

**TOWN OF HOLDERNESS
NEW HAMPSHIRE**

**ADELPHIA CABLE
COMMUNICATIONS**

**CABLE
TELEVISION
FRANCHISE AGREEMENT**

SIGNED JANUARY 14, 2002

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CABLE TELEVISION FRANCHISE AGREEMENT

AN AGREEMENT GRANTING A FRANCHISE TO FRONTIERVISION OPERATING PARTNERS, L.P. D/B/A ADELPHIA CABLE COMMUNICATIONS (THE GRANTEE) TO CONSTRUCT, OPERATE, AND MAINTAIN A CABLE SYSTEM IN THE TOWN OF HOLDERNESS, NEW HAMPSHIRE (THE GRANTOR); SETTING FORTH CONDITIONS ACCOMPANYING THE GRANT OF THE FRANCHISE; PROVIDING FOR REGULATION AND USE OF THE SYSTEM:

WHEREAS, FrontierVision Operating Partners, L.P. d/b/a Adelpia Cable Communications (hereinafter "Adelpia" or "Franchisee" or "Grantee") is the duly authorized holder of a Franchise to operate a cable communications system in the Town of Holderness (hereinafter "Town" or "Grantor"), said Franchise having originally commenced on December 4, 1989; and

WHEREAS, Adelpia filed a request for a renewal of its Franchise on July 17, 1997 in conformity with the Cable Communications Policy Act of 1984, as amended (the Cable Act); and

WHEREAS, the Board of Selectmen, as the Franchise Authority, finds that the renewal of Adelpia's franchise is appropriate in light of its past performance, compliance with the terms of its existing Franchise, and based on the Board's finding that the terms contained in Adelpia's request for Franchise renewal meet the future cable-related needs of the Town of Holderness; and

WHEREAS, the Board of Selectmen have determined that the services and programming of such a Franchise can contribute significantly to the communications needs and interests of the Town and its residents and institutions;

NOW THEREFORE, after due and full consideration, the Board of Selectmen and Adelpia agree that this Franchise is issued upon the following terms and conditions:

PREAMBLE

The Grantor does ordain that it is in the public interest to permit the use of public rights-of-way and easements for the construction, maintenance, and operation of a Cable System under the terms of this Franchise, said public purpose being specifically the enhancement of communications within the territorial boundaries of the Grantor and the expansion of communications opportunities outside the territorial boundaries of the Grantor.

SECTION 1. STATEMENT OF INTENT AND PURPOSE.

Pursuant to RSA 53-C, the Grantor intends, by the adoption of this Franchise, to continue the development and operation of a Cable System. This development can contribute significantly to the communications needs and desires of many individuals, associations and institutions.

SECTION 2. SHORT TITLE.

This agreement shall be known and cited as the Holderness Franchise Agreement. Within this document it shall also be referred to as “this Franchise” or “the Franchise.”

SECTION 3. DEFINITIONS.

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

1. “Affiliate,” when used in relation to any person, means another person who owns or controls, is owned or controlled by, or is under common ownership or control with, such person.
2. “Basic Service Tier” means a service tier which includes the retransmission of local television broadcast signals and public, educational, and governmental access channels and other signals as required by the FCC and the Cable Act.
3. “Cable Act” means the Communications Act of 1934 (codified at 47 U.S.C. Sec. 151 et seq.), as amended by the Cable Communications Policy Act of 1984, the Cable Television Consumer Protection and Competition Act of 1992, the Telecommunications Act of 1996, and any amendments thereto.
4. “Cable Service” means: (i) the one-way transmission to subscribers of video programming or other programming service; and (ii) subscriber interaction, if any, which is required for the selection or use of such video programming or other programming service.
5. “Cable System” or “System” shall mean 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 as defined in the Cable Act.
6. “Effective Date” means the date of acceptance by Grantee as recorded on the signature page.
7. “FCC” means the Federal Communications Commission, its designee, or any successor thereto.

8. "Franchise Fee" means the payments to be made to the Franchise Authority pursuant to Section 622 of the Cable Act as consideration for the renewal franchise granted herein which shall have the meaning set forth in Section 622 (g) of the Cable Act. In addition, the Franchise Fee shall not include any charge incidental to the awarding or enforcing or renewal of the franchise, including payments for bonds, security funds, letters of credit, insurance, indemnification penalties or liquidated damages.
9. "Gross Revenues" shall mean all revenues from the operation of the System within the franchise area received by Grantee from subscribers from the Basic Service Tier of programming and for any optional tier of programming service (including premium and pay-per-view services), customer equipment and installation charges, disconnection and reconnection charges, revenues from advertising sales less agency fees, and home shopping revenues. Gross revenues shall not include that share of fees remitted to suppliers from programming services, deposits, refunds and credits made to subscribers, bad debt, non-subscriber revenues, revenue from Subscribers designated by Grantee as payment of its franchise fee obligation, or any taxes imposed on the services furnished by Grantee herein which are imposed directly on the Subscriber or user by the local or any governmental unit and collected by Grantee on behalf of that governmental unit.
10. "Other Definitions" is any term defined in FCC rules and/or regulations, or by federal law, as of the effective date of this Franchise Renewal, but not included in the foregoing definitions. Other Definitions shall be incorporated herein by reference as is set forth in full and shall be defined as appears in such rules and/or regulations.
11. "PEG Access" is defined on Exhibit C.
12. "Person" means any natural person or any association, firm, partnership, joint venture, corporation, or other legally recognized entity, whether for-profit or not-for-profit.
13. "Premium" or "Pay Per View (PPV) Services" are programming services delivered for a fee or charge to Subscribers on a per-channel or per-program basis, in addition to the fee or charge for the basic programming service.
14. "Signal" means any transmission of radio frequency energy or of optical information.
15. "Standard Installation" is any installation which will be no more than one hundred fifty (150) feet from the existing distribution system.

16. "Street" means the surface of and the space above and below any public street, public road, public highway, public freeway, public lane, public path, public way, public alley, public court, public sidewalk, public boulevard, public parkway, public drive and any public easement or right-of-way now or hereafter held by the Grantor which shall entitle Grantee to the use thereof for the purpose of installing or transmitting over poles, wires, cables, conductors, ducts, conduits, vaults, manholes, amplifiers, appliances, attachments and other property as may be ordinarily necessary and pertinent to a System.

17. "Subscriber" means any person or entity who lawfully subscribes to any Cable Service whether or not a fee is paid for such Cable Service.

18. "Local Franchising Authority" or "Grantor" means a government entity empowered by the Cable Act to grant a franchise—the Town of Holderness, NH in this agreement.

19. "Franchisee" or "Grantee" means a cable operator authorized to operate a cable system pursuant to the Cable Act—FrontierVision Operating Partners, L.P. d/b/a Adelphia Cable Communications in this agreement.

20. "Franchise" or "Franchise Agreement" means the franchise granted herein.

21. "OVS" or open video system means a facility consisting of a set of transmission paths and associated signal generation, reception, and control equipment that is designated to provide cable service which includes video programming and which is provided to multiple subscribers within a community, provided that the Commission has certified that such system complies with this part.

22. "SMATV" or satellite master antenna television means a satellite dish system used to deliver signals to multiple dwelling units.

23. "Home" means a residential dwelling served by both public electric power and telephone service on a public roadway.

SECTION 4. GRANT OF AUTHORITY AND GENERAL PROVISIONS.

1. Grant of Franchise. The Grantor hereby grants to Grantee the non-exclusive right to construct, operate and maintain in, on, along, across, above, over and under the streets, alleys, lanes and public places of the Grantor, the poles, wires, cables, underground conduits, manholes and other facilities necessary for the maintenance and operation of a Cable System throughout the entire territorial area of the Grantor to provide Cable Service and other communications and information services.

2. Level Playing Field. The Grantor agrees that the grant of additional franchises by Grantor to any other entity shall be governed by the provisions of RSA 53-C:3-b; as it may be amended. The provisions of this statute shall be applicable to terms and conditions of any additional franchise granted by Grantor during the term of this agreement, including but not limited to franchise fee obligations imposed under the additional franchise.

3. Acceptance; Effective Date; Franchise Term. The Franchise granted herein will take effect and be in full force from such date of acceptance by Grantee recorded on the signature page of this Agreement. The Franchise shall continue in full force and effect for a period of ten (10) years from such effective date.

4. Area Covered. This Franchise is granted for the entire territorial limits of the Grantor (Franchise Area). Grantee upon request will make service available to all residences within the territorial limits of the Grantor and any annexed territory in the event that 1) such existing or annexed territory has a density of at least fifteen (15) homes, as defined in this agreement, per linear strand mile of cable as measured from existing cable system plant; 2) any such residence requesting service can be provided with service by a standard installation which will be no more than one hundred fifty (150) feet from the existing distribution system (Standard Installation); and 3) such existing or annexed territory is not being served by a cable television system operator other than Grantee or its affiliates, an open video system or a satellite master antenna television system.

5. Extension Cost Contribution Formula. In areas within the territorial limits of Grantor with a density of less than 15 homes per mile as measured from Grantee's existing distribution system, Grantee shall offer a cost-sharing arrangement with residents requesting service. A home will be counted for this purpose if its lot fronts a street and the home is no more than 150 feet from such street. The cost-sharing arrangement shall consist of the following:

a. Upon the request of an individual desiring service, Grantee shall prepare, at its cost, an engineering survey and cost analysis to determine the cost of the line extension required to provide service to the individual(s) from the closest point on the existing cable system. The estimate will be provided to the individual(s) and Grantee will require the individual(s) to pay its share of the costs of that construction before commencing construction.

b. The cost of construction shall be allocated based on the following formula: If a request for extension of service into a residential area requires the construction of cable plant which does not pass at least 15 homes per mile, Grantee and the individuals requesting service will each bear their proportionate share of construction costs. For example, if there are five (5) dwelling units per mile, Grantee's share will equal 5/15ths or one-third (1/3) of the construction cost. The remaining cost will be

shared equally by each individual requesting service. This line extension formula shall also be applied to a portion of a mile meeting proportionate density requirements.

6. Cable Communications System.

a. System Maintenance or Upgrade. Grantee agrees to comply with the terms set forth in this Franchise governing construction and technical requirements for maintenance of the Cable System, in addition to any other requirements specified by this franchise and any applicable law, including any ordinances of the Town of Holderness of general applicability which is generally applicable to all entities involved in construction in the Grantor's rights of way. Grantee shall upgrade its Cable System to a capacity of at least 750 MHz, including digital capacity. The System shall be two-way capable and designed to support both analog and digital transmission. The upgrade shall be completed and Grantee will launch high-speed cable modem service within 12 months following the effective date of this Franchise. Notwithstanding the foregoing, the Grantee shall be excused from the timely performance of its obligation to begin and complete any System upgrade within the times specified herein, where such delay results from any acts of force majeure, the failure or delay by the Grantor, the County, any other regulatory authority, any railroad or common carrier, any electric utility, or any telecommunications carrier or local exchange carrier to issue any permits, approvals, licenses, or permissions, or to perform required make-ready work upon a timely request submitted by the Grantee or its contractor representative accompanied by the tender of any required permit fee.

b. Technical Standards. The System shall be designed, constructed and operated so as to meet those technical standards promulgated by the Federal Communications Commission relating to Cable Systems contained in subpart K of part 76 of the FCC's rules and regulations as may, from time to time, be amended. Upon request, Grantee shall make available for inspection during normal business hours any applicable records kept pursuant to FCC rules and regulations regarding technical standards.

c. Emergency Alert System. Grantee will comply with the FCC's Emergency Alert System requirements throughout the Term of this Franchise.

SECTION 5. CONSTRUCTION PROVISIONS.

1. Construction Standards.

All installation of electronic equipment shall be durable and installed in accordance with the provisions of the National Electrical and Safety Code and National Electrical Code as amended, FCC rules and regulations and applicable state laws and ordinances.

Antennas and their supporting structures (tower) shall be painted, lighted, erected and maintained in accordance with all applicable rules and regulations of the Federal Aviation Administration and all other generally applicable state or local laws, codes and regulations.

Grantee's plant and equipment for the provision of Cable Service, including, but not limited to, the antenna site, headend and distribution system shall be installed, located, erected, constructed, reconstructed, replaced, removed, repaired, maintained and operated in accordance with good engineering practices standard in the cable television industry.

Grantee shall employ ordinary care and shall install and maintain in use commonly accepted methods and devices preventing failures and accidents which are likely to cause damage, injury or nuisance to the public.

2. Construction Codes and Permits. Grantee shall obtain all legally required permits before commencing any work requiring a permit, including the opening or disturbance of any street, or public property or public easement within the community. Grantee shall strictly adhere to all building and zoning codes currently or hereafter applicable to construction, operation or maintenance of the system in the community, provided such codes apply to all other similarly situated entities. Grantee will give reasonable notice to town residents of construction activity.

3. Repair of Streets and Property. Any and all streets or public property or private property, which are disturbed or damaged during the construction, repair, replacement, relocation, operation, maintenance or reconstruction of the system shall be repaired by Grantee, at its expense, to a condition as good as that prevailing prior to Grantee's construction.

Repair of streets performed under this section shall be done as soon as practicable. If Grantor fails to repair streets within a reasonable time, and if Grantee fails to respond to a written request to do so then Grantor may repair the streets and the costs of repair shall be paid by the Grantee upon demand of the Franchising Authority. If streets need to be repaired immediately to resolve an emergency situation which presents a threat to public safety, Grantor shall make a written request to Grantee to make such repairs, and, if Grantee fails to make such repairs immediately, then Grantor may perform the repairs, and, upon request of Grantor, the reasonable costs of such repairs shall be paid for by Grantee.

4. Pole Attachments.

a. Pursuant to RSA 231:161, permission is hereby granted to the Grantee to attach or otherwise affix cables, wire, or optical fibers comprising the Cable System to the existing poles on public streets and ways, provided the Grantee secures

permission and consent of the public utility companies to affix the cables and/or wires to their pole facilities. Grantee may erect its own poles and install its own conduit, with approval of the location of such installation by the Franchising Authority, which approval shall not be unreasonably withheld. The Grantor grants Grantee equal standing with the power and telephone utilities in the matter of placement of facilities on public ways subject to the ultimate authority of the Grantor to determine the location of all installations. All poles and conduit installed within the Franchise Area, as defined herein, shall be made available for attachment or use by Grantee, at just and reasonable rates applied to public utilities under the formula presently established by 47 U.S.C., Section 224.

b. In all areas of town where public utility lines are aerially placed, if subsequently during the term of the agreement all such utility lines are required by local ordinance or state law to be relocated aerially or underground, Grantee shall similarly relocate its Cable System. Any costs of relocating utility poles or trenching for the placement of underground conduits shall be equally shared by all affected companies. In the event that any telephone or electric utilities are reimbursed by the Grantor or any agency thereof for the placement of cable underground or the movement of cable, Grantee shall be reimbursed upon the same terms and conditions as any telephone, electric or other utilities.

c. Grantor will give Grantee reasonable notice of new developments within the town boundaries.

5. Reservation of Street Rights.

Nothing in this Franchise shall be construed to limit or prevent the Grantor from constructing, maintaining, repairing or relocating sewers; grading, paving, maintaining, repairing, relocating and/or altering any street; constructing, laying down, repairing, maintaining or relocating any water mains; or constructing, maintaining, relocating, or repairing any sidewalk or other public work pursuant to RSA 231:160.

All such work shall be done, insofar as practicable, in such a manner as not to obstruct, injure or prevent the free use and operation of the poles, wires, conduits, conductors, pipes or appurtenances of Grantee.

If any such property of Grantee shall interfere with the construction or relocation, maintenance or repair of any street or public improvement, whether it be construction, repair, maintenance, removal or relocation of a sewer, public sidewalk, or water main, street or any other public improvement, thirty (30) days notice shall be given to Grantee by the Grantor and all such poles, wires, conduits or other appliances and facilities shall be removed or replaced by Grantee so that the same shall not interfere with the said public work of the Grantor, and such removal or replacement shall be at the expense of Grantee herein. Should, however, any utility company or other entity be reimbursed for relocation of its facilities as

part of the same work that requires Grantee to remove its facilities, Grantee shall be reimbursed upon the same terms and conditions as such utilities or other entities.

6. Reasonable Care. Nothing contained in this Franchise shall relieve any person, including but not limited to persons employed or contracted by the Town of Holderness, from liability arising out of the failure to exercise reasonable care to avoid injuring Grantee's facilities while performing any work connected with grading, regrading, or changing the line of any street or public place or with the construction or reconstruction of any sewer or water system.

7. Trimming of Trees. Grantee shall have the authority to trim trees upon and hanging over streets, alleys, sidewalks, and public places of the Grantor so as to prevent the branches of such trees from coming in contact with the wires and cables of Grantee; provided, however, all trimming shall be done at the expense of Grantee.

8. Movement of Facilities. In the event it is necessary temporarily to move or remove any of Grantee's wires, cables, poles, or other facilities placed pursuant to this Franchise, in order to lawfully move a large object, vehicle, building or other structure over the streets of the Grantor, upon two (2) weeks notice by the Grantor or the holder of a building moving permit issued by the Grantor to Grantee, Grantee shall move, at the expense of the person requesting the temporary removal, such of his facilities as may be required to facilitate such movements. Grantee reserves its right to request that such expenses be paid in advance. Any service disruption provisions of this Franchise shall not apply in the event that the removal of Grantee's wires, cables, poles or other facilities results in temporary service disruptions.

9. Residential Wiring. Exterior wiring on a residence shall be installed as unobtrusively as possible; installations shall be performed pursuant to applicable electrical codes.

SECTION 6. SERVICE PROVISIONS.

1. Programming Decisions. Grantee will provide broad categories of programming services in accordance with the Cable Act. Grantee will notify the subscribers of any changes in programming services or channel positions as soon as practicable in writing. Notice will be given to subscribers a minimum of thirty (30) days in advance of such changes if the change is within the control of Grantee. The Grantee agrees to provide throughout the term of the franchise the following broad categories of programming services:

Broadcast Stations

Access Channels (PEG and Leased/Commercial)

Family Programming (including health and religious programming)

Sports Programming

News and Weather Programming

Variety Programming
Cultural/ Arts Programming
Music Programming
Educational/Children's Programming
Government and Financial/Business Programming
Off-Air FM radio service, a non-processed service

2. Cable Service Connections to Schools and Grantor Facilities.

a. Cable Service. Grantee, upon written request of the Grantor, will provide and maintain one connection at no cost for Basic Service to each elementary and secondary public school, library, and Grantor administration facility, within the geographical limits of the Grantor which is located within one hundred fifty (150) feet of Grantee's distribution plant and listed in Exhibit A. Grantee will bring its connection to a specified exterior demarcation point mutually agreed upon by Grantee and such institution.

b. Internet Service Connections. Grantee agrees to provide one (1) free high-speed cable modem connection to the public schools and libraries listed on Exhibit B.

c. PEG Access Channels. Grantee will comply with the PEG Access requirements set forth on Exhibit C.

d. Line Extensions. Grantee will comply with the Line Extensions requirements set forth in Exhibit D.

SECTION 7. CONSUMER PROTECTION AND RIGHTS OF INDIVIDUALS.

1. Customer Service Standards. Grantee will comply with the customer service standards promulgated by the FCC for the provision of Cable Service in accordance with the Cable Act for as long as such standards are in effect.

Grantee shall maintain on file with the Grantor at all times a current schedule of all rates and charges.

Grantee shall provide written notice of changes in rates and charges as required by state and federal regulations.

Grantee will provide written notice to subscribers of any increase in the price to be charged for the basic service tier or associated equipment at least 30 days before any proposed increase is effective. The notice should include the name and address of the local franchising authority. Grantee may provide such notice using any reasonable written means at its sole discretion.

Grantee shall not be required to provide prior notice of any rate change that is the result of a regulatory fee, franchise fee, or any other fee, tax, assessment, or charge of any kind imposed by any federal agency, state, or franchising authority on the transaction between the operator and the subscriber.

In the event that service to any subscriber is interrupted for 24 hours or more consecutive hours, Grantee will, upon request, provide such subscriber a pro rata credit or rebate.

2. Subscriber Complaint Practices.

Grantee shall maintain an office which shall be open during normal business hours and shall maintain a publicly listed toll-free telephone number. Grantee shall maintain adequate telephone lines and personnel to respond in a timely manner to schedule service calls and answer Subscriber complaints or inquiries. Grantee shall follow all applicable federal and state regulations in responding to complaints by customers. A complaint as used in this Franchise will mean notice by a Subscriber of a billing dispute or problem with picture quality which is not resolved during or subsequent to the initial telephone or service call.

Grantee will notify subscribers of the location of any office, payment center and telephone numbers on an annual basis.

Grantee shall render efficient Cable Service, make repairs promptly and interrupt service only for good cause and for the shortest time possible.

3. Parental Control Option. Grantee shall provide parental control devices, at reasonable cost, to Subscribers who wish to be able to prevent certain Cable Services from entering the Subscriber's home.

4. Rights of Individuals Protected.

a. Discriminatory Practices Prohibited. Grantee shall not deny service, deny access, or otherwise discriminate against Subscribers on the basis of race, color, religion, national origin, sex, or age. Grantee shall comply at all times with all other applicable federal and state laws relating to nondiscrimination.

- b. Subscriber Privacy. Grantee shall comply with all privacy provisions of the Cable Act, as amended.
- c. Service Installations will conform to the timeframe specified in FCC Customer Service regulations.
- d. Service Disruptions are regulated by New Hampshire statute RSA 53-C:3-e (I).

SECTION 8. FRANCHISE FEE.

Grantee shall pay to the Grantor a franchise fee up to five percent (5%) of the Grantee's Gross Revenues, as herein defined. The initial franchise fee percent will be three (3%). Grantor may change the amount of franchise fee no more than two (2) times during the franchise agreement term. Grantee will implement franchise fee change within 90 days of receipt of said request.

Payments due the Grantor under this provision shall be computed quarterly and shall be due and payable by May 15, August 15, November 15, February 15, respectively. Franchise fee payment will be accompanied by a statement of Gross Revenues, categorized by type, prepared by an authorized financial representative of the company.

Any PEG costs required by this franchise agreement that are passed through to Subscribers, if any, will first be deducted from any franchise fees payable.

Any non-disputed franchise fee which is past due and which is not received within 5 business days of receipt of a notice from the Grantor shall bear interest at the rate of one percent (1%) per month computed from the original due date until paid; provided, however, that if the foregoing rate is in excess of the maximum permitted by law in the jurisdiction where such debt accrues, then such interest rate shall be adjusted downwards to the maximum rate permitted by applicable law.

The Grantor will have the right, upon thirty (30) days prior written notice, to conduct an independent audit during normal business hours of Grantee's books and records directly related to the franchise fee to verify Gross Revenues, in accordance with Generally Accepted Accounting Practice ("GAAP"). Auditing of books and records by the Grantor pursuant to the terms of this agreement shall be performed by a representative of Grantor whose profession binds him/her to an ethical code (e.g. CPA or attorney). Any underpayment of franchise fee per the audit will be paid within sixty (60) days of written notice to Grantee by Grantor. Any underpayment will include interest noted above from the original due date.

If such an audit indicates a franchise fee underpayment of 5% or more, on an annual basis, Grantee will assume all reasonable costs of such an audit. If the Grantor requires Grantee to conduct an audit, or the Grantor conducts its own audit, and the results of such an audit have become final, as agreed to in writing by both parties, and the agreed to amount of the underpayment has been paid to the Grantor, under the provisions of this agreement, there shall be an accord and satisfaction with respect to the period subject to the audit. Moreover, there shall be an accord and satisfaction with respect to any payment not subject to audit within thirty-six (36) months following the close of the fiscal year to which such payment relate, unless there is subsequent evidence that Grantee has engaged in fraud or has improperly withheld relevant records which relate to such payments.

Acceptance of the payment of franchise fees which are made in the normal course of business shall not be construed as an agreement by the Town that the amount paid is in fact correct; however, if the Town knows or reasonably should know that a payment is incorrect, it must challenge such payment within three years of the close of the fiscal year.

SECTION 9. INSURANCE.

Grantee will maintain in full force and effect for the Term of the Franchise, at Grantee's expense, a comprehensive liability insurance policy with the Grantor as an additional insured, written by a company authorized to do business in the state in which the cable system is located, or will provide self-insurance reasonably satisfactory to the Grantor protecting the Grantor against liability for loss, personal injury and property damage occasioned by the operation of the Cable System by Grantee. Such insurance will be maintained in an amount not less than One Million Dollars (\$1,000,000.00). Grantee will also maintain Worker's Compensation coverage throughout the term of this franchise as required by law. Evidence in the form of a certificate of insurance or such self-insurance will be provided to the Grantor upon request.

SECTION 10. INDEMNIFICATION.

Grantee will indemnify the Grantor and will pay all damages and penalties which the Grantor may legally be required to pay which result from any negligence by Grantee in the operation, construction, or repair of the Cable System throughout the territorial area of the Grantor. The Grantor shall give Grantee timely written notice of the making of any claim or of the commencement of any action, suit or other proceeding covered by the indemnity in this section. In the event any such claim arises, the Grantor shall tender the defense thereof to Grantee and Grantee shall have the right to defend, settle or compromise any claims arising hereunder and the Grantor shall cooperate fully herein. If Grantor determines in good faith that its interests cannot be represented by Grantee, Grantee shall be excused from any obligation to represent Grantor.

Grantee will not be required to indemnify the town for the negligent acts of the town or its officials, boards, commissions, agents, or employees.

SECTION 11. PERFORMANCE BOND.

Grantee shall obtain and maintain a performance bond from a company authorized to do business in the State of New Hampshire in the amount of Twenty-Five Thousand Dollars (\$25,000.00). The performance bond shall be maintained until completion of the rebuild of the system. Upon completion of the rebuild, Grantee may terminate the performance bond. The performance bond will be to guarantee performance of the following terms and conditions:

- a. The completion of the Cable System upgrade according to Section 4 of this Agreement.
- b. The restoration of pavements, sidewalks and other improvements during the upgrade of the Cable System.

SECTION 12. VIOLATIONS AND REVOCATION.

1. Franchise Violations. Whenever the Grantor believes that Grantee has allegedly violated one (1) or more terms, conditions or provisions of this Franchise, a written notice shall be given to Grantee. The written notice shall describe in reasonable detail the alleged violation so as to afford Grantee an opportunity to remedy the violation. Grantee shall have thirty (30) days subsequent to receipt of the notice in which to either correct the violation or, if the violation cannot be corrected within the thirty (30) day period, to have commenced and be diligently pursuing corrective action.

The time for Grantee to correct any alleged violation shall be extended by the Grantor if the necessary action to correct the alleged violation is of such a nature or character to require more than thirty (30) days within which to perform, provided Grantee commences the corrective action within the thirty (30) day period and thereafter uses reasonable diligence to correct the violation. Notwithstanding the above provisions, Grantee does not waive any of its rights under federal law.

2. Franchise Revocation. In addition to all other rights which the Grantor has pursuant to law or equity, the Grantor reserves the right to revoke, terminate or cancel this Franchise, and all rights and privileges pertaining thereto in accordance with the following procedures and applicable federal law, in the event that:

Grantee becomes insolvent, unable or unwilling to pay its debts, or is adjudged as bankrupt and Grantee's creditors or Trustee in Bankruptcy do not agree to fulfill and be bound by all requirements of this Franchise; or

Grantee violates a material provision of this Franchise after being notified of such violation and being given time to cure or refute the alleged violation in accordance with Section 12(1).

3. Revocation Procedures. In the event that the Grantor determines as set forth above that Grantee has violated any material provision of the Franchise, the Grantor may make a written demand on Grantee that it remedy such violation and that continued violation may be cause for revocation. If the violation, breach, failure, refusal, or neglect is not remedied within thirty (30) days following such demand or such other period as is reasonable, the Grantor shall determine whether or not such violation, breach, failure, refusal or neglect by Grantee is due to acts of God or other causes which result from circumstances beyond Grantee's control. Such determination shall not unreasonably be withheld. The procedures for such determination are set forth below.

a. A public hearing shall be held and Grantee shall be provided with an opportunity to be heard upon fourteen (14) days written notice to Grantee of the time and the place of the hearing. The causes for pending revocation and the reasons alleged to constitute such cause shall be recited in the written notice. Said notice shall affirmatively recite the causes that need to be shown by the Grantor to support a revocation.

b. If notice is given and, at Grantee's option, after a full public proceeding is held, the Grantor determines there is a violation, breach, failure, refusal or neglect by Grantee which is not an event of force majeure, the Grantor shall direct Grantee to correct or remedy the same within such reasonable additional time, in such manner and upon such reasonable terms and conditions as Grantor may direct.

c. If after a public hearing it is determined that Grantee's performance of any of the terms, conditions, obligations, or requirements of Franchise was prevented or impaired due to any cause beyond its reasonable control or not reasonably foreseeable, such inability to perform shall be deemed to be excused and no penalties or sanctions shall be imposed as a result thereof, provided Grantee has notified Grantor in writing within thirty (30) days of its discovery of the occurrence of such an event. Such causes beyond Grantee's reasonable control or not reasonably foreseeable shall include, but shall not be limited to, acts of God, civil emergencies and labor strikes.

d. If, after notice is given and, at Grantee's option, a full public proceeding is held, the Grantor determines there was a violation, breach, failure, refusal or neglect, which is not an event of force majeure, then the Grantor may declare, by resolution, the Franchise revoked and canceled and of no further force and effect unless there is compliance within such period as Grantor may fix, such period not to be less than thirty (30) days.

e. If the Grantor, after notice is given and, at Grantee's option, a full public proceeding is held and appeal is exhausted, declares the Franchise breached and revoked, the parties may pursue their remedies pursuant to Franchise or any other remedy, legal or equitable. Grantee may continue to operate the system until all legal appeals procedures have been exhausted.

Notwithstanding the above provisions, Grantee does not waive any of its rights under federal law or regulation.

SECTION 13. FORECLOSURE, RECEIVERSHIP AND ABANDONMENT.

1. Foreclosure. Upon the foreclosure or other judicial sale of the system, Grantee shall notify the Grantor of such fact and such notification shall be treated as a notification that a change in control of Grantee has taken place.

2. Receivership. The Grantor shall have the right to cancel this Franchise subject to any applicable provisions of state law, including the Bankruptcy Act, one hundred and twenty (120) days after the appointment of a receiver or trustee to take over and conduct the business of Grantee, whether in receivership, reorganization, bankruptcy or other action or proceeding, unless such receivership or trusteeship shall have been vacated prior to the expiration of said one hundred and twenty (120) days, or unless:

a. Within one hundred and twenty (120) days after his election or appointment, such receiver or trustee shall have complied with all the material provisions of this Franchise and remedied all defaults thereunder; and,

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

SECTION 14. REMOVAL, TRANSFER AND PURCHASE.

1. Removal of Cable System. Upon revocation, termination or non-renewal of the Franchise, as provided for herein, the Grantee shall proceed to remove, at Grantee's expense, all or any portion of the System from all streets and public property within the territorial boundaries of the Grantor. In so removing the System, Grantee shall be responsible for any repairs or damages caused by its removal and shall maintain insurance during the term of removal.

If Grantee has failed to commence removal of the system, or such part thereof as was designated within thirty (30) days after written notice of the Grantor's demand for removal is given, or if Grantee has failed to complete such removal within one (1) year after written notice of the Grantor's demand for removal is given, the Grantee may abandon such System to the Grantor.

2. Transfer. Grantee agrees that this franchise will not be sold, assigned or transferred, nor will title thereto, either legal or equitable or any right, interest or property therein, pass to or vest in any person, firm or corporation, without prior written consent of the Grantor which consent will not be unreasonably withheld. No consent will be required for a transfer in trust, mortgage, or other hypothecation as a whole or in part to secure an indebtedness. Further, no such sale, assignment or transfer will be deemed to have taken place if such sale, assignment or transfer is to an entity under common control with Adelphia.

3. Franchise Binding. This Franchise shall be binding on successors, assigns, and transferees.

SECTION 15. MISCELLANEOUS PROVISIONS.

1. Compliance with Laws. Grantee and the Grantor shall conform to all state and federal laws and rules regarding Cable Service as they become effective, unless otherwise stated. Grantee shall also conform during the entire term of the Franchise with all generally applicable ordinances, resolutions, rules and regulations heretofore or hereafter adopted pursuant to the Grantor's lawful police powers that do not materially impair or abrogate any of the Grantee's contractual rights under this Franchise and that are not preempted by state or federal law.

2. Compliance with Federal, State and Local Laws. If any term, condition or provision of this Franchise or the application thereof to any person or circumstance shall, to any extent, be held to be invalid or unenforceable, the remainder hereof and the application of such term, condition or provision to persons or circumstances other than those as to whom it shall be held invalid or unenforceable shall not be affected thereby, and this Franchise and all the terms, provisions and conditions hereof shall, in all other respects, continue to be effective and to be complied with. In the event that such law, rule or regulation is subsequently repealed, rescinded, amended or otherwise changed so that the provision which had been held invalid or modified is no longer in conflict with the law, rules and regulations then in effect, said provision shall thereupon return to full force and effect and shall thereafter be binding on Grantee and the Grantor.

3. Police Powers. By executing this agreement, the Grantee acknowledges that its rights are subject to the police powers of the Grantor to adopt and enforce general by-laws necessary to the safety and welfare of the public. The Grantee shall comply with the by-laws enacted by the Grantor pursuant to its police powers.

4. Administration of Franchise. This Franchise is a contract and except as to those changes which are the result of the Grantor's exercise of its police power in management of its rights of way and its generally applicable regulation of commerce, neither party may take any unilateral action which materially changes the explicit mutual promises in this contract. Any changes to the Franchise must be made in writing, signed by Grantee and Grantor.

5. Franchise Requirement. In accordance with applicable law, from and after the acceptance of the Franchise, the Grantor shall not allow any person to construct, install or maintain within any street or public property of the Grantor, any equipment or facilities for distributing any Cable Service through a Cable System, unless a Franchise authorizing such use of such street or property or areas has first been obtained.

6. Reservation of Rights. Acceptance of the terms and conditions of this franchise will not constitute, or be deemed to constitute, a waiver, either expressly or impliedly, by Grantee or Grantor, of any constitutional or legal right which it may have or may be determined to have, either by subsequent legislation or court decisions. Both parties hereby acknowledge that the other party reserves all of its rights under applicable Federal and State Constitution laws and regulations.

7. Force Majeure. With respect to any provision of this Franchise, the violation or noncompliance with which could result in the imposition of a financial penalty, forfeiture or other sanction upon Grantee, such violation or noncompliance will be excused where such violation or noncompliance is the result of an inability to secure materials, an act of God, war, civil disturbance, strike or other labor unrest, or any event beyond Grantee's reasonable control or not reasonably foreseeable.

8. Captions. The paragraph captions and headings in this Franchise are for convenience and reference purposes only and shall not affect in any way the meaning or interpretation of this Franchise.

9. Calculation of Time. Where the performance or doing of any act, duty, matter, payment or thing is required hereunder and the period of time or duration for the performance thereof is prescribed and fixed herein, the time shall be computed so as to exclude the first and include the last day of the prescribed or fixed period or duration of time. When the last day of the period falls on Saturday, Sunday or a legal holiday, that day shall be omitted from the computation.

10. Written Notice. All notices, reports or demands required to be given in writing under this Franchise shall be deemed to be given when delivered personally to the person designated below, or when five (5) days have elapsed after it is deposited in the United States mail in a sealed envelope, with registered or certified mail postage prepaid thereon, or on the next business day if sent by express mail or overnight air courier addressed to the party to which notice is being given, as follows:

If to Grantor: Board of Selectmen
P.O. Box 203
Holderness, NH 03245

If to Grantee: Adelpia Communications Corporation
Attn: Legal Department
One North Main Street
Coudersport, PA 16915

With a copy to: FrontierVision Operating Partners, L.P.
d/b/a Adelpia Cable Communications
ATTN: General Manager
548 Eastman Road
Center Conway, NH 03813

Such addresses and phone numbers may be changed by either party upon notice to the other party given as provided in this section.

11. Renewal. The renewal process of this Franchise Agreement will be subject to the provisions of the Cable Act.

12. Entire Agreement. This Franchise contains the entire understanding between the parties with respect to the subject matter hereof and supersedes all other prior understandings and agreements oral or written. This agreement may not be modified except in writing signed by both parties.

13. Identification. Grantee shall ensure that all of its vehicles, employees, agents, and subcontractors are reasonably identified to the general public.

SECTION 16. PUBLICATION.

This Franchise shall be signed by the Chairman of the Holderness Board of Selectmen and attested by the Holderness Town Administrator. The Franchise shall be published in accordance with the requirements of Grantor and state law and shall take effect upon acceptance by Grantee as set forth in Section 4 thereof.

SECTION 17. ACCEPTANCE.

Grantor and Grantee, by virtue of their signatures set forth below, agree to be legally bound by all provisions and conditions set forth in this Franchise, together forming a mutually binding contractual agreement which cannot be amended without a writing executed by both parties.

Passed and adopted this 14 day of JANUARY, 2002.

By: [Signature] By: Holderness, NH
✓ Chairman, Board of Selectmen [Grantor Official's Name]

ATTESTED:
By: [Signature]

Its: Town Administrator

Date: 1/14/02

Accepted by FrontierVision Operating Partners, L.P.
d/b/a Adelpia Cable Communications

By: [Signature]

Name: Randall D. Fisher

Title: Vice President of its General Partner's General Partner's
General Partner's Sole Owner

Its: _____

Date: 1/25/02

EXHIBIT A

**CABLE CONNECTIONS TO GRANTOR ADMINISTRATION BUILDINGS,
ELEMENTARY AND SECONDARY PUBLIC SCHOOLS AND LIBRARIES**

1. Holderness Town Hall
2. Holderness Central School
3. Holderness Public Library
4. Holderness Fire/Police Station

EXHIBIT B

INTERNET CONNECTIONS TO ELEMENTARY AND SECONDARY PUBLIC SCHOOLS AND LIBRARIES

One (1) free high-speed cable modem connection will be provided to the following two (2) locations upon launch of the service after the completion of the upgrade:

1. Holderness Public Library
2. Holderness Central School

Grantor is responsible for, including but not limited to, end user equipment, child cyber protection and fire-wall protection.

EXHIBIT C

PEG ACCESS

Channels. Grantee agrees to continue to provide to the Grantor throughout the term of this franchise the one (1) PEG Access channel currently in use by the Grantor. Upon completion of the upgrade of the entire Plymouth headend, Grantee agrees to provide a second PEG Access channel for the remaining term of this franchise. In accordance with federal law, Grantee will be entitled to use any PEG access channel capacity for the provision of other services at any time such channel capacity is not being used for the designated PEG access purposes. Grantor has priority in scheduling programming of PEG channel.

Non-Commercial. An Access Channel is a channel made available to Grantor by Grantee for the purpose of cablecasting non-commercial programming by Grantor's residents and its administration and educational institutions. The Grantor agrees not to use the Access Channels to provide commercial or revenue-generating services or services that may compete, directly or indirectly, with services provided by Grantee, provided, however, that Grantor may cablecast acknowledgments of funding sources and the underwriting of programming costs.

Pass Through. The Grantor acknowledges that under FCC rules certain external costs, including but not limited to the PEG Access costs described herein, are eligible for "pass through" to subscribers as basic service rate increases and separate itemization on the bill.

Origination Points. Origination points will allow for the Grantor to connect end-user equipment for the purpose of transmitting upstream live programming on the PEG channel. Grantee will provide Grantor two (2) origination points at the following locations within ninety (90) days of written request from the Grantor:

1. Holderness Central School
2. Holderness Town Hall

EXHIBIT D

LINE EXTENSIONS

Grantee agrees to extend its distribution cable in the town along the following public roads within twenty-four (24) months of the effective date:

1. Coxboro Road from end of line to Center Harbor Town Line.
2. Lane Road from Coxboro Road approximately 1 mile
3. Bob House Road
4. Owl Brook Road from Route 175 to Ashland Town Line
5. Alvord Road
6. Laurel Road
7. Route 113 from end of line in Glen Cove to Mooney Point Road (1.4 miles)
8. Shadbush Road
9. Finisterre Road
10. Mooney Point Rod
11. Perch Pond Road from end of line to Beede Road
12. Beede Road from Perch Pond Road to Buckland Residence (.5 miles)
13. Beede Road from Hardhack Road (.8 miles)

Note: Grantee will not build the section of Beede Road (approximately .2 miles) where no pole lines or homes are present.