

FRANCHISE AGREEMENT

This Franchise Agreement is entered into this 9th day of August, 1995 by and between the TOWN OF CENTER HARBOR, a municipal corporation located in Belknap County, State of New Hampshire (hereinafter called "Town"), and COMMUNITY TV CORPORATION, a New Hampshire corporation having a place of business in Laconia, NH (hereinafter called "CTV"),

WITNESSETH:

WHEREAS the Town, pursuant to NH RSA 53-C., has authorized and designated its Selectmen to be the "franchising authority" with respect to the granting of a Franchise for the installation and operation of a cable television system within the Town, and

WHEREAS CTV has installed and does operate a cable television system in the Town

NOW THEREFORE, in consideration of the premises and pursuant to the provisions of RSA 53-C, as amended, the selectmen as the "franchising authority" of the Town hereby grant to CTV and CTV hereby accepts, this non-exclusive renewal franchise to construct, install, maintain, and operate a cable television system within, the geographical limits of the Town, and to do all things necessary, beneficial or incidental thereto, including the construction, installation, maintenance and operation of plant facilities over, upon, across and under the public streets, lanes, avenues, sidewalks, alleys, highways, bridges and public ways of and places within the Town, upon the following terms and conditions:

1. Term: This franchise shall terminate on NOVEMBER 14, 2010.

2. Transmission and Distribution System:

a. CTV's transmission and distribution system is poles, wires and appurtenances shall be located, erected and maintained so as not to endanger or interfere with new improvements the Town may deem necessary to make, or to unnecessarily hinder or obstruct the free use of the streets, alleys, bridges or other public property. Removal of poles to avoid such interference will be at CTV's expense.

b. Whenever a new development or subdivision shall be submitted to the Town or to any of its boards or administrative agencies for approval, and such approval shall require electric and telephone services to be installed underground, the Town shall cause CTV to be notified thereof and CTV's services, if extended to such new development or subdivision, shall likewise be required to be installed underground, subject to provisions of Section 3 of this

Franchise.

c. Construction and maintenance of the transmission and distribution system, including house connections, shall be in accordance with the provisions of the National Fire Codes and such applicable ordinances and regulations to the Town, as may now or hereafter be in effect to insure compliance with the provisions hereof.

d. In the maintenance and operation of its cable television transmission and distribution system over, upon, across and under the streets, lanes, avenues, sidewalks, alleys, highways, bridges, and public ways and places, and in the course of new construction and additions of its facilities, CTV shall so proceed as to cause the least possible inconvenience to the general public. Any opening or obstruction in the streets or other public places made by CTV in the course of its operations shall be guarded and protected at all times by the placement or adequate barriers, fences, or boardings, bounds of which, during periods of dusk and darkness, shall be designated by warning lights. Where deemed appropriate by the Superintendent of Public Works, CTV shall, at its expense, have a guard or officer posted while such work is in progress to provide for the orderly flow of traffic and the safety of pedestrians.

e. In the case of the disturbance of any street, lane, avenue, sidewalk, alleys, bridge, highway, or other public way or place, CTV shall, at its own cost and expense, replace and restore as nearly as possible such street, lane, avenue, sidewalk, alley, bridge, highway or public way over or place to the same condition as before the work involving such disturbance was done, said restoration to be done promptly. Excavation of such streets or public places shall not be permitted without the prior express permission of the Town, which permission shall not unreasonably be withheld. The Superintendent of Public Works shall within 10 days (1) approve the manner in which the work shall be done; (2) inspect the work upon completion to ascertain that it has been done properly, and (3) determine whether the Selectmen shall require an appropriate bond to ensure the satisfactory completion of the work.

3. Additional Construction:

a. On or before each annual anniversary date of this Franchise Agreement, CTV shall file with the Selectmen, a map, plan or plot which shows the then existing system, and the location of all extensions or additions to CTV's system in the town (if any) proposed for the ensuing year. All construction shall be in

accordance with the provisions of this agreement and all other applicable provisions of law.

b. By virtue of this Franchise, CTV may from time to time construct facilities and extend its services to noncabled areas of the Town in accordance with its own construction and development plan. CTV may be required to construct plant facilities in those non-cabled areas of the Town abutting areas being served by CTV provided the number of year-round residents agreeing to subscribe, in advance for a minimum period of one (1) year, its "basic" entry level of service in such non-cabled areas is sufficient to produce, from the "Basic" monthly charge, annual revenues in an amount not less than fifteen percent (15%) of the cost of constructing said facilities. For purposes of determining compliance with this section, a year-round residence is a single family home, condominium, apartment in a multiple-dwelling unit, or mobile home or trailer, which is occupied for domicile for eight (8) or more months per year; each such dwelling unit shall count as one (1) year-round residence. All other residences or dwelling units shall be deemed seasonal residences. Seasonal residences and commercial accounts (defined as account which utilize all or part of the promise primarily for business purposes but which do not include properties where the primary use of the property is residential and any business or commercial use is secondary to said residential use) shall not be included in the calculation. CTV shall have no obligation to provide service to seasonal residences or to commercial accounts which are not on streets already served by CTV.

4. Service to Public Buildings: CTV shall provide cable television service to the Town's schools, libraries, fire and police departments within the territorial scope of this Franchise (the Town of Center Harbor) upon request by the Town. Provided, however, that the regulation authority of each such building (Town and School District) agrees to reimburse CTV for CTV's actual out-of-pocket cost of internal wiring and distribution, if any.

5. Access Channel: CTV shall maintain facilities that will enable the cablecasting of programs produced by residents of the Town and shall, upon reasonable notice, aid in developing cablecasting skill programs to permit residents to become proficient in writing, lighting, staging, editing and productions of local program materials.

6. Emergency Use: In the event of an emergency or disaster, CTV shall, upon request of the Selectmen, make available its facilities within the Town for emergency use by the Town during the period of such emergency or disaster, provided however, that the Town shall indemnify and save CTV harmless from and against any loss or damage to CTV's facilities or equipment caused by or

resulting from the use thereof by the Town, including reasonable attorneys, fees and costs in enforcing the provisions hereof, and shall further indemnify, defend and save harmless CTV, its officers, agents and employees, from and against all claims by any person whatsoever for loss or damage, for personal injury, death or property damage occasioned by the use of CTV's facilities by the Town hereunder, and from and against any and all claims, demands, actions, suits, and proceedings by others, against all liabilities to others, including (but not limited to) liability for damages by reason of the Town's use of such facilities and interruption of regular programming, and against any loss, cost, expenses and damages resulting therefrom, including reasonable attorneys' fees arising out of the use of CTV's facilities pursuant to the provisions hereof.

7. Joint Use of Poles: CTV shall grant to the Town, free of expense, joint use of any and all poles owned by it for any proper municipal purpose, insofar as it may be done without interfering with the free use and enjoyment of CTV's own wires and fixtures, and the Town shall hold CTV harmless from any and all actions, causes of action, or damages caused by the placing of the Town's wires of appurtenances upon the poles of CTV. All such use shall be in compliance with all existing safety rules governing construction and maintenance in effect at the time of construction.

8. Antenna Switch: CTV shall provide, at its cost, an antenna switch which allows subscriber to switch off the cable and go back to the normal method of reception. This antenna switch shall be provided without charge at the time of initial installation at the request of subscriber.

9. Rates. CTV shall at all times maintain rates for regular subscriber services which, consistent with its increasing capital and operating costs and its financial requirements in performing its obligations under this Franchise Agreement, shall be fair, reasonable, just and uniform. The Schedule of Rates for regular subscriber services are set forth in the Rate Schedule attached hereto and made a part hereof as Appendix 1, and in the future shall become effective thirty (30) days after the filing of a revised Schedule of Rates with the Board of Selectmen.

10. Franchise Fee: CTV shall pay to the Town an annual franchise of three percent (3%) of its gross annual revenues from subscribers located in the franchise area. Such payout shall be made no later than March 15th, following the end of each year.

11. Liability Insurance and Indemnification: CTV shall indemnify the Town and hold it harmless from and against losses and physical damages to property, and bodily injury or death to persons, including payments made under any worker's compensation

law, which may arise out of or be caused by the erection, maintenance, presence, use or removal of said attachments on poles or other equipment within the Town, or by any act or omission of CTV, its agents or employees. CTV shall carry insurance to protect the parties hereto from and against all claims, demands, actions, judgments, costs, expenses, attorneys fees and liabilities which may arise or result, directly or indirectly, from or by reason of such loss, claim, injury or damage. The amounts of such insurance against liability due to physical damage to property shall not be less than Three Hundred and Fifty Thousand Dollars (\$350,000.00) as to any one accident, and not less than Five Hundred Thousand Dollars (\$500,000.00) aggregate in a single policy year, and against liability due to bodily injury to death of persons not less than Five Hundred Thousand Dollars (\$500,000.00) as to any one accident. CTV shall also carry such insurance as it deems necessary to protect it from all claims under worker's compensation laws in effect that may be applicable to CTV. All insurance required by this franchise shall be maintained in full force and effect during the entire life of this Franchise. A certificate of insurance shall be sent to the Selectmen and kept on file by them.

12. Compliance with Laws and FCC Rules:

a. CTV and the Town shall faithfully comply with any and all applicable Federal, State and local laws, statutes, ordinances, rules and regulations.

b. All existing and future decisions, rules, regulations and clarifications of rules, if any, by the FCC applicable to cable television, and all amendments and modifications thereof, shall be deemed incorporated into this franchise upon their effective dates and this franchise shall be deemed amended and modified accordingly.

13. Investigation and Resolution of Complaints: CTV shall maintain a business office relatively proximate to Center Harbor, shall provide a toll free telephone number for Center Harbor subscribers to call for information, service, or to register complaints, shall advise each new subscriber of these arrangements and shall maintain personnel to act upon subscriber calls. As expeditiously as reasonably possible, but in any event within 48 hours after receipt of subscriber complaints regarding television operation. CTV shall investigate such complaints thereafter shall resolve them to the extent reasonably possible.

14. Disputes, etc.: In the event of any claimed violation of the terms of this franchise, or of any complaint, dispute or disagreement in any way arising out of or resulting from this franchise or from the parties performance hereunder, then:

a. The party asserting such alleged violation, complaint, dispute or disagreement shall give written notice thereof to the other by certified mail, return receipt requested, and within fourteen (14) days from the receipt of such notice and the Selectmen, and the President of CTV, or their designated representatives, shall meet and attempt to resolve the matter.

b. The party against whom such claim is asserted shall then have sixty (60) days from the date of such meeting in which to correct the matter complained of, or to make reasonable efforts in good faith to correct and/or resolve the same.

c. If the parties are unable to settle the complaint, dispute or disagreement, or if the party claimed to have violated the terms of this franchise shall have failed without good cause to correct the same during all the aforesaid sixty (60) day period, then there shall be a hearing before the Selectmen of the Town.

d. If the matter remains unresolved following such hearing before the Selectmen, then such claimed violation, complaint, dispute or disagreement shall be submitted to arbitration by a Board of three (3) Arbitrators, one (1) chosen by the Town, one (1) chosen by CTV, and the third chosen by the named two (2) Arbitrators. Should either party fail to choose an Arbitrator, or should the two (2) chosen Arbitrators fail to choose a third, the appointment shall be made by the American Arbitration Association, failing which either party shall apply to the Superior Court to appoint an Arbitrator or Arbitrators.

e. All matters shall be heard de novo by the Board of Arbitrators, who shall conduct their arbitration proceedings in Center Harbor, New Hampshire, if possible, and the Board shall have final and conclusive authority on all such matters, but it shall not be empowered to depart from or in any way alter the terms of this franchise.

f. The Arbitrators shall be entitled to reasonable compensation for their services, and they shall determine whether their charges are to be shared equally by the parties, or are to be paid in full by the party found to be in the wrong; and each party agrees to make payment to the Arbitrators in accordance with said determination, and if they make no such determination, to pay one-half of their charges.

g. The provisions of this Paragraph 14 shall be governed by and construed in accordance with the laws and statutes of the State of New Hampshire and particularly, but without limitation, Chapter 542 of the Revised Statutes Annotated, 1955, as amended, and if and to the extent that anything herein is inconsistent therewith or anything required thereby is omitted herefrom, the provisions of

the applicable laws shall govern, and the omission shall be deemed supplied. Neither party shall have the right to bring any legal proceedings against the other, save only as expressly authorized in and for the purposes specifically set forth in Chapter 542 with respect to agreements to arbitrate, arbitration proceedings and arbitrators' awards.

h. If any party fails or refuses to comply with the Board of Arbitrators' award, such party shall reimburse the other party for all expenses, including attorney's fees, reasonably incurred in obtaining judicial enforcement of the award.

i. The provisions of this Paragraph 14 shall in any and all events survive termination, expiration, and/or breach of this franchise.

15. This franchise, as modified and amended during the term(s) hereof, shall be renewed for additional terms of 1 years upon such terms and conditions as are mutually acceptable to the parties. Renewal will be considered upon written application of CTV, filed with the Town not less than eighteen (18) months prior to the expiration of the franchise term. The Town shall then conduct a public hearing to consider CTV's compliance with the law and material franchise provisions, the quality of CTV's service in light of the community's needs and CTV's financial, legal and technical ability to provide such service and facilities during the renewal term. It is understood and agreed that CTV shall have the right to renew and if CTV has performed reasonably and demonstrates its financial, legal and technical ability to provide service and facilities during the renewal term, that renewal will be granted. If renewal is denied, such denial shall be subject to further proceedings under Paragraph 14 hereof.

Nothing in this Section 15 shall be construed as to limit the rights of either the Town or CTV to invoke at any time the procedures available to them under the provisions of 47 U.S.C.A. § 546.

16. Surrender Right. CTV may surrender this franchise at any time upon filing with the Board of Selectmen of the Town a written notice of its intention to do so at least three (3) months before the surrender date. On the surrender date specified in the notice, all rights and privileges of CTV in connection with this franchise shall terminate. If CTV surrenders this franchise, the Town shall obtain ownership of any cable attached to the poles or any other ancillary equipment in the boundaries of the Town.

17. Force Majeure: CTV shall not be in default or be liable for delay or for damages due to a delay or failure to perform any obligation under this agreement if such delay or failure results

directly or indirectly from circumstances beyond the control of CTV. Such circumstances shall include, but shall not be limited to, acts of God, acts of war, civil commotions, riots strikes, accidents, lockouts, acts of the government in either its sovereign or contractual capacity, inability to secure licenses or easements, inability to secure agreements with public utilities whose facilities are used by CTV, inability to obtain suitable equipment or components, accident, fire, water damages, flood, earthquake, or other natural catastrophes.

18. Other Activities: Neither this franchise nor any of its terms shall be considered or construed to prohibit CTV from agreements with public utilities whose facilities are used by CTV, inability to obtain suitable equipment or components, accident, fire, water damages, flood, earthquake, or other natural catastrophes.

19. Assignability: All of the rights and privileges and all of the obligations, duties and liabilities created by this franchise shall pass to and be binding upon the successors of the Town and the successors and assigns of CTV, and, except as herein provided shall not be transferred or assigned without the written approval of the Selectmen, which approval may be withheld only in the event the proposed assignee, upon hearing and subject to further proceedings as set forth in Paragraph 14 is found to be unable or unqualified to carry out the terms of this franchise. Soon approval shall be deemed to have been granted if no action is taken by the Selectmen within thirty (30) days after written application therefor is made. This Section shall not prevent the transfer or assignment of this franchise by CTV without such approval (1) as security for debt; (2) between a parent and subsidiary corporation of CTV, or (3) between persons or entities if at least fifty-one percent (51%) of the beneficial ownership is held by the same person, persons or entities.

20. Modification: Recognizing the major developments in the law, technology and practice that will change the telecommunication industry during the next few years, the parties agree to meet during the month of April 2002, to review the effect on this Franchise of such changes as may by then have occurred and to permit either party to propose modifications of this Franchise for consideration. In addition, the parties shall meet within thirty days, at the request of either party, to consider any matters of concern. This Franchise may be modified or amended any time by mutual written agreement of the parties.

21. Severability: If any section, subdivision, paragraph, sentence, clause, phrase or portion of this franchise is for any reason held invalid or unconstitutional by any federal or state court or administrative or governmental agency of competent

jurisdiction, specifically including the FCC, such portion shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity of the remaining portions hereof.

22. Termination: This franchise agreement may be terminated by the Town in the event of a material breach of this franchise by the franchisee upon final conclusion of proceedings pursuant to Paragraph 14 hereof, or it may be terminated by mutual agreement of the parties.

23. Notice: All notices required to be given under the terms of this franchise shall be in writing, shall be mailed by certified mail, return receipt requested, to the business office of the respective parties, and shall be deemed given upon such mailing. The correct business offices of the parties are as follows:

Board of Selectmen
Town Hall
Center Harbor, NH 03226

Community TV Corp.
408 Union Avenue
Laconia, NH 03246

24. Administration: The Selectmen shall be responsible for continuing administration of this franchise.

25. Governing Law: Except as otherwise provided herein, this franchise agreement shall be governed by and construed in accordance with the laws of the State of New Hampshire.

IN WITNESS WHEREOF, the parties, by their respective officials, duly authorized, have hereunto set their hands this 9th day of Nov, 1995.

WITNESSES:

COMMUNITY TV CORP.

[Signature]

By:

[Signature]
William A. Schmalberger
Executive Vice President
duly authorized

TOWN OF CENTER HARBOR

[Signature]

By:

[Signature]
George C. Burns, Selectman

[Signature]

By:

[Signature]
Louis Hanson, Selectman

[Signature]

By:

[Signature]
Aaron Smith, Selectman

TABLE OF RATES AND CHARGES FOR SUBSCRIBER SERVICES*

MONTHLY CHARGES		
BROADCAST SERVICE		\$ 8.42
SATELLITE SERVICE	(Footnotes 1 and 3)	10.43
PEOPLE'S CHOICE	(Footnotes 1 and 3)	4.95
PREMIUM SERVICES	(Footnotes 1, 3 and 4)	
Home Box Office		8.95
Cinemax		7.95
Disney		7.95
New England Sports Network		8.95
Showtime		9.95
Additional Premium Outlet		3.00
EQUIPMENT AND FACILITIES		
Additional Outlet		n/c
Rental of Remote Controller		.12
Home Wiring Maintenance	(Footnote 2)	.15
Addressable Converter	(Footnote 3)	2.44
Non-addressable Converter	(Footnote 4)	.86
NON-RECURRING CHARGES		
INSTALLATION-UNWIRED HOUSE	(Footnote 5)	31.27
INSTALLATION-PREWIRED HOUSE		18.76
ADDITIONAL OUTLET	(Footnote 6)	
At Same Time of Installation		12.51
Requiring Separate Home Visit		18.76
CHANGE OF SERVICE		
Office Change/Addressable Converter		2.00
Requiring Home Visit		18.76
RECONNECTION OF SERVICE		18.76
HOME VISIT TO INSTALL PARENTAL CONTROL LOCK		12.51
HOME VISIT TO INSTALL A/B SWITCH		12.51
HOME VISIT TO CONNECT CABLE TV WITH VCR		12.51
TERMINATION OF SERVICE		n/c
PURCHASE OF REMOTE CONTROLLER		10.95
RETURNED CHECK CHARGE		15.00
LOST OR UNRETURNED CONVERTER-ADDRESSABLE		150.00
LOST OR UNRETURNED CONVERTER-NONADDRESSABLE		75.00
PURCHASE OF SIGNAL AMPLIFIER	(Footnote 7)	66.75
INSTALLATION OF SIGNAL AMPLIFIER		
At Time of Installation of Service		12.51
Requiring Separate Home Visit		18.76

*A 3% FRANCHISE FEE WILL BE ADDED TO ALL RATES AND CHARGES FOR REMITTANCE TO THE TOWN.

NUMBERED FOOTNOTES

1. Available only to subscribers to the Broadcast Service.
2. The Home Wiring Maintenance charge provides for maintenance and/or repair service for cable TV wiring within the subscriber's home.
3. All reception of People's Choice, Premium and/or Pay-Per-View services requires a converter and, some TV sets are not equipped with tuners that receive all cable channels and therefore may also require the use of a converter.
4. Remote Controllers are available without additional charge to subscribers to a Premium service.
5. Installation Conditions:
 - a. If (a) subscriber's premises are located more than 200 feet from the utility pole from which the cable service is to be connected or if (b) the connection to the premises is to be underground, an on-site inspection will be required so that the additional cost of the installation can be determined for the customer's acceptance. If more than one household is to be served by the same additional-cost installation, the charges shall be borne equally by each household subscribing. If within three years, additional household(s) request service that would utilize the additional-cost cable service, the initial charge shall be recalculated on the basis of the increased number of subscribers and the sum collected from the new subscriber(s) shall be apportioned among the earlier subscriber(s).
 - b. If an installation to a subscriber requires the use of stub or other utility company poles, the charges for initial pole make-ready, if any, and the yearly pole rental charges shall be borne by the subscriber(s) served.
 - c. Digging and closing of trenches for underground installations of service shall be provided by others.
6. If any cable TV wiring is installed by a subscriber or if any Community TV wiring or equipment is tampered with by a subscriber, the costs of bringing any such wiring into compliance with FCC specifications shall be borne by the subscriber. The hourly rate for such work will be \$25.02 with a one half hour minimum charge. FCC and FAA regulations may require disconnecting service to a residence with non-conforming conditions until corrections are completed.
7. If the strength of the cable television signal provided proves inadequate for multiple outlets and/or the length of the service wire required for the additional outlets to be served, a signal amplifier may be required.

GENERAL NOTES

- A. Fees are payable on the first day of the month during which the services are being provided and become past due on the fifteenth of that month. A statement of amounts unpaid, if any, is sent to the subscriber before the end of the month with a notice that if the account is not made current by the 15th of the month following (that is, 45 days after the fees initially became payable) that their service will be disconnected.
- B. Schedules of special rates for hotels, motels, and other commercial establishments are available upon request.
- C. There is a 50% discount to residents of housing provided by charitable and philanthropic organizations that are exempted from City property taxes because of their charitable activities.
- D. Service is provided without charge to buildings owned by the City such as schools, police and fire stations, the public library and City Hall.