and maintenance or rebuild of the Cable System. *See* 47 C.F.R. § 76.309(c)(4)(ii).

1.28 *Person*: An individual, partnership, association, joint stock company, trust, corporation, limited liability company, or governmental entity.

1.29 *Public Rights-of-Way*: The surface and the area across, in, over, along, upon, and below the surface of the public streets, roads, bridges, sidewalks, lanes, courts, ways, alleys, and boulevards, including public utility easements and public lands and waterways used as Public Rights-of-Way, as the same now or may hereafter exist, which are under the jurisdiction or control of the LFA. Public Rights-of-Way do not include the airwaves above a right-of-way with regard to cellular or other wireless communications or broadcast services.

1.30 *Service Area*: All portions of the LFA where Cable Service is offered.

1.31 *Service Interruption:* The loss of picture or sound on one (1) or more cable Channels.

1.32 *Standard Definition* or *SD*: Format for digital television transmission with video transmitted in a 4:3 aspect ratio with a resolution of at least 480i.

1.33 *Subscriber*: A Person who lawfully receives Cable Service over the Cable System with the Franchisee's express permission.

1.34 *Telecommunications Facilities*: The Franchisee's existing Telecommunications Services and Information Services facilities and its FTTP Network facilities.

1.35 *Telecommunications Services:* Shall be defined herein as it is defined under Section 3 of the Communications Act, 47 U.S.C. § 153(53), as may be amended, which currently states: "the offering of telecommunications for a fee directly to the public, or to such classes of users as to be effectively available directly to the public, regardless of the facilities used."

1.36 *Title II*: Title II of the Communications Act, Common Carriers, as may be amended, which governs the provision of Telecommunications Services.

1.37 *Title VI*: Title VI of the Communications Act, Cable Communications, as may be amended, which governs the provision of Cable Services by the Franchisee.

1.38 *Transfer of the Franchise*:

1.38.1 Any transaction in which:

1.38.1.1 the right, title, control or other interest in the Franchisee is transferred, directly or indirectly, from one (1) Person or group of Persons to another Person or group of Persons, so that control of the Franchisee is transferred; or

1.38.1.2 at least thirty percent (30%) of the equitable ownership of the Franchisee is transferred or assigned; or

1.38.1.3 the rights held by the Franchisee pursuant to this Agreement are transferred or assigned to another Person or group of Persons.

1.38.2 Notwithstanding Subsection 1.38.1 above, a Transfer of the Franchise shall not include transfer of an ownership or other interest in the Franchisee to the parent of the Franchisee or to another Affiliate of the Franchisee; transfer of an interest in this Franchise or the rights held by the Franchisee under this Franchise to the parent of the Franchisee or to another Affiliate of the Franchisee; any action that is the result of a merger of the parent of the Franchisee; or any action that is the result of a merger of another Affiliate of the Franchisee.

1.39 *Video Programming:* Shall be defined herein as it is defined under Section 602 of the Communications Act, 47 U.S.C. § 522(20), as may be amended, which currently states: "programming provided by, or generally considered comparable to programming provided by, a television broadcast station."

1.40 *Video Service Provider* or *VSP:* Any entity using wired facilities occupying a substantial portion of the Public Rights-of-Way as the primary means of delivery to provide Video Programming services to multiple subscribers within the territorial boundaries of the LFA. A VSP shall include any entity that provides Cable Services or Video Programming services within the territorial boundaries of the LFA.

2. GRANT OF AUTHORITY; LIMITS AND RESERVATIONS

2.1 *Grant of Authority*: Subject to the terms and conditions of this Agreement and applicable laws and regulations, the LFA hereby grants to the Franchisee the right to own, construct, operate, and maintain a Cable System to provide Cable Services along the Public Rights-of-Way within the LFA. No privilege or power of eminent domain is bestowed or waived by this grant or by this Agreement.

2.2 *The LFA's Regulatory Authority*: The parties recognize that the Franchisee's FTTP Network has been constructed and is operated and maintained as an upgrade

to and/or extension of its existing Telecommunications Facilities for the provision of Non-Cable Services. The jurisdiction of the LFA over the Franchisee's Telecommunications Facilities is governed by federal and state law, and the LFA will not assert jurisdiction over the Franchisee's FTTP Network in contravention of those laws. Therefore, as provided in Section 621(b)(3)(A) of the Communications Act, 47 U.S.C. § 541(b)(3)(A), the LFA's regulatory authority under Title VI of the Communications Act is not applicable to the construction, installation, maintenance, or operation of the Franchisee's FTTP Network to the extent the FTTP Network uses the Franchisee's existing Telecommunications Facilities for the provision of Non-Cable Services. This Agreement shall not be construed to limit whatever existing regulatory authority the LFA may have under federal and state law with respect to the FTTP Network facilities.

2.3 *Term:* This Franchise shall become effective on the Effective Date as defined in Section 1.13 above. The term of this Franchise shall be five (5) years from the Effective Date, unless the Franchise is earlier terminated by the Franchisee pursuant to the terms of Section 2.4 of this Agreement or is revoked by the LFA pursuant to Section 12.5 of this Agreement.

2.4 *Termination Generally*: Notwithstanding any provision herein to the contrary, the Franchisee may terminate this Franchise and all obligations hereunder at any time during the term of this Franchise for any reason, in the Franchisee's sole discretion, upon six (6) months' written notice to the LFA.

2.5 *Modification Based on VSP Requirements; Competitive Equity:*

2.5.1 If there is a change in federal, state, or local law that reduces any material financial and/or operational obligation that the LFA has required from or imposed upon a VSP, or if the LFA enters into any franchise, agreement, license, or grant of authorization with a VSP to provide Video Programming services to residential subscribers in the LFA and the franchise, agreement, license or grant of authorization, taken as a whole upon consideration of all of its material obligations, is materially less burdensome than the terms imposed by this Franchise, then the Franchisee and the LFA shall, within sixty (60) days of the LFA's receipt of the Franchisee's written notice, commence negotiations to modify this Franchise to create reasonable competitive equity between the Franchisee and such other VSP(s).

2.5.2 The Franchisee's notice pursuant to Subsection 2.5.1 shall specify either the change in law or the lesser burden in an authorization to a competitive VSP and the resulting change in obligations. The Franchisee shall respond to reasonable information requests from the LFA, as may be necessary to review the change in obligations resulting from the cited law or the alleged lesser burden.

2.5.3 In the event the parties do not reach mutually acceptable agreement on a modification requested by the Franchisee, the Franchisee shall, at any time and in its sole discretion, have the option of exercising either of the following actions:

2.5.3.1 if agreed by both parties, submitting the matter to binding commercial arbitration by a mutually-selected arbitrator in accordance with the rules of the American Arbitration Association; or

2.5.3.2 submitting the matter to mediation by a mutually-acceptable mediator.

2.6 *Grant Not Exclusive:* This Franchise and the rights granted herein to use and occupy the Public Rights-of-Way to provide Cable Services shall not be exclusive, and the LFA reserves the right to grant other franchises for similar uses or for other uses of the Public Rights-of-Way, or any portions thereof, to any Person, or to make any such use itself, at any time during the term of this Franchise. Any such rights that are granted shall not materially interfere with existing facilities of the Cable System or the Franchisee's FTTP Network.

2.7 *Franchise Subject to Federal, State, and Local Law:* Notwithstanding any provision to the contrary herein, this Franchise is subject to and shall be governed by all applicable provisions of federal, state, and local laws and regulations.

2.8 *No Waiver*:

2.8.1 The failure of the LFA on one (1) or more occasions to exercise a right or to require compliance or performance under this Franchise, the Communications Act, or any other applicable state or federal law shall not be deemed to constitute a waiver of such right or a waiver of compliance or performance by the LFA, nor to excuse the Franchisee from complying or performing, unless such right or such compliance or performance has been specifically waived in writing.

2.8.2 The failure of the Franchisee on one (1) or more occasions to exercise a right under this Franchise or applicable law, or to require performance under this Franchise, shall not be deemed to constitute a waiver of such right or of performance by the Franchisee, nor shall it excuse the LFA from performance, unless such right or performance has been specifically waived in writing.

2.9 *Construction of Agreement*:

2.9.1 The provisions of this Franchise shall be liberally construed to effectuate their objectives.

2.9.2 Nothing herein shall be construed to limit the scope or applicability of Section 625 of the Communications Act, 47 U.S.C. § 545.

2.9.3 Should any change to federal, state or local law have the lawful effect of materially altering the terms and conditions of this Agreement making it commercially impracticable for the Franchisee to continue the provision of Cable Services in the LFA, then the parties shall modify this Franchise to the mutual satisfaction of both parties to ameliorate the negative effects on the Franchisee and the LFA of the material alteration. Any modification to this Franchise shall be in writing and signed by both parties. If the parties cannot reach agreement on the above-referenced modification to this Franchise, then upon either party's initiative, the parties agree to submit the matter to binding arbitration in accordance with the commercial arbitration rules of the American Arbitration Association.

2.10 *Police Powers*: Nothing in this Franchise shall be construed to prohibit the reasonable, necessary, and lawful exercise of the police powers of the LFA. The LFA shall not subject the Franchisee to any ordinances or regulations that are in material conflict with this Franchise. If the LFA exercises its reasonable, necessary, and lawful police power rights and such exercise results in a material alteration of the terms and conditions of this Agreement that makes it commercially impracticable for the Franchisee to continue the provision of Cable Services in the LFA, then the parties shall modify this Agreement to the mutual satisfaction of both parties to ameliorate the negative effects of the LFA's exercise of its police power rights on the Franchisee. Any modification to this Agreement shall be in writing and signed by both parties. If the parties cannot reach agreement on how to ameliorate the negative effects of the LFA's exercise of its police power rights, then the parties agree to submit the matter to binding arbitration in accordance with the commercial arbitration rules of the American Arbitration Association.

2.11 *Compliance with Federal and State Privacy Laws*: The Franchisee shall comply with the privacy provisions of Section 631 of the Communications Act, 47 U.S.C. § 551, and all other applicable federal and state privacy laws and regulations. The parties agree that, during the term hereof, the Franchisee shall not be subject to any local laws or ordinances which, directly or indirectly, conflict with or exceed the scope of such applicable federal and/or state privacy laws.

2.12 *Permits:* Nothing herein shall be construed to limit the LFA's lawful authority to require permits and applicable fees for certain activities in the Public Rights-of-Way; provided, however, that the Franchisee shall not be required to obtain permits for Cable Service drops for individual Subscribers.

3. PROVISION OF CABLE SERVICE

3.1 *Service Area*:

3.1.1 *Initial Service Area*: Subject to the issuance of all necessary permits by the LFA, the Franchisee shall offer Cable Service to all residential households in the Initial Service Area, and may make Cable Service available to businesses in the Initial Service Area, except: (i) for periods of Force Majeure; (ii) for periods of unreasonable delay caused by the LFA; (iii) for periods of delay resulting from the Franchisee's inability to obtain authority to access rights-of-way in the Service Area; (iv) in areas where developments, buildings or other residential dwelling units are subject to claimed exclusive arrangements with other providers; (v) in areas, developments, buildings or other residential dwelling units where the Franchisee cannot gain access under reasonable terms and conditions after good faith negotiation, as reasonably determined by the Franchisee; (vi) in areas, developments, buildings or other residential dwelling units where the Franchisee is unable to provide Cable Service for technical reasons or which require non-standard facilities which are not available on a commercially reasonable basis including, but not limited to, circumstances where the Franchisee cannot access the areas, developments, buildings or other residential dwelling units by using the Franchisee's existing network pathways and which would thus require the construction of new trunk, feeder, or distribution lines; (vii) in areas, developments, buildings or other residential dwelling units where the Franchisee determines, at its sole discretion, that providing such Cable Service is not

commercially reasonable; and (viii) in areas, developments, buildings or other residential dwelling units that are not habitable or have not been constructed as of the Effective Date.

3.1.2 *Additional Service Areas*: The Franchisee shall not be required to extend its Cable System or to provide Cable Services to any other areas within the LFA during the term of this Franchise or any renewals thereof. If the Franchisee desires to add Additional Service Areas within the LFA, the Franchisee may do so at its sole discretion.

3.2 *Availability of Cable Service*: The Franchisee shall make Cable Service available to all residential dwelling units and may make Cable Service available to businesses within the Service Area in conformance with Section 3.1, and the Franchisee shall not discriminate between or among any individuals in the availability of Cable Service. In the areas in which the Franchisee shall provide Cable Service, the Franchisee shall be required to connect, at the Franchisee's expense, other than a standard installation charge, all residential dwelling units that are within two hundred (200) feet of trunk or feeder lines not otherwise already served by the Franchisee's FTTP Network. The Franchisee shall be allowed to recover, from a Subscriber that requests such connection, no more than the actual costs incurred for the portion of a residential dwelling unit connection that exceeds two hundred (200) feet and the actual costs incurred to connect any non-residential dwelling unit Subscriber.

3.3 *Service Availability Meeting*: Upon written request from the LFA and no sooner than thirty-six (36) months following the Effective Date of this Agreement, the LFA and the Franchisee shall meet to discuss the Franchisee's Cable Service market success in the Service Area and to discuss possible expansion plans for Cable Service in the Service Area, if any.

4. SYSTEM FACILITIES

4.1 *Technical Requirements:* The Cable System shall meet or exceed all applicable technical performance standards of the FCC, any other future applicable technical performance standards, the National Electrical Safety Code, the National Electrical Code and any other applicable federal laws and the laws of the State of Delaware to the extent not in conflict with federal law and regulations.

4.2 *System Characteristics:* The Franchisee's Cable System shall be designed and operated as an active two-way system that allocates sufficient bandwidth to deliver reliable two-way Cable Services.

4.3 *Interconnection:* The Franchisee shall operate its Cable System so that it may be interconnected with other cable systems in the LFA. Interconnection of systems may be made by direct cable connection, microwave link, satellite, or other appropriate methods.

4.4 *No Interference:* The Cable System shall be operated in such a manner as to comply with all applicable FCC requirements regarding (i) consumer electronic equipment and (ii) interference with the reception of off-the-air signals of licensed FCC operators.

4.5 *Standby Power:* The Cable System shall incorporate equipment capable of providing continuous standby powering of the System during any commercial utility power outage.

4.6 *Emergency Alert System*: The Franchisee shall comply with the applicable requirements of the FCC and the State of Delaware with respect to the operation of an Emergency Alert System ("EAS") and with applicable state and local EAS plans in order that emergency messages may be distributed over the Cable System.

5. EG SERVICES

5.1 *EG Channels Set Aside:*

5.1.1 In order to ensure universal availability of Educational and Government Access programming, the Franchisee shall reserve on the Basic Service tier capacity for three (3) Educational and/or Government Access Channels (collectively, "EG Channels") for exclusive use by the LFA or its designee. The EG Channels shall be used for community programming related to governmental and educational activities. The LFA shall have complete control over the content, scheduling, administration and all other programming aspects of the EG Channels, and may delegate such functions, or a portion of such functions, to an appropriate designee. The Franchisee shall not exercise any editorial control over EG Channel programming. The Franchisee shall maintain in good working order the video link(s) and equipment necessary to transmit the EG Channel signals to the channel aggregation site for further processing and distribution to Subscribers. The Franchisee shall maintain the EG Channels and video link(s) in accordance with FCC technical specifications that are comparable to the specifications used to maintain commercial Channels transmitted to Subscribers on the Cable System, except that the Franchisee shall not be responsible for the technical signal quality of the programming produced by any EG Channel producer.

5.1.2 The LFA and the Franchisee will comply with all laws and regulations related to use of the EG Channels. The parties agree that the Franchisee shall retain the right to utilize such reserved EG Channel capacity, in its sole discretion, during the term of this Franchise until such time as the LFA notifies the Franchisee in writing of its desire to begin using the EG Channels pursuant to Subsection 5.1.3 below.

5.1.3 The LFA may obtain from the Franchisee, within one hundred twenty (120) days of the receipt of written notice from the LFA, up to three (3) EG Channels as identified in Subsection 5.1.1 for exclusive use by the LFA or its designee. Such notification shall constitute authorization to the Franchisee to transmit such EG Channel programming within and without the LFA. The Franchisee shall assign the EG Channel numbers to the extent such Channel number assignments do not interfere with the Franchisee's existing or planned Channel number line-up and contractual obligations, provided it is understood that the Franchisee specifically reserves the right to make or change such EG Channel number assignments, in its sole discretion, upon at least thirty (30) days' written notice to the LFA. If an EG Channel provided under this Article 5 is not being utilized by the LFA, or if the LFA ceases to use an EG Channel during the term of this Franchise, the Franchisee may utilize such EG Channel capacity, in its sole discretion, until such time as the LFA elects to utilize the EG Channel for its intended purpose. In the event the LFA decides to exercise its right to use previously de-activated EG Channel capacity, the LFA shall provide the Franchisee with written notice and the Franchisee shall re-activate the EG Channel within ninety (90) days of receipt of the written request from the LFA.

5.2 *EG Channel Equipment and Programming*: The LFA and/or its designee shall be solely responsible for operating its switching equipment and the picture and audio quality of all EG Channel programming up to the demarcation point and for ensuring all EG Channel programming is inserted on the appropriate upstream EG Channel. All EG Channel programming shall be transmitted to the Franchisee in baseband or SD-SDI format with either mono or stereo audio signals, and with signals received by the Franchisee in stereo cablecast by the Franchisee in stereo. Notwithstanding the foregoing, the Franchisee shall not be obligated to provide the LFA or its designee with either cablecast equipment and facilities or the personnel responsible for maintaining and operating equipment and facilities on the LFA's side of the demarcation point and used to generate or administer any EG Channel access signals, except as necessary to implement the Franchisee's responsibilities specified herein. The LFA and the Franchisee shall work together in good faith to resolve any connection issues. If the LFA issues a franchise to, or renews a franchise with, a competing cable operator, the competing cable operator may not connect its system to the Franchisee's System for the purposes of obtaining EG Channel programming from the EG Channels transmitted on the Franchisee's System without the Franchisee's prior written consent.

5.3 *Interconnection for EG Channel Programming*: The Franchisee may, in its sole discretion, use reasonable efforts to interconnect its Cable System with the existing cable operator(s). If interconnection is not pursued, for purposes of providing the EG Channels, no earlier than six (6) months after written notice by the LFA to activate the EG Channel(s), subject to the provisions of Section 3.1 and so long as such location(s) are within the Initial Service Area, the LFA may require the Franchisee to provide a video link, without charge to the LFA, to a location within the Initial Service Area where EG Channel programming is originated for the purpose of cablecasting such EG Channel programming. The Franchisee shall maintain the fiber connection to such origination location in good working order and without any charge to the LFA. Alternatively, in coordination with the Franchisee and its technical specifications, including use of a public static IP address by the LFA, the LFA will deliver the EG Channel programming to the Franchisee via the LFA's own broadband connection using Secure Reliable Transport ("SRT") or other comparable broadband video delivery technology as designated by the Franchisee. Such EG Channel programming delivery will be the LFA's responsibility, including any broadband costs and compliance with terms of service of the internet service provider. The Franchisee shall not be obligated to provide the LFA with either cablecast equipment and facilities or personnel responsible for maintaining and operating such equipment and facilities or generating any such EG Channel programming.

5.4 *EG Channel Relocation*: The LFA shall have the right to relocate the location where its EG Channel programming originates after such time as the Franchisee has established a direct connection or has interconnected with another cable operator for purposes of obtaining EG Channel programming as follows: (i) the Franchisee's obligation shall be subject to the same conditions that apply to the EG Channel origination site(s) as set forth in this Article 5; (ii) the LFA shall provide access to such site at least ninety (90) days prior to the LFA's anticipated use of the relocated EG Channel origination site(s); and (iii) the LFA shall reimburse the Franchisee for the actual costs it incurs to relocate its direct connection or for any additional costs associated with the interconnection with any other cable operator. Said relocation shall be undertaken within ninety (90) days of the LFA both: (A) providing a written request therefore, and (B) meeting the conditions set forth above.

5.5 *High Definition EG Channel:* The LFA may make a written request to activate an EG Channel, or to upgrade/replace an existing Standard Definition ("SD") EG Channel, to be broadcast in High Definition ("HD"). The Franchisee shall carry all components of the HD EG Channel signals that are provided by the LFA or its designee including, but not limited to, video, audio, stereo, closed captioning, and other elements associated with the programming. Upon receipt of the LFA's written request, the Franchisee shall make the HD EG Channel available to the LFA or the EG Channel designee within one hundred twenty (120) days if the HD EG Channel is an initial activation or within two hundred seventy (270) days if the HD EG Channel is an upgrade/replacement of an existing SD EG Channel. If applicable, the LFA shall include in the written notice a statement of the existing EG Channel number assignment on the Franchisee's Cable System and the originating location of the EG Channel programming. The HD EG Channel will be assigned a new Channel number on the Franchisee's Channel line-up. To the extent permitted by law, the Franchisee shall be allowed to recover from Subscribers applicable costs incurred to transmit HD EG Channel programming.

5.5.1 All programming content for the HD EG Channel shall be transmitted to the Franchisee in HD-SDI format with a resolution of 720p or 1080i. The LFA expressly acknowledges that an HD EG Channel may not be available at all times during the term of this Agreement on the Franchisee's Basic Service tier and that in order to view the HD EG Channel, a Subscriber may be required to upgrade equipment at an additional charge. The Franchisee shall have the right to discontinue provision and reclaim the bandwidth of the Standard Definition Access Channel ninety (90) days after the launch of the HD EG Channel as required by this Section 5.5.

5.6 *EG Grants*:

5.6.1 Within sixty (60) days of the Effective Date of this Agreement, the Franchisee shall provide the LFA a one-time monetary grant in the amount of seventy-five thousand dollars ($75,000) (the "EG Grant") to be used for capital costs in support of the production of local EG Channel programming or any other cable or technology-related purpose as directed by the LFA in accordance with applicable law.

5.6.2 The Franchisee also shall provide an annual grant to the LFA (the "Annual EG Grant") to be used for capital costs in support of the production of EG Channel programming. The Annual EG Grant provided by the Franchisee hereunder shall be in an amount equal to ninety-five cents ($0.95) per Subscriber per month. The Annual EG Grant shall be remitted to the LFA within ninety (90) days of the end of each calendar quarter.

5.6.3 The LFA shall ensure that its use of the EG Grant and Annual EG Grant monies is consistent with federal law. The Franchisee shall not offset the amount of the EG Grant or the Annual EG Grant payments against franchise fees due to the LFA and may pass these costs through to Subscribers as permitted by federal law.

5.6.4 If requested in writing, the LFA shall provide the Franchisee with a complete accounting of the distribution of the EG Grant and Annual EG Grant funds paid by the Franchisee.

5.7 *Indemnity for EG Services*: The LFA shall require all local producers and users of any of the EG facilities or the EG Channel to agree in writing to authorize the Franchisee to transmit programming consistent with this Agreement and to defend and hold harmless the Franchisee and the LFA from and against any and all liability or other injury, including the reasonable cost of defending claims or litigation, arising from or in connection with claims regarding an EG Channel programming facility, not including the FTTP Network, or EG Channel or EG Channel programming, including claims for failure to comply with applicable federal laws, rules, regulations or other requirements of local, state, or federal authorities; for claims of libel, slander, invasion of privacy, or the infringement of common law or statutory copyright; for unauthorized use of any trademark, trade name, or service mark; for breach of contractual or other obligations owing to third parties by the producer or user; and for any other injury or damage in law or equity. The LFA may establish rules and procedures for use of EG Channel facilities consistent with applicable laws and regulations. Notwithstanding the foregoing, the LFA shall not indemnify the Franchisee for any damages, liability, or claims resulting from acts of willful misconduct or negligence of the Franchisee, its elected or appointed officials, officers, employees, or agents.

5.8 *Recovery of Costs*: The Franchisee shall be allowed to recover any costs arising from the provision of EG Channel services as set forth in Section 622 of the Communications Act, 47 U.S.C. § 542, and to include such costs as a separately billed line item on each Subscriber's bill. Without limiting the foregoing, if allowed under state and federal laws, the Franchisee may externalize, line-item, or otherwise pass through interconnection costs to Subscribers.

6. FRANCHISE FEES

6.1 *Payment to the LFA:* The Franchisee shall pay to the LFA a franchise fee of five percent (5%) of annual Gross Revenue. In accordance with Title VI of the Communications Act, the twelve (12) month period applicable under this Franchise for the computation of the franchise fee shall be a calendar year. Such payments shall be made no later than forty-five (45) days following the end of each calendar quarter. Specifically, payments shall be due and payable on or before May 15 (for the first quarter), August 15 (for the second quarter), November 15 (for the third quarter), and February 15 (for the fourth quarter). In the event that any franchise fee payment is not made on or before the applicable dates, then interest shall be added at the rate of six percent (6%) of the amount of franchise fee revenue due to the LFA. No acceptance of any payment shall be construed as an accord that the amount paid is the correct amount. The Franchisee shall be allowed to submit or correct any payments that were incorrectly omitted, along with interest at six percent (6%) of the amount from the date such underpayment was due, and shall credit any payments that were incorrectly submitted, in connection with the quarterly franchise fee remittances. If the LFA issues or renews any cable franchise(s) after the Effective Date that provide(s) for a lower percentage of a franchise fee than is required by this Agreement, the LFA shall provide the Franchisee with written notice of such issuance or renewal and the percentage of the Franchisee's franchise fee payments shall be immediately thereafter reduced to match such lower percentage over that same time period.

6.2 *Supporting Information:* Each franchise fee payment shall be accompanied by a brief report that provides line items for revenue sources and the amount of revenue received

from each source and is verified by a financial manager of the Franchisee showing the basis for the computation.

6.3 *Limitation on Franchise Fee Actions*: The parties agree that the period of limitation for recovery of any franchise fee payable hereunder shall be forty-eight (48) months from the date on which the applicable payment by the Franchisee is due.

6.4 *Audits*:

6.4.1 The LFA may conduct a franchise fee review or audit of the Franchisee's books and records pertaining directly to the Franchisee's payment of franchise fees to the LFA no more than once every three (3) years during the term of this Franchise. Any audit shall be initiated through written notice to the Franchisee by the LFA, and the LFA or any auditor employed by the LFA shall submit its request for records within forty-five (45) days of the LFA's notice; provided, however, that the parties shall work cooperatively on an ongoing basis during the audit review in the event the LFA or its designated auditor identifies reasonable follow-up records that are necessary to complete the audit. Subject to the confidentiality provisions of Section 8.1 below, and execution of a non-disclosure agreement with the LFA or an auditor employed by the LFA, all records requested by the LFA for such audit shall be made available to the LFA or its auditor within forty-five (45) days of the LFA's request for documents. All records shall be provided by the Franchisee for inspection at a mutually agreed upon location or, if agreed by the parties, through secure electronic communication.

6.4.2 Any audit conducted by the LFA or auditor employed by the LFA shall be completed within one hundred twenty (120) days of receipt of all documents identified in the request for records submitted pursuant to Subsection 6.4.1, or by such other date as is mutually agreed to by the parties. If upon completion of the audit, the LFA does not make a claim for additional payments, then the LFA shall provide the Franchisee with written documentation of closure of the audit within forty-five (45) days from the date the audit is completed. The LFA's claim for additional franchise fee payments shall be provided to the Franchisee within forty-five (45) days from the date on which the audit is completed by the LFA or its auditor or by such other date as is mutually agreed to by the parties.

6.4.3 Each party shall bear its own costs of an audit; provided, however, that if the results of any audit indicate that the Franchisee underpaid the franchise fees by five percent (5%) or more, then the Franchisee shall pay the reasonable, documented, out-of-pocket costs of the audit up to eight thousand dollars ($8,000).

6.4.4 If the results of an audit indicate an underpayment of franchise fees, the parties agree that such underpayment shall be remitted to the LFA within forty-five (45) days; provided, however, that the Franchisee shall be required to remit underpayments to the LFA together with interest at six percent (6%) of the amount correctly due from the date such underpayment would have been due.

6.4.5 Any entity employed by the LFA that performs the audit or franchise fee review shall be a professional firm with recognized expertise in auditing franchise

fees and shall not be permitted to be compensated on a success-based formula, e.g., payment based on an underpayment of franchise fees, if any.

6.5 *Bundled Services*: If Cable Services are provided to Subscribers in conjunction with Non-Cable Services, the calculation of Gross Revenue shall be adjusted, if needed, to include only the value of the Cable Services billed to Subscribers, as reflected on the books and records of the Franchisee in accordance with FCC rules, regulations, standards, or orders. If the Franchisee bundles Cable Services with Non-Cable Services, the Franchisee agrees that it will not intentionally or unlawfully allocate such revenue for the purpose of evading payments due under this Franchise. The parties agree that tariffed Telecommunications Services that cannot be discounted by state or federal law or regulation are to be excluded from the bundled discount allocation basis.

7. CUSTOMER SERVICE

Customer Service Standards to be complied with by the Franchisee are set forth in Exhibit B. Such standards may be amended by written consent of the parties.

8. REPORTS AND RECORDS

8.1 *Open Books and Records*: Upon written notice to the Franchisee, the LFA shall have the right to inspect the Franchisee's books and records pertaining to this Agreement or the Franchisee's provision of Cable Service in the LFA at any time during Normal Business Hours to ensure compliance with the terms of this Franchise. Such notice shall specifically reference the section or subsection of this Franchise that is under review, so that the Franchisee may organize the necessary books and records for appropriate access by the LFA. Within thirty (30) days of the LFA's written notice, all records requested by the LFA shall be provided by the Franchisee for inspection at a mutually agreed upon location or, if agreed by the parties, through secure electronic communication. The Franchisee shall not be required to maintain any books and records for Franchise compliance purposes longer than forty-eight (48) months. Notwithstanding anything to the contrary set forth herein, the Franchisee shall not be required to disclose information that it reasonably deems to be proprietary or confidential in nature, nor to disclose any of its or an Affiliate's books and records not relating to this Agreement or to the provision of Cable Service in the LFA. If the Franchisee claims any information to be proprietary or confidential, it shall identify the information and provide a written explanation as to the reason it is claimed to be confidential or proprietary. The LFA shall treat any information disclosed by the Franchisee as confidential so long as it is permitted to do so under applicable law, and shall only disclose it to employees, representatives, and agents of the LFA that have a need to know, or in order to enforce the provisions hereof. The Franchisee shall not be required to provide Subscriber information in violation of Section 631 of the Communications Act, 47 U.S.C. § 551.

8.2 *Records Required*: The Franchisee shall at all times maintain the following, which may be inspected pursuant to Section 8.1 above:

8.2.1 Records of all Complaints for a period of forty-eight (48) months. Complaints recorded will not be limited to Complaints requiring an employee service call.

8.2.2 Records of Significant Outages (as defined in the Customer Service Standards attached as Exhibit B) for a period of forty-eight (48) months.

8.2.3 Records of Service Calls for repair and maintenance (as set forth in the Customer Service Standards attached as Exhibit B) for a period of forty-eight (48) months.

8.2.4 Records of installation/reconnection and requests for service extension (as set forth in the Customer Service Standards attached as Exhibit B) for a period of forty-eight (48) months.

9. INSURANCE AND INDEMNIFICATION

9.1 *Insurance*:

9.1.1 The Franchisee shall maintain in full force and effect, at its own cost and expense, during the Franchise term, the following insurance coverage:

9.1.1.1 Commercial General Liability Insurance with limits of three million dollars ($3,000,000) per occurrence for property damage and bodily injury and three million dollars ($3,000,000) general aggregate including premises-operations, contractual liability, personal and advertising injury and products/completed operations covering the construction, operation, and maintenance of the Cable System and the conduct of the Franchisee's Cable Service business in the LFA.

9.1.1.2 Automobile Liability Insurance in the amount of one million dollars ($1,000,000) combined single limit each accident for bodily injury and property damage coverage covering all owned, non-owned, and hired vehicles.

9.1.1.3 Workers' Compensation Insurance in compliance with the statutory requirements of the State of Delaware and Employers' Liability Insurance in the following amounts: (i) Bodily Injury by Accident: one hundred thousand dollars ($100,000); and (ii) Bodily Injury by Disease: one hundred thousand dollars ($100,000) each employee; five hundred thousand dollars ($500,000) disease policy limit.

9.1.2 The LFA shall be included as an additional insured as its interest may appear under this Franchise on Commercial General Liability and Automobile Liability insurance policies.

9.1.3 Upon receipt of notice from its insurer, the Franchisee shall provide the LFA with thirty (30) days' prior written notice of cancellation of any required insurance.

9.1.4 Each of the required insurance policies shall be with insurers qualified to do business in the State of Delaware, with an A-VII or better rating for financial condition and financial performance by Best's Key Rating Guide, Property/Casualty Edition.

9.1.5 Upon written request, the Franchisee shall deliver to the LFA Certificates of Insurance showing evidence of the required coverage.

9.2 *Indemnification*:

9.2.1 The Franchisee agrees to indemnify, save, hold harmless, and defend the LFA, its elected and appointed officials, officers, agents, boards, and employees, from and against any and all claims for injury, loss, liability, cost or expense arising in whole or in part from, incident to, or connected with any act or omission of the Franchisee, its officers, agents, or employees, including the acts or omissions of any contractor or subcontractor of the Franchisee, arising out of the construction, operation, upgrade, or maintenance of its Cable System. The obligation to indemnify, save, hold harmless and defend the LFA shall include the obligation to pay judgments, injuries, liabilities, damages, penalties, expert fees, court costs and the Franchisee's own attorney's fees. The LFA shall give the Franchisee timely written notice of the LFA's request for indemnification within (i) thirty (30) days of receipt of a claim or action pursuant to this subsection or (ii) ten (10) days following service of legal process on the LFA or its designated agent of any action related to this subsection. The LFA agrees that it will take all necessary action to avoid a default judgment. Notwithstanding the foregoing, the Franchisee shall not indemnify the LFA for any damages, liability, or claims resulting from, and the LFA shall be responsible for, the LFA's own acts of willful misconduct or the willful misconduct of its elected and appointed officials, officers, agents, boards, and employees.

9.2.2 With respect to the Franchisee's indemnity obligations set forth in Subsection 9.2.1, the Franchisee shall provide the defense of any claims brought against the LFA by selecting counsel of the Franchisee's choice to defend the claim, subject to the consent of the LFA, which shall not unreasonably be withheld. Nothing herein shall be deemed to prevent the LFA from cooperating with the Franchisee and participating in the defense of any litigation by its own counsel at its own cost and expense; provided, however, that after consultation with the LFA, the Franchisee shall have the right to defend, settle, or compromise any claim or action arising hereunder, and the Franchisee shall have the authority to decide the appropriateness and the amount of any such settlement. In the event that the terms of any such proposed settlement include the release of the LFA, and the LFA does not consent to the terms of any such settlement or compromise, the Franchisee shall not settle the claim or action, but its obligation to indemnify the LFA shall in no event exceed the amount of such settlement.

10. TRANSFER OF FRANCHISE

Subject to Section 617 of the Communications Act, 47 U.S.C. § 537, and applicable federal regulations, no Transfer of the Franchise shall occur without the prior written consent of the LFA, provided that such consent shall not be unreasonably conditioned or withheld. No such consent shall be required, however, for a transfer in trust, by mortgage, by other hypothecation, by assignment of any rights, title, or interest of the Franchisee in this Franchise or the Cable System in order to secure indebtedness, or for transactions otherwise excluded under Section 1.38 above.

11. RENEWAL OF FRANCHISE

The LFA and the Franchisee agree that any proceedings undertaken that relate to the renewal of this Franchise shall be governed by and comply with the provisions of Section 626 of the Communications Act, 47 U.S.C. § 546.

12. ENFORCEMENT AND TERMINATION OF FRANCHISE

12.1 *Notice of Noncompliance*: If at any time the LFA believes that the Franchisee has not complied with the terms of this Franchise, the LFA shall informally discuss the matter with the Franchisee. If these discussions do not lead to resolution of the problem in a reasonable time, the LFA shall then notify the Franchisee in writing of the nature of the alleged noncompliance (for purposes of this Article 12, the "Noncompliance Notice"). If the LFA does not notify the Franchisee of any alleged noncompliance, it shall not operate as a waiver of any rights of the LFA hereunder or pursuant to applicable law.

12.2 *The Franchisee's Right to Cure or Respond*: The Franchisee shall have thirty (30) days from receipt of the Noncompliance Notice to: (i) respond to the LFA in writing, if the Franchisee contests (in whole or in part) the assertion of noncompliance; (ii) cure such noncompliance; or (iii) in the event that, by its nature, such noncompliance cannot be cured within such thirty (30) day period, initiate reasonable steps to remedy such noncompliance, diligently pursue such remedy to completion, and notify the LFA of the steps being taken and the date by which the cure is projected to be completed. Upon cure of any noncompliance, the LFA shall provide written confirmation that such cure has been effected.

12.3 *Liquidated Damages*: After the time periods set forth in Sections 12.1-12.2 above, in the event that the LFA finds that an alleged noncompliance continues to exist and that the Franchisee has not corrected the same in a satisfactory manner, the Franchisee agrees that the LFA may recover liquidated damages from the Franchisee in the amounts set forth below; provided, however, that if the Franchisee disputes the assessment of any liquidated damages hereunder, the Franchisee may request and the LFA may schedule a public hearing with regard to such dispute. Following the notice and opportunity to cure periods in Sections 12.1-12.2 above, the LFA shall provide the Franchisee with written notice that it intends to impose the liquidated damages remedies set forth herein. If the LFA elects to recover liquidated damages for any item set forth in Subsection 12.3.1 below (including customer service violations), the LFA agrees that such recovery shall be its exclusive remedy for the time period for which liquidated damages are assessed; provided, however, that once the LFA has ceased to assess its liquidated damages remedies as set forth in Subsection 12.3.1 below, it may pursue other available remedies.

12.3.1 Pursuant to Section 12.3, the following monetary damages shall apply:

For failure to provide Cable Service as set forth in Sections 3.1-3.2	$200/day for each day the violation continues;

For failure to maintain the FCC technical standards as set forth in Section 4.1	$200/day for each day the violation continues;
For failure to provide EG services to the community as specified in Section 5.1	$200/day for each day the violation continues;
For failure to comply with franchise fee audit requirements as set forth in Section 6.4	$200/day for each day the violation continues;
For failure to provide the LFA with any reports or records required by this Agreement within the time period required;	$200/day for each day the violation continues;
For failure to meet customer service requirements with regard to Sections 2, 3, and 4 of the Customer Service Standards as set forth in Exhibit B	$500 for each quarter in which such standards were not met;
For failure to carry the insurance specified in Subsection 9.1.1	$200/day for each day the violation continues; and
For a Transfer specified in Article 10 without required approval	$200/day for each day the violation continues.

12.3.2 The amount of all liquidated damages per annum shall not exceed twenty thousand dollars ($20,000) in the aggregate. All similar violations or failures from the same factual events affecting multiple Subscribers shall be assessed as a single violation, and a violation or a failure may only be assessed under any one (1) of the above-referenced categories. Violations or failures shall not be deemed to have occurred or commenced until they are not cured as provided in Sections 12.1-12.2.

12.3.3 Except as otherwise provided herein, any liquidated damages assessed pursuant to this Section 12.3 shall not be a limitation upon any other provisions of this Franchise and applicable law, including revocation.

12.4 *Additional Enforcement Measures*: Subject to applicable federal, state and local law, in the event the LFA determines that the Franchisee is in default of any provision of this Franchise, the LFA may:

12.4.1 Commence an action at law for monetary damages or seek other equitable relief; or

12.4.2 In the case of a substantial noncompliance with a material provision of this Franchise, seek to revoke the Franchise in accordance with Section 12.5 below.

12.5 *Revocation*: Should the LFA seek to revoke this Agreement after following the procedures set forth in Sections 12.1-12.2 above, the LFA shall give written notice to the

Franchisee of such intent. The notice shall set forth the specific nature of the noncompliance. The Franchisee shall have sixty (60) days from receipt of such notice to object in writing and to state its reasons for such objection. In the event the LFA has not received a satisfactory response from the Franchisee, it may then seek revocation of this Agreement and shall schedule a public hearing. The LFA shall cause to be served upon the Franchisee, at least thirty (30) days prior to such public hearing, a written notice specifying the time and place of such hearing.

12.5.1 At any designated public hearing at which the LFA has informed the Franchisee that revocation is a possible consequence in accordance with the written notice requirements set forth above, the Franchisee shall be provided a fair opportunity for full participation, including the following rights: to be represented by legal counsel, to introduce relevant evidence and require the production of evidence, and to question and/or cross-examine witnesses. A complete verbatim record and transcript shall be made of such hearing at the Franchisee's sole cost and expense.

12.5.2 Following the public hearing, the Franchisee shall be provided up to thirty (30) days to submit its proposed findings and conclusions to the LFA in writing, and thereafter the LFA shall provide a written determination to the Franchisee setting forth: (i) whether an event of default has occurred under this Agreement; (ii) whether such event of default is excusable; and (iii) whether such event of default has been cured by the Franchisee. The LFA shall also determine whether it will revoke this Franchise based on the information presented or, in the discretion of the LFA, grant additional time to the Franchisee to effect any cure. If the LFA determines that it will revoke this Franchise, the LFA shall promptly provide the Franchisee with a written determination setting forth the LFA's reasoning for such revocation. The Franchisee may appeal such written determination of the LFA to an appropriate court of competent jurisdiction, which will have the power to review the determination of the LFA consistent with applicable law. The Franchisee shall be entitled to such relief as the court finds appropriate. Such appeal must be taken within the time frame permitted by law.

12.6 *Performance Bond*: The Franchisee shall provide to the LFA security for the performance of its obligations under this Agreement in the amount of five hundred thousand dollars ($500,000). The form of this security may, at the Franchisee's option, be a performance bond, letter of credit, cash deposit, cashier's check, or any other security acceptable to the LFA. In the event that a performance bond provided pursuant to this Agreement is not renewed or is cancelled, the Franchisee shall provide new security pursuant to this Section 12.6 within thirty (30) days of such cancellation or failure to renew. Neither cancellation, nor termination, nor refusal by a surety to extend the bond, nor the inability of the Franchisee to file a replacement bond or replacement security for its obligations, shall constitute a loss to the LFA that is recoverable under the bond.

13. MISCELLANEOUS PROVISIONS

13.1 *Actions of Parties*: In any action by the LFA or the Franchisee that is mandated or permitted under the terms hereof, such party shall act in a reasonable, expeditious, and timely manner.

13.2 *Binding Acceptance*: This Agreement shall bind and benefit the parties hereto and their respective successors and assigns.

13.3 *Preemption*: In the event that a change in federal or state law or regulation preempts or limits the enforceability of a provision of this Agreement, the provision shall be read to be preempted or limited, but only to the extent and for the time required by such law or regulation. In the event such federal or state law or regulation is subsequently repealed, rescinded, amended, or otherwise changed so that the provision hereof that had been preempted or limited is no longer preempted or limited, such provision shall thereupon return to full force and effect, and shall thereafter be binding on the parties hereto, without the requirement of further action on the part of the LFA.

13.4 *Force Majeure*: The Franchisee shall not be held in default under, or in noncompliance with, the provisions of this Franchise, nor suffer any enforcement or penalty relating to noncompliance or default, where such noncompliance or alleged defaults occurred or were caused by a Force Majeure event.

13.5 *Good Faith Error:* The parties hereby agree that it is not the LFA's intention to subject the Franchisee to penalties, fines, forfeitures, or revocation of the Franchise for violations of this Agreement where the violation was a good faith error that resulted in no or minimal negative impact on Subscribers or the LFA, or where strict performance would result in practical difficulties and hardship being placed upon the Franchisee that outweigh the benefit to be derived by Subscribers and/or the LFA.

13.6 *Delivery of Payments*: The Franchisee may use electronic funds transfer to make any payments to the LFA required under this Agreement.

13.7 *Notices:* Unless otherwise expressly stated herein, notices required under this Franchise shall be mailed first-class, postage prepaid, to the addressees below. Each party may change its designee by providing written notice to the other party.

13.7.1 Notices to the Franchisee shall be mailed to:

Scott Wyatt
Regional President – Consumer & Mass Business Markets
Verizon Delaware LLC
37 Maple Avenue
Morristown, NJ 07960

With a copy to:

Verizon
One Verizon Way
Basking Ridge, NJ 07920
Attention: Sarah Lyzak, Vice President and Deputy General Counsel

13.7.2 Notices to the LFA shall be mailed to:

City of Wilmington
Louis L. Redding City/County Building
800 North French Street
Wilmington, Delaware 19801
Attention: _____

13.8 *Entire Agreement*: This Franchise and the Exhibits hereto constitute the entire agreement between the Franchisee and the LFA and supersedes all prior or contemporaneous agreements, representations, or understanding (whether written or oral) of the parties regarding the subject matter hereof. Any lawful ordinances or parts of ordinances related to the provision of Cable Services over the Cable System in the LFA that conflict with the provisions of this Agreement are superseded by this Agreement.

13.9 *Amendments:* Amendments or modifications to this Agreement shall be mutually agreed to in writing and signed by the parties.

13.10 *Captions:* The captions and headings of articles and sections throughout this Agreement are intended solely to facilitate reading and reference to the sections and provisions of this Agreement. Such captions shall not affect the meaning or interpretation of this Agreement.

13.11 *Severability*: If any section, subsection, sentence, paragraph, term, or provision hereof is determined to be illegal, invalid, or unconstitutional by any court of competent 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, subsection, sentence, paragraph, term, or provision hereof, all of which will remain in full force and effect for the term of this Franchise.

13.12 *Recitals:* The recitals set forth in this Agreement are incorporated into the body of this Agreement as if they had been originally set forth herein.

13.13 *FTTP Network Transfer Prohibition:* Under no circumstance including, without limitation, upon expiration, revocation, termination, denial of renewal of this Franchise, or any other action to forbid or disallow the Franchisee from providing Cable Services, shall the Franchisee or its assignees be required to sell any right, title, interest, use, or control of any portion of the Franchisee's FTTP Network including, without limitation, the Cable System and any capacity used for Cable Service or otherwise, to the LFA or any third party. The Franchisee shall not be required to remove the FTTP Network or to relocate the FTTP Network or any portion thereof as a result of revocation, expiration, termination, denial of renewal, or any other action to

forbid or disallow the Franchisee from providing Cable Services. This provision is not intended to contravene leased access requirements under Title VI of the Communications Act or the EG service requirements set out in this Agreement.

13.14 *Parental Control:* The Franchisee shall comply with all applicable requirements of federal law(s) governing Subscribers' capability to control the reception of any Channels being received on their television sets.

13.15 *Independent Review*: The LFA and the Franchisee each acknowledge that they have received independent legal advice in entering into this Agreement. In the event that a dispute arises over the meaning or application of any term(s) of this Agreement, such term(s) shall not be construed by the reference to any doctrine calling for ambiguities to be construed against the drafter of this Agreement.

13.16 *No Third Party Beneficiaries*: Except as expressly provided herein, this Agreement is not intended to, and does not, create any rights or benefits on behalf of any Person other than the parties to this Agreement.

13.17 *Counterparts:* This Agreement may be executed in two (2) counterparts, each of which shall be deemed an original, and the parties may become a party hereto by executing a counterpart hereof. Further, this Agreement may be executed by facsimile, email, electronic signature or other electronic means, and so executed shall have the full force and legal effect as an executed original of this Agreement. This Agreement and any counterpart so executed shall be deemed to be one and the same instrument. It shall not be necessary in making proof of this Agreement or any counterpart hereof to produce or account for the other counterparts.

[SIGNATURE PAGE FOLLOWS]

CITY OF WILMINGTON, DELAWARE

By: _____

Print: _____

Title: _____

Date: _____

VERIZON DELAWARE LLC

By: _____

Print: _____

Title: _____

Date: _____

EXHIBIT

Exhibit A – Initial Service Area

Exhibit B – Customer Service Standards

EXHIBIT A

INITIAL SERVICE AREA

The Initial Service Area shall include the areas within the City of Wilmington shaded in salmon on the map below.

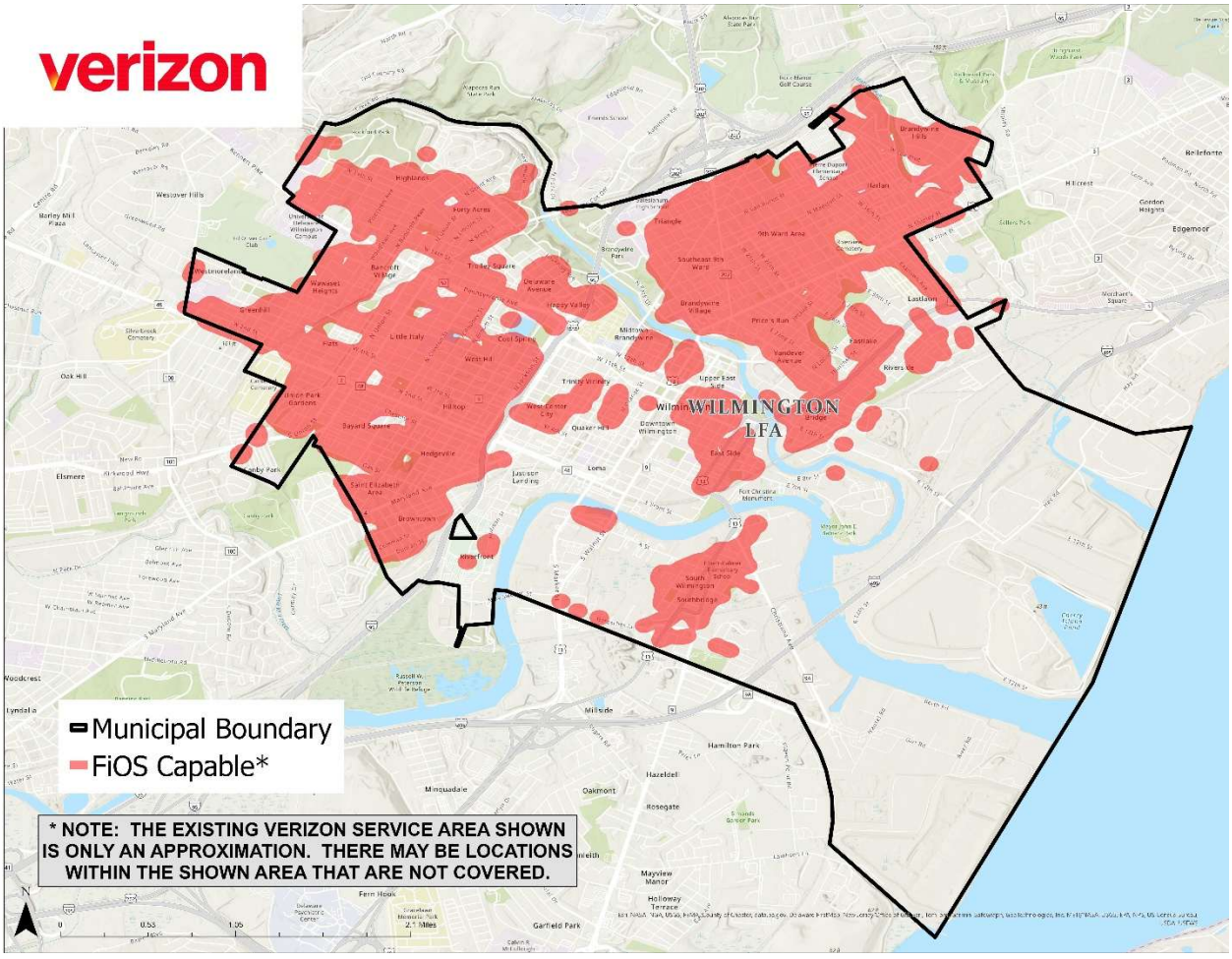


EXHIBIT B

CUSTOMER SERVICE STANDARDS

These standards shall apply to the Franchisee to the extent it is providing Cable Services over the Cable System in the Service Area.

SECTION 1: DEFINITIONS

A. Respond: The Franchisee's investigation of a Service Interruption after receiving a Subscriber call by opening a trouble ticket, if required, and responding to the call.

B. Significant Outage: A Significant Outage of the Cable Service shall mean any Service Interruption lasting at least four (4) continuous hours that affects at least ten percent (10%) of the Subscribers in the Service Area.

C. Service Call: The action taken by the Franchisee to correct a Service Interruption the effect of which is limited to an individual Subscriber.

D. Standard Installation: Installations where the Subscriber is within two hundred (200) feet of trunk or feeder lines.

SECTION 2: OFFICE HOURS AND TELEPHONE AVAILABILITY

A. The Franchisee shall maintain a toll-free number to receive all calls and inquiries from Subscribers and/or residents in the Service Area regarding Cable Service. Franchisee representatives trained and qualified to answer questions related to Cable Service in the Service Area must respond to Subscriber telephone inquiries during the Franchisee's Normal Business Hours. Franchisee representatives shall identify themselves by name when answering this number. After Normal Business Hours, the toll-free number may be answered by an Automated Response Unit ("ARU") or a Voice Response Unit ("VRU"), including an answering machine. Inquiries received after Normal Business Hours shall be responded to by a trained Franchisee representative on the next business day.

B. The Franchisee's telephone numbers shall be listed, with appropriate description (e.g., administration, customer service, billing, repair, etc.), in the directory published by the local telephone company or companies serving the Service Area, beginning with the next publication cycle after acceptance of this Franchise by the Franchisee.

C. The Franchisee may, at any time, use an ARU or a VRU to distribute calls. If a foreign language routing option is provided, and the Subscriber does not enter an option, the menu will default to the first tier menu of English options.

After the first tier menu (not including a foreign language rollout) has run through three (3) times, if Subscribers do not select any option, the ARU or VRU will forward the call to a queue for a live representative. The Franchisee may reasonably substitute this requirement with another method of handling calls from Subscribers who do not have touch-tone telephones.

D. Under Normal Operating Conditions, calls received by the Franchisee shall be answered within thirty (30) seconds. The Franchisee shall meet this standard for ninety percent (90%) of the calls it receives at all call centers receiving calls from Subscribers, as measured on a cumulative quarterly calendar basis. Measurement of this standard shall include all calls received by the Franchisee at all call centers receiving calls from Subscribers, whether they are answered by a live representative, by an automated attendant, or abandoned after thirty (30) seconds of call waiting.

E. Under Normal Operating Conditions, callers to the Franchisee shall receive a busy signal no more than three percent (3%) of the time during any calendar quarter.

F. At the Franchisee's option, the measurements above may be changed from calendar quarters to billing or accounting quarters. The Franchisee shall notify the LFA of such a change at least thirty (30) days in advance of any implementation. The Franchisee shall not be required to acquire equipment or perform surveys to measure compliance with the telephone answering standards above unless a historical record of Complaints indicates a clear failure to comply.

SECTION 3: INSTALLATIONS AND SERVICE APPOINTMENTS

A. All installations will be in accordance with the rules of the FCC, the National Electrical Code, and the National Electrical Safety Code including, but not limited to, appropriate grounding, connection of equipment to ensure reception of Cable Service, and the provision of required consumer information and literature to adequately inform the Subscriber in the utilization of Franchisee-supplied equipment and Cable Service.

B. The Standard Installation shall be performed within seven (7) business days after the placement of the Optical Network Terminal ("ONT") on the Subscriber's premises or within seven (7) business days after an order is placed if the ONT is already installed on the Subscriber's premises.

The Franchisee shall meet this standard for ninety-five percent (95%) of the Standard Installations it performs, as measured on a calendar quarter basis, excluding Subscriber requests for connection later than seven (7) days after ONT placement or later than seven (7) days after an order is placed if the ONT is already installed on the Subscriber's premises.

C. At the Franchisee's option, the measurements above may be changed from calendar quarters to billing or accounting quarters. The Franchisee shall notify the LFA of such a change at least thirty (30) days in advance of any implementation.

D. The Franchisee will offer Subscribers "appointment window" alternatives for arrival to perform installations, Service Calls, and other activities of a maximum four (4) hour time block scheduled during Normal Business Hours. At the Franchisee's discretion, the Franchisee may offer Subscribers appointment arrival times other than these four (4) hour time blocks, if agreeable to the Subscriber. These hour restrictions do not apply to weekends. The Franchisee may not cancel an appointment with a Subscriber after the close of business on the business day prior to the scheduled appointment. If a technician is running late for an appointment with a Subscriber and will not be able to keep the appointment as scheduled, the Subscriber will be

contacted. The appointment will be rescheduled, as necessary, at a time which is convenient for the Subscriber.

SECTION 4: SERVICE INTERRUPTIONS AND OUTAGES

A. The Franchisee shall exercise commercially reasonable efforts to limit any Significant Outage for the purpose of maintaining, repairing, or constructing the Cable System. Except in an emergency or other situation necessitating a more expedited or alternative notification procedure, the Franchisee may schedule a Significant Outage for a period of more than four (4) hours during any twenty-four (24) hour period only after the LFA and each affected Subscriber in the Service Area have been given fifteen (15) days' prior notice of the proposed Significant Outage. Notwithstanding the foregoing, the Franchisee may perform modifications, repairs, and upgrades to the Cable System between 12:01 a.m. and 6:00 a.m. which may interrupt Cable Service.

B. Under Normal Operating Conditions, the Franchisee must Respond to a call from a Subscriber regarding a Service Interruption or other service problem within the following time frames:

(1) Within twenty-four (24) hours, including weekends, of receiving Subscriber calls respecting Service Interruptions in the Service Area, and shall diligently pursue to completion.

(2) The Franchisee must begin actions to correct all other Cable Service problems the next business day after notification by the Subscriber or the LFA of a Cable Service problem, and shall diligently pursue to completion.

C. Under Normal Operating Conditions, the Franchisee shall complete Service Calls within seventy-two (72) hours of the time the Franchisee commences to Respond to the Service Interruption, not including weekends and situations where the Subscriber is not reasonably available for a Service Call to correct the Service Interruption within the seventy-two (72) hour period.

D. The Franchisee shall meet the standard in Subsection 4.C. for ninety percent (90%) of the Service Calls it completes, as measured on a calendar quarterly basis.

E. At the Franchisee's option, the above measurements may be changed from calendar quarters to billing or accounting quarters. The Franchisee shall notify the LFA of such a change at least thirty (30) days in advance of any implementation.

F. Under Normal Operating Conditions, the Franchisee shall provide a credit upon Subscriber request when all Channels received by that Subscriber are out of service for a period of four (4) consecutive hours or more. The credit shall equal, at a minimum, a proportionate amount of the affected Subscriber's current monthly bill. In order to qualify for the credit, the Subscriber must promptly report the problem and allow the Franchisee to verify the problem if requested by the Franchisee. If Subscriber availability is required for repair, a credit will not be provided for such time, if any, that the Subscriber is not reasonably available.

G. Under Normal Operating Conditions, if a Significant Outage affects all Cable Services for more than twenty-four (24) consecutive hours, the Franchisee shall issue upon Subscriber request a credit in an amount equal to their monthly recurring charges for the proportionate time the Cable Service was out, or a credit equal to the charge for the basic plus enhanced basic level of service for the proportionate time the Cable Service was out, whichever is technically feasible or, if both are technically feasible, as determined by the Franchisee provided such determination is non-discriminatory. Such credit shall be reflected on a subsequent Subscriber billing statement.

H. The Franchisee may provide all notices identified in this Section 4 electronically or on-screen.

SECTION 5: SUBSCRIBER COMPLAINTS

Under Normal Operating Conditions, the Franchisee shall investigate Subscriber Complaints referred by the LFA within seventy-two (72) hours of receipt. The Franchisee shall notify the LFA of those matters that necessitate an excess of seventy-two (72) hours to resolve, but those matters must be resolved within fifteen (15) days of the initial Complaint. The LFA may require reasonable documentation to be provided by the Franchisee to substantiate the request for additional time to resolve the problem. For purposes of this Section 5, "resolve" means that the Franchisee shall perform those actions which, in the normal course of business, are necessary to investigate the Subscriber's Complaint and advise the Subscriber of the results of that investigation.

SECTION 6: BILLING

A. Subscriber bills shall be clear, concise, and understandable. Bills shall be fully itemized to include all applicable service tiers and, if applicable, all related equipment charges. Bills shall clearly delineate activity during the billing period, including optional charges, rebates, credits, and aggregate late charges. The Franchisee shall maintain records of the date and place of delivery of bills.

B. A specific due date shall be listed on the bill of every Subscriber whose account is current. Delinquent accounts may receive a bill that lists the due date as upon receipt; however, the current portion of that bill shall not be considered past due.

C. Any Subscriber who, in good faith, disputes all or part of any bill shall have the option of withholding the disputed amount without disconnect or late fee being assessed until the dispute is resolved provided that:

(1) The Subscriber pays all undisputed charges;

(2) The Subscriber provides notification of the dispute to the Franchisee within five (5) days prior to the due date;

(3) The Subscriber cooperates in determining the accuracy and/or appropriateness of the charges in dispute; and

(4) It shall be within the Franchisee's sole discretion to determine when the dispute has been resolved.

D. Under Normal Operating Conditions, the Franchisee shall initiate investigation and resolution of all billing Complaints received from Subscribers within five (5) business days of receipt of the Complaint. Final resolution shall not be unreasonably delayed.

E. The Franchisee shall provide a telephone number and address on the bill for Subscribers to contact the Franchisee.

F. The Franchisee shall forward a copy of any Cable Service related billing inserts or other mailing sent to Subscribers to the LFA upon written request.

G. The LFA hereby requests that the Franchisee omit the LFA's name, address, and telephone number from Subscriber bills as permitted by 47 C.F.R. § 76.952.

SECTION 7: RATES, FEES, AND CHARGES

A. The Franchisee shall not, except to the extent permitted by law, impose any fee or charge for Service Calls to a Subscriber's premises to perform any repair or maintenance work related to the Franchisee's equipment necessary to receive Cable Service, except where such problem is caused by a negligent or wrongful act of the Subscriber (including, but not limited to a situation in which the Subscriber reconnects the Franchisee's equipment incorrectly) or by the failure of the Subscriber to take reasonable precautions to protect the Franchisee's equipment.

B. The Franchisee shall provide reasonable notice to Subscribers of the possible assessment of a late fee on bills or by separate notice.

SECTION 8: DISCONNECTION/DENIAL OF SERVICE

A. The Franchisee shall not terminate Cable Service for nonpayment of a delinquent account unless the Franchisee provides a notice of the delinquency and impending termination prior to the proposed final termination. The notice shall be provided to the Subscriber to whom the Cable Service is billed. The notice of delinquency and impending termination may be part of a billing statement.

B. Cable Service terminated in error must be restored without charge within twenty-four (24) hours of notice. If a Subscriber was billed for the period during which Cable Service was terminated in error, a credit shall be issued to the Subscriber if the Cable Service termination was reported by the Subscriber.

C. Nothing in these standards shall limit the right of the Franchisee to deny Cable Service for non-payment of previously provided Cable Services, refusal to pay any required deposit, theft of Cable Service, damage to the Franchisee's equipment, abusive and/or threatening behavior toward the Franchisee's employees or representatives, refusal to provide credit history information, or refusal to allow the Franchisee to validate the identity, credit history, and credit worthiness via an external credit agency.

SECTION 9: COMMUNICATIONS WITH SUBSCRIBERS

A. All Franchisee personnel, contractors, and subcontractors contacting Subscribers or potential Subscribers at the homes of such Subscribers or potential Subscribers shall wear a clearly visible identification card bearing their name and photograph. The Franchisee shall make reasonable efforts to account for all identification cards at all times. In addition, all Franchisee representatives shall wear appropriate clothing while working at a Subscriber's or potential Subscriber's premises. Every service vehicle of the Franchisee and its contractors or subcontractors shall be clearly identified as such to the public. Specifically, Franchisee vehicles shall have the Franchisee's logo plainly visible. The vehicles of those contractors and subcontractors working for the Franchisee shall have the contractor's/subcontractor's name plus markings (such as a magnetic door sign) indicating they are under contract to the Franchisee.

B. All contact with a Subscriber or potential Subscriber by a Person representing the Franchisee shall be conducted in a courteous manner.

C. All notices identified in this Section 9 shall be by either:

(1) A separate document included with a billing statement or a message included on the portion of the monthly bill that is to be retained by the Subscriber;

(2) A separate electronic notification;

(3) A separate on-screen notification; or

(4) Any other reasonable written means.

D. The Franchisee shall provide reasonable notice to Subscribers of any pricing changes or additional changes (excluding sales discounts, new products, or offers) and, subject to the foregoing, any changes in Cable Services, including Channel line-ups. Such notice must be given to Subscribers a minimum of thirty (30) days in advance of such changes if within the control of the Franchisee, and the Franchisee shall provide a copy of the notice to the LFA including how and where the notice was given to Subscribers.

E. The Franchisee shall provide information to all Subscribers about each of the following items at the time of installation of Cable Services, annually to all Subscribers, at any time upon request, and, subject to Subsection 9.D., at least thirty (30) days prior to making significant changes in the information required by this Subsection 9.E. if within the control of the Franchisee:

(1) Products and Cable Services offered;

(2) Prices and options for Cable Services and condition of subscription to Cable Services. Prices shall include those for Cable Service options, equipment rentals, program guides, installation, downgrades, late fees, and other fees charged by the Franchisee related to Cable Service;

(3) Installation and maintenance policies including, when applicable, information regarding the Subscriber's in-home wiring rights during the period Cable Service is being provided;

(4) Channel positions of Cable Services offered on the Cable System;

(5) Complaint procedures, including the name, address, and telephone number of the LFA, but with a notice advising the Subscriber to initially contact the Franchisee about all complaints and questions;

(6) Procedures for requesting Cable Service credit;

(7) The availability of a parental control device;

(8) Franchisee practices and procedures for protecting against invasion of privacy; and

(9) The address and telephone number of the Franchisee's office to which complaints may be reported.

F. Notices of changes in rates shall indicate the Cable Service new rates and old rates, if applicable.

G. Every notice of termination of Cable Service shall include the following information:

(1) The name and address of the Subscriber whose account is delinquent;

(2) The amount of the delinquency for all services billed;

(3) The date by which payment is required in order to avoid termination of Cable Service; and

(4) The telephone number for the Franchisee where the Subscriber can receive additional information about their account and discuss the pending termination.