



TOWN OF TUFTONBORO

The Diamond in the Heart
of New Hampshire"

RESOLUTION OF THE BOARD OF SELECTMEN TOWN OF TUFTONBORO, NEW HAMPSHIRE

WHEREAS, The Town of Tuftonboro, New Hampshire (the "Town"), granted a cable television franchise to construct own and operate a community antenna television system in the Town pursuant to that ceertain franchise, dated June 1, 1987,(the "Franchise") as amended; an

WHEREAS, Pegausu Cable Television, Inc. ("Seller") is the current franchised cable operator in that Town.

WHEREAS, Seller desires to assign all of its rights and delegate all of its obligations under the Franchise to State Cable TV Corporation ("Buyer"), and

WHEREAS, THE Town is willing to grant its consent to the assignment of the Franchise from Seller to Buyer.

BE IT RESOLVED BY THE BOARD OF SELECTMEN OF THE TOWN OF TUFTONBORO, N.H. AS FOLLOWS: The Town hereby grants its consent to (a) the assignment of the Franchise from Seller to Buyer.

RESOLVED FURTHER, that Buyer shall give written notice that the closing of the assignment of the Franchise has been completed, that such notice shall further state the legal name of Buyer and that no further action or notice shall be required to effect the transfer of the Franchise to Buyer.

RESOLVED FURTHER, that except as hereby modified, the Franchise is in all other respects ratified and confirmed and all of the terms and conditions thereof shall remain in full force and effect.

William Antonucci

William R. Rollins

Norman E. Vittum

CERTIFIED COPY OF RESOLUTION

The undersigned being the duly elected and acting Town Clerk of the Town of Tuftonboro, N.H. (the "Town"), does hereby certify that:

1. The Resolution attached hereto was duly adopted at a duly called and held meeting of the Board of Selectmen of the Town on December 30, 1996 and is in full force and effect as of the date hereof and has not in any respect been altered or repealed.

IN WITNESS WHEREOF, I Have hereunto set my hand and affixed the seal of the Town as of this 30th day of December, 1996.

Town Clerk



TOWN OF TUFTONBORO, NEW HAMPSHIRE

CABLE TELEVISION FRANCHISE AGREEMENT

Upon careful consideration and after a full, and open and public hearing upon prior notice and opportunity of all interested parties to be heard, the Town of Tuftonboro, a municipal corporation located in Carroll County, New Hampshire, and a franchising authority as defined by RSA 53-C of the New Hampshire Revised Statutes Annotated, as amended, hereby grants to Amrac Moultonborough, a Limited Partnership, a New Hampshire Limited Partnership with a mailing address of 129 Lewis Wharf, Boston, Massachusetts, (hereinafter referred to as AMRAC) and AMRAC hereby accepts a non-exclusive franchise to construct, maintain and operate in Tuftonboro a cable television system including the construction of a facility that will, in whole or in part, receive directly or indirectly, over the air and amplify or modify the signals transmitting programs being broadcasted by one or more television stations and other broadcasters and to distribute such signals by wire or cable to subscribing members of the public who pay for such service (cable television system) and to do all things necessary, beneficial or incidental thereto upon the terms and conditions as set forth herein.

1. GRANT OF FRANCHISE

In consideration of the faithful performance and strict observance of all the terms, provisions, conditions, obligations and reservations provided in this Agreement, the non-exclusive franchise shall continue

for a term of fifteen (15) years, and shall include the right to install and operate a cable television system within the geographical limits of the Town of Tufonboro in strict accordance with the laws, ordinances and regulations of the United States of America, the State of New Hampshire, the Federal Communications Commission, the New Hampshire Public Utilities Commission and the Town of Tufonboro as now existing or hereafter adopted or amended. The commencement date shall be the execution date of this Agreement and the Agreement shall continue in full force and effect for fifteen (15) years unless AMRAC shall fail to file with the Town Board of Selectmen, the bond and copies of insurance provided for herein which shall be subject to approval by the Board of Selectmen (hereinafter referred to as the Board). Upon failure of AMRAC to provide said bond and insurance, continuing beyond the notice and cure period set forth in Section 12 herein, this agreement shall terminate and AMRAC shall have no rights, privileges, or authority under it.

This franchise issued by the Town of Tufonboro shall be non-exclusive and the Town reserves the right to grant a similar use on similar terms to any person at any time.

2. LIST OF STREETS IN SERVICE AREA

AMRAC will provide within sixty (60) days of the date of signing of this Franchise Agreement, a complete list of all streets, roads or ways within the Town of Tufonboro which will be provided with cable service. This list will be attached to the Franchise Agreement as an appendix and

is to be incorporated herein by present agreement of the parties.

3. COMPLIANCE WITH LAWS

AMRAC shall, at all times during the operation of this franchise, be subject to and comply with the contractual obligations voluntarily assumed by acceptance of the franchise and all federal, state and local laws, rules, regulations, and codes as they now exist or as the same may be changed or amended from time to time hereafter.

4. SERVICE EXTENSIONS

The Town has a distinct interest in and announced policy to achieve extensions of service to all residents in the service area. Accordingly, AMRAC agrees that it will extend its cable services to all areas in the Town where there is a minimum of fifteen (15) subscribers per mile of cable to be installed. Such extensions will be pursued diligently when minimum subscriber density is achieved and AMRAC agrees to provide evidence of its pursuit of such extension upon reasonable written request of the Town.

5. CONSTRUCTION TIMETABLE

AMRAC agrees that it shall commence and complete construction for the various subsections of the system in accord with the schedule which is attached hereto as an appendix and incorporated herein. AMRAC agrees that its construction timetable shall include commencement and completion dates for the construction of the antenna tower, headend equipment, main trunk lines and feeder lines and dates for opening of a business

location. Further, the schedule shall indicate when the various subscriber areas will be completed, energized and receiving service.

6. PERMITS

It is the express responsibility of AMRAC to seek and obtain all permits, authorizations or approvals required for construction and operation and to achieve substantial compliance with all laws, codes, rules and regulations as they now exist or as the same may be changed or amended hereafter in connection with the construction, maintenance and operation of the cable television system. AMRAC agrees that within ten (10) days of the signing of the Franchise Agreement it will begin applications for pole rights and other authorizations required from utility companies in order to locate its wires, conduits and other facilities in the town of Moultonborough. AMRAC agrees that it will proceed diligently at all times toward the application for and securing of all necessary permits and approvals to conduct its cable television operations, and that after securing the necessary approvals it will proceed with due diligence with the construction of all required facilities in accord with the construction timetable. During the time following the signing of the Franchise Agreement and prior to actual operation of the system, AMRAC shall submit a written report every ninety (90) days summarizing the activities which have occurred since the preceding report so that the Selectmen may determine that due diligence is being exercised toward the securing of required permits and approvals. These reports shall continue during the period of construction so that the Selectmen

may determine that construction is being pursued with due diligence.

7. PURSUIT OF CONSTRUCTION

Construction of the cable system shall begin within sixty (60) days after the utility companies complete all make-ready work and shall thereafter be continuous. Notwithstanding the foregoing, upon application of AMRAC at least thirty (30) days prior to the completion deadlines, the Town may grant a reasonable extension of time to comply with this condition. To the extent that delays are caused by terms and conditions beyond the control of AMRAC, extension shall not be arbitrarily or unreasonably withheld, and the amount of time requested shall be the minimum additional period necessary to resolve the situation. Failure to comply with the obligations for reporting and/or failure to comply with deadlines for completion will be deemed grounds for termination of the franchise in accord with the provisions in this agreement related to termination.

8. CONSTRUCTION CONDITIONS

The following conditions shall apply to all construction work by AMRAC related to the cable system:

A. All cable system facilities, regardless of location or construction status, shall be kept and maintained in a safe condition. Any openings or obstructions in the streets, public ways, or other municipal or public property made by AMRAC or its agents or contractors shall be guarded and protected at all times by the placement of adequate barriers, fences, boardings, or other devices at the sole expense of

AMRAC. During the periods of dusk and darkness, protective devices shall be clearly designated by warning lights.

B. For installation of its system in the streets and public rights of way, AMRAC shall use existing poles, posts and other such structures of any public utility which may be available to the extent practicable to minimize interference with travel. AMRAC shall be responsible for making all arrangements and agreements with utility companies for joint use of their facilities. Where both power and telephone utilities are placed underground, the cable equipment shall also be placed underground. If special trenching is required through ledge, asphalt or for distances more than two hundred feet (200') per subscriber, the subscriber may be charged the additional direct costs incurred for such installations.

C. In the event that utility facilities do not exist in a given location, the Town shall give permission to AMRAC to install additional poles in such locations and numbers as may be necessary. However, no such installation shall take place without prior approval from the Board of Selectmen of the Town or its designated agent.

D. All structures, lines and equipment by AMRAC within the Town shall be so located as to cause minimum interference with proper use of streets and minimum interference with reasonable use of property by persons who own property adjacent to streets. Installations shall not interfere with any installations of the Town or any public utility serving the Town.

E. AMRAC shall avoid any unnecessary damage and injury to trees,

structures and improvements in and along the routes authorized by the Town.

F. In the case of disturbance or taking up of any portion of pavement, sidewalk or other improvements of any public way, the same shall be replaced by AMRAC and the surface restored in accord with the standard specifications administered by the Town of Tufonboro. Such work shall be performed as soon as practical. If AMRAC fails to make such restoration within a reasonable time, the Town may establish a reasonable deadline for such restoration and repairs and shall notify AMRAC in writing of the work required and the deadline for performance. Upon failure of AMRAC to comply with the time period specified, the Town may cause such work to be performed and the expense thereof shall be paid by AMRAC upon demand by the Town.

G. AMRAC shall, at its own expense, protect, support, temporarily disconnect, relocate or remove any of its equipment in public rights of way and highways, municipal property when required by the Town for reason of traffic conditions, public safety, street construction, change of grades, installation of storm or sanitary sewers, water pipes, catch basins, manholes, power lines or any other type of structure or improvements by public agencies for private utility companies. If at any time during the term of this franchise the Town shall lawfully erect, alter or change any street requiring relocation of the facilities of AMRAC, then in such event AMRAC shall, upon forty-five (45) days' written notice by the Town, remove, relay and relocate such facilities at AMRAC's own expense.

H. AMRAC shall, upon the request of any person holding a permit to move a building issued by the Town, temporarily remove, raise or lower its wires to permit the moving of buildings or other structures. The expense of such temporary removal shall be paid by person requesting the same. AMRAC shall have the authority to require such payment in advance.

I. AMRAC shall have the authority to trim overhanging Town trees upon streets of the Town so as to prevent the branches of such trees from coming into contact with AMRAC's wires, cables, conduits, fixtures and the like. All trimming is to be done with prior written permission of the Town and at the expense of AMRAC.

J. Non-standard aerial installations: In the event that cable service is desired by a person whose house or other location is more than two hundred feet (200') from the street, there may be an additional installation fee according to the following schedule:

Less than two hundred feet (200') - standard installation charge applies;

Two hundred feet (200') to two hundred and ninety-nine feet (299') - installation charge of forty-nine dollars (\$49.00);

Three hundred feet (300') to three hundred and ninety-nine feet (399') - installation charge of sixty-nine dollars (\$69.00);

More than four hundred feet (400') - installation charge of fifty cents (\$.50) per foot (entire distance as measured from the street to the building).

9. PERFORMANCE BOND

AMRAC shall maintain in full force and effect throughout the entire term of this franchise agreement or any renewal or extension thereof, a faithful performance bond running to the Town with a surety acceptable to the Town and authorized to do business as a surety in the State of New Hampshire, in a penal sum of ten thousand dollars (\$10,000.00) which shall be posted within thirty (30) days after the effective date of this franchise, and shall be conditioned upon AMRAC well and truly observing and fulfilling and performing each condition of this franchise. The bond shall be conditioned such that any breach of condition of this franchise shall be recoverable from principal or from the insurer involved. Specifically, the bond may be accessed for failure of AMRAC to comply with the following:

A. Satisfactory and timely completion of installation and operation of the system.

B. Any costs or expenses incurred by the Town and not promptly reimbursed by AMRAC as required by this franchise agreement. In the event that any portion of the bond is forfeited due to failure on the part of AMRAC to faithfully perform all the terms and conditions of this franchise, AMRAC shall be required to post an additional bond in the amount equal to forfeiture within thirty (30) days of the date of said forfeiture. If any surety upon any bond furnished in connection with this franchise becomes unacceptable to the Town, or if any such surety fails to furnish reports as to its financial condition from time to time as requested, AMRAC shall promptly furnish such additional security as

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may be required from time to time to protect the interests of the Town. The provisions of this section, as well as all sections in this agreement related to insurance, are not in any way intended to limit the obligations of AMRAC to reimburse the Town for all damages or injuries in excess of bond or insurance coverage as a result of cable television operation in the Town. AMRAC agrees that it will be responsible to the Town for such excess.

10. INSURANCE AND INDEMNIFICATION

It is expressly understood and agreed by and between the Town of Tuftonboro and AMRAC that AMRAC shall indemnify and save the Town, its officers, the Boards, commissions, employees and agents during the term of this franchise and any subsequent extensions or renewals thereof, harmless from all losses sustained by the Town on account of any suit, judgment, execution, claim, damage or demand whatsoever whether judicial, quasi-judicial, administrative, legislative or otherwise occasioned by or arising out of the construction, installation, operation, maintenance or use of AMRAC's cable television system in the Town including but not limited to any losses or damages or claims arising from suits, liabilities, obligations for libel, slander, unfair competition or obligation of suits of any kind or nature whatsoever by a third party including acts by AMRAC, its contactors, subcontractors, agents or employees whether or not said act was authorized or allowed or prohibited by the franchise granted hereunder.

For this purpose, AMRAC shall, prior to the start of any construction and thereafter for and during the duration of the franchise and all

renewals thereof, present evidence of the existence of liability insurance covering property damage and public liability from an insurance company or companies, reasonably acceptable to the Town and duly authorized to do business in the State of New Hampshire insuring AMRAC, the Town, and any other parties to the franchise with respect to the construction, operation, and maintenance of the system. The policies of insurance shall include, but not be limited to bodily injury, including death, property damage, libel or slander. The minimum liability amount of coverage under such policies shall be five hundred thousand dollars (\$500,000.00) for property damages, personal injury or loss of life for each person and one million dollars (\$1,000,000.00) with an insurance company approved by the Town.

Copies of insurance policies shall be filed with the Town and shall bear a clause naming the Town as an additional insured and requiring at least thirty (30) days' prior notice to the Town by the insurance company of any cancellation in said policies. The amount of coverage in said policies shall be periodically reviewed by the parties to keep the limits at currently-prudent levels. The Town recognizes that demands for increase in insurance limits may have an impact upon operating costs of AMRAC and that this might result in a request for subscriber rate adjustment.

AMRAC shall, upon receipt and due notice in writing from the Board, defend at its own expense, any action or proceeding against the Town in which it is claimed that injury or damage arose from AMRAC's activities in the operation of its cable television system. Further, all liability

insurance policies, worker's compensation and employer's liability policies, comprehensive automobile liability and libel, slander and umbrella liability including any customary broadcaster's insurance carried by AMRAC shall name the Town as an additional named insured. AMRAC shall keep the Town informed as to the progress of any investigations, claims or proceedings including notices when the claim is made. Further, AMRAC shall provide an annual report in this regard not later than March 15 of each year.

Neither the provisions in this section, nor any bonds accepted by the Town pursuant to the Franchise Agreement, nor any damage recovered by the Town, nor the provision of insurance shall be in any way construed to excuse faithful performance by AMRAC, nor shall the same limit the liability of AMRAC under this agreement. The inclusion of the Town as a named insured shall in no way be construed as constituting the Town as involved in any sort of joint venture.

11. TRANSFER AND ASSIGNMENT

No transfer of the franchise shall occur, nor shall a transfer of any facilities constituting a significant part of the cable television system either in whole or in part occur, prior to completion of construction of the cable television system. After completion of construction of the system AMRAC may transfer or assign the system with written permission by the Board. Such approval shall not be unreasonably withheld. A prospective new owner will be obliged to file an application and to provide all information relating to finances, background, technical qualifications and experience. In the event the Town refuses to

approve the transfer, they shall set forth in writing the reasons for such decisions. Notwithstanding the foregoing, AMRAC shall have the right to mortgage or pledge the cable system plant or any part thereof as security for mortgage or loan, however all details of such arrangements must be filed with the Town, and the proceeds must be applied to construction, expansion, maintenance and/or operation of the cable television system and to distributions to the partners or other owners of the system. No distributions will be made to the partners or other owners of the system until the construction of the system is complete.

12. REVOCATION OF FRANCHISE

A. The Town shall have the right to revoke and terminate the franchise, after public hearing, if it is subsequently learned or determined that materially false or significantly misleading information was filed or otherwise furnished by AMRAC in pursuit of obtaining the franchise or if a material breach whether by act or omission of any of the terms or conditions of this franchise occurs and continues after notice without reasonable justification or without AMRAC diligently pursuing the cure or correction of same. A material breach of the franchise may include, but is not limited to, acts by which AMRAC:

1. Fails to substantially complete the construction of the system so as to be ready for energizing within nine (9) months after completion of all make-ready work by utility companies as required by the terms of this franchise, or within such longer period as required due to the occurrence of one or more force majeure events, as provided in Section 20 hereof;

2. Fails to maintain adequate signal quality and a safe and reliable service;

3. Fails to provide the initial program channels as required by the terms of the franchise per the attached list. Subsequent substitutions will be allowed as required by commercial or technical requirements of the industry.

4. Any material violation of the responsibilities, obligations, or requirements as provided in this franchise, or of any federal, state, or local law, rule or regulation shall be just cause for revocation and termination of this franchise and all rights and privileges granted herein by the issuing authority. In the event that bankruptcy or receivership proceedings are brought by or against AMRAC and are not dismissed within sixty (60) days, the Town may, by a resolution of its Board of Selectmen, declare this franchise to be revoked and terminated. The parties hereto specifically agree that in the event of the revocation or termination of the franchise, the Town, its officers and agents shall not be liable to AMRAC or the then current franchisee for any loss or damage that the franchisee may suffer as a result of any such revocation and termination.

B. Prior to revocation or termination of this franchise for cause or for any other event, act or circumstance set forth in this Agreement as entitling the Town to revoke or terminate this franchise, the Board shall proceed as follows:

1. The Board shall cause written notice to be provided to

AMRAC setting forth each and every claimed violation or omission in performance by AMRAC which might result in revocation of the franchise.

2. In the event that the claimed violation or omission shall not have been corrected or remedied within thirty (30) days, or if same cannot be corrected or remedied within said thirty (30)-day period, AMRAC shall not commence such cure or correction within said thirty (30)-day period and thereafter prosecute same to completion with due diligence, then the Board shall have the right to:

a. Correct or remedy the violation or omission and assess all reasonable costs of such corrections to the franchisee; or

b. Give thirty (30) days' advance notice in writing to franchisee of a hearing to be held in Tuftonboro at which the franchisee can show cause, if any it has, why the franchise should not be revoked.

13. FRANCHISE FEE

In consideration for granting this franchise, AMRAC shall pay the Town on or before February 2 of each year, a fee equal to two percent (2%) of gross revenues as collected. AMRAC shall submit to the Town an annual report due on or before March 15 of each year and certified by an officer of AMRAC (or general partner) showing how it calculated the fees paid for the preceding year.

Gross revenue shall mean any and all compensation in whatever form, exchange or otherwise received directly or indirectly by the franchisee

(AMRAC) from its Tuftonboro operations including but not limited to revenues from Tuftonboro subscribers or users in payment for programs received and/or transmitted, pay and subscription TV, optional channel programs and special contracts, charges for connection, disconnection and reinstatement, advertising and carrier's service revenue, rentals of access facilities and equipment, revenue from channel leasing and any other monies that constitute income. Gross annual revenues shall not include any taxes on service furnished by the franchisee imposed directly on any subscriber or user by the Town, the State of New Hampshire or any other governmental unit and collected by the franchisee for such governmental unit. Such revenues shall not include customer deposits, special construction charges and other mutually pre-agreed items.

14. REPORTING REQUIREMENTS

AMRAC shall furnish to the Town one (1) copy of any and all petitions, applications and reports submitted to the FCC or any other state or regulatory agency.

AMRAC will submit to the Town an annual certified financial report prepared in conformity with generally-accepted accounting principles. This report shall be due by April 15 of each year covering AMRAC's operations in the Town of Tuftonboro for the preceding calendar year. Reports shall include, but not be limited to statements of ownership, engineering data, capital expenditures, operating revenues and expenses.

The annual report of AMRAC shall include a written statement of cable operations for the past year outlining the number of subscribers, the number of homes passed, the number of miles of system, the effect

of new regulatory actions on the system, and such other data which shall be helpful to assist the Town in keeping informed of AMRAC's operations.

The Town shall have complete access to all books and records including records related to revenue, maps, plans, tax returns, interim financial statements and the like and upon five (5) days' written request, AMRAC agrees to present such records for purposes of review and audit by the Town.

AMRAC shall provide an audited statement of its preceding fiscal year not later than May 1 of each year.

AMRAC may be required to file additional reports and data as the Town may from time to time reasonably request.

15. USE, ERECTION AND LOCATION OF POLES AND EQUIPMENT

The Town hereby consents to AMRAC's leasing, renting or in any other manner obtaining the use of towers, poles, lines, cables and other equipment and facilities for the purposes set forth herein. It is understood that this consent merely authorizes the holders of other public licenses, public franchises or rights of way such as telephone and electric companies to agree, for remuneration, to the use of their poles and other equipment by AMRAC for the purposes of carrying out a cable television franchise. The Town does not hereby order or require the holders of public licenses, franchises and rights of way to do so. It is, however, the stated policy of the Town that all holders of such rights within the limits of the Town of Tufonboro should cooperate with AMRAC to the extent practicable to allow AMRAC the use of their pole and pole line facilities in order to minimize the number of additional poles

installed within the Town.

The location of towers, poles, lines, cables and other equipment and facilities shall be generally as shown on a system map attached to this Agreement. AMRAC shall provide an as-built map within ninety (90) days of its completion of construction of all facilities so that the Town may have a complete and accurate record of the location of all cable television facilities in the Town.

16. SERVICES AND FACILITIES

The Town shall have the right to inspect the system during the construction period and any time thereafter to insure that it is being installed and maintained in accord with good construction and industry standards, as well as all federal, state and local codes. The Town shall have the right to order corrections of any violations, and such corrections are to be at the cost of AMRAC. AMRAC shall replace any material or correct any workmanship found not to conform to the franchise requirements.

A. The cable television system contemplated herein shall have an initial minimum channel capacity of thirty-five (35).

B. The construction, operation and maintenance of the CATV system for which this franchise is granted shall be performed in accordance with all laws, rules, regulations and codes as they now exist or as the same may be changed or amended hereafter. The signal of any television or radio station carried on the CATV system shall be carried without material degradation in quality and shall be consistent with any present or future regulations of the FCC and with this Franchise Agreement. The

CATV system shall be operated and maintained so as to comply with the technical standards of the FCC's rules and regulations as they apply to CATV systems, as the same may be amended hereafter. AMRAC shall notify the Town of the filing of each technical performance test required under FCC rules and regulations, and shall provide copies and any related correspondence of such tests to the Town upon request.

C. AMRAC shall provide, at cost, a locking device (parental control switch), which allows subscribers to limit the viewing of one or more channels of their cable services.

D. All structures and all lines, equipment and connections, over, under and upon streets and places of the Town, wherever situated or located, shall at all times be kept and maintained in a suitable condition and in good order and repair. AMRAC shall annually update its maps showing the location of its wires, cables and other facilities on all of the streets where service is provided no later than March 15 of each year.

E. AMRAC shall provide and maintain, at its expense, and at no expense whatever to local non-commercial users, one (1) local access channel with connection capabilities for local programming. The cable system will serve the Towns of Tuftonboro and Moultonborough. In addition, it may serve small portions of Center Harbor, Meredith, and Wolfeboro. AMRAC and the Town agree that the single access channel may be used by residents of any of these towns. AMRAC will have no responsibility to provide cameras or other equipment needed for live broadcasts and states specifically that its local personnel will be for repairs, installations and business activities, not origination of live

broadcasts. AMRAC will have, at its expense, a VCR available for local public access programming or broadcasts. The location of the VCR will be determined at AMRAC's sole discretion. The public access channel shall be available on a first-come, first-served, non-discriminatory basis, provided that AMRAC may establish a policy limiting each programmer to a maximum of thirty (30) minutes of programming time during any seven (7) consecutive days, subject, however, to such rules and regulations of the FCC as may be applicable. Except for public or charitable purposes, the public access channel shall not be available for commercial use or for commercial advertising. AMRAC and representatives of the towns served shall jointly establish operating rules for the public access channel.

F. AMRAC shall, at all times, provide sufficient equipment and the servicing, repair, replacement or supplementation thereof, to meet the needs of the system constructed. All equipment so provided will be leased or owned by AMRAC and shall be maintained by AMRAC throughout the term of the franchise and any renewal thereof. Notwithstanding its right to use leased equipment, AMRAC shall be the owner of the tower and the wires constituting the distribution system. AMRAC shall provide a local business office to receive communications related to service requests and/or complaints, and for the payment of bills. Such facility shall be located within the Town of Moultonborough. Additionally, AMRAC shall provide for twenty-four (24)-hour telephone answering service in order to facilitate receipt of messages related to service requirements, complaints, repairs and the like.

G. AMRAC shall provide, at a minimum, and without cost to the Town

of Tuftonboro, the Governor Wentworth School District or any other public agency, free basic service, including public access channel and all public television channels received, to the Tuftonboro Central School, the Tuftonboro Public Library, and the Willing Workers Hall. The obligation of AMRAC shall not include installation of service to individual classrooms, auditoriums, offices and other locations within such public buildings.

17. SERVICE STANDARDS

A. AMRAC shall put, keep and maintain all parts of the system in good condition throughout the entire franchise period. It shall render efficient service, making repairs promptly and interrupt service only for good cause and for the shortest time possible. In the event that service to any subscriber is interrupted for forty-eight (48) hours or more consecutively, AMRAC shall, upon written request of the subscriber, grant such subscriber a pro rata credit or rebate on a daily basis of that portion of the service charge during the next consecutive billing cycle, or at its option, apply such credit to any outstanding balance then currently due from such subscriber. No credit will arise from interruptions caused by subscriber activities, interference with or abuse of equipment. When practical, all repairs, updating, expansion or rebuilding of the system which may cause an interruption in service shall be performed during periods of minimum use so as to preclude interruption of service under this franchise.

B. All employees or agents of the franchise having contact with the Town or subscribers shall wear or carry appropriate photographic

identification, approved by the Chief of Police, indicating the individual's name and position with AMRAC.

C. AMRAC shall maintain adequate and competent repair and maintenance crews and shall respond to subscriber complaints for service within forty-eight (48) hours. Except in cases of subscriber sabotage or abuse of equipment, no charge shall be made to the subscriber for repair service. AMRAC reserves the right to impose a reasonable service charge for AMRAC service responses for subscriber requests, the need for which are caused by the subscriber and not by AMRAC or the system. Upon reasonable notice, AMRAC will investigate and resolve promptly complaints regarding the quality of service or equipment malfunctions.

D. AMRAC agrees at the outset of this franchise operation to provide to its subscribers the channels listed in the proposed channel allocation attached hereto and made a part of this Franchise Agreement. The Town and AMRAC recognize that technical and regulatory conditions may prevent particular channels from being available. In such case, the Company shall demonstrate its due diligence and good faith effort to obtain the channels listed, and in the alternative, it shall use its best efforts to replace the unavailable channels with comparable channels.

E. AMRAC shall use its best efforts to prevent or minimize system leakage and interference and shall adjust channels to minimize such leakage and interference whenever it is feasible to do so. Whenever AMRAC's system causes interference with the television or radio reception of any non-subscriber on a constant or very frequent basis, the Company shall make such non-subscriber a subscriber without any charge

whatsoever until such time as AMRAC shall eliminate said interference.

F. AMRAC shall maintain a record of each complaint received by its subscribers and others which records shall be retained for at least two (2) years after the date of the complaint. Said records shall contain the name and address of the person complaining, and the nature and details of the complaint. It shall include the date of the complaint, the corrective action taken, and the dates thereof, including comment as to whether the complaint was resolved to the complainant's satisfaction. Such records shall be open to periodic inspection by the Board of Selectmen or its designee at reasonable times and upon the giving of reasonable notice. An annual summary of these records shall be provided to the Board of Selectmen not later than March 15 each year. Any complaints which have not been resolved to the satisfaction of a complainant who is a resident in the Town of Tuftonboro shall be referred to the Board of Selectmen or its designated agent. In all circumstances it shall be the duty of AMRAC to act diligently and promptly to resolve complaints.

18. RENEWAL OF FRANCHISE

The Franchise Agreement may be renewed for additional terms of five (5) years upon agreement of the parties. Such renewal will be considered upon written application of the franchisee received a minimum of eighteen (18) months prior to the expiration of the term of this franchise. The Town will conduct public hearings, and will consider the franchisee's compliance with the Franchise Agreement and the law, the quality of service in light of the community needs, the ability of the

franchisee financially, technically and legally to carry out its proposal for extended service during the renewal term in deciding whether to renew the franchise. The Town reserves the right to grant a franchise to another person despite application by franchisee.

19. ACCOUNTING

AMRAC agrees that upon twenty-four (24) hours' written notice from the Town, it will provide a complete disclosure of the location and status of all deposit monies being held on behalf of customers and subscribers.

20. FORCE MAJEURE

The time for performance of any act required to be done under this franchise shall be extended by a period equal to the period of any delay caused by or resulting from any Act of God, war, civil commotion, fire, casualty, labor difficulties, shortages or delays in delivery of labor, materials or equipment, governmental regulations, acts of defaults of the other party or other causes beyond such party's reasonable control, whether such time be designated herein as a fixed date, a fixed time or otherwise and in no event shall franchisee be liable or in default hereunder by reason of the occurrence of any such force majeure event or any delay resulting therefrom.

21. SEVERABILITY

If any section, part or portion of this Agreement, including any sentence, clause, phrase or provision, is for any reason determined to be illegal, invalid or unconstitutional by any court of competent juris-

diction or by any state or federal regulatory agency having jurisdiction thereof, that portion of this Franchise Agreement shall be considered a separate and distinct and independent provision and shall have no effect on any other section. Such invalid portions shall be renegotiated by the Town and the franchisee.

22. AMENDMENTS

It shall be the policy of the Town to amend the terms of this Franchise Agreement upon application of the franchisee when necessary to enable the franchisee to take advantage of any development in the field of transmission of television and radio signals which will afford it an opportunity to more effectively, efficiently or economically serve its customers. This section shall not be construed to require the Town to make any amendment or to prohibit it from unilaterally changing its policy as stated herein. Compliance by the franchisee with this Agreement, and with applicable laws, rules and regulations will be considered in amending the Agreement.

23. REPRESENTATIONS AND WARRANTIES

AMRAC hereby represents as an inducement for the Town of Tuftonboro to enter this Agreement that it is a validly formed, duly existing, limited partnership, and that it is registered and authorized to do business in the State of New Hampshire. Further, it represents that it will maintain its status as a validly existing duly authorized partnership at all times during the franchise period. AMRAC represents that the delivery and performance of this franchise have been duly authorized

by the partnership. The consummation of this transaction will not conflict with or result in any material breach of any provision of or constitute a material default under any agreement or provision of its existence or to which it is a party or by which it is bound.

AMRAC further warrants and represents that there is no litigation, proceeding or investigation pending or to the knowledge of franchisee threatened against or affecting franchisee or any of its assets, whether or not fully covered by insurance, which could substantially and/or adversely affect franchisee's ability to perform its obligations under this franchise.

Franchisee has complied with and is not in default under or in any violation of any laws, ordinances, rules or regulations applicable to its current operations.

Franchisee expects to obtain financing as represented on the attached statements relating to financing and credit, and that it believes that it is adequately capitalized and financed to undertake and complete the construction and installation, implementation and operation of the cable television system for the Town of Tuftonboro. If AMRAC is unable to obtain equity financing as well as a firm loan commitment sufficient to construct the system within one hundred and eighty (180) days from the date of this franchise, the Town of Tuftonboro may terminate the franchise. AMRAC shall provide the Town with evidence of compliance with this provision.

The effective date of this franchise shall be June 1, 1987, on which date this franchise was signed by the municipal officers of the Town of Tuftonboro and AMRAC Telecommunications, a limited partnership, the general partner of AMRAC Moultonborough, a limited partnership, by Sidney K. Whiting, its general partner.

PROGRAMMING

The cable television system will offer twenty-five (25) channels of programming initially. There will be a Basic Service consisting of twenty (20) channels and there will be five (5) Premium Programming Services which will be optional at an additional charge. The system will have capacity for additional channels so that other channels could be added in the future.

BASIC SERVICE

The Basic Service will consist of twenty (20) channels. These channels will include eight (8) off-air broadcast channels and twelve (12) satellite-delivered channels. They are tentatively planned as follows:

Off-Air Channels

Channel

21	WNET	(Independent)	Concord
9	WMUR-TV	(ABC)	Manchester
4	WBZ-TV	(NBC)	Boston
5	WCVB-TV	(ABC)	Boston
7	WNEV-TV	(CBS)	Boston
8	WMTW-TV	(ABC)	Portland-Poland Spring
6	WCSE-TV	(NBC)	Portland
13	WGME-TV	(CBS)	Portland

Satellite Channels

- Nickelodeon (children's programming)
- Lifetime (women's programming)
- ESPN (sports)
- Arts and Entertainment (plays, concerts, etc.)
- MTV (music videos)
- Home Shopping Network (shop from your home)
- The Nashville Network (country music and sports)
- CNN (in-depth news)
- WTBS Atlanta (movies and sports)
- USA Network (documentaries and sports)
- Discovery Channel (world-wide programming)
- CNN Headline News (brief, up-to-the minute news)

Nothing in this Agreement shall be construed to require renewal or extension of this Agreement of the Town.

24. SERVICE AREA

This Franchise is granted for the territorial limits of the Town of Tuftonboro. AMRAC agrees that it shall construct a cable television system consisting of approximately 22 miles of cable in accord with a cable system map attached hereto and incorporated herein by reference.

In witness whereof the parties have executed this Agreement the 1st day of June 1987.

AMRAC Moultonborough, A Limited Partnership

BY: Amrac Telecommunications, A Limited Partnership
General Partner

BY: Sidney K. Whiting

Sidney K. Whiting, its General Partner

Town of Tuftonboro, New Hampshire

BY: Charles F. Whittier

Warren C. Whittier
Its Selectmen

AMRAC CABLE TV

Tuftonboro, New Hampshire

The following schedule is provided as a preliminary guide to our proposed prices. They are subject to change based on the results of a town-wide survey which is currently in progress. However, we believe the schedule below is reasonably close to the final prices which will be established.

MONTHLY CHARGES

Programming

Basic Service (20 channels)	\$16.95/month
HBO (Home Box Office)	\$9.95/month
Showtime	\$7.95/month
Disney Channel	\$6.95/month
Movie Channel	\$8.95/month
Cinemax	\$8.95/month

Other Services

Additional Outlets (for additional TV sets)	\$4.95/month
Remote Control Feature	\$2.95/month

One-Time Charges

Standard Installation	\$19.95
Each additional outlet	\$9.95
Lost or destroyed converter	\$100.00