

CABLE TELEVISION
RENEWAL FRANCHISE

GRANTED TO

MEDIAONE OF NEW HAMPSHIRE, INC.

THE BOARD OF MAYOR AND ALDERMEN
CITY OF MANCHESTER,
NEW HAMPSHIRE

OCTOBER 20, 2000

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-Manchester Cable Television Renewal Franchise-

A G R E E M E N T

This Cable Television Renewal Franchise entered into this 20th day of October, 2000, by and between MediaOne of New Hampshire, Inc., a Maryland corporation, and the Board of Mayor and Aldermen of the City of Manchester, New Hampshire, as Franchising Authority for the renewal of the cable television franchise(s) pursuant to RSA: 53-C.

WITNESSETH

WHEREAS, the Franchising Authority of the City of Manchester, New Hampshire, pursuant to RSA: 53-C is authorized to grant one or more nonexclusive, revocable cable television renewal franchises to construct, operate and maintain a Cable Television System within the City of Manchester; and

WHEREAS, the Franchising Authority conducted public hearings, pursuant to Section 626 of the Cable Act, on June 29, 1998; June 30, 1998; July 14, 1998; July 21, 1998; and April 29, 2000 to (1) ascertain the future cable related community needs and interests of Manchester, and (2) review the performance of MediaOne of New Hampshire, Inc. during its current franchise term; and

WHEREAS, the Franchising Authority and MediaOne of New Hampshire, Inc. did engage in good faith negotiations and did agree on various provisions regarding the Cable Television System in Manchester; and

WHEREAS, the Franchising Authority has determined that it is in the best interests of the City of Manchester to grant a non-exclusive Renewal Franchise to MediaOne of New Hampshire, Inc.

NOW THEREFORE, in consideration of the mutual covenants herein contained and intending to be legally bound, the parties agree as follows:

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ARTICLE 1

DEFINITIONS

Section 1.1---DEFINITIONS

For the purpose of this Renewal Franchise, the following words, terms, phrases and their derivations shall have the meanings given herein, unless the context clearly requires a different meaning. When not inconsistent with the context, the masculine pronoun includes the feminine pronoun, 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 word shall is always mandatory and not merely directory.

(1) Access: The right or ability of any Manchester resident and/or any Persons affiliated with a Manchester institution to use designated facilities, equipment and/or channels of the Cable Television System, subject to the conditions and procedures established for such use.

(2) Access Channel: A video channel which the Franchisee shall make available to the City of Manchester and/or Access Users, without charge, for the purpose of transmitting non-commercial programming by members of the public, City departments and agencies, public schools, educational, institutional and similar organizations.

(3) Access Provider: The entity as may be designated from time to time by the Franchising Authority for the purpose of providing/managing Public, Educational and Governmental Access channel capacity, facilities, training and programming for Manchester Subscribers.

(4) Affiliate or Affiliated Person: A Person that (directly or indirectly) owns or controls, is owned or controlled by, or is under common ownership or control with, another person.

(5) Basic Service: Any Service distributed over the Cable System, which shall include, without limitation, all Public, Educational and Governmental ("PEG") Access Channels and all broadcast Signals required to be carried on Basic Service pursuant to federal law.

(6) Bulk Accounts: Any account(s) wherein a property owner or landlord is billed directly by the Franchisee, on a per-unit basis, for non-Premium Cable Service(s) provided to Subscribers in a multiple-dwelling-unit ("MDU"), but not including any Pay Programming and/or Pay-Per-View Programming, which service(s) are billed directly to Subscribers in such MDU.

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(7) Cable Act: Public Law No. 98-549, 98 Stat. 2779 (1984) (the Cable Communications Policy Act of 1984), as amended by Public Law No. 102-385, 106 Stat. 1460 (1992) (the Cable Television Consumer Protection and Competition Act of 1992, as further amended by Public Law No. 104-458, 110 Stat. 110 (1996) (the Telecommunications Act of 1996).

(8) Cable Modem: A device connecting Subscribers to the Internet over the Cable System.

(9) Cable Service: The one-way transmission to Subscribers of Video Programming or other Programming services, together with Subscriber interaction, if any, which is required for the selection of such Video Programming or other programming services.

(10) Cable Television System or Cable System: 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 the City.

(11) City: The City of Manchester, New Hampshire.

(12) City Solicitor: The City Solicitor of the City of Manchester, New Hampshire.

(13) Commercial Subscriber: A commercial, non-residential Subscriber to Cable Television Service.

(14) Committee on Administration: The Advisory Committee duly designated by the Franchising Authority, for the purpose of monitoring and reporting on the terms and conditions of the Renewal Franchise, as well as fulfilling any other appropriate regulatory role(s) delegated to it by the Franchising Authority.

(15) Converter: Any device changing the frequency of a Signal coming to a Subscriber. A Subscriber Converter may control reception capacity and/or unscramble coded Signals distributed over the Cable System, among other capabilities.

(16) Department of Public Works ("DPW"): The Department of Public Works of the City of Manchester, New Hampshire.

(17) Downstream Channel: A channel over which Signals travel from the Cable System Headend to an authorized recipient of Programming.

(18) Drop or Cable Drop: The coaxial cable that connects each home or building to the feeder line of the Cable System.

(19) Effective Date of the Renewal Franchise (the "Effective Date"): October 20, 2000.

(20) Execution Date of the Renewal Franchise (the "Execution Date"): October 20, 2000.

(21) FCC: The Federal Communications Commission, or any successor agency.

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(22) Franchise Fee: The payments to be made by the Franchisee to the City of Manchester, which shall have the meaning as set forth in Section 622(g) of the Cable Act.

(23) Franchisee: MediaOne of New Hampshire, Inc. or any successor or transferee in accordance with the terms and conditions in this Renewal Franchise.

(24) Franchising Authority: The Board of Mayor and Aldermen of the City of Manchester, New Hampshire.

(25) Gross Annual Revenues: Consideration of any form or kind derived by the Franchisee and/or its Affiliates from the operation of the Cable Television System for the provision of Cable Service(s) over the Cable Television System including, without limitation: the distribution of any Service over the Cable System; Basic Service monthly fees and all other Service fees; installation, reconnection, downgrade, upgrade and any similar charges; interest collected on Subscriber fees and/or charges; all Bulk Accounts revenues fees paid on all Subscriber fees; revenues received from all Internet and/or Cable Modem Services (if permitted by applicable law or provided that such services are deemed to be Cable Services); all Commercial Subscriber revenues; fees paid for channels designated for commercial use; home-shopping revenues; Converter, remote control and other cable-related equipment rentals and/or leases or sales; studio and other facility and/or equipment rentals; advertising revenues; and all other revenue(s) derived by the Franchisee from the sale of products in any way advertised or promoted on the Cable Television System. In the event that an Affiliate and/or any other Person is responsible for advertising revenues, advertising revenues for purposes herein shall be deemed to be the pro-rata portion of advertising revenues, paid to the Cable System by an Affiliate or such other Person for said Affiliate's or other Person's use of the Cable Television System for the carriage of advertising. Gross Annual Revenues shall also include the Gross Revenue of any other Person which is derived directly or indirectly from or in connection with the operation of the Cable System to the extent that said revenue is derived, through a means which has the effect of avoiding payment of Franchise Fees to the City that would otherwise be paid herein. It is the intention of the parties hereto that Gross Annual Revenues shall only include such consideration of Affiliates and/or Persons relating to Signal carriage over the Cable System and not the gross revenues of any such Affiliate(s) and/or Person(s) itself, where unrelated to such Signal carriage. Gross Annual Revenues shall not include actual bad debt that is written off, consistent with Generally Accepted Accounting principles; provided, however, that all or any part of any such actual bad debt that is written off, but subsequently collected, shall be included in Gross Annual Revenues in the period so collected.

(26) Headend: The electronic control center of the Cable System containing equipment that receives, amplifies, filters and converts incoming Signals for distribution over the Cable System.

(27) Hub or Hub Site: A sub-Headend, generally located within a cable television community, used either for the purpose of (i) Signal processing or switching or (ii) placement of a Fiber Node or microwave link or transportation super trunk.

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(28) Institutional Network ("I-Net"): The separate four-fiber, single mode cable, consisting of upstream and downstream 6 MHz channels, owned by the City, for use by the Franchising Authority and/or its departments and designee(s).

(29) Leased Channel or Leased Access: A video channel(s) which the Franchisee shall make available pursuant to Section 612 of the Cable Act.

(30) NTSC: The acronym for National Television Systems Committee.

(31) Node or Fiber Node: A remote point(s) in the Cable System connecting fiber-optic cable to the Trunk and Distribution System.

(32) Normal Business Hours: Those hours during which most similar businesses in the community are open to serve customers. In all cases, Normal Business Hours must include some evening hours at least one (1) night per week and/or some weekend hours.

(33) Origination Capability: An activated connection to an Upstream Channel, allowing a User(s) to transmit a Signal(s) upstream to a designated location.

(34) Outlet: An interior receptacle, generally mounted in a wall, that connects a Subscriber's or User's equipment to the Cable System.

(35) Pay Cable or Premium Services: Programming delivered for a fee or charge to Subscribers on a per-channel basis.

(36) Pay-Per-View: Programming delivered for a fee or charge to Subscribers on a per-program or per-event basis.

(37) PEG: The acronym for "public, educational and governmental;" used in conjunction with Access Channels, support and facilities.

(38) PEG Access Channels: Any channel(s) made available for the presentation of PEG Access Programming.

(39) Person: Any Provider, partnership, limited partnership, corporation, association, trust, organization, other business entity, individual or group of individuals acting in concert.

(40) Prime Rate: The prime rate of interest at Fleet Bank, or its successor.

(41) Public Way or Street: The surface of, as well as the spaces above and below, any and all public streets, avenues, highways, boulevards, concourses, driveways, bridges, tunnels, parks, parkways, waterways, bulkheads, piers, dedicated public utility easements, and public grounds or waters and all other publicly owned real property within or belonging to the City, now or hereafter existing. Reference herein to "Public Way" or "Street" shall not be construed to be a representation or guarantee by the City that its property rights are sufficient to permit its use for any purpose, or that the Franchisee shall

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gain or be permitted to exercise any rights to use property in the City greater than those already possessed by the City.

(42) Renewal Franchise: The non-exclusive Cable Television Franchise granted to the Franchisee by this instrument.

(43) Scrambling/encoding: The electronic distortion of a Signal(s) in order to render it unintelligible or unreceivable without the use of a Converter issued by the Franchisee.

(44) Service: Any Basic Service, any Pay Cable Service, or any other Cable Service, whether or not originated by the Franchisee, which is offered to any Subscriber in conjunction with, or which is distributed over, the Cable System.

(45) Signal: Any transmission of electromagnetic or optical energy which carries Programming from one location to another.

(46) Social Contract: The contractual agreement between the FCC and the Franchisee's predecessor, Continental Cablevision, dated August 1, 1995, at FCC 95-335, as amended by the FCC on August 23, 1996, at FCC 96-358, dated August 1, 1995, at FCC 95-335, as amended by the FCC on August 23, 1996, at FCC 96-358.

(47) Standard Installation: An aerial installation up to one hundred and fifty feet (150') from the nearest Trunk and Feeder System.

(48) State: The State of New Hampshire.

(49) Subscriber: Any Person, firm, Provider or other entity who or which elects to subscribe to, for any purpose, a Service provided by the Franchisee by means of, or in connection with, the Cable Television System.

(50) Subscriber Network: The 750 MHz Cable Television System to be operated and maintained by the Franchisee, over which Signals can be transmitted to Subscribers.

(51) Transfer: The disposal by the Franchisee, directly or indirectly, by gift, assignment, sale, merger, consolidation or otherwise, of the ownership or Control of the System or of this Renewal Franchise, to a Person or a group of Persons.

(52) Trunk and Distribution System: That portion of the Cable System for the delivery of Signals, but not including Cable Drops to Subscriber's residences, or places of business.

(53) Upstream Channel: A channel over which Signals travel from an authorized location to the Cable System Headend.

(54) User: A Person utilizing the Cable Television System, including all related facilities for purposes of production and/or transmission of electronic or other Signals, as opposed to utilization solely as a Subscriber.

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(55) VCR: The acronym for video cassette recorder.

(56) Video Programming or Programming: Programming provided by, or generally considered comparable to programming provided by, a television broadcast station.

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ARTICLE 2

GRANT OF RENEWAL FRANCHISE

Section 2.1---GRANT OF RENEWAL FRANCHISE

Pursuant to the authority of RSA Chapter 53-C of the laws of the State of New Hampshire, and subject to the terms and conditions set forth herein, the Board of Mayor and Aldermen of the City of Manchester, New Hampshire, as the Franchising Authority of the City, hereby grants a non-exclusive Cable Television Renewal Franchise to the Franchisee authorizing the Franchisee to upgrade, install, operate and maintain a Cable Television System within the corporate limits of the City of Manchester.

This Renewal Franchise is subject to the terms and conditions contained in RSA Chapter 53-C of the laws of New Hampshire; the regulations of the FCC; the Cable Act; and all City, State and federal statutes and by-laws of general application, as all may be amended.

Subject to the terms and conditions herein, the Franchising Authority hereby grants to the Franchisee the right to upgrade, install, operate and maintain the Cable Television System in, under, over, along, across or upon the Public Ways and Streets, lanes, avenues, alleys, sidewalks, bridges, highways and other public places under the jurisdiction of the City of Manchester within the municipal boundaries and subsequent additions thereto, including property over, under or on which the City has an easement or right-of-way, for the purpose of reception, transmission, collection, amplification, origination, distribution, and/or redistribution of Cable Services and Signals in accordance with the laws of the United States of America, the State of New Hampshire and the City of Manchester. In exercising rights pursuant to this Renewal Franchise, the Franchisee shall not endanger the lives of Persons, interfere with any installations of the City, any public utility serving the City or any other Persons permitted to use Public Ways and places.

Grant of this Renewal Franchise does not establish priority for use over other present or future permit holders or the City's own use of Public Ways and places. Disputes between the Franchisee and other parties regarding use of Public Ways and places shall be resolved in accordance with any applicable regulations of the Department of Public Works and any special laws or City ordinances and/or regulations enacted hereafter.

Section 2.2---TERM OF RENEWAL FRANCHISE

The term of this Renewal Franchise shall be a ten (10) year term, commencing on October 20, 2000 and expiring at midnight on October 19, 2010, unless sooner terminated as provided herein or surrendered.

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Section 2.3---NON-EXCLUSIVITY OF RENEWAL FRANCHISE

(a) This Renewal Franchise shall not affect the right of the Franchising Authority to grant to any other Person a Franchise or right to occupy or use the Public Ways or streets, or portions thereof, for the construction, upgrade, installation, operation or maintenance of a Cable Television System within the City of Manchester; or the right of the Franchising Authority to permit the use of the Public Ways and places of the City for any purpose(s) whatsoever. The Franchisee hereby acknowledges the Franchising Authority's right to make such grants and permit such uses.

(b) Pursuant to RSA Chapter 53-C:3-b(I), the grant of any additional cable television franchise(s) shall not be on terms more favorable or less burdensome than those contained in this Renewal Franchise.

(i) In the event that the Franchisee believes that any additional cable television franchise(s) have been granted on terms and conditions more favorable or less burdensome than those contained in this Renewal Franchise, the Franchisee may request, in writing, that the Franchising Authority convene a public hearing on that issue. Along said written request, the Franchisee shall provide the Franchising Authority with written reasons for its belief. At the public hearing, the Franchising Authority shall afford the Franchisee an opportunity to demonstrate that any such additional cable television franchise(s) are on terms more favorable or less burdensome than those contained in this Renewal Franchise. The Franchisee shall provide the Franchising Authority with such financial or other relevant information as is requested.

(ii) Should the Franchisee demonstrate that any such additional cable television franchise(s) have been granted on terms and conditions more favorable or less burdensome than those contained in this Renewal Franchise, the Franchising Authority shall consider and negotiate, in good faith, equitable amendments to this Renewal Franchise.

(iii) The Franchisee shall not request, or receive, amendments in connection with any services, facilities, funding and/or fee requirements in this Renewal Franchise that have been satisfied as of the date of the public hearing in Section 2.3(b)(i) above.

Section 2.4---POLICE AND REGULATORY POWERS

By executing this Renewal Franchise, the Franchisee acknowledges that its rights are subject to the powers of the City to adopt and enforce general ordinances necessary to the safety and welfare of the public. The Franchisee shall comply with all applicable DPW regulations, and any ordinances and/or regulations enacted and/or amended by the City. Any conflict between the terms of this Renewal Franchise and any present or future lawful exercise of the City's police and regulatory powers shall be resolved in favor of the latter.

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Section 2.5---REMOVAL OR ABANDONMENT

Upon termination of this Renewal Franchise, or of any renewal thereof by passage of time or otherwise, the Franchisee shall remove all of its supporting structures, poles, Trunk and Distribution Systems, and other appurtenances from the Public Ways and shall restore the areas, as close as possible, to their original condition. If such removal is not complete within six (6) months of such termination, the Franchising Authority may deem any property not removed as having been abandoned.

ARTICLE 3

TRANSFER AND ASSIGNMENT OF RENEWAL FRANCHISE

Section 3.1---RESTRICTIONS AGAINST TRANSFERS

(a) Subject to applicable law, neither this Renewal Franchise, nor any rights or obligations of the Franchisee in or pursuant to this Renewal Franchise or the Cable System shall be transferred in part or as a whole, by assignment, trust, lease, sublease, pledge or other hypothecation, and is not to be sold, transferred, leased, assigned, or disposed of in part or as a whole, either by forced sale, merger, consolidation, or otherwise, nor shall title thereto, either legal or equitable, or any right or interest therein, pass to or vest in any Person, nor shall any change in control of the Franchisee or the Cable System occur, either by any act of the Franchisee or by any parent company of the Franchisee, by operation of law or otherwise, in each such case without the prior consent of the Franchising Authority, which consent shall not be unreasonably withheld or delayed, and which shall be expressed in writing, under such lawful conditions as may be therein reasonably prescribed by the Franchising Authority. The limitations and restrictions in this Section 3.1(a) shall not prohibit the provision of security interests in the Cable System for the purpose of securing financing; provided, however, that no change in ownership or Transfer as a result of any such security interests may be exercised or occur, except as allowed pursuant to Section 3.2 supra.

(b) For purposes of this Section 3.1, any sale, assignment or any other disposition of a majority ownership interest of the parent company of the Franchisee to any one Person or group of Persons acting in concert, in one transaction or a series of related transactions, shall be deemed to be a change of control of the Franchisee. This Section 3.1(b) shall not apply to an assignment or Transfer of the control to assignees or transferees controlled by the Franchisee or Transfer or assignment to the Franchisee's parent or an Affiliate; provided, however, that the Franchisee shall provide the Franchising Authority with prior, written notice of any such assignment or transfer of control. The word "control" as used in this section is not limited to major stockholders but includes actual working control in whatever manner exercised and includes control of the parent company of the Franchisee.

(c) Neither the Franchisee nor its parent company shall enter into any management contract or any other arrangement for the management of the Cable System, however structured, without the prior written consent of the Franchising Authority, which consent shall not be unreasonably withheld; provided, however, that this Section 3.1(c) shall not apply to the Franchisee's employment contracts and other personnel decisions.

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Section 3.2---APPROVAL PROCEDURE

(a) The Franchisee shall promptly notify the Franchising Authority of any action or proposed action requiring the consent of the Franchising Authority pursuant to this Article 3.

(b) The Franchisee shall submit to the Franchising Authority an original and ten (10) copies, unless otherwise directed, of its FCC Form 394 (or such other or successor form used to request consent to any such Transfer or assignment), together with all exhibits thereto, which form shall fully describe the action or proposed action and clearly state the basis on which the Transfer or assignment should be approved. The Franchising Authority reserves the right to require additional, reasonably appropriate documentation to support the Transfer request. The Transfer or assignment form shall be signed by the Franchisee and by the proposed transferee or by its representative, evidence of whose authority shall be submitted with such form.

(c) The consent of the Franchising Authority shall be given only after a public hearing, if such a hearing is deemed necessary by either the Franchising Authority or the transferee, to consider the written request for Transfer. The Franchising Authority shall complete review of the request for Transfer and make a decision thereto no later than one hundred twenty (120) days after receipt of the request for Transfer. If the Franchising Authority fails to render a final decision on such request within said 120 days, such request shall be deemed granted unless the requesting party and the Franchising Authority agree to an extension of time.

(d) For purposes of determining whether it shall consent to any such change of control and ownership, the Franchising Authority shall inquire into the legal, financial, and technical qualifications of the prospective controlling or owning Person, and any other criteria allowable by applicable law and including, but not limited to, such Person's cable-related experience, if any, in other communities, any and all matters relative to the ability and likelihood of such Person adhering to all of the terms and conditions of this Renewal Franchise.

(e) At any time during the City's review process, the Franchising Authority reserves the right to require additional supporting documentation from the Franchisee or any other Person involved in the action or proposed action. The Franchisee shall provide all requested assistance to the Franchising Authority in accordance with any such inquiry and, as appropriate, shall secure the cooperation and assistance of all other Persons involved in such action. Failure to provide all Transfer-related information reasonably requested by the Franchising Authority as part of said review process shall be a factor considered in the Franchising Authority's review of the proposed Transfer or change of control request.

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Section 3.3---CONDITIONS RELATED TO TRANSFER

(a) As a condition to the granting of any consent required by this Article 3, the Franchising Authority may require that each Person involved in any action described in Section 3.1 supra shall execute an agreement, in a form and containing such lawful conditions as may be required by the Franchising Authority, specifying that said Person assumes and agrees to be bound by all applicable provisions of this Renewal Franchise.

(b) Any proposed controlling or owning Person or transferee approved by the Franchising Authority shall be subject to all of the applicable terms and conditions contained in this Renewal Franchise; provided, however, that any such Person or transferee shall be subject to reasonable additional terms and conditions as may be appropriate, consistent with the requirements of applicable law, in order to assure the City that such Person or transferee shall adhere to all of the terms and conditions in this Renewal Franchise.

(c) The consent of the Franchising Authority to a Transfer of this Renewal Franchise shall not be given if there is evidence in the Transfer petition or discovered in a subsequent investigation that the proposed transferee will not adhere to all of the terms and conditions of this Renewal Franchise.

Section 3.4---EFFECT OF UNAUTHORIZED ACTION

(a) The taking of any action in violation of Sections 3.1, 3.2 and/or 3.3 herein shall be null and void, and shall:

(i) be deemed a material breach of this Renewal Franchise; and

(ii) among other remedies available to the City, be subject to a liquidated damages assessment, which assessment shall be One Thousand Dollars (\$1,000.00) per day until the taking of an action described in Section 3.2 supra is approved, or if not approved, until the prior ownership, control or other status quo ante is restored to a condition satisfactory to the City.

(b) If the Franchising Authority denies its consent to any such action and a Transfer has nevertheless been effected, upon ten (10) days written notice to the Franchisee during which time the Franchisee shall have the opportunity to cure such action, the Franchising Authority may revoke and terminate this Renewal Franchise.

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Section 3.5---NO WAIVER OF RIGHTS

(a) The consent or approval of the Franchising Authority to any assignment, lease, Transfer, sublease, or mortgage of the Renewal Franchise granted to the Franchisee shall not constitute a waiver or release of the rights of the City in and to the streets and Public Ways or any other rights of the City under this Renewal Franchise, and any such Transfer shall, by its terms, be expressly subordinate to the terms and conditions of the Renewal Franchise.

(b) The grant or waiver of any one or more of such consents shall not render unnecessary any subsequent consent or consents, nor shall the grant of any such consent constitute a waiver of any other rights of the City.

ARTICLE 4

SYSTEM DESIGN

Section 4.1---SUBSCRIBER NETWORK

(a) Subject to Section 5.1 infra, the Franchisee shall continue to operate, maintain and make available to residents of the City its existing 750 MHz Subscriber Network, fed by means of a hybrid fiber-optic/coaxial cable network. Said Cable System shall be fully capable of carrying at least seventy-eight (78) analog NTSC video channels in the downstream direction. Said 750 MHz Cable System is designed for 550 MHz of Signal transmissions, with 200 MHz reserved for future digital or analog transmission(s), which may be subject to change at the discretion of the Franchisee.

(b) The Franchisee shall transmit all of its Signals to Manchester Subscribers in stereo, provided that such Signals are furnished to the Franchisee in stereo.

(c) Within twelve (12) months of the Execution Date of this Renewal Franchise, the Franchisee shall remove its 450 MHz subscriber network and related equipment from the Public Ways; provided, however, that the Franchisee may retain those portions of said 450 MHz subscriber network plant that can and reasonably may be utilized during the renewal term; and, provided, further, that the Franchisee shall work with the Franchising Authority, in good faith, to address any concerns of the City regarding the Franchisee's occupation of the Public Ways and/or public safety. In the event of disagreement between the City and the Franchisee on specific cable plant to be removed from the Public Ways, the City and the Franchisee shall meet and discuss the issue(s), in good faith, in order to resolve any such disagreements. The City shall request that other users of the Public Ways use their best efforts to remove unused plant and equipment from the Public Ways.

(d) Pursuant to the terms of the Social Contract during the term of the Social Contract, the Franchisee hereby agrees that (i) it shall not make a cost-of-service filing to recoup the cost of construction of said 750 MHz Subscriber Network in the City and (ii) it shall not treat the cost of the 750 MHz Subscriber Network in the City as an external cost pass-through to Subscribers or a basis for a rate adjustment.

Section 4.2---EMERGENCY ALERT SYSTEM

The Subscriber Network shall comply with the FCC's Emergency Alert System ("EAS") regulations.

Section 4.3---PARENTAL CONTROL CAPABILITY

The Franchisee shall provide, upon request, Subscribers with the capability to control the reception of any channels being received on their television sets, at a cost, if any, pursuant to applicable law(s).



ARTICLE 5

MAINTENANCE AND OPERATION

Section 5.1---SERVICE AVAILABLE TO ALL RESIDENTS

(a) The Franchisee shall make its Cable System Service available to all residents of the City, within fifteen (15) days of a request therefor, subject to paragraph (b) below and provided that the Franchisee is able to obtain any necessary easements and/or permits.

(b) Installation charges shall be non-discriminatory. A standard aerial installation charge shall be established by the Franchisee which shall apply to any residence located not more than one hundred fifty feet (150') from the existing aerial Trunk and Distribution System and additions thereto. The Franchisee may charge residents located more than 150 aerial feet from the existing aerial Trunk and Distribution System, and additions thereto, time and materials charges. The Franchisee shall have up to, but not more than, ninety (90) days in order to survey, design and install non-standard installations that are more than 150 aerial feet from the existing trunk and distribution system. Underground installations are considered non-Standard Installations and may be subject to additional charge(s).

Section 5.2---LOCATION OF CABLE TELEVISION SYSTEM

The Franchisee shall operate and maintain the Cable Television System within the City of Manchester. Poles, towers and other obstructions shall be erected so as not to interfere with vehicular or pedestrian traffic over Public Ways. The erection and location of all poles, towers and other obstructions shall be in accordance with all applicable state and local laws and regulations.

Section 5.3---UNDERGROUND FACILITIES

(a) In the areas of the City having telephone lines and electric utility lines underground, whether required by law or not, all of the Franchisee's lines, cables and wires shall be underground. At such time as these facilities are placed underground by the telephone and electric utility companies at their sole cost and expense or are required to be placed underground by the City at the sole cost and expense of such telephone and electric utility companies, the Franchisee shall likewise place its facilities underground at its sole cost and expense.

(b) Underground cable lines shall be placed beneath the pavement subgrade in compliance with applicable City by-laws, rules, regulations and/or standards. It is the policy of the City that existing poles for electric and communication purposes be utilized wherever possible and that underground installation is preferable to the placement of additional poles.

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Section 5.4---TREE TRIMMING

In installing, operating and maintaining equipment, cable and wires, the Franchisee shall avoid all unnecessary damage and injury to trees, structures, and improvements in and along Public Ways. The Franchisee shall comply with all rules established by the Franchising Authority and/or its designee(s) during the term of this Renewal Franchise. All tree and/or root trimming and/or pruning provided for herein shall be done pursuant to appropriate regulations of the City's DPW.

Section 5.5---RESTORATION TO PRIOR CONDITION

Whenever the Franchisee takes up or disturbs any pavement, sidewalk or other improvement of any Public Way, the same shall be replaced and the surface restored in as good condition as before entry as soon as practicable. If the Franchisee fails to make such restoration within a reasonable time, the Franchising Authority may fix a reasonable time for such restoration and repairs and shall notify the Franchisee in writing of the restoration and repairs required and the time fixed for performance thereof. Upon failure of the Franchisee to comply within the specified time period, the Franchising Authority may cause proper restoration and repairs to be made and the reasonable expense of such work shall be paid by the Franchisee upon demand by the Franchising Authority.

Section 5.6---TEMPORARY RELOCATION

The Franchisee shall temporarily raise or lower its wires or other equipment upon the reasonable request of any Person holding a building moving permit issued by the City. The expense of such raising or lowering shall be paid by the party requesting such move, unless otherwise required or permitted by applicable law. The Franchisee shall be given reasonable notice necessary to maintain continuity of service.

Section 5.7---DISCONNECTION AND RELOCATION

The Franchisee shall, without charge to the City, protect, support, temporarily disconnect, relocate in the same Street or other Public Way, or remove from any Street or any other Public Ways, any of its property as required by the Franchising Authority and/or its designee(s) by reason of traffic conditions, public safety, street construction, change or establishment of street grade, or the construction of any public improvement or structure by any City department acting in a governmental capacity.

Section 5.8---SAFETY STANDARDS

The Franchisee shall operate, maintain and remove the Cable Television System in conformance with Occupational Safety and Health Administration regulations, the New Hampshire Electrical Code, the National Electrical Code, the NCTA Safety Manual, the National Electrical Safety Code, the National Television Standards Code, the Bell

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Telephone Systems Code of Pole Line Construction (when applicable), the rules and regulations of the FCC, all State and local laws, and all land use restrictions as the same exist or may be amended hereafter. Enforcement of such codes shall be by the appropriate regulatory authority.

Section 5.9---PEDESTALS

In any cases in which pedestals housing active and passive devices are to be utilized, in City Public Ways or within the City public lay-out, such equipment must be installed in accordance with applicable City rules, regulations and/or by-laws. All such equipment shall be shown on the maps submitted to the City in accordance with Section 5.12 infra.

Section 5.10---PRIVATE PROPERTY

The Franchisee shall be subject to all laws, by-laws and/or regulations regarding private property in the course of constructing, installing, operating and maintaining the Cable Television System in the City. The Franchisee shall promptly repair or replace all private property, real and personal, damaged or destroyed as a result of the construction, installation, operation or maintenance of the Cable System at its sole cost and expense.

Section 5.11---RIGHT TO INSPECTION OF CONSTRUCTION

The Franchising Authority and/or its designee(s) shall have the right to inspect all construction and installation work performed subject to the provisions of this Renewal Franchise in order to ensure compliance with the terms and conditions of this Renewal Franchise and all other applicable law. Any such inspection shall not interfere with the Franchisee's operations, except in emergency situations.

Section 5.12---CONSTRUCTION MAPS

Upon written request, the Franchisee shall file with the Franchising Authority strand maps of all Cable System plant in paper and/or CAD-CAM format, if the Franchisee has maps in such format, unless the Franchising Authority or its designee identifies a different format for said mapping. If changes are made in the Cable System, the Franchisee shall make available updated maps annually, not later than fourteen (14) days after each anniversary of the Effective Date of this Renewal Franchise.

Section 5.13---COMMERCIAL ESTABLISHMENTS

The Franchisee shall make Cable Service(s) available to any commercial establishments in the City, upon the parties reaching a reasonable agreement regarding the terms and costs of initial installation, including Cable Systems extensions, if any, and Service.

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Section 5.14---SERVICE INTERRUPTION

Except where there exists an emergency situation necessitating a more expeditious procedure, the Franchisee may interrupt service for the purpose of repairing or testing the Cable Television System, only during the period from midnight to 5:00 A.M. and, if practical, only after a minimum of twenty-four (24) hours notice to all affected Subscribers.

ARTICLE 6

SERVICES AND PROGRAMMING

Section 6.1---BASIC SERVICE

The Franchisee shall provide a Basic Service which shall include all Signals which are required to be carried by a cable television system serving the City pursuant to statute or regulation.

Section 6.2---PROGRAMMING

(a) Pursuant to Section 624 of the Cable Act, the Franchisee shall maintain the mix, quality and broad categories of Programming set forth in *Exhibit 1*, attached hereto and made a part hereof. Pursuant to federal law, all Programming decisions, including the Programming listed in Exhibit 1, but excluding PEG Access Programming, are at the sole discretion of the Franchisee, unless otherwise provided by applicable law(s).

(b) The Franchisee shall provide the Franchising Authority and all Subscribers with notice of its intent to change the Manchester Programming line-up at least thirty (30) days before any such change is to take place.

Section 6.3---LEASED CHANNELS FOR COMMERCIAL USE

Pursuant to Section 612 (b)(1)(B) of the Cable Act, the Franchisee shall make available channel capacity for commercial use by Persons unaffiliated with the Franchisee.

Section 6.4---VCR/CABLE COMPATIBILITY

In order that Subscribers to the Cable Television System have the capability to simultaneously view and tape any channel and set their "time shifter" to record multiple channels remotely, the Franchisee shall provide to any Subscriber, upon request, an A/B switch, which will allow VCR owners to tape and view any channel capable of being tuned by such owner's television set and/or VCR, except two scrambled Signals. Said A/B switch shall be available to all Subscribers, at a cost in compliance with applicable law, no later than the Effective Date of this Renewal Franchise.

Section 6.5---SIGNAL ENCODING

(a) Subject to applicable law(s), the Franchisee shall not Scramble or otherwise encode, in any manner or form, for the entire term of this Renewal Franchise, (1) any off-the-air

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Signals and/or (2) any of the PEG Access Channels. For purposes of this Section 6.5(a), "off-the-air Signals" shall mean any local broadcast television Signals received at the Franchisee's Headend without the aid of any intervening relay device or receiving dishes. For purposes of this section, the word "local" shall have the meaning as defined by applicable law and/or regulation.

(b) The Franchisee reserves its rights to Scramble or otherwise encode any cable channel(s), in the Franchisee's judgment, to protect the Franchisee from unauthorized reception of its Signals.

Section 6.6---CONTINUITY OF SERVICE

It shall be the right of all Subscribers to receive Service insofar as their financial and other obligations to the Franchisee are honored. The Franchisee shall ensure that all Subscribers receive continuous, uninterrupted Service, except for necessary Service interruptions. When necessary, non-routine Service interruptions can be anticipated, the Franchisee shall notify Subscribers of such interruption(s) in advance.

Section 6.7---FREE DROPS, OUTLETS AND MONTHLY SERVICE TO PUBLIC BUILDINGS AND SCHOOLS

(a) The Franchisee shall continue to provide, install and maintain one (1) free Subscriber Standard Installation Cable Drop and Outlet and monthly Basic Service, except for any Pay Cable and/or Pay-Per-View Programming, to all police and fire stations, public schools, public libraries and other public buildings along the Cable System plant route included in *Exhibit 2*, attached hereto and made a part hereof, and any other public buildings and schools along the Cable System plant route as designated by the Franchising Authority. The Franchisee shall coordinate the location of each Drop with each of the aforementioned institutions newly receiving Service. There shall be no costs to the City or any designated institution for the Standard Installation and provision of monthly Basic Service and related maintenance.

(b) The Franchisee shall supply one (1) Converter for each Outlet, without charge to the City, if required for the reception of monthly Basic Service. The Franchisee shall maintain such Outlets and Converters for normal wear and tear, at its sole cost and expense; provided, however, that the City shall be responsible for repairs and/or replacement necessitated by any acts of vandalism or theft.

(c) The Franchisee shall discuss the location of each Drop and/or Outlet with the proper officials in each of the buildings, schools and/or institutions entitled to such a Drop or Outlet, prior to any such installation. The Franchisee shall provide Standard Installation of such Drops and/or Outlets within sixty (60) days of any such requests from the Franchising Authority, subject to Force Majeure.

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Section 6.8---CHANGES IN CABLE TELEVISION TECHNOLOGY

(a) At the performance evaluation hearing(s), pursuant to Section 10.2 infra, the Franchisee shall review with the Franchising Authority and/or its designee(s) changes in relevant cable television technology (as defined below) that might benefit Manchester Subscribers. For purposes of this section, "relevant cable television technology" shall be defined as those technologies that the Franchisee and the Franchising Authority shall, in good faith, agree to be included in said annual hearing. Such technologies shall include, but not be limited to, Subscriber Converters optimally compatible with VCRs and cable-ready television sets, high-definition television, digital compression, remote control devices and new Scrambling/descrambling processes.

(b) Notwithstanding the annual requirements of paragraph (a) above, upon request, the Franchisee shall keep the Franchising Authority up-to-date on those technological developments that will have an impact on Manchester Subscribers including, but not limited to, new Subscriber equipment for the home.

Section 6.9---FCC SOCIAL CONTRACT

(a) The Franchisee shall give the Franchising Authority reasonable written notice of the expiration of the FCC Social Contract.

(b) Notwithstanding the expiration of the Social Contract, the Franchisee shall provide free Internet service(s) to the Manchester Public Schools through June 30, 2002, without charge(s) of any kind to the City, the Manchester Public Schools and/or Manchester Subscribers. Said Internet service(s) shall conform to the minimum requirements contained in the Social Contract.

ARTICLE 7

PUBLIC, EDUCATIONAL AND GOVERNMENTAL ACCESS
FACILITIES AND SUPPORT

Section 7.1---ACCESS PROVIDER

As designated by the Franchising Authority from time to time, the Access Provider shall provide services to PEG Access Users as follows:

- (1) Manage the annual funding, pursuant to Section 7.2 herein;
- (2) Purchase and/or lease equipment with funding pursuant to Section 7.3 herein;
- (3) Schedule, operate and program the PEG Access Channels provided in accordance with Section 7.4 herein;
- (3) Conduct training programs in the skills necessary to produce quality PEG Access programming;
- (4) Provide technical assistance, pre-production services, post-production services and production services to PEG Access Users, using Access Provider staff and volunteers;
- (5) Establish rules, procedures and guidelines for use of the PEG Access Channels;
- (6) Provide publicity, fund-raising, outreach, referral and other support services to PEG Access Users;
- (7) Accomplish such other tasks relating to the operation, scheduling and/or management of the PEG Access Channels, facilities and equipment as appropriate and necessary; and
- (8) Produce or assist Users in the production of original, non-commercial Video Programming of interest to Subscribers and focusing on City issues, events and activities.

Section 7.2---PEG ACCESS ANNUAL FUNDING

The Access Provider shall receive annual funding from the Franchising Authority from the annual Franchise Fee payments, pursuant to Section 8.1 infra.

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Section 7.3---PEG ACCESS EQUIPMENT/CAPITAL FUNDING

(a) The Franchisee shall provide funding to the City and/or the Access Provider, as determined by the Franchising Authority, in the amount of Nine Hundred Thousand Dollars (\$900,000.00) to be used to purchase and/or lease PEG Access equipment and facilities, payable as follows:

+ \$250,000.00 payable to the City or the Access Provider within fourteen (14) days of the Execution Date of this Renewal Franchise; and

+ \$400,000.00 payable to the City or the Access Provider on January 31, 2001;
and

+ \$250,000.00 payable to the City or the Access Provider on June 30, 2001.

(b) The Franchisee hereby agrees that it shall in no way externalize, line-item and/or pass-through said Nine Hundred Thousand Dollars (\$900,000.00) to Manchester Subscribers.

(c) In no case shall the \$900,000.00 PEG Access equipment payment(s), pursuant to paragraph (a) above, be counted against any Franchise Fee payment(s), required by Section 8.1 infra, and/or any other fees or payments required by applicable law.

(d) The payments in paragraph (a) shall be made directly to the City and/or the Access Provider, as directed by the Franchising Authority.

(e) In the event that payments required to be made herein are not tendered on or before the dates fixed herein, interest due on such required payments shall accrue from the date due and be paid to the City and/or the Access Provider, as directed by the Franchising Authority, at the annual rate of two percent (2%) above the Prime Rate.

Section 7.4---PEG ACCESS CHANNELS

(a) The Franchisee shall make available three(3) Downstream Channels for Manchester PEG Access use, as follows:

- (i) One (1) Downstream Channel for Public Access Programming, to be programmed by the City and/or the Access Provider;
- (ii) One (1) Downstream Channel for Educational Access Programming, to be programmed by the City and/or the Manchester Public Schools; and
- (iii) One (1) Downstream Channel for Governmental Access Programming, to be programmed by the City and/or the Access Provider.

(b) On or at any time after the third anniversary of the Effective Date of this Renewal Franchise, the Franchising Authority and/or the Access Provider shall have the right to use of a fourth PEG Access Channel. In order to obtain said fourth PEG Access Channel, the Franchising Authority shall write to the Franchisee, stating that the three

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(3) existing PEG Access Channels are being substantially programmed with locally-produced programming during available cablecast hours and that there is a need for a fourth PEG Access Channel in order to provide additional programming for the benefit of Manchester Subscribers during available cablecast hours. In its letter to the Franchisee, the Franchising Authority shall state, in good faith, that such a fourth PEG Access Channel (i) will be substantially programmed; and (ii) is necessary to accomplish the stated PEG Access Programming goals of the City and/or the Access Provider. Such a fourth PEG Access Channel will not be used simply to repeat PEG Access Programming that is already carried on the other three (3) PEG Access Channels, but will be used to carry substantially new PEG Access Programming. The Franchising Authority agrees that such a fourth PEG Access Channel shall not be utilized solely to carry character-generated messages; provided, however, that the City and/or the Access Provider may use said fourth PEG Access Channel to carry character-generated messages along with other new PEG Access Programming.

(i) At such time as the Franchising Authority requests such fourth PEG Access Channel, at the request of the Franchisee, the Franchising Authority and the Franchisee agree to meet in order to discuss said request.

(ii) For purposes of this Section 7.4(b), "available cablecast hours" shall mean the hours of 10:00 AM to 10:00 PM.

(c) The Franchisee shall provide a fifth downstream PEG Access Channel for use by the City, its designee(s) and/or the Access Provider when the PEG Access Channel(s) programmed by the City, its designees and/or the Access Provider, pursuant to Section 7.4(a) & (b) above, are being programmed with original, non-duplicative, locally produced programming seventy-five percent (75%) of the available cablecast hours in a three (3) month period.

(iii) For purposes of this Section 7.4(c), "available cablecast hours" shall mean the hours of 10:00 AM to 10:00 PM.

(d) Said PEG Access Channels shall be used to transmit PEG Access Programming to Subscribers at no cost to the City, Subscribers and/or PEG Access Users.

(e) The Franchisee shall not move or otherwise relocate the channel location(s) of the PEG Access Channel(s), once established, without the advance, written notice to the Franchising Authority and the Access Provider; such notice shall be at least ninety (90) days.

(i) In the event that the Franchisee does relocate a PEG Access Channel, the Franchisee shall provide marketing assistance to the City and/or the Access Provider. In the event of a relocation, the Franchisee shall contribute to any costs resulting from said relocation, such as new stationary, new logos, etc. The Franchisee shall use its best efforts, in good faith, to minimize any PEG Access Channel(s) relocations.

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(f) Within thirty (30) days of the Execution Date of this Renewal Franchise, the Franchisee shall move the current PEG Access Channel, currently on Cable Channel 9, to another channel location; provided, however, that this move is not subject to the PEG Access relocation costs in Section 7.4(e)(i) above.

(g) The Franchisee shall maintain and operate the PEG Access Channels, and shall monitor the PEG Access Channel(s) for technical Signal quality and shall ensure that they are maintained at standards commensurate with those which apply to the Cable System's commercial channels pursuant to FCC technical standards. The City and/or the Access Provider shall be responsible for the picture quality of all PEG Access Programming at the demarcation point, which shall be at the modulator input located at (i) City Hall and (ii) the current (as of the Execution Date) PEG Access studio.

(h) There shall be no new charges to the City of Manchester for the provision of said PEG Access Downstream Channels, nor shall there be any new external and/or line-itemed costs or charges by the Franchisee to Manchester Subscribers related to such PEG Access Channel(s).

(i) Pursuant to Section 7.6 infra, the Franchisee shall be responsible for ensuring that PEG Access Programming can be originated from Manchester City Hall and the current (as of the Execution Date) PEG Access studio, and sent to the Headend or Hub on a dedicated fiber link provided by the Franchisee for interconnection with and on said Downstream PEG Access Channels. There shall be no charges to the City of Manchester for the provision of said PEG Access origination capability, nor shall there be any new external and/or line-itemed costs or charges by the Franchisee to Manchester Subscribers related to such PEG Access origination capability, except for maintenance costs actually-incurred by the Franchisee, if any.

(j) In the event that the Franchisee digitizes all or most of its Channels on the Cable System, the Franchisee shall maintain, at a minimum, the number of PEG Access Channels in Section 7.4(a) herein, or, at its discretion and in compliance with applicable law, provide the equivalent amount of bandwidth for PEG Access purposes.

Section 7.5---CENSORSHIP

The Franchisee shall not engage in any program censorship or any other control of the content of the PEG Access Programming on the Cable System, except as otherwise required or permitted by applicable law.

Section 7.6---ACCESS CABLECASTING

(a) In order that PEG Access Programming can be cablecast over the PEG Access Downstream Channels, all PEG Access Programming shall be modulated, then transmitted from Manchester City Hall and/or the current (as of the Execution Date) PEG Access studio, to the Headend or Hub, on a dedicated fiber link made available, without charge, to the City and/or the Access Provider for its use. At the Headend, said Access

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Programming shall be retransmitted in the downstream direction on one of the PEG Access Downstream Channel(s).

(b) It shall be the Franchisee's sole responsibility to ensure that said PEG Access Programming is properly switched, either manually or electronically, to the appropriate PEG Access Downstream Channel(s), in an efficient and timely manner. The Franchisee shall not charge the City and/or the Access Provider for such switching responsibility. The Franchisee and the Franchising Authority shall negotiate in good faith any difficulties that arise regarding cablecasting of PEG Access Programming.

(c) The Franchisee shall maintain and continue to operate (i) the current (as of the Execution Date) fiber-optic upstream link between City Hall and the Headend, and (ii) the current (as of the Execution Date) fiber-optic upstream link between the access studio and the Headend. There shall be no charges of any kind to the City, the Access Provider and/or Subscribers for the continued provision of said upstream links.

(d) The Franchisee shall provide and maintain all other necessary switching and/or processing equipment located in its Headend facility in order to switch upstream Signals from the City and/or the Access Provider to the designated Downstream Access Channel(s). Nothing herein shall require the Franchisee to provide any other switching equipment or any other end-user equipment.

ARTICLE 8

FRANCHISE FEES

Section 8.1---FRANCHISE FEE PAYMENTS

(a) The Franchisee shall pay to the City, throughout the term of this Renewal Franchise, a Franchise Fee equal to five percent (5%) of the Franchisee's Gross Annual Revenues.

(b) Said Franchise Fee payments shall be made to the City on a quarterly basis.

(c) The first payment to the City shall be on January 31, 2001, and shall constitute 5% of the Franchisee's Gross Annual Revenues for the preceding period of October 20, 2000 through December 31, 2000. The second payment shall be made on April 30, 2001 for the preceding three (3) month period for January, February and March. The third payment shall be made on July 31, 2001 for the preceding three (3) month period for April, May and June. The fourth payment shall be made on October 31, 2001 for the preceding three (3) month period for July, August and September. The Franchisee's 5% Franchise Fee payments to the City shall thereafter continue to be made on a quarterly annual basis throughout the term of this Renewal Franchise.

(d) The Franchisee shall file with each such quarterly payment a statement certified by an authorized agent of the Franchisee, documenting, in reasonable detail, the total of all Gross Annual Revenues of the Franchisee during the preceding three (3) month period. Along with such statement, the Franchisee shall also complete and submit the Gross Annual Revenues Reporting Form, attached hereto as *Exhibit 3*.

(e) In no case shall said 5% Franchise Fee payments include (i) the PEG Access equipment/capital payments required by Section 7.3 supra; (ii) any other fees or payments required by applicable law; (iii) any interest due herein to the City because of late payments; and/or (iv) any liquidated damages herein (Section 12.2). Pursuant to Section 622(f) of the Cable Act, the Franchise Fee may appear as a line-item on subscriber bills.

(f) Consistent with Section 622(h) of the Cable Act, any Person, including a Leased Access User, who or which distributes any Service over the Cable System for which charges are assessed to Subscribers but not received by the Franchisee, shall pay the City an amount equal to 5% of such Person's Gross Annual Revenues. If the Franchisee collects revenues for said Person, then the Franchisee shall collect said 5% payment on the Gross Annual Revenues of said Person and shall pay said amounts to the City. If the Franchisee does not collect the revenues for a Person that distributes any Service over the System, then the Franchisee shall notify any such Person of this 5% payment requirement and shall notify the City of such use of the Cable System by such Person(s).

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(g) In the event that the payments required herein are not tendered on or before the dates fixed herein, interest due on such payments accrue from the date due at two percent (2%) above the Prime Rate.

Section 8.2---OTHER PAYMENT OBLIGATIONS AND EXCLUSIONS

(a) The Franchise Fee payments shall be in addition to and shall not constitute an offset or credit against any and all taxes or other fees or charges of general applicability which Franchisee or any Affiliated Person shall be required to pay to the City, or to any State or federal agency or authority, as required herein or by law; the payment of said taxes, fees or charges shall not constitute a credit or offset against the Franchise Fee payments all of which shall be separate and distinct obligations of the Franchisee and each Affiliated Person. The Franchisee herein agrees that no such taxes, fees or charges shall be used as offsets or credits against the Franchise Fee payments.

(b) In accordance with Section 622(h) of the Cable Act, nothing in the Cable Act or this Renewal Franchise shall be construed to limit any authority of the Franchising Authority to impose a tax, fee or other assessment of any kind on any Person (other than the Franchisee) with respect to Cable Service provided by such Person over the Cable System for which charges are assessed to Subscribers but not received by the Franchisee. For any twelve (12) month period, the fees paid by such Person with respect to any such Cable Service or any other communications Service shall not exceed five percent (5%) of such Person's gross revenues derived in such period from the provision of such service over the System.

(c) The Franchising Authority may require the Franchisee to pay to the City an amount equal to the ordinary and reasonable costs which the City may incur in connection with any future Transfer of this Renewal Franchise, and/or any amendment of this Renewal Franchise required by law or initiated by the Franchisee, or any other modification of this Renewal Franchise initiated by the Franchisee, at such time and in such manner as the Franchising Authority and the Franchisee shall mutually determine; provided, however, that payment of any costs related to such a Transfer shall not exceed the sum of Two Thousand Dollars (\$2,000.00). Any such payment by the Franchisee shall be within the exclusion to the term "franchise fee" as defined in Section 622(g)(2)(D) of the Cable Act and shall not be deemed to be part of the Franchise Fee obligations of the Franchisee pursuant to Section 8.1 herein.

Section 8.3---LATE PAYMENT

In the event that the Franchise Fees herein required are not tendered on or before the dates fixed in Section 8.1 above, interest due on such fee shall accrue from the date due at the rate of two percent (2%) above the annual Prime Rate. Any payments to the City pursuant to this Section 8.3 shall not be deemed to be part of the Franchise Fees to be paid to the City pursuant to Section 8.1 hereof and shall be within the exclusion to the term "franchise fee" for requirements incidental to enforcing the Renewal Franchise pursuant to Section 622(g)(2)(D) of the Cable Act.

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Section 8.4---RECOMPUTATION

(a) In the event that the Franchising Authority receives a Franchise Fee pursuant to Section 8.1 above, tender or acceptance of any payment shall not be construed as an accord that the amount paid is correct, nor shall such acceptance of payment be construed as a release of any claim that the City may have for additional sums including interest payable under this Section 8.4. All amounts paid shall be subject to audit and recomputation by the City.

(b) If the Franchising Authority has reason to believe that any such payment(s) are incorrect and the Franchising Authority provides the Franchisee with written notice of, and the facts regarding, such belief, the Franchisee shall have ten (10) days to provide the City with additional information documenting and verifying the accuracy of any such payment(s). In the event that the Franchising Authority does not believe that such documentation supports the accuracy of such payment(s), and the Franchising Authority provides the Franchisee with a written explanation regarding such belief, the Franchising Authority may conduct an audit of such payment(s) within twelve (12) months of the payment date. If, after such audit and recomputation, an additional fee is owed to the City, such fee shall be paid to the City within thirty (30) days after such audit and recomputation, and the Franchisee shall pay for reasonable audit costs. The Franchisee's responsibility for said reasonable audit costs shall be limited to, and shall not exceed, the amount of any payment discrepancy discovered during such audit. The interest on such additional fee shall be charged from the due date at the rate of three percent (3%) above the Prime Rate during the period that such additional amount is owed. If, after such audit and recomputation, the Franchisee has overpaid, such overpayment shall be credited against the next Franchise Fee payment to the City, without interest charges of any kind.

Section 8.5---AFFILIATES USE OF SYSTEM

The Franchisee shall not permit the use or operation of the Cable System by Affiliates on terms which result in a diversion of revenues from operation of the Cable System to the detriment of the City under this Renewal Franchise. If requested by the Franchising Authority, the Franchisee shall be required to demonstrate that use or operation of the Cable System by an Affiliate is fair and competitive compared to such use by other third-parties. Should the Franchising Authority subsequently determine otherwise, the Franchisee shall enter into good faith negotiations to resolve any dispute(s) regarding gross revenue discrepancies on account of such a relationship.

Section 8.6---METHOD OF PAYMENT

All Franchise Fee payments by the Franchisee to the City pursuant to this Renewal Franchise shall be made payable to the City and deposited with the City Treasurer.

ARTICLE 9

RATES AND CHARGES

Section 9.1---RATE REGULATION

The City reserves the right to regulate the Franchisee's rates and charges to the extent allowable under State and federal laws.

Section 9.2---NOTIFICATION OF RATES AND CHARGES

(a) In accordance with applicable laws and regulations, the Franchisee shall file with the Franchising Authority schedules which shall describe all services offered by the Franchisee, all rates and charges of any kind, and all terms or conditions relating thereto.

(b) At the time of initial solicitation or installation of Service, the Franchisee shall also provide each Subscriber with a detailed explanation of downgrade and upgrade policies and the manner in which Subscribers may terminate cable service. Subscribers shall have at least thirty (30) days prior to the effective date of any rate increase to either downgrade service or terminate service altogether without any charge.

(c) At all times during the term of this Renewal Franchise, whenever a Manchester Subscriber calls the Franchisee to inquire about Basic Service rates, the Franchisee shall clearly inform all Subscribers and potential Subscribers about all levels and rates of its Services, including the availability and price of the lowest cost of Cable Service, either over the telephone or in writing. At least once a year during the term of this Renewal Franchise, the Franchisee shall distribute a written rate brochure to all Manchester Subscribers, which brochure shall contain the lowest cost of Cable Service, clearly listed and displayed.

Section 9.3---PUBLICATION AND NON-DISCRIMINATION

All rates for Subscriber services shall be published and non-discriminatory. A written schedule of all rates shall be available upon request during business hours at the Franchisee's business office. Nothing in this Renewal Franchise shall be construed to prohibit the reduction or waiver of charges in conjunction with promotional campaigns for the purpose of attracting or maintaining subscribers.

Section 9.4---CREDIT FOR SERVICE INTERRUPTION

In the event that Service to any Subscriber is interrupted for twenty-four (24) or more consecutive hours, the Franchisee shall grant such Subscriber a pro rata credit or rebate in compliance with applicable law(s).

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Section 9.5---SENIOR DISCOUNT

(a) Within six (6) months of the Execution Date of this Renewal Franchise, the Franchisee shall offer a ten percent (10%) discount on Basic Service (marketed as "Basic 1 Service" as of the Effective Date of this Renewal License), or any equivalent service tier as may exist in the future, to all senior citizens, age 65 and older, who qualify for the City's "Elderly Exemption", attached hereto as *Exhibit 4*. Qualified senior citizens who receive the "Elderly Exemption" must produce evidence of their eligibility to the Franchisee.

(b) The Franchisee shall provide a Standard Installation and Drop and free monthly Basic Service to a common room in each Elderly Housing development, as identified in *Exhibit 5*, attached hereto.

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ARTICLE 10

INSURANCE AND BONDS

Section 10.1---INSURANCE

(a) The Franchisee shall carry insurance throughout the term of this Renewal Franchise and any removal period, with the City listed as an additional insured with an insurance company satisfactory to the Franchising Authority, indemnifying the City and the Franchisee from and against all claims for injury or damage to Persons or property, both real and personal, caused by the construction, installation, operation, maintenance and/or removal of the Cable Television System. The amount of such insurance against liability for damage to property shall be no less than One Million Dollars (\$1,000,000.00) as to any one occurrence. The amount of such insurance for liability for injury or death to any Person shall be no less than One Million Dollars (\$1,000,000.00). The amount of such insurance for excess liability shall be Five Million Dollars (\$5,000,000.00) in umbrella form.

(b) The Franchisee shall carry insurance against all claims arising out of the operation of motor vehicles and general tort or contract liability in the amount of One Million Dollars (\$1,000,000.00).

(c) All insurance coverage, including Workers' Compensation, shall be maintained throughout the entire term of this Renewal Franchise. All expenses incurred for said insurance shall be at the sole cost and expense of the Franchisee.

(d) The following conditions shall apply to the insurance policies required herein:

(i) Such insurance shall commence no later than the Effective Date of this Renewal Franchise.

(ii) Such insurance shall be primary with respect to any insurance maintained by the City and shall not call on the City's insurance for contributions.

(iii) Such insurance shall be obtained from brokers or carriers authorized to transact insurance business in the State.

(e) This Renewal Franchise may, after hearing, be revoked for the Franchisee's failure to obtain or maintain the required insurance under this Renewal Franchise.

Section 10.2---PERFORMANCE BOND

(a) The Franchisee shall maintain, without charge to the City, throughout the term of the Renewal Franchise a faithful performance bond running to the City, with good and sufficient surety franchised to do business in the State in the sum of Two Hundred Fifty Thousand Dollars (\$250,000.00). Said bond shall be conditioned upon the faithful performance and discharge of all of the obligations imposed by this Renewal Franchise.

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(b) The performance bond shall be effective throughout the term of this Renewal Franchise, including the time for removal of all of the facilities provided for herein, and shall be conditioned that in the event that the Franchisee shall fail to comply with any one or more provisions of this Renewal Franchise, or to comply with any order, permit or direction of any department, agency, commission, board, division or office of the City having jurisdiction over its acts, or to pay any claims, liens, Franchise Fee(s) or taxes due the City which arise by reason of the construction, upgrade, maintenance, operation and/or removal of the Cable System, the City shall recover from the surety of such bond all damages suffered by the City as a result thereof, pursuant to Sections 12.1 and 12.2 infra.

(c) Said bond shall be a continuing obligation of this Renewal Franchise, and thereafter until the Franchisee has satisfied all of its obligations to the City that may have arisen from the grant of the Renewal Franchise or from the exercise of any privilege herein granted. In the event that the City recovers from said surety, the Franchisee shall take immediate steps to reinstate the performance bond to the \$250,00.00 required coverage herein. Neither this section, any bond accepted pursuant thereto, or any damages recovered thereunder shall limit the liability of the Franchisee under the Renewal Franchise.

Section 10.3---REPORTING

Within thirty (30) days of the Execution Date of this Renewal License, the Franchisee shall submit to the Franchising Authority, or its designee, copies of all current certificates regarding (i) all insurance policies and (ii) the performance bond required herein. In the event that any coverage required herein changes or is otherwise revised by the Franchisee and/or its agents, the Franchisee shall submit updated copies of all current certificates regarding (i) all insurance policies and (ii) the performance bond required herein to the Franchising Authority.

Section 10.4---INDEMNIFICATION

The Franchisee shall, at its sole cost and expense, indemnify and hold harmless the Franchising Authority, the City, its officials, boards, commissions, committees, agents and/or employees against all claims for damage due to the actions of the Franchisee, its employees, officers or agents arising out of the construction, installation, maintenance, operation and/or removal of the Cable Television System under the Renewal Franchise, including without limitation, damage to Persons or property, both real and personal, caused by the construction, installation, operation, maintenance and/or removal of any structure, equipment, wire or cable installed. Indemnified expenses shall include, without limitation, all out-of-pocket expenses, such as attorneys' fees, including the reasonable value of any services rendered by the City Solicitor. In the event that the City employs outside counsel for the purposes set forth herein, the Franchisee shall pay the costs of such outside counsel for such services. In consideration of the Franchisee's obligation to indemnify the City as aforesaid, the City agrees that it will, on request, surrender to the Franchisee, the defense of any claim for damages which the City claims a right to

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indemnification hereunder. The Franchisee shall then have the right to defend such claim and may employ attorneys of its own selection, at its sole cost and expense, to investigate, negotiate, settle or litigate any such claim or suit. The City agrees to cooperate fully in any such process. Any settlement requiring City remuneration must be with the advance, written consent of the Franchising Authority, which shall not be unreasonably denied, or at the Franchisee's sole cost and expense.

Section 10.5---NOTICE OF CANCELLATION OR REDUCTION OF COVERAGE

The insurance policies and the performance bond required herein shall each contain an explicit endorsement stating that such insurance policies and performance bond are intended to cover the liability assumed by the Franchisee under the terms of the Renewal Franchise and shall contain the following endorsement:

It is hereby understood and agreed that this policy (or performance bond) shall not be cancelled, materially changed or the amount of coverage thereof reduced until thirty (30) days after receipt by the Franchising Authority by certified mail of one (1) copy of a written notice of such intent to cancel, materially change or reduce the coverage required herein.

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ARTICLE 11

ADMINISTRATION AND REGULATION

Section 11.1---REGULATORY AUTHORITY

(a) The Franchising Authority and/or its designee(s) shall be responsible for the day to day regulation of the Cable Television System. The Franchising Authority and/or its designee(s) shall monitor and enforce the Franchisee's compliance with the terms and conditions of this Renewal Franchise. The Franchising Authority shall notify the Franchisee in writing of any instance of non-compliance pursuant to Section 12.1 infra.

(b) The Franchisee shall meet with the Committee on Administration or its designee(s), on a quarterly basis, as scheduled by the Committee on Administration, to review the Franchisee's operations in the City. Either party may request a meeting at any other time as well.

Section 11.2---PERFORMANCE EVALUATION HEARINGS

(a) Not more than once in every twelve (12) month period, the Franchising Authority may hold a performance evaluation hearing every year of this Renewal Franchise. All such evaluation hearings shall be open to the public. The purpose of said evaluation hearing shall be to, among other things, (i) review the Franchisee's compliance to the terms and conditions of this Renewal Franchise, with emphasis on PEG Access Channels, facilities and support; customer service and complaint response; and Programming; (ii) review current technological developments in the cable television field, pursuant to Section 6.8 supra; and (iii) hear comments, suggestions and/or complaints from the public. The Franchising Authority shall provide the Franchisee with reasonable advance, written notice regarding the hearing date and compliance matters.

(b) The Franchising Authority shall have the right to question the Franchisee on any aspect of this Renewal Franchise including, but not limited to, the operation, maintenance and/or removal of the Cable Television System. During review and evaluation by the Franchising Authority, the Franchisee shall fully cooperate with the Franchising Authority and/or its designee(s), and produce such documents or other materials as are reasonably requested from the City. Any Subscriber or other Person may submit comments during such review hearing, either orally or in writing, and such comments shall be duly considered by the Franchising Authority.

(c) Within sixty (60) days after the conclusion of such review hearing(s), the Franchising Authority may issue a written report with respect to the adequacy of Cable System performance and quality of Service, and send one (1) copy to the Franchisee and file one (1) copy with the City Clerk's Office. If inadequacies are found which result in a violation of any of the provisions of this Renewal Franchise, the Franchisee shall respond and

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propose a plan for implementing any changes or improvements necessary, pursuant to Section 12.1 infra.

Section 11.3---NONDISCRIMINATION

The Franchisee shall not discriminate against any Person in its solicitation or Service on the basis of race, color, creed, religion, ancestry, national origin, geographical location within the City, sex, affectional preference, disability, age, marital status, or status with regard to public assistance. The Franchisee shall be subject to all other requirements of federal and State laws or regulations, relating to nondiscrimination for the term of this Renewal Franchise.

Section 11.4---EMERGENCY REMOVAL OF PLANT

If, at any time, in case of fire or disaster in the City, it shall become necessary in the reasonable judgment of the Franchising Authority or any designee(s), to cut or move any of the wires, cables, amplifiers, appliances or appurtenances of the Cable Television System, the City shall have the right to do so at the sole cost and expense of the Franchisee. In such event, the Franchisee shall reimburse the Franchising Authority the cost and expense of such removal within thirty (30) days of submission of a bill thereof.

Section 11.5---REMOVAL AND RELOCATION

The Franchising Authority shall have the power at any time to order and require the Franchisee to remove or relocate any pole, wire, cable or other structure owned by the Franchisee that is dangerous to life or property. In the event that the Franchisee, after notice, fails or refuses to act within a reasonable time, the Franchising Authority shall have the power to remove or relocate the same at the sole cost and expense of the Franchisee. In such event, the Franchisee shall reimburse the Franchising Authority the cost and expense of such removal within thirty (30) days of submission of a bill thereof.

Section 11.6---INSPECTION

The Franchising Authority or its designee(s) shall have the right to inspect the plant, equipment or other property of the Franchisee in the City at reasonable times and under reasonable circumstances. The Franchisee shall fully cooperate in such inspections; provided, however, that such inspections are reasonable and do not interfere with the operation or the performance of the facilities of the Cable System, and that such inspections are conducted after reasonable notice to the Franchisee. The Franchisee shall be entitled to have a representative present during such inspections.

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Section 11.7---JURISDICTION

Jurisdiction and venue over any dispute, action or suit arising directly from this Renewal Franchise shall be in any court of appropriate venue and subject matter jurisdiction located in the State of New Hampshire and the parties by this instrument subject themselves to the personal jurisdiction of said court for the entry of any such judgment and for the resolution of any dispute, action, or suit.

ARTICLE 12

DETERMINATION OF BREACH
LIQUIDATED DAMAGES-FRANCHISE REVOCATION

Section 12.1---DETERMINATION OF BREACH

In the event that the Franchising Authority has reason to believe that the Franchisee has defaulted in the performance of any or several provisions of this Renewal Franchise, except as excused by Force Majeure, the Franchising Authority shall notify the Franchisee in writing, by certified mail, of the provision or provisions which the Franchising Authority believes may have been in default and the details relating thereto. The Franchisee shall have thirty (30) days from the receipt of such notice to:

(a) respond to the Franchising Authority in writing, contesting the Franchising Authority's assertion of default and providing such information or documentation as may be necessary to support the Franchisee's position; or

(b) cure any such default (and provide written evidence of the same), or, in the event that by nature of the default, such default cannot be cured within such thirty (30) day period, to take reasonable steps to cure said default and diligently continue such efforts until said default is cured. The Franchisee shall report to the Franchising Authority, in writing, by certified mail, at twenty-one (21) day intervals as to the Franchisee's efforts, indicating the steps taken by the Franchisee to cure said default and reporting the Franchisee's progress until such default is cured.

(c) In the event that (i) the Franchisee fails to respond to such notice of default; and/or (ii) the Franchisee fails to cure the default or to take reasonable steps to cure the default within the initial required thirty (30) day period; and/or (iii) the Franchising Authority is not satisfied with (1) the Franchisee's response pursuant to Section 12.1(a) above and/or (2) the Franchisee's efforts to cure pursuant to Section 12.1(b) above, the Franchising Authority or its designee shall promptly schedule a hearing no sooner than fourteen (14) days after written notice, by certified mail, to the Franchisee. The Franchisee shall be provided reasonable opportunity to offer evidence, question witnesses, if any, and be heard at such public hearing.

(d) Within thirty (30) days after said hearing, the Franchising Authority shall issue a written determination of its findings. In the event that the Franchising Authority determines that the Franchisee is in such default, the Franchising Authority may determine to pursue any of the following remedies:

(i) assess liquidated damages in accordance with the schedule set forth in Section 12.2 below;

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(ii) seek specific performance of any provision in this Renewal Franchise which reasonably lends itself to such remedy as an alternative to damages;

(iii) commence an action at law for monetary damages;

(iv) foreclose on all or any appropriate part of the security provided pursuant to Section 10.2 and/or Section 10.3 herein;

(v) declare the Renewal Franchise to be revoked subject to Section 12.3 below and applicable law;

(vi) invoke any other lawful remedy available to the City.

Section 12.2---LIQUIDATED DAMAGES

(a) For the violation of any of the following provisions of this Renewal Franchise, liquidated damages shall be paid by the Franchisee to the Franchising Authority, subject to Section 12.1 above. Any such liquidated damages shall be assessed as of the date that the Franchisee received written notice, by certified mail, of the provision or provisions which the Franchising Authority believes are in default, provided that the Franchising Authority made a determination of default pursuant to Section 12.1(d) above.

(1) For failure to fully activate, operate and maintain the Subscriber Network in accordance with Section 4.1 herein, Seven Hundred Fifty Dollars (\$750.00) per day, for each day that any such non-compliance continues.

(2) For failure to obtain the advance, written approval of the Franchising Authority for any transfer of this Renewal Franchise in accordance with Article 3 herein, One Thousand Dollars (\$1,000.00) per day, for each day that any such non-compliance continues.

(3) For failure to comply with the PEG Access programming and equipment provisions in accordance with the requirements in Article 7 herein, One Hundred Fifty Dollars (\$150.00) per day, for each day that any such non-compliance continues.

(4) For failure to install, operate and maintain the remote origination locations in accordance with Section 7.6 herein, One Hundred Dollars (\$150.00) per day that any such non-compliance continues.

(5) For failure to comply with the FCC's Customer Service Obligations in accordance with Section 13.5 infra, and Exhibit 5 attached hereto, One Hundred Fifty Dollars (\$150.00) per day that any such non-compliance continues.

(6) For failure to provide, install and/or fully activate the Subscriber Network and/or Outlets in accordance with Section 6.7 herein and/or Exhibit 2, Fifty Dollars (\$50.00) per day that any of such Drops and/or Outlets are not provided, installed and/or activated as required.

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(7) For failure to submit reports, pursuant to Article 14 herein, Fifty Dollars (\$50.00) per day that any of said reports are not submitted as required.

(b) Such liquidated damages shall not be a limitation upon, any other provisions of this Renewal Franchise and applicable law, including revocation, or any other statutorily or judicially imposed penalties or remedies; provided, however, that in the event that the Franchising Authority collects liquidated damages for a specific breach for a specific period of time, pursuant to Section 12.1 above, the collection of such liquidated damages shall be deemed to be the exclusive remedy for said specific breach for such specific period of time only.

(c) Each of the above-mentioned cases of non-compliance shall result in damage to the City, its residents, businesses and institutions, compensation for which will be difficult to ascertain. The Franchisee agrees that the liquidated damages in the amounts set forth above are fair and reasonable compensation for such damage. The Franchisee agrees that said foregoing amounts are liquidated damages, not a penalty or forfeiture, and are within one or more exclusions to the term "franchise fee" provided by Section 622(g)(2)(A)-(D) of the Cable Act.

Section 12.3---REVOCATION OF THE RENEWAL FRANCHISE

To the extent permitted by applicable law, in the event that the Franchisee fails to comply with any material provision of this Renewal Franchise, the Franchising Authority may revoke the Renewal Franchise granted herein.

Section 12.4---TERMINATION

The termination of this Renewal Franchise and the Franchisee's rights herein shall become effective upon the earliest to occur of: (i) the revocation of the Renewal Franchise by action of the Franchising Authority, pursuant to Section 12.1 and 12.3 above; (ii) the abandonment of the Cable System, in whole or material part, by the Franchisee without the express, prior approval of the Franchising Authority; and/or (iii) the expiration of the term of this Renewal Franchise. In the event of any termination, the City shall have all of the rights provided in this Renewal Franchise.

Section 12.5---NON-EXCLUSIVITY OF REMEDY

No decision by the Franchising Authority or the City to invoke any remedy under this Renewal Franchise or under any statute, law or by-law shall preclude the availability of any other such remedy.

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Section 12.6---NO WAIVER-CUMULATIVE REMEDIES

(a) No failure on the part of the Franchising Authority, the City or the Franchisee to exercise, and no delay in exercising, any right in this Renewal Franchise shall operate as a waiver thereof, nor shall any single or partial exercise of any such right preclude any other right, all subject to the conditions and limitations contained in this Renewal Franchise.

(b) The rights and remedies provided herein are cumulative and not exclusive of any remedies provided by law, and nothing contained in this Renewal Franchise shall impair any of the rights of the City under applicable law, subject in each case to the terms and conditions in this Renewal Franchise.

(c) No waiver of, nor failure to exercise any right or remedy by the Franchising Authority, City or the Franchisee at any one time shall affect the exercise of such right or remedy or any other right or remedy by the City at any other time. In order for any waiver of the Franchising Authority, City or the Franchisee to be effective, it shall be in writing.

(d) The failure of the Franchising Authority or the City to take any action in the event of any breach by the Franchisee shall not be deemed or construed to constitute a waiver of or otherwise affect the right of the Franchising Authority or the City to take any action permitted by this Renewal Franchise at any other time in the event that such breach has not been cured, or with respect to any other breach by the Franchisee.

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ARTICLE 13

SUBSCRIBER RIGHTS AND CONSUMER PROTECTION

Section 13.1---MANCHESTER CUSTOMER SERVICE OFFICE

(a) For the entire term of this Renewal Franchise, the Franchisee shall continue to operate one (1) full-time customer service office in the City of Manchester. Said customer service office shall be open for walk-in business during Normal Business Hours.

(b) There shall be no charges to the City and no externalization, line-item and/or pass-through to Subscribers of any existing (as of the Effective Date of this Renewal Franchise) costs related to said customer service office.

(c) The Franchisee shall periodically notify its Manchester Subscribers of said location.

Section 13.2---TELEPHONE ACCESS

(a) The Franchisee shall maintain sufficient customer service representatives to handle all Subscriber calls, during Normal Business Hours.

(b) The Franchisee's main customer service office(s) shall have a publicly listed toll-free telephone number for its Manchester Subscribers, unless required otherwise to be a local telephone number by applicable law.

(c) Pursuant to 47 C.F.R. §76.309(c)(1)(B), under normal operating conditions, telephone answer time by a customer representative, including wait time, shall not exceed thirty (30) seconds when the connection is made. If the call needs to be transferred, transfer time shall not exceed thirty (30) seconds. These standards shall be met no less than ninety percent (90%) of the time under normal operating conditions, measured on a quarterly basis.

(d) A Subscriber shall receive a busy signal less than three percent (3%) of the time that the Franchisee's customer service office is open for business, measured on a quarterly basis, under normal operating conditions.

(e) The Franchisee shall not be required to acquire equipment or perform surveys to measure compliance with the telephone answering standards above unless an historical record of complaints indicates a failure to comply.

Section 13.3---ANSWERING SERVICE

At all other times than those listed directly above, throughout the entire term of this Renewal Franchise, the Franchisee shall maintain a telephone answering service to handle

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Subscriber inquiries, complaints and emergencies, and provide proper referral regarding billing and other subscriber information. All such after-hours calls shall be logged by the Franchisee. Said answering service shall (i) forward all inquiries and/or complaints to the Franchisee the morning of the next business day and (ii) inform each Subscriber calling that his or her complaint will be referred to the Franchisee's Customer Service Department for response. If requested, the Franchisee shall promptly contact each individual Subscriber to follow-up on their individual problem and/or inquiry.

Section 13.4---INSTALLATION VISITS-SERVICE CALLS-RESPONSE TIME

(a) The Franchisee shall respond to all requests for aerial installation(s) within fifteen (15) days of such request, or at such other time as is mutually agreed-upon by the Franchisee and said Subscriber. Underground installation shall be completed as expeditiously as practicable. If arranging appointments for installation, the Franchisee shall specify in advance whether such will occur in the morning or afternoon, or a narrow interval, if possible, and the Franchisee shall make reasonable efforts to install at times convenient to Subscribers (including times other than (9:00 a.m. to 5:00 p.m. weekdays).

(b) The Franchisee shall be responsible for picking-up and changing-out Converters at a Subscriber's request at no additional charge, where such change-out is initiated by the Franchisee's expansion of channel capacity. Subscribers may also bring Converters to the Franchisee's Manchester Customer Service Office for drop-off or exchange themselves.

(c) A Subscriber complaint or request for service received after Normal Business Hours shall be responded to the next business morning.

(d) The Franchisee shall ensure that there are stand-by technicians on-call at all times after Normal Business Hours. The answering service shall be required to notify the stand-by technician(s) of (i) any emergency situations, (ii) an unusual number of calls and/or (iii) a number of similar Complaint calls or a number of calls coming from the same area.

(e) System outages shall be responded to immediately, twenty-four (24) hours a day by technical personnel. For purposes of this section, an outage shall be considered to occur when three (3) or more calls are received from any one neighborhood, concerning such an outage, or when the Franchisee has reason to know of such an outage.

(f) The Franchisee shall remove all Subscriber Cable Drops, within seven (7) days of receiving a request from a Subscriber to do so.

Section 13.5---FCC CUSTOMER SERVICE OBLIGATIONS

The Franchisee shall comply with the FCC's Customer Service Obligations, codified at 47 U.S.C. Section 76.309, as may be amended from time to time, which standards are attached hereto, and made a part hereof, as *Exhibit 6*.

-Manchester Cable Television Renewal Franchise-
matter. The Franchisee shall notify each new Subscriber, at the time of initial installation of Cable Service, of the procedures for reporting and resolving all of such complaints, and annually to all Subscribers.

(c) Notwithstanding the foregoing, if the Franchising Authority or its designee(s) determines it to be in the public interest, the Franchising Authority or its designee(s) may investigate any multiple complaints or disputes brought by Subscribers arising from the operations of the Franchisee.

(d) In the event that the Franchising Authority or its designee(s) finds a pattern of multiple unresolved Subscriber complaints, the Franchising Authority or its designee(s) and the Franchisee shall discuss, in good faith, possible amendments to the Franchisee's procedures for the resolution of complaints.

Section 13.8---REMOTE CONTROL DEVICES

The Franchisee shall allow its Subscribers to purchase, from legal and authorized parties other than the Franchisee, own, utilize and program remote control devices which are compatible with the Converter(s) provided by the Franchisee. The Franchisee takes no responsibility for changes in its equipment which might make inoperable the remote control devices acquired by Subscribers.

Section 13.9---EMPLOYEE IDENTIFICATION CARDS

All of the Franchisee's employees entering upon private property, in connection with the construction, installation, maintenance and/or operation of the Cable System, including repair and sales personnel, shall be required to produce, upon request, an employee identification card issued by the Franchisee and bearing a picture of said employee. If such employee(s) is not wearing such a photo-identification card and, as a result, is not admitted to a Subscriber's home, such visit shall be deemed to be a missed service visit by the Franchisee.

Section 13.10---PROTECTION OF SUBSCRIBER PRIVACY

(a) The Franchisee shall respect the rights of privacy of every Subscriber and/or User of the Cable Television System and shall not violate such rights through the use of any device or Signal associated with the Cable Television System, and as hereafter provided.

(b) The Franchisee shall comply with all privacy provisions contained in this Article 13 and all other applicable federal and State laws including, but not limited to, the provisions of Section 631 of the Cable Act.

(c) The Franchisee shall be responsible for carrying out and enforcing the Cable System's privacy policy, and shall at all times maintain adequate physical, technical and administrative security safeguards to ensure that personal subscriber information is handled and protected strictly in accordance with this policy.

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(d) The Franchisee shall notify all third parties who offer Cable Services in conjunction with the Franchisee, or independently over the Cable Television System, of the subscriber privacy requirements contained in this Renewal Franchise.

Section 13.11---PRIVACY WRITTEN NOTICE

At the time of entering into an agreement to provide any cable service or other service to a Subscriber, and annually thereafter to all Cable System Subscribers, the Franchisee shall provide Subscribers with written notice, as required by Section 631(a)(1) of the Cable Act, which, at a minimum, clearly and conspicuously explains the Franchisee's practices regarding the collection, retention, uses, and dissemination of personal subscriber information, and describing the Franchisee's policy for the protection of subscriber privacy.

Section 13.12---MONITORING

(a) Neither the Franchisee nor its agents nor the City nor its agents shall tap, monitor, arrange for the tapping or monitoring, or permit any other Person to tap or monitor, any cable, line, Signal, input device, or subscriber Outlet or receiver for any purpose, without the prior written authorization of the affected Subscriber or User unless legally authorized or ordered to do so by a court of law or other legal authority; provided, however, that the Franchisee may conduct system-wide or individually addressed "sweeps" solely for the purpose of verifying System integrity, checking for illegal taps, controlling return-path transmission, billing for pay Services or monitoring channel usage in a manner not inconsistent with the Cable Act. Unless legally authorized or ordered to do so by a court of law or other legal authority, the Franchisee shall report to the affected parties and the Franchising Authority any instances of monitoring or tapping of the Cable Television System, or any part thereof, of which it has knowledge, whether or not such activity has been authorized by the Franchisee.

(b) The Franchisee shall not record or retain any information transmitted between a Subscriber or User and any third party, except as required for lawful business purposes. The Franchisee shall destroy all subscriber information of a personal nature when such information is no longer necessary for the Franchisee's lawful business purposes, or as required by applicable State and/or federal law(s).

Section 13.13---DISTRIBUTION OF SUBSCRIBER INFORMATION

The Franchisee and its agents and/or employees shall not, without giving Subscribers an opportunity to prevent disclosure, disclose to any third party data identifying or designating any Subscriber either by name or address. Said opportunity to prevent disclosure shall be provided to each Subscriber annually through a written notice. A Subscriber shall have the right, at any time, to request the Franchisee not to disclose to any third party data identifying the Subscriber either by name or address and the Franchisee shall abide by this request.

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Section 13.14---POLLING BY CABLE

No poll of a Subscriber or User shall be conducted or obtained, unless (i) the program shall contain an explicit disclosure of the nature, purpose and prospective use of the results of the poll, and (ii) the program has an informational, entertainment or educational function which is self-evident. The Franchisee or its agents shall release the results only in the aggregate and without individual references.

Section 13.15---INFORMATION WITH RESPECT TO VIEWING HABITS
AND SUBSCRIPTION DECISIONS

Except as permitted by §631 of the Cable Act or pursuant to an order by a court, neither the Franchisee nor its agents nor its employees shall make available to any third party information concerning the viewing habits or subscription package decisions of any individual Subscriber.

Section 13.16---SUBSCRIBER'S RIGHT TO INSPECT AND VERIFY INFORMATION

(a) The Franchisee shall make available for inspection by a Subscriber at a reasonable time and place all personal subscriber information that the Franchisee maintains regarding said Subscriber.

(b) A Subscriber may obtain from the Franchisee a copy of any or all of the personal subscriber information regarding him or her maintained by the Franchisee. The Franchisee may require a reasonable fee for making said copy.

(c) A Subscriber or User may challenge the accuracy, completeness, retention, use or dissemination of any item of personal subscriber information. Such challenges and related inquiries about the handling of subscriber information shall be directed to the Franchisee's Corporate Counsel. The Franchisee shall change any such information upon a reasonable showing by any Subscriber that such information is inaccurate.

Section 13.17---PRIVACY STANDARDS REVIEW

The Franchising Authority and the Franchisee shall continually review this Article 13 to determine that it effectively addresses appropriate concerns about privacy. This Article may be amended periodically by agreement of the Franchising Authority and the Franchisee.

ARTICLE 14

REPORTS, AUDITS AND PERFORMANCE TESTS

Section 14.1---GENERAL

(a) Upon the written request of the Franchising Authority, the Franchisee shall promptly submit to the City any information regarding the Franchisee, its business and operations, and/or any Affiliated Person, with respect to the Cable System, in such form and containing such detail as may be reasonably specified by the City pertaining to the subject matter of this Renewal Franchise which may be reasonably required to establish the Franchisee's compliance with its obligations pursuant to this Renewal Franchise.

(b) If the Franchisee believes that the documentation requested by the Franchising Authority involves proprietary information, then the Franchisee shall submit the information to its counsel, who shall confer with the City Solicitor for a determination of the validity of the Franchisee's claim of a proprietary interest. If the City Solicitor agrees that the material is of a proprietary nature, the information furnished shall not be a public record, but the Franchisee shall make it available, on its premises, to the Franchising Authority, at times convenient for both parties. The Franchisee may require the Franchising Authority and/or its representatives to execute a confidentiality agreement before making any such information available.

Section 14.2---FINANCIAL REPORTS

(a) Upon written request, the Franchisee shall furnish the Franchising Authority and/or its designee(s) a sworn statement of the Franchisee's revenues pertaining to the Manchester Cable System and a balance sheet of the same. Said statements and balance sheet shall be sworn to by the Person preparing the same and by the Franchisee or an officer of the Franchisee.

(b) The Franchisee shall also provide a separate report including the following:

(i) All Gross Annual Revenues, as defined in Section 1.1(25) supra.

(ii) Any other reports required by State and/or federal law.

Section 14.3---CABLE SYSTEM INFORMATION

Upon written request, the Franchisee shall file annually with the Franchising Authority a statistical summary of the operations of the Cable System. Said report shall include, but not be limited to, (i) the number of Basic Service and Pay Cable Subscribers, (ii) the number of dwelling units passed and (iii) the number of Cable System plant miles completed.

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Section 14.4---IN-HOUSE TELEPHONE REPORTS

To establish the Franchisee's compliance with Sections 13.2 and 13.5 herein, the Franchisee shall provide, upon the reasonable request of the Franchising Authority, with a report of telephone traffic generated from an in-house automated call-accounting or call-tracking system.

Section 14.5---INDIVIDUAL COMPLAINT REPORTS

The Franchisee shall, within ten (10) business days after receiving a written request from the City, send a written report to the Franchising Authority with respect to any complaint. Such report shall provide a full explanation of the investigation, finding(s) and corrective steps taken.

Section 14.6---ANNUAL PERFORMANCE TESTS

The Franchisee shall provide copies of performance tests to the Franchising Authority in accordance with FCC regulations, as set out in 47 C.F.R. §76.601 et seq.

Section 14.7---QUALITY OF SERVICE

Where there exists evidence which, in the reasonable judgment of the Franchising Authority, casts doubt upon the reliability or technical quality of Cable Service(s), the Franchising Authority shall cite specific facts which casts such doubt(s), in a notice to the Franchisee. The Franchisee shall submit a written report to the Franchising Authority, within thirty (30) days of receipt of any such notice from the Franchising Authority, setting forth in detail its explanation of the problem(s).

Section 14.8---DUAL FILINGS

(a) If requested, the Franchisee shall make available to the City at the Franchisee's expense, copies of any petitions or communications with any State or federal agency or commission pertaining to any material aspect of the Cable System operation hereunder.

(b) In the event that either the Franchising Authority or the Franchisee requests from any State or federal agency or commission a waiver or advisory opinion, it shall immediately notify the other party in writing of said request, petition or waiver.

Section 14.9---INVESTIGATION

The Franchisee and any Affiliated Person(s) shall cooperate fully and faithfully with any lawful investigation, audit or inquiry conducted by a City agency; provided, however, that any such investigation, audit or inquiry is for the purpose of establishing the Franchisee's compliance with its obligations pursuant to this Renewal Franchise.

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ARTICLE 15

EMPLOYMENT

Section 15.1---EQUAL EMPLOYMENT OPPORTUNITY

The Franchisee shall be an Equal Opportunity/Affirmative Action Employer adhering to all federal, State and/or local laws and regulations. Pursuant to 47 CFR 76.311 and other applicable regulations of the FCC, the Franchisee shall file an Equal Opportunity/Affirmative Action Program with the FCC and otherwise comply with all FCC regulations with respect to Equal Employment/Affirmative Action Opportunities.

Section 15.2---NON-DISCRIMINATION

The Franchisee shall adhere to all federal and State laws prohibiting discrimination in employment practices.

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ARTICLE 16

MISCELLANEOUS PROVISIONS

Section 16.1---ENTIRE AGREEMENT

This instrument contains the entire agreement between the parties, supercedes all prior agreements or proposals except as specifically incorporated herein, and cannot be changed orally but only by an instrument in writing executed by the parties.

Section 16.2---CAPTIONS

The captions to sections throughout this Renewal Franchise are intended solely to facilitate reading and reference to the sections and provisions of the Renewal Franchise. Such captions shall not affect the meaning or interpretation of the Renewal Franchise.

Section 16.3---SEPARABILITY

If any section, sentence, paragraph, term or provision of this Renewal Franchise is determined to be illegal, invalid or unconstitutional, by any court of competent jurisdiction or by any State or federal regulatory agency having jurisdiction thereof, such determination shall have no effect on the validity of any other section, sentence, paragraph, term or provision hereof, all of which shall remain in full force and effect for the term of this Renewal Franchise.

Section 16.4---ACTS OR OMISSIONS OF AFFILIATES

During the term of this Renewal Franchise, the Franchisee shall be liable for the acts or omission of its Affiliates while such Affiliates are involved directly or indirectly in the construction, installation, maintenance or operation of the Cable System as if the acts or omissions of such Affiliates were the acts or omissions of the Franchisee.

Section 16.5---RENEWAL FRANCHISE EXHIBITS

The Exhibits to this Renewal Franchise, attached hereto, and all portions thereof, are incorporated herein by this reference and expressly made a part of this Renewal Franchise, unless such Exhibits are noted for informational purposes only.

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Section 16.6---WARRANTIES

The Franchisee warrants, represents and acknowledges that, as of the Effective Date of this Renewal Franchise:

(i) The Franchisee is duly organized, validly existing and in good standing under the laws of the State;

(ii) The Franchisee has the requisite power and authority under applicable law and its by-laws and articles of incorporation and/or other organizational documents, is authorized by resolutions of its Board of Directors or other governing body, and has secured all consents which are required to be obtained as of the Execution Date of this Renewal Franchise, to enter into and legally bind the Franchisee to this Renewal Franchise and to take all actions necessary to perform all of its obligations pursuant to this Renewal Franchise;

Section 16.7---FORCE MAJEURE

If by reason of Force Majeure either party is unable in whole or in part to carry out its obligations hereunder, said party shall not be deemed in violation or default during the continuance of such inability. The term "Force Majeure" as used herein shall mean the following: acts of God; acts of public enemies; orders of any kind of the government of the United States of America or of the State or any of their departments, agencies, political subdivision, or officials, or any civil or military authority; insurrections; riots; epidemics; landslides; lightening; earthquakes; fires; hurricanes; volcanic activity; storms; floods; washouts; droughts; civil disturbances; explosions; strikes; unavailability of essential equipment, services and/or materials beyond the control of the Franchisee; and any other matters beyond the reasonable control of the Franchisee.

Section 16.8---REMOVAL OF ANTENNAS

The Franchisee shall not remove any television antenna of any Subscriber but shall offer to said Subscriber an adequate switching device ("A/B Switch") to allow said Subscriber to choose between cable and non-cable television reception.

Section 16.9---SUBSCRIBER TELEVISION SETS

The Franchisee shall not engage directly or indirectly in the business of selling or repairing television or radio sets; provided, however, that the Franchisee may make adjustments to television sets in the course of normal maintenance.

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Section 16.10---APPLICABILITY OF RENEWAL FRANCHISE

All of the provisions in this Renewal Franchise shall apply to the City, the Franchisee, and their respective successors and assignees.

Section 16.11---NOTICES

(a) Every notice to be served upon the Franchising Authority shall be delivered, or sent by certified mail (postage prepaid) to the Board of Mayor and Aldermen, City of Manchester, City Hall, One City Hall Plaza, Manchester, New Hampshire 03101, or such other address as the Franchising Authority may specify in writing to the Franchisee, with a copy of such notice to the City Solicitor. The delivery shall be equivalent to direct personal notice, direction or order, and shall be deemed to have been given at the time of mailing.

(b) Every notice served upon the Franchisee shall be delivered or sent by certified mail (postage prepaid) to the Corporate Counsel, MediaOne of New Hampshire, Inc., 6 Campanelli Drive, Andover, MA 01810, with a copy of such notice to the Director of Government Affairs, AT&T Broadband, 180 Greenleaf Avenue, Portsmouth, New Hampshire 03801, or such other address as the Franchisee may specify in writing to the Franchising Authority, with a copy of such notice to the Franchisee's Legal Department at the same address. The delivery shall be equivalent to direct personal notice, direction or order, and shall be deemed to have been given at the time of mailing.

(c) Whenever notice of any public hearing relating to the Cable System is required by law or regulation, the Franchising Authority shall publish notice of the same, sufficient to identify its time, place and purpose, as may be required. The Franchisee shall pay for the cost of such notice.

(d) Subject to subsection (c) above, all required notices shall be in writing.

Section 16.12---NO RECOURSE AGAINST THE FRANCHISING AUTHORITY

Pursuant to Section 635A(a) of the Cable Act, the Franchisee shall have no recourse against the Franchising Authority, the City and/or its officials, boards, commissions, committees, members, agents or employees other than injunctive relief or declaratory relief, arising from the regulation of cable service or from a decision of approval or disapproval with respect to a grant, renewal, transfer, or amendment of this Renewal Franchise.

Section 16.13---CITY'S RIGHT OF INTERVENTION

The City hereby reserves the right, as authorized by applicable law and/or regulation, to intervene in any suit, action or proceeding involving this Renewal Franchise, or any provision in this Renewal Franchise; provided, however, that this section shall not

-Manchester Cable Television Renewal Franchise-

restrict the right of the Franchisee to oppose such intervention, pursuant to applicable law.

Section 16.14---TERM

All obligations of the Franchisee and the Franchising Authority set forth in the Renewal Franchise shall commence upon the Effective Date of this Renewal Franchise and shall continue for the term of the Renewal Franchise, except as expressly provided for otherwise herein.

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EXHIBITS

EXHIBIT 1

PROGRAMMING AND INITIAL SIGNAL CARRIAGE

The Franchisee shall provide the following broad categories of Programming:

- + News Programming;
- + Sports Programming;
- + Public Affairs Programming;
- + Children's Programming;
- + Entertainment Programming; and
- + Local Programming.

For informational purposes, it is the Franchisee's intention to have the following channel line-up upon the Effective Date of the Renewal Franchise, subject to applicable law and the Franchisee's editorial discretion.

{See Attached}

| | | |
|--|---|--|
| <input type="checkbox"/> 2 WGBH-2 (PBS) | <input type="checkbox"/> 37 A&E | <input checked="" type="checkbox"/> IN DEMAND PPV |
| <input type="checkbox"/> 3 MediaOne 3 | <input type="checkbox"/> 38 The Learning Channel | <input type="checkbox"/> 68 Game Show Network/ Leased Access |
| <input type="checkbox"/> 4 WBZ-4 (CBS) | <input type="checkbox"/> 39 Discovery Channel | <input type="checkbox"/> 69 FOX: Movies from Fox |
| <input type="checkbox"/> 5 WCVB-5 (ABC) | <input type="checkbox"/> 40 MSNBC | <input type="checkbox"/> 70 Speedvision |
| <input type="checkbox"/> 6 CKSH-9 (CAN) | <input type="checkbox"/> 41 Fox News | <input type="checkbox"/> 71 The History Channel |
| <input type="checkbox"/> 7 WHDH-7 (NBC) | <input type="checkbox"/> 42 CNN | <input type="checkbox"/> 72 Turner Classic Movies |
| <input type="checkbox"/> 8 WLVI-56 (WB) | <input type="checkbox"/> 43 CNN Headline+News | <input type="checkbox"/> 73 Cartoon Network |
| <input type="checkbox"/> 10 NE Cable News | <input type="checkbox"/> 44 C-SPAN | <input type="checkbox"/> 74 Product Info. Network |
| <input type="checkbox"/> 11 WENH-11 (PBS) | <input type="checkbox"/> 45 C-SPAN 2 | <input type="checkbox"/> 75 Sci-Fi Channel |
| <input type="checkbox"/> 12 WMUR-9 (ABC) | <input type="checkbox"/> 46 CNBC | <input checked="" type="checkbox"/> IN DEMAND PPV / Adult PPV |
| <input type="checkbox"/> 13 WFXT-25 (FOX) | <input type="checkbox"/> 47 The Weather Channel | <input type="checkbox"/> 77 Animal Planet |
| <input type="checkbox"/> 14 WSBK-38 (UPN) | <input type="checkbox"/> 48 Classic Sports Network | <input type="checkbox"/> 78 TV Land |
| <input type="checkbox"/> 15 WNBU-21 (PAX) | <input type="checkbox"/> 49 ESPN | <input checked="" type="checkbox"/> The Movie Channel |
| <input type="checkbox"/> 16 Community Television | <input type="checkbox"/> 50 ESPN2 | <input checked="" type="checkbox"/> HBO Family |
| <input type="checkbox"/> 17 WUNI-27 (UNI) | <input checked="" type="checkbox"/> NESN | <input checked="" type="checkbox"/> MoreMix |
| <input type="checkbox"/> 18 WNDS-50 (IND) | <input type="checkbox"/> 52 Fox Sports New England | <input checked="" type="checkbox"/> STARZ! 2 |
| <input type="checkbox"/> 19 WPXB-60 (PAX) | <input type="checkbox"/> 53 Bravo | <input checked="" type="checkbox"/> IN DEMAND PPV Info. |
| <input type="checkbox"/> 20 WMFP-62 (IND) | <input type="checkbox"/> 54 Food Network | <input checked="" type="checkbox"/> IN DEMAND PPV |
| <input type="checkbox"/> 21 WSHH-66 (IND) | <input type="checkbox"/> 55 TNN | <input checked="" type="checkbox"/> IN DEMAND PPV |
| <input type="checkbox"/> 22 Comedy Central | <input type="checkbox"/> 56 EWTN/Inspirational Channel | <input checked="" type="checkbox"/> IN DEMAND PPV |
| <input type="checkbox"/> 23 Travel Channel | <input type="checkbox"/> 57 QVC | <input checked="" type="checkbox"/> IN DEMAND PPV |
| <input type="checkbox"/> 24 Disney Channel | <input type="checkbox"/> 58 Romance Classics | <input checked="" type="checkbox"/> IN DEMAND PPV |
| <input type="checkbox"/> 25 Nickelodeon | <input type="checkbox"/> 59 American Movie Classics | <input checked="" type="checkbox"/> IN DEMAND PPV |
| <input type="checkbox"/> 26 Fox Family Channel | <input checked="" type="checkbox"/> HBO | <input type="checkbox"/> 95 IN DEMAND PPV-Info. |
| <input type="checkbox"/> 27 Outdoor Life | <input checked="" type="checkbox"/> Cinemax | <input type="checkbox"/> 96 Court TV |
| <input type="checkbox"/> 28 MTV | <input checked="" type="checkbox"/> IN DEMAND PPV | <input checked="" type="checkbox"/> IN DEMAND PPV |
| <input type="checkbox"/> 29 VH-1 | <input checked="" type="checkbox"/> HBO Plus | <input checked="" type="checkbox"/> Showtime |
| <input type="checkbox"/> 30 FX | <input checked="" type="checkbox"/> HBO Signature | |
| <input type="checkbox"/> 31 TBS | <input checked="" type="checkbox"/> STARZ! | |
| <input type="checkbox"/> 32 Home & Garden TV | <input checked="" type="checkbox"/> Encore | |
| <input type="checkbox"/> 33 TNT | | |
| <input type="checkbox"/> 34 E! Entertainment | | |
| <input type="checkbox"/> 35 USA Network | | |
| <input type="checkbox"/> 36 Lifetime | | |

Basic 1
 Basic 2
 Basic 3
 Premium
 Pay-Per-View
 NewChoice

EXHIBIT 2

FREE DROPS AND MONTHLY SERVICE
TO PUBLIC BUILDINGS AND SCHOOLS *

The following public buildings and schools shall receive the following Drops and/or Outlets and monthly Service at no charge:

{See Attached}

* And any and all new municipal and/or Manchester Public School buildings that are constructed and/or put into use during the term of this Renewal Franchise.

EXHIBIT 2

City Hall East Wing
City Hall West Wing
Airport terminal
Airfield Maint. & CFR Bldg
Waste Water Plant
Fire Station 100 Merrimack Street
Fire Station 527 South Main Street
Fire Station 2033 South Willow Street
Fire Station 146 Hackett Hill Road
Fire Station 44 Webster Street
Fire Station 134 Amory Street
Fire Station 679 Somerville Street
Fire Station 575 Calef Road
Fire Station 630 Mammoth Road
Fire Maintenance Division 777 Bridge Street Extension
Health Department
Water Treatment Plant
Welfare Department
Office of Youth Services
Police Station
Police Substation 169 Walker Street
Police Substation 474 Dunbarton Road
Police Substation 207 Wilson Street
Police Substation 289 Cedar/Union Street
Police Substation Trahan Street
Police Substation Kimball Street
School Administration Building
Central High School
West High School
Memorial High School
McLaughlin Middle School
School of Technology
Southside Junior High
Hillside Junior High
Parkside Junior High
McDonough School
Jewitt Street School
Beech Street School
Webster School
Parker-Varney School
Smyth School
Wilson School
Northwest School

Green Acres School
Gossler Park School
Bakersville School
Highland-Goffe's Falls School
Weston School
Hallsville School
Manchester Developmental Preschool
Library
Westside Community Library
Elderly Services-East
Elderly Services-West
Health Department
MacIntyre Ski Area
Public Building Services
Traffic Department
Highway Department
Water Works
Water Treatment Plant
Parks, Recreation and Cemetery Department
Cemetery Office located at Pine Grove Cemetery
Gill Stadium
JFK Coliseum
Maple Street Youth Center
Westside Ice Arena

Any and all new municipal and/or public school buildings that are constructed, leased, rented and/or put into use during the term of this renewal franchise

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EXHIBIT 3

GROSS ANNUAL REVENUES REPORTING FORM

{See Attached}

FRANCHISE FEE PAYMENT WORKSHEET

**OPERATOR
ADDRESS**

**CITY OF MANCHESTER
PERIOD FROM**

| REVENUE SOURCE | Units (avg. Of Period) | Months in \$ Period X | Gross Revenue \$ | Fee % = | \$ Franchise Fee | \$ YTD |
|---|-------------------------------|------------------------------|-------------------------|----------------|-------------------------|---------------|
| Installation | | | X | | | |
| Additional Outlets | | | | | | |
| Extraordinary Installation | | | | | | |
| FM Installation | | | | | | |
| Bulk Installation | | | | | | |
| Disconnect | | | | | | |
| Other Installation (VCR Reconnection, etc.) | | | | | | |
| Total Installation Income | | | | | | |
| Basic Cable | | | | | | |
| Tier I | | | | | | |
| Tier II | | | | | | |
| Premium | | | | | | |
| Premium | | | | | | |
| Premium | | | | | | |
| Premium | | | | | | |
| Additional | | | | | | |
| Outlet Rate | | | | | | |
| P.P.V. | | | | | | |
| FM Service | | | | | | |
| Bulk (Equivalents) | | | | | | |
| Converter/Remote | | | | | | |
| Other | | | | | | |

FRANCHISE FEE PAYMENT WORKSHEET
PAGE TWO

| Revenue Source | Units (avg. of Period) | Unit Price \$ (each.mo.) | Months in \$ Period X | Gross Revenue \$ X | Fee % = | Franchise \$ Fee | YTD \$ |
|--------------------------------------|------------------------|--------------------------|-----------------------|--------------------|---------|------------------|--------|
| Total Interactive Income | | | | | | | |
| Alarm | | | | | | | |
| Other | | | | | | | |
| Total Interactive Income | | | | | | | |
| Local Advertising National (% gross) | | | | | | | |
| Shopping Services | | | | | | | |
| Rent | | | | | | | |
| L.O. Income | | | | | | | |
| Mailing Inserts | | | | | | | |
| Total Non-Subscriber Income | | | | | | | |

FRANCHISE FEE PAYMENT WORKSHEET
PAGE THREE

| Revenue Source | Unit Price \$ (each/mo.) | Months in \$ Period X | Gross Revenue \$ X | Fee % = | \$ Franchise Fee | \$ YTD |
|------------------------|--------------------------|-----------------------|--------------------|---------|------------------|--------|
| Revenue Source | | | | | | |
| Less Bad Debts | | | | | | |
| Plus Bad Debt Recovery | | | | | | |
| Net Bad Debts (-) | | | | | | |
| Total Other Income | | | | | | |
| TOTAL REVENUES | | | | | | |
| Adjustments | | | | | | |
| TOTAL DUE CITY | | | | | | |

Explanatory Notes: _____

*Adjustments (specify): _____

Instructions: Fill out complete form. If a particular income item is not pertinent to your franchise please draw a line through the appropriate boxes. Areas left blank will be assumed to be inadvertent omissions and the form will be returned for completion. Unit average of period is applicable only to those items for which a monthly (or portion thereof) rate is charged. Specify when "other" category is used. Prior period totals must equal YTD total. If promotional discount lowers normal average during period please indicate. If rates increased or lowered during period indicate starting dates. Multi-family installation income spread over a period of a contract will be reported when earned.

Authorized by:

Title:

Date:

-Manchester Cable Television Renewal Franchise-

EXHIBIT 4

CITY OF MANCHESTER ELDERLY EXEMPTION

{See Attached}



Optional Adjusted Elderly Exemption

Assessors Office
One City Hall Plaza
Manchester, NH 03101
tel: (603) 624-6520
fax: (603) 628-6288

To qualify you must be:

- ✓ 65 years of age as of April 1st
- ✓ A resident of NH for 5 years prior to April 1st
- ✓ Must reside at property where exemption is claimed

Total net income including any retirement Income and Social Security:

- ✓ Single person cannot exceed \$18,400 per year
- ✓ Married person cannot exceed \$26,000 per year

Total allowed assets of \$35,000 excluding the value of your home:

- ✓ Include all personal property such as cars, antiques, furniture, jewelry, savings & checking accounts, stocks & bonds
- ✓ Other assets tangible or intangible less any indebtedness
- ✓ Real estate other than your home

You must provide the following (If filed):

- ✓ Federal Income Tax Form
- ✓ Property Tax Inventory Form filed with another city or town in NH
- ✓ State Interest and Dividends Tax Form
- ✓ Other financial information may be required upon request

Should you qualify your exemption would be according to age:

- 65 - 74 years of age are allowed \$22,500 assessed value deducted from total assessed value
- 75 - 79 years of age are allowed \$45,000 assessed value deducted from total assessed value
- 80 + years of age are allowed \$90,000 assessed value deducted from total assessed value

-Manchester Cable Television Renewal Franchise-

EXHIBIT 5

MANCHESTER ELDERLY HOUSING DEVELOPMENTS

| <u>BUILDING</u> | <u>ADDRESS</u> | <u>CONTACT PERSON</u> |
|----------------------------|----------------------|-----------------------|
| Benoit Apartments | 211 Tarrytown Road | Neil Kane 624-2100 |
| Benoit Apartments | 219 Tarrytown Road | Neil Kane 624-2100 |
| Benoit Apartments | 225 Tarrytown Road | Neil Kane 624-2100 |
| Benoit Apartments | 233 Tarrytown Road | Neil Kane 624-2100 |
| Rev. Burns High Rise | 55 South Main Street | Neil Kane 624-2100 |
| Henry Pariseau Apartments | 55 Amory Street | Neil Kane 624-2100 |
| Kalivas Apartments | 175 Chestnut Street | Neil Kane 624-2100 |
| Thomas O'Malley Apartments | 259 Chesnut Street | Neil Kane 624-2100 |
| Hugh Gallen Apartments | 200 Hanover Street | Neil Kane 624-2100 |
| Benoit Homes | 20 Clifford Court | Neil Kane 624-2100 |

Title 47 CFR, Part 76 (Cable Television Service), Subpart H (General Operating Requirements) is amended as follows:

1. The authority citation for Part 76 is revised to read as follows:

AUTHORITY: Secs. 2, 3, 4, 301, 303, 307, 308, 309, 48 Stat., as amended, 1064, 1065, 1066, 1081, 1082, 1083, 1084, 1085, 1101; 47 U.S.C. Secs. 152, 153, 154, 301, 303, 307, 308, 309; Secs. 612, 614-615, 623, 632 as amended, 106 Stat. 1460; 47 U.S.C. Secs. 532, 533, 535, 543, 552.

2. Section 76.309 will be added to the Commission's Rules and will read as follows:

Section 76.309 Customer Service Obligations

(a) A cable franchise authority may enforce the customer service standards set forth in section (c) of this rule against cable operators. The franchise authority must provide affected cable operators ninety (90) days written notice of its intent to enforce the standards.

(b) Nothing in this rule should be construed to prevent or prohibit:

(1) a franchising authority and a cable operator from agreeing to customer service requirements that exceed the standards set forth in section (c) of this rule;

(2) a franchising authority from enforcing, through the end of the franchise term, pre-existing customer service requirements that exceed the standards set forth in section (c) of this rule and are contained in current franchise agreements;

(3) any State or any franchising authority from enacting or enforcing any consumer protection law, to the extent not specifically preempted herein; or

(4) the establishment or enforcement of any State or municipal law or regulation concerning customer service that imposes customer service requirements that exceed, or address matters not addressed by, the standards set forth in section (c) of this rule.

(c) Effective July 1, 1993, a cable operator shall be subject to the following customer service standards:

(1) Cable system office hours and telephone availability-

(A) The cable operator will maintain a local, toll-free or collect call telephone access line which will be available to its subscribers 24 hours a day, seven days a week.

(i) Trained company representatives will be available to respond to customer telephone inquiries during normal business hours.

(ii) After normal business hours, the access line may be answered by a service or an automated response system, including an answering machine. Inquiries received after normal business hours must be responded to by a trained company representative on the next business day.

(B) Under normal operating conditions, telephone answer time by a customer representative, including wait time, shall not exceed thirty (30) seconds when the connection is made. If the call needs to be transferred, transfer time shall not exceed thirty (30) seconds. These standards shall be met no less than ninety (90) percent of the time under normal operating conditions, measured on a quarterly basis.

(C) The operator will not be required to acquire equipment or perform surveys to measure compliance with the telephone answering standards above unless an historical record of complaints indicates a clear failure to comply.

(D) Under normal operating conditions, the customer will receive a busy signal less than three (3) percent of the time.

(E) Customer service center and bill payment locations will be open at least during normal business hours and will be conveniently located.

(2) Installations, outages and service calls- Under normal operating conditions, each of the following four standards will be met no less than ninety five (95) percent of the time measured on a quarterly basis:

(A) Standard installations will be performed within seven (7) business days after an order has been placed. "Standard" installations are those that are located up to 125 feet from the existing distribution system.

(B) Excluding conditions beyond the control of the operator, the cable operator will begin working on "service interruptions" promptly and in no event later than 24 hours after the interruption becomes known. The cable operator must begin actions to correct other service problems the next business day after notification of the service problem.

(C) The "appointment window" alternatives for installations, service calls, and other installation activities will be either a specific time or, at maximum, a four-hour time block during normal business hours. (The operator may schedule service calls and other installation activities outside of normal business hours for the express convenience of the customer.)

(D) An operator may not cancel an appointment with a customer after the close of business on the business day prior to the scheduled appointment.

(E) If a cable operator representative is running late for an appointment with a customer and will not be able to keep the appointment as scheduled, the customer will be contacted. The appointment will be rescheduled, as necessary, at a time which is convenient for the customer.

(3) Communications between cable operators and cable subscribers-

(A) Notifications to subscribers-

(1) The cable operator shall provide written information on each of the following areas at the time of installation of service, at least annually to all subscribers, and at any time upon request:

(i) products and services offered;

(ii) prices and options for programming services and conditions of subscription to programming and other services;

(iii) installation and service maintenance policies;

(iv) instructions on how to use the cable service;

(v) channel positions of programming carried on the system;
and,

(vi) billing and complaint procedures, including the address and telephone number of the local franchise authority's cable office.

(2) Customers will be notified of any changes in rates, programming services or channel positions as soon as possible through announcements on the cable system and in writing. Notice must be given to subscribers a minimum of thirty (30) days in advance of such changes if the change is within the control of the cable operator. In addition, the cable operator shall notify subscribers thirty (30) days in advance of any significant changes in the other information required by the preceding paragraph.

(B) Billing-

(i) Bills will be clear, concise and understandable. Bills must be fully itemized, with itemizations including, but not limited to, basic and premium service charges and equipment charges. Bills will also clearly delineate all activity during the billing period, including optional charges, rebates and credits.

(ii) In case of a billing dispute, the cable operator must respond to a written complaint from a subscriber within thirty (30) days.

(C) Refunds- Refund checks will be issued promptly, but no later than either-

(i) the customer's next billing cycle following resolution of the request or thirty (30) days, whichever is earlier, or

(ii) the return of the equipment supplied by the cable operator if service is terminated.

(D) Credits- Credits for service will be issued no later than the customer's next billing cycle following the determination that a credit is warranted.

(4) Definitions-

(A) Normal Business Hours- The term "normal business hours" means those hours during which most similar businesses in the community are open to serve customers. In all cases, "normal business hours" must include some evening hours at least one night per week and/or some weekend hours.

(B) Normal Operating Conditions- The term "normal operating conditions" means those service conditions which are within the control of the cable operator. Those conditions which are not within the control of the cable operator include, but are not limited to, natural disasters, civil disturbances, power outages, telephone network outages, and severe or unusual weather conditions. Those conditions which are ordinarily within the control of the cable operator include, but are not limited to,

special promotions, pay-per-view events, rate increases, regular peak or seasonal demand periods, and maintenance or upgrade of the cable system.

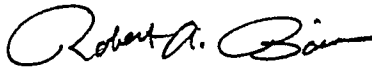
(C) Service Interruption- The term "service interruption" means the loss of picture or sound on one or more cable channels.

-Manchester Cable Television Renewal Franchise-

SIGNATURE PAGE

In Witness Whereof, this Renewal Franchise is hereby issued by the Board of Mayor and Aldermen of the City of Manchester, New Hampshire, as Franchising Authority, and all terms and conditions are hereby agreed to by AT&T.

The City of Manchester, New Hampshire

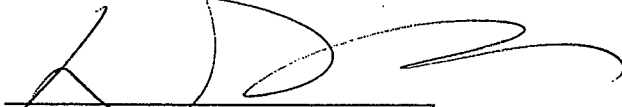


BY: Robert A. Baines

TITLE: Mayor

DATED: October 20, 2000

MEDIAONE OF NEW HAMPSHIRE, INC.



BY: David Grain

TITLE: Senior Vice President

DATED: October 20 2000

**AMENDMENT NUMBER 1 TO THE
CITY OF MANCHESTER, NEW HAMPSHIRE
CABLE TELEVISION RENEWAL FRANCHISE**

WHEREAS, on or about October 20, 2000 the Board of Mayor and Aldermen of the City of Manchester (the "Franchising Authority") and MediaOne of New Hampshire, Inc., the predecessor to Comcast of New Hampshire, Inc. (the "Franchisee") entered into a Cable Television Renewal Franchise (the "Renewal Franchise"); and

WHEREAS, the Renewal Franchise is for a ten (10) year term; and

WHEREAS, the Franchisee has recently purchased a building at 676 Island Pond Road in the City of Manchester (the "City"), which it intends to use as a Customer Service Center (the "Customer Service Center"), bringing approximately Eight Hundred (800) jobs to the City; and

WHEREAS, the Franchisee has made a commitment to the Franchising Authority that it will work with the City in good faith in order to hire as many qualified City residents as possible to work in said Customer Service Center; and

WHEREAS, the Franchisee has asked the Franchising Authority for a five (5) year extension of its Renewal Franchise term in light of the new benefits that it is bringing to the City; and

WHEREAS, as additional consideration for said five-year extension, the Franchisee has proposed providing additional funding to the City for PEG Access Programming and Technology uses and has also agreed to provide additional locations for PEG Access Programming origination purposes; and

WHEREAS, in consideration of the benefits for the City, the Franchising Authority is agreeable to amending the term of the Renewal Franchise for an additional five year period.

NOW THEREFORE, the parties agree to amend the Renewal Franchise as follows:

(1) By deleting Section 2.2 of the Renewal Franchise ("Term of Renewal Franchise") in its entirety, and substituting the following new Section 2.2:

The term of this Renewal Franchise shall be a fifteen (15) year term, commencing on October 20, 2000 and expiring at midnight on October 19, 2015, unless sooner terminated as provided herein or surrendered.

City of Manchester
Renewal Franchise Amendment #1

(2) By adding the following Section 6.10, to be captioned "PEG Access/Telecommunications Funding":

(a) The Franchisee shall provide the following funding to the Franchising Authority in the amount of Three Hundred Thousand Dollars (\$300,000.00), for PEG Access/Telecommunications Funding, payable as follows:

*+ \$250,000.00, payable to the Franchising Authority, no later than January 15, 2004;
and*

+ \$50,000.00, payable to the Franchising Authority, no later than January 15, 2005.

(b) In no case shall said \$300,000.00 funding, pursuant to paragraph (a) above, be counted against (i) any Franchise Fee payments, required by Section 8.1 infra; and/or (ii) the PEG Access Equipment/Capital Funding, required by Section 7.3 infra; and/or (iii) any other fees or payments required by applicable law.

(c) The Franchising Authority and the Franchisee hereby agree that the Franchisee shall in no way externalize and/or line-item this Three Hundred Thousand Dollars (\$300,000.00) to Subscribers. Furthermore, the Franchisee shall not pass-through this Three Hundred Thousand Dollars (\$300,000.00) to Subscribers, unless such pass-through to Subscribers is otherwise allowable by applicable federal laws and/or regulations.

(d) The payments in paragraph (a) shall be made directly to the Franchising Authority

(e) In the event that the payments required to be made herein are not tendered on or before the dates fixed herein, interest due on such required payments shall accrue from the date due and be paid to the City at the annual rate of two percent (2%) above the Prime Rate.

(3) By amending Section 7.4 of the Renewal Franchise ("PEG Access Channels"), by adding a new paragraph (b), as follows, and renumbering all of the subsequent paragraphs accordingly:

(b) Subject to events beyond the control of the Franchisee, the three (3) PEG Access Channels, referenced in Section 7.4(a) above, shall each be assigned channel locations under Cable Channel 50, from the effective date of the Renewal Franchise Amendment for the remainder of the Renewal Franchise term, as amended.

City of Manchester
Renewal Franchise Amendment #1

(4) By amending Section 7.6 of the Renewal Franchise ("Access Cablecasting"), by adding a new paragraph (e), as follows:

(e) The Franchisee shall construct, install and activate hard-wire Origination Capability to (1) the Manchester School Department Administration Building; (2) the Gill Stadium; (3) the JFK Memorial Coliseum; and (4) the Verizon Wireless Arena no later than April 30, 2004. There shall be no charges to the Franchising Authority, the City and/or said four (4) locations, nor shall the Franchisee externalize, line-item and/or pass-through any costs to Subscribers in connection with such Origination Capability to said four (4) new locations.

(5) By adding a new Section 2.6, to be captioned "Manchester Regional Customer Service Center", as follows:

(a) As of the Effective Date of the Renewal Franchise Amendment #1, the Franchisee is locating a regional Customer Service Center to 676 Island Pond Road in the City. The Franchisee shall work with the City in good faith in order to hire as many qualified City residents as possible to work in said Customer Service Center.

(b) In the event that, on or after June 30, 2004, the Franchisee either (i) relocates said Customer Service Center to a location outside of the City, or (ii) reduces the number of employees at said facility to less than five hundred (500) in number, then the term of the Renewal Franchise shall revert to October 19, 2010. Any change in the expiration date of the Renewal Franchise shall comply with applicable laws and/or regulations, including, but not limited to, Section 626 of the Cable Act; provided, however, that such remaining term shall not be shorter than the notification period specified in Section 626(a)(1) of the Cable Act, 47 U.S.C. Section 546(a)(1). Upon request, the Franchisee shall report to the Franchising Authority on the status of said Customer Service Center.

(c) The Franchisee's employee level at said Customer Service Center can be less than the five hundred (500) figure specified in paragraph (b) above without triggering a reduction in the Renewal Franchise term only in the event that the overall business environment in the City is changed unreasonably by the City from that environment that existed as of the effective date of the Renewal Franchise Amendment No. 1, including, for example, that the level of City taxes increases beyond ordinary and customary increases or adjustments.

(d) In the event that the term of the Renewal License is subsequently reduced pursuant to paragraph (b) above, the Franchising Authority shall not be required to refund any funding provided to the City pursuant to the Renewal Franchise Amendment #1. All other provisions of said Renewal Franchise Amendment shall remain in full force and effect as well.

(6) All other terms and conditions of the Renewal Franchise shall remain in full force and effect.

City of Manchester
Renewal Franchise Amendment #1

This Renewal Franchise Amendment Number 1 is hereby agreed to by the Board of Mayor and Alderman of the City of Manchester and Comcast of New Hampshire, Inc., this 9th day of June, 2003.

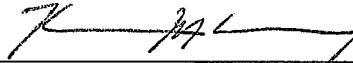
CITY OF MANCHESTER

By: the Board of Mayor and Aldermen



Robert A. Baines
Mayor

COMCAST OF NEW HAMPSHIRE, INC.



By: Kevin M. Casey
Senior Vice President