

Expires

7-13-2014

COPY

Cable Television Franchise Agreement

between

**MCT Communications Inc.
d/b/a MCT Cable
11 Kearsarge Avenue
Contoocook NH 03229**

and

**The Town of Warner
Warner NH 03278**

July 13, 1999

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I. Authorization

1. Grant of Franchise.

The Town grants to the Company the right, privilege and franchise for the construction, maintenance and operation of television transmission and distribution facilities and extensions thereto commonly referred to as a cable television system for a period of fifteen (15) years from the effective date hereof. This franchise shall extend to subsequent additions to the above mentioned cable television system and any replacement, addition or improvements thereof. The cable television system for which this franchise is granted shall be for the purpose of transmission and distribution of audio and visual impulses of radio and television energy, communications, data and any other lawful purpose, in accordance with the laws and regulations of the United States of America, the State of New Hampshire and the Ordinances and Regulations of the Town now in existence or hereafter adopted, provided that no future ordinance or regulation shall amend the terms of this agreement without the consent of the Company. The foregoing description of purpose shall not be deemed a limitation of the right of the Company to use the cable television system for any lawful purpose.

2. Use of Public Facilities.

In consideration of the foregoing, there is hereby granted to the Company, its successors and assigns, the right to erect, maintain, and operate said cable television transmission and distribution facilities, and additions thereto, in, under, over, along, across, and upon the streets, lanes, avenues, sidewalks, alleys, bridges, and other public places in the Town of Warner, New Hampshire, and subsequent additions thereto for the purpose of transmission and distribution of said audio and visual impulses of television energy and other communications type services. This franchise, however, shall not relieve the Company of any obligations involved in obtaining pole or conduit use agreements in the streets of the Town.

3. Assignment.

Said franchise cannot in any event, be sold, transferred, leased, assigned or disposed of in whole or part, either by forced or voluntary sale, merger, consolidation, mortgage, trust,

5. Authority to Trim Trees.

The Company shall have the right to trim trees upon and over-hanging the streets of the Town so as to prevent the branches of such trees from coming in contact with the wires and cables of the system.

6. Restoration of Reimbursement.

In the event of disturbance of any street or private property by the Company, it shall at its own expense and in a manner approved either by the Town in the case of a public way or the owner, in the case of a private way, replace and restore such street or private property in as good a condition as before the work causing such disturbance was done.

III. Operations

1. Operations to be in Accordance with Rules.

The Company shall maintain and operate its cable television system in accordance with the rules and regulations of the Federal Communications Commission, the State of New Hampshire and the Town.

2. Municipal Services.

The Company shall provide "Basic Cable Service" to all public schools within Town at no monthly cost or installation charges. The Company may also provide "Basic Cable Service" without charge to other municipal buildings within the Town as may be designated by the Selectmen.

IV. Performance

1. Services.

The Company shall maintain a cable television system with a bandwidth of no less than 400 MHz and a minimum capacity of 52 channels including potential for two-way service. The

2. Company to have no Recourse.

The Company shall have no recourse whatsoever against the Town for any loss, cost, expense or damage arising out of any provision or requirement of this Franchise, except for costs, expenses and/or damages arising out of negligence or other wrongful conduct of the Town, its officers, employees, or agents, but in no event shall the Municipal Officers of said town ever be personally liable for any action or inaction relating to their administration of this Agreement, if done in good faith.

3. Contravention of Provisions; Costs of Litigation.

The reasonable costs of any litigation incurred by the Town to enforce the provisions of this Franchise against the Company shall be reimbursed to the Town by the Company. Such costs shall include filing fees, costs of depositions, discovery, and expert witnesses, all other expenses of suit, and a reasonable attorney's fee. The reimbursement of such costs shall be required only if a final judgement should be entered in favor of the Town.

VI. Service Standards

1. Complaint Procedures

The Company will adopt its own complaint procedures with respect to the investigation and resolution of all complaints regarding cable television operations. The Company will handle all service requests and complaints through its Customer Services Center and investigation of all complaints with respect to the quality of service, malfunction of equipment and other matters relating to its operations. A payment office will be maintained in the Telephone Company Business Office in Warner as long as the Company desires. All complaints shall be investigated within twenty-four (24) hours and, if due to the Company's equipment, shall be repaired as soon as reasonably possible. Notice of the procedures for reporting and resolving complaints will be given to each customer by the company at the time of initial installation of the cable television system. The Town will be provided, with material related to complaint procedures.

VII. Franchise Fee

1. Franchise Fee.

The Company shall pay to the Town as a Franchise fee an amount equal to 3% of Basic Service customer revenues. These Basic Service revenues will be adjusted by uncollectible revenue.

2. Computation.

The Town shall be furnished at the time the fee is paid, with a financial statement from a Certified Public Accountant reflecting the total annual gross basic service revenue as defined immediately above in sub-section 1, for the payment period. The fee shall be due and payable on or before May 31 in each year following the calendar year in which the fee is accrued. If the fee is not paid when due, interest therein shall accrue at the rate allowable by the State for past due real property taxes.

VIII. Franchise Renewal and Termination

1. Renewal.

This Franchise Agreement shall take effect and be in full force and effect from the date hereof and the same shall continue in full force and effect for a term of fifteen (15) years beginning with the date of such acceptance. The Company shall have the option to renew this Franchise for an additional period not to exceed fifteen (15) years upon the same terms and conditions. Should the Company desire to exercise this option, it shall so notify the Town, in writing, not less than six (6) months prior to expiration of this Franchise.

2. Revocation.

The Town reserves the right to revoke this Franchise and rescind all rights and privileges associated with it only in the following circumstances:

1. If the Company should default in the performance of any of its obligations under this Franchise and fails to cure or commence with diligence to cure the default within thirty (30) days after receipt of written notice of the default from the Town.

installation charges for primary/additional outlets and other categories of customer services may be made by the Company. Adjustments in the basic cable television rates may be made with the approval of the Selectmen. All rates and charges subject to the Board's jurisdiction shall be uniform, fair and reasonable and designed to meet all necessary costs of service, including a fair rate of return on the Company's investment.

2. Premium Services.

It is agreed that rates for the premium entertainment services and non-television uses, are not regulated pursuant to this Franchise Agreement.

X. Seasonal Service & Rates

The Company will provide seasonal service based on definitions and parameters outlined below:

1. Definition of Seasonal Services

A. A Seasonal Customer is a customer who owns, leases or rents a dwelling place that could be termed as a "second home", "summer home" or seasonal home, where such dwelling is located within the cable service area, and the customer requests cable service at that dwelling anytime during the period of May 1 through September 30 in any calendar year, and is a customer who has a permanent residence, either inside or outside the cable service area.

B. A Seasonal Customer, may also be a customer who has a permanent residence within the cable service area and who leaves the area for a minimum of two (2) months for vacation purposes or because the customer normally resides in another area during the winter months.

2. Description of the Service Applications

A. Seasonal Service at reduced rates includes all "off-air" broadcast stations carried on the cable system (ie; broadcast networks, PBS) and does not include satellite services and premium services.

B. Implementation of Seasonal Service, if requested, will drop customers to the reduced level, change their billing address and reduce their rate on October 1 and will bring them

D. The Company will calculate its estimate of construction expenses in the following categories: (i) Make-ready expenses (rearranging power and telephone lines); (ii) engineering and design costs; (iii) coaxial cable, strand and pole hardware expenses; (iv) amplifiers and line extenders and system power supplies; (v) subscriber taps and directional couplers; and (vi) labor and installation expenses for each household and any other costs associated with each line extension.

Upon request, the Company will supply the Board with pertinent documents and information in support of the above calculations.

Cost of construction estimates as of June 1999 (*note: cost of construction is subject to change at any time*):

1. Extensions requiring both trunk and distribution cable and associated system electronic components = Three dollars (\$3.00) per foot of construction.
2. Extensions requiring only distribution cable and associated system electronic components = One dollar fifty cents (\$1.50) per foot of construction.

An example of the calculation of a typical line extension estimate:

Assume nine (9) potential customers requesting service where one (1) continual mile of cable facilities is required to reach the 9th customer, with trunk and distribution cable, at \$3.00 per foot, required to deliver adequate signal levels to each customer.

5280 feet @ \$3.00 = \$15,840.00

440 ft. allowance for each actual customer x 9 = 3,960 feet (\$11,880.00)

Company's share of cost = \$1,320 x 9 = \$11,880.00

Customers' share of cost = \$15,840.00 minus \$11,880.00 = \$3,960.00

Each customers' share = \$3,960.00 divided by 9 = \$440.00

E. Drop Lines to Customer Premise: The Company will at normal installation charges, extend drop lines from its cables to the customers' premises for a distance not to exceed two hundred (200) feet. Distances in excess of two hundred (200) feet will be completed, subject to engineering limitations, with the cost of said additional construction to be assumed in its entirety by the customer.

XII. Line Extension Policy – Private Property

The Company will construct the first two-hundred (200) feet of cable on private roads, driveways or property. All costs beyond two hundred (200) feet shall be borne by the

5. Failure to Enforce Provisions.

The Company shall not be excused from complying with any of the terms and conditions of this Franchise by any failure of the Town upon one or more occasions to insist upon or to seek compliance with any such terms or conditions.

6. Unauthorized Connections or Service.

No cable television system may be operated in the Town without specific written authority granted by the Board.

It shall be unlawful for any firm, person, group, company, corporation, or governmental body or agency, without the written consent of the Company, to possess or make any connection, extension, or division whether physically, acoustically, inductively, electronically, or otherwise, with or to any segment of this cable television system for any purpose whatsoever.

It shall be unlawful for any firm, person, group, company, corporation, or governmental body or agency to willfully interfere, tamper, remove, obstruct or damage any part, segment or content of the cable television system for any purpose whatsoever.

The violation of any of the foregoing paragraphs in this section shall subject the violator or violators to reimbursing the Company for losses incurred. Such reimbursement shall be in addition to any other legal remedies which the Company may have regarding the aforementioned violations.

XIV. Definitions

For the purpose of this Franchise the following terms, phrases, and words and their derivations shall have the meaning specified herein. When not inconsistent with the context, words used in the present tense include the future words in the singular number include words in the plural number.

1. Cable Television System

A system which receives and amplifies the signals broadcast by one or more television stations and redistributes such signals to subscribing members of the public for a fixed or

7. Basic Service Revenue

Shall mean revenues collected from customers for Basic Cable Service, less uncollectible amounts. This does not mean or include premium service, installation revenues or other services.

8. Board

Shall mean the Board of Selectmen, Town of Warner, New Hampshire, and its successors.

9. Reasonable Rate of Return

Shall mean the return on the company's investment, utilizing traditional criteria approved by the FCC.

10. Franchise

Shall mean the authority to construct and operate a cable television system within the Town; with this document constituting the final and complete grant of authority.

11. May

Is permissive.

12. Shall

Is mandatory.

13. Will

Is mandatory.

14. Inflation Rate

The Consumer Price Index (CPI) as published by the United States Department of Labor.

15. Basic Cable Service

A combination of "off-air" and satellite stations offered for a basic monthly rate.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals on the aforesaid day and year.

WITNESS:

Martha H Mical

Martha H Mical

WITNESS:

Martha H Mical

TOWN:

By: Janet Lynn Bean
Its Selectman

By: John C. Brayshaw
Its Selectman

By: _____
Its Selectman

COMPANY:

By: Paul E. Violette
Its President & CEO