

**RENEWAL
CABLE TELEVISION LICENSE
FOR THE
TOWN OF DURHAM,
NEW HAMPSHIRE**

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DURHAM RENEWAL FRANCHISE AGREEMENT

INTRODUCTION

WHEREAS, MediaOne of New England, Inc. ("Franchisee") has been operating a cable communications system pursuant to N.H. R.S.A. 53-C, as amended; and

WHEREAS, the Franchisee has requested the renewal of its current cable communications franchise, which would otherwise expire on June 6, 2000; and

WHEREAS, the Town of Durham, New Hampshire (the "Town") has analyzed and considered the technical ability, financial condition, and legal qualifications of the Franchisee, and has determined that it is in the best interest of the Town and its residents to renew the cable communications franchise with the Franchisee following the expiration of the current franchise; and

WHEREAS, the Franchisee and the Town have agreed to be bound by the conditions hereinafter set forth; and

WHEREAS, Insofar as New Hampshire has delegated to the Town the authority to grant a Franchise for cable system operation within the Town's territorial boundaries, the Town hereby exercises its authority to grant a non-exclusive Franchise permitting the operation of a cable communications system within the Town.

THE TOWN COUNCIL OF THE TOWN OF DURHAM, NEW HAMPSHIRE,
DOES ORDAIN AS FOLLOWS:

ARTICLE 1
DEFINITIONS

SECTION 1.1 - DEFINITIONS

The following terms used in this Franchise Agreement shall have the following meanings:

(a) Access Channel - a channel or channels for the purpose of transmitting public, educational and governmental programming.

(b) Access Programming - (i) "educational": non-commercial locally produced programming, produced by the town of Durham public schools, or other educational organizations as designated by the franchising authority and other non-commercial educational programming offered by them which is not ordinarily offered by operators of cable television systems; (ii) "governmental": non-commercial programming produced by the Town of Durham departments or agencies and other non-commercial programming offered by them or a duly authorized designee which is not ordinarily offered by operators of cable television systems; (iii) "public": non-commercial programming produced by the Town, or produced by an access corporation or non-profit corporation operating within the Town and other non-commercial programming not ordinarily offered by operators of cable television systems.

(c) Addressable Technology - The capability of a cable system to electronically add, change or delete certain programming or service from a remote location.

(d) Basic Broadcast Tier - That service tier which shall include at least the retransmission of local broadcast television signals and the public, educational and governmental ("PEG") access channels, in accordance with the Cable Act.

(e) Broadcast - Over-the-air transmission by a radio or television station.

(f) Cable Act - Cable Communications Policy Act of 1984, Public Law No. 98-549, 98 Stat. 2779 (1984), 47 USC 521 et seq., amending the Communications Act of 1934, as further amended by the 1992 Cable Consumer Protection and Competition Act, Public Law No. 102-385 and the Telecommunications Act of 1996, Public Law No. 104-458, 110 Stat. 56 (1996).

(g) Cable Communications 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 a community, but such term does not include:

1. A facility that services only to retransmit the television signals of one or more television broadcast stations;
2. A facility that services subscribers without using any public right-of-way;
3. A facility of a common carrier which is subject, in whole or in part, to the provisions of Title II of the Communications Act of 1934, as amended, except that such facility shall be considered a cable system to the extent such facility is used in the transmission of video programming directly to subscribers, unless the extent of such use is solely to provide interactive on demand services;
4. An open video system that complies with Section 653 of the Communications Act; or
5. Any facilities of any electric utility used solely for operating its electric utility systems.

(h) Cable Service - The one-way transmission to Subscribers of video programming or other programming services which the cable operator makes available to all Subscribers generally, including Subscriber interaction utilizing the addressable capacity and capability of the Cable System.

(i) Drop - The coaxial cable that connects a home or building to the Subscriber Network or Institutional Network.

(j) Effective Date – June 7, 2000.

(k) FCC - Federal Communications Commission.

(l) Franchise or Franchise Agreement - The Franchise Agreement granted herein.

(m) Franchise Authority - The Town Council of Durham, NH.

(n) Franchisee - MediaOne of New England, Inc., a wholly-owned subsidiary of MediaOne of Delaware, Inc. ("MediaOne").

(o) Outlet - An interior receptacle that connects a television set to the Cable Communications System.

(p) Private Roads - Private rights of way or non-public roadways not classified as highways by the State of New Hampshire which provide access to two or more free-standing, non-connected residential buildings as residential buildings.

(q) Programming - Any video, audio, text or data coded signal carried over the Cable Communications System.

(r) Residential Network - The trunk and feeder signal distribution network over which video, audio, text and data signals are transmitted to Subscribers.

(s) Service Tier(s) - A category of cable service or other services provided by a cable operator for which a separate rate is charge, as may be described and regulated by federal law.

(t) Standard Service Package - A combination of cable service tiers, consisting of the Basic Broadcast tier and Cable Programming Service tiers, as provided by the Franchisee as of the Effective Date and including any individual broadcast channels or cable networks added to these tiers as a result of the reconstruction of the Cable Communications System.

(u) Street - The surface of and the space above and below any public street, road, highway, freeway, lane, path, public way, alley, court, sidewalk, boulevard, parkway, drive on any easement or right-of-way now or hereafter held by Town, and dedicated for use by the Town, use by the general public, or use compatible with the Cable System operations.

(v) Subscriber - A person or entity who contracts with the Franchisee for, and lawfully receives, the video signals and cable services distributed by the Cable Communications System.

(w) Town - The Town of Durham, New Hampshire.

ARTICLE 2
GRANT OF FRANCHISE AGREEMENT

SECTION 2.1 - GRANT OF FRANCHISE AGREEMENT

Pursuant to the authority of N.H. R.S.A. 53-C and Cable Communications Policy Act of 1984 as amended, the Town Council of Durham hereby grants a non-exclusive Franchise Agreement to MediaOne of New England, Inc., a New Hampshire Corporation, authorizing and permitting said Franchisee to construct, operate and maintain a Cable Communications System within the municipal limits of the Town of Durham.

This Franchise Agreement is granted under and in compliance with the Federal Cable Act and applicable laws of New Hampshire, and in compliance with all rules and regulations of the FCC and all other applicable rules and regulations in force and effect during the period for which this Franchise Agreement is granted.

Subject to the terms and conditions herein, the Franchise Authority hereby grants to the Franchisee the right to construct, upgrade, install, operate and maintain a Cable Communications System, including such lines, cables, fiber optics, conductors, ducts, conduits, vaults, manholes, amplifiers, appliances, pedestals, attachments and other property and equipment as are necessary and appropriate to the operation of the Cable Communications System, in, under, over, along, across and upon the streets, lanes, avenues, alleys, sidewalks, bridges, highways and other public places under the jurisdiction of the Town within the municipal boundaries and subsequent additions thereto, including property over which the Town has a sufficient easement or right-of-way, for the purpose of reception, transmission, amplification, origination, distribution or redistribution of video, audio, text, data and other impulses in accordance with the laws of the United States of America, the State of New Hampshire, and bylaws/ordinances of the Town of Durham.

SECTION 2.2 - TERM: NON-EXCLUSIVITY

(a) The term of this non-exclusive Franchise Agreement shall be for a period of ~~thirteen~~ (12) years and shall commence on 20 June, 2000, following the expiration of the current franchise, and shall terminate at midnight on 19 June, 2012. The term of this Franchise Agreement is subject to all provisions of New Hampshire law and applicable federal law, as such laws may be from time to time amended.

(b) The right to use and occupy the streets, public ways and public places shall not be exclusive, and the Town reserves the right to grant similar or other uses of the said streets, public ways and public places to any entity for a similar cable system or otherwise at any time during the term of this Franchise Agreement provided such uses do not unreasonably interfere with the easement rights granted to Franchisee herein.

SECTION 2.3 - POLE AND CONDUIT ATTACHMENT RIGHTS

(a) Pursuant to N.H. R.S.A. 231:161, permission is hereby granted to the Franchisee to attach or otherwise affix cables, wire, or optical fibers comprising the Cable Communications System to the existing poles and conduits on and under public streets and ways, provided the Franchisee secures the permission and consent of the public utility companies to affix the cables and/or wires to their pole and conduit facilities. By virtue of this Franchise the Town grants Franchisee equal standing with power and telephone utilities in the matter of placement of facilities on public ways. All poles and conduit installed within the service area, as defined in Section 3.1 (Area to be Served) herein, shall be made available for attachment or use by Franchisee, at just and reasonable rates applied to public utilities under the formula presently established by 47 USC 224.

(b) In all areas of the Town where public utility lines are aerially placed, if subsequently during the term of the Franchise Agreement such utility lines are required by state law or local bylaws/ordinances to be relocated aerially or underground, Franchisee shall similarly relocate its Cable System. Any costs of relocating utility poles or trenching for the placement of underground conduits shall be equally shared by all affected companies.

(c) In the event that a land developer or other property owner(s) elects to relocate public utility lines, and such relocation is not required by state law or local bylaws/ordinances, franchisee shall similarly relocate its cable system, provided however, that all costs associated with the relocation of the cable system shall be borne by the developer or property owner(s), or shared equally among all residents in the affected area. Nothing herein shall require the Franchisee to relocate its cable system in a manner that is not generally applicable to the facilities of all public utilities and other wire-line service providers in the affected area.

SECTION 2.4 - POLICE AND REGULATORY POWERS

The Franchisee's rights are subject to the powers of the Town to adopt and enforce general bylaws/ordinances necessary for the safety and welfare of the public, provided that such

bylaws/ordinances are of general applicability and not specific to the Cable Communications System, the Franchisee, or this Franchise Agreement.

SECTION 2.5 - NON-EXCLUSIVITY OF RENEWAL LICENSE / EQUAL PROTECTION

(a) This Renewal License shall not affect the right of the Franchising Authority to grant to any other Person a license 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 Town of Durham; or the right of the Franchising Authority to permit the use of the Public Ways and places of the Town for any purpose(s) whatsoever. The Franchisee hereby acknowledges the Franchising Authority's right to make such grants and permit such uses.

(b) The grant of any additional cable television license(s) shall not be on terms more favorable or less burdensome than those contained in this Renewal License, in accordance with RSA 53:C. The grant of any additional cable television license(s) shall be at the sole discretion of the Franchising Authority in accordance with RSA 53:C.

(i) In the event that the Franchisee believes that any additional cable television license(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 meet with the Franchisee. Along with said written request, the Franchisee shall provide the Franchising Authority with written reasons for its belief. The Franchisee shall have an opportunity to demonstrate that any such additional cable television license(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 license(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 Licensee 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 meeting in Section 2.6(b)(i) above.

(c) The issuance of additional license(s) shall be subject to applicable federal law(s), and **RSA §53-C:3-b** and applicable regulations promulgated thereunder.

ARTICLE 3
SYSTEM SPECIFICATIONS AND CONSTRUCTION

SECTION 3.1 - AREA TO BE SERVED

(a) Subject to Sections 3.3 and 3.4 below, cable service shall be provided to dwellings and buildings passed by the cable system in the Service Area in existence on the date this agreement is executed and the future service area, provided Franchisee is able to obtain from property owners any necessary easements at no cost and/or any applicable permits. Franchisee agrees to build-out along pole lines for Class V roads and Dame Road to a maximum of \$90,000 within 6 months subject to Franchisee's best efforts, performance of make ready, force majeure and availability of construction crews and materials. The Town shall audit these construction costs. Areas of future service will be constructed pursuant to Exhibit A.

(b) In constructing the Cable System, the Franchisee shall follow present and future pole placements in the Town. Where telephone and electric utilities are both underground, the Franchisee shall place its cables underground.

SECTION 3.2 - RESIDENTIAL NETWORK

(a) The Cable System shall comply with regulations of the FCC regarding the compatibility between cable service and consumer receiving, recording and related equipment.

(b) "The Franchisee shall continue to maintain a two-way residential cable system utilizing addressable technology, and cable and electronics capable of transmitting a minimum bandwidth of 750 MHz, providing a minimum of 75 channels in a downstream direction and 4 channels in the upstream direction."

SECTION 3.3 - SUBSCRIBER CONNECTION

(a) The Franchisee shall, within thirty (30) days of written request by the occupant of a dwelling, connect the Cable System to a dwelling at standard installation charges if the dwelling is within two hundred aerial feet (200 ft.) of the nearest feeder cable and only if the dwelling is properly internally wired to meet the Franchisee's specifications to prevent signal leakage.

(b) Residences located over two hundred aerial feet (200 ft.) from feeder cable prior to the date of this Franchise Renewal shall be charged an additional one-time installation fee including all of Franchisee's actual costs for labor and materials necessary to perform the installation.

(c) Franchisee shall complete construction of any such Subscriber connections within thirty (30) days of either a written request for such connection by the occupant or owner of the dwelling or within thirty (30) days of the date any necessary easements are obtained, whichever occurs later, taking into account, and subject to weather, force majeure, performance of make-ready, availability of construction crews and materials. If requested by the Franchise Authority, Franchisee shall provide a written report to the Town completely explaining its failure to meet the time frame stated herein.

SECTION 3.4 - RESIDENTIAL NETWORK CABLE DROPS

The Franchisee shall provide one (1) free drop, outlet, and the Total Basic Video Service to each of the Durham municipal buildings outlined in **Exhibit B** and such additional municipal buildings which may be placed in service during the Franchise term subject to standard drop installation provisions of Section 3.3 of this license. Said installation shall be without charge, provided the distance from the System to the building is no more than two hundred feet (200 ft.) and absent of other unusual installation conditions and requirements. Should the distance be greater, the Franchise Authority shall pay the Franchisee all direct incremental costs incurred to provide the installation in excess of two hundred feet (200 ft.). The Franchise Authority or its designee shall consult with the appropriate individuals to determine the appropriate location for each Drop prior to submitting a written request to the Franchisee for installation of the free service. Nothing in this Section shall require the Franchisee to install an additional Drop or Outlet to any municipal or public building which already has a free Drop or Outlet provided under the terms of the prior franchise. It is understood that the Franchisee shall not be responsible for any internal wiring of such buildings; provided, however, that the Franchisee shall install internal wiring on a cost-plus basis.

SECTION 3.5 - RESIDENTIAL NETWORK SERVICE TO LOCAL SCHOOLS

The Franchisee shall install one outlet to each public school within the Town existing as of the Effective Date of this Franchise Agreement for the purpose of receiving "Cable in the Classroom" programming on the Total Video Basic Package. Additional outlets and internal wiring will be completed upon written request on a cost plus basis except that Franchisee agrees to provide wiring at the new Durham High School on the same terms and conditions of the Social Contract, provided the walls are open and the Franchisee receives a written request by the Franchising

Authority. This obligation does not extend beyond December 31, 2002. The Franchisee shall provide the cable at no cost to the Franchising Authority and without pass through for wiring four (4) classrooms of the Oyster River Middle School.

SECTION 3.6 - INTERNET SERVICE TO LOCAL SCHOOLS

(a) The Franchisee shall provide Internet services to public schools in accordance with the terms of its Social Contract, attached hereto as **Exhibit C**.

SECTION 3.7 - INTERNET SERVICE TO PUBLIC LIBRARIES

The Franchisee shall provide the Town with a partnership application for its "Library Connections" Program which provides free high-speed Internet service to public libraries.

SECTION 3.8 - PARENTAL CONTROL CAPABILITY

(a) Upon request, and at no separate recurring charge, the Franchisee shall provide Subscribers with the capability to block certain services from entering the home. This free blocking capability shall be limited to those services Franchisee secures with traps. Franchisee may charge for the installation of traps.

(b) The Franchise Authority acknowledges that additional parental control capability may be achieved through the use of a converter box and that Franchisee may charge Subscriber for use of said box.

SECTION 3.9 - EMERGENCY ALERT SYSTEM

The Cable System shall incorporate an emergency alert system in accordance with the Cable Act of 1992.

SECTION 3.10 - PUBLIC/GOVERNMENT/EDUCATIONAL ACCESS

(a) The Franchisee shall provide to the Town one (1) channel for Public, Educational, and Government Access programming. Use of the Access channel shall be for non-commercial purposes and the Town shall establish operating policies for the channels within the authority contained in the provisions of the Cable Act.

(b) Franchisee may use the Government/Educational Access channel for any purpose, during such periods as it is not being used for Government/Educational Access purposes; provided, that Government/Educational Access use shall have scheduling priority.

(c) An additional PEG Access channel shall be made available when the existing channel is used to cablecast, first-run, locally produced, non-commercial programming at least eighty percent (80%) of the weekdays (Monday through Friday) for eighty percent (80%) of the time during any consecutive six-hour period for six (6) consecutive weeks.

(d) Franchisee will build a fiber link which will allow live broadcast from the Town Hall and a coax cable link to allow live broadcast from the Oyster River High School. The \$48,000 maximum cost shall be paid for by the Town as a community expense. The Town has the right to verify construction expenses. If expenses are less than \$48,000 estimated, the lower amount shall be paid by the Town. MediaOne will provide maintenance of the fiberlink without pass through. Franchisee shall provide electronics, modulators and demodulators necessary for interconnection of the fiberlink without pass through. The fiber link shall be operable within 120 days subject to Franchisee's best efforts, performance of make ready, force majeure, and availability of construction crews and materials.

(e) Franchisee shall provide a \$53,000 grant for PEG access equipment without pass through. Payment of the \$53,000 grant shall be made within 120 days of the Effective Date of this Franchise Agreement. Franchisee shall further provide a \$23,000 grant for second site remote camera equipment which shall be paid for by the Town as a community expense.

SECTION 3.11 - FUTURE TECHNOLOGY

(a) At the conclusion of each five (5) year anniversary of this Franchise Agreement, beginning with the Effective Date, or anytime thereafter, the Franchising Authority may initiate a review of changes in relevant cable technology. Any such review shall require the Town to conduct a public hearing to consider relevant cable technology, with at least ninety (90) days written notice to the Franchisee. During the public hearing all interested parties, including the Franchisee, shall be given the opportunity to be heard. The Franchisee shall cooperate with the Franchising Authority to facilitate the review process. After a hearing on the matter, the Town may request, in writing, that the Franchisee provide certain relevant cable technology to subscribers.

(b) In order to maintain a leadership position in providing cable television services to the Town, the Franchisee shall from time to time upgrade the Cable System, to the extent technically and economically feasible, to provide the Town Cable Services offering the best available proven technology consistent with this Franchise Agreement.

(c) Any investment made by Franchisee pursuant to this section shall be deemed a Franchise Related Cost and may be subject to externalization.

ARTICLE 4
TECHNOLOGICAL AND SAFETY STANDARDS

SECTION 4.1 - SYSTEM MAINTENANCE

(a) In installing, operating and maintaining equipment, cable and wires, the Franchisee shall avoid damage and injury to trees, structures and improvements in and along the routes authorized by the Franchise Authority, except as may be approved by the Franchise Authority if required for the proper installation, operation and maintenance of such equipment, cable and wires.

(b) The construction, maintenance and operation of the Cable Communications System for which this Franchise Agreement is granted shall be done in conformance with all applicable federal, state or local bylaws/ordinances, codes and regulations, including but not limited to OSHA, the National Electrical Safety Code, and the rules and regulations of the FCC as the same exist or as same may be hereafter changed or amended.

(c) Operating and maintenance personnel shall be thoroughly trained in the use of all safety equipment and the safe operation of vehicles and equipment. All areas of the Cable Communications System shall be routinely inspected and maintained by the Franchisee so that conditions that could develop into safety hazards for the public and/or operating and maintenance personnel can be corrected before they become a hazard. The Franchisee shall install and maintain its wire, cable, fixtures, and other equipment in such a manner as shall not interfere with any installations of the Town or any public utility serving the Town.

(d) All structures and all lines, equipment and connections in, over, under, and upon streets, sidewalks, alleys, and public and private ways and places of the Town, wherever situated or located shall at all times be kept and maintained by the Franchisee in a safe and suitable condition and in good order and repair.

(e) The signal of any television or radio station carried on the Cable Communications System shall be carried without material degradation in quality at all subscribing locations within the limits imposed by the technical specifications of the Cable System and as set forth by the FCC. The Cable Communications System shall be operated and maintained so as to comply with the technical standards set forth in the FCC's rules and regulations as they apply to cable television systems. Franchisee shall make FCC Proof of Performance Test results available to Franchising Authority upon written request.

(f) Upon written notice from the Town, the Franchisee shall remedy a general deficiency with respect to the technical standards described herein within three (3) months of receipt of notice and a safety deficiency within forty-eight (48) hours of receipt of notice and shall notify the Town when the deficiency has been corrected.

SECTION 4.2 - REPAIRS AND RESTORATION

Whenever the Franchisee takes up or disturbs any pavement, sidewalk or other improvement of any public or private way or place, the same shall be replaced and the surface restored in as reasonably good condition as before entry as soon as practicable. If the Franchisee fails to make such restoration within a reasonable time, the Franchise 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 the performance thereof. Upon failure of the Franchisee to comply within the time specified, the Franchise Authority may cause proper restoration and repairs to be made and the expense of such work shall be paid by the Franchisee upon demand by the Franchise Authority.

SECTION 4.3 - TREE TRIMMING

The Franchisee shall have authority to trim trees upon and overhanging public streets, alleys, sidewalks and ways and places of the Town so as to prevent the branches of such trees from coming in contact with the wires, cables and equipment of the Franchisee, in accordance with applicable state law and any Town bylaws/ordinances and regulations.

SECTION 4.4 - BUILDING MOVES

In accordance with applicable laws, the Franchisee shall, upon the request of any person holding a building moving permit issued by the Town, temporarily raise or lower its wires to permit the moving of the building(s). The Franchisee shall be given not less than thirty (30) days advance notice to arrange for such temporary wire changes. The cost to raise or lower wires shall be borne exclusively by the person(s) holding the building moving permit.

SECTION 4.5 - EMERGENCY POWER

The Cable System shall incorporate equipment capable of providing standby powering of the headend for a minimum of seventy-two (72) hours upon failure of the power furnished by the electric utility company.

SECTION 4.6 - MAPS

Within sixty (60) days from a request in writing from the Franchising Authority, the Franchisee shall provide detailed information to the Town which will show the Franchisee's cable and equipment in those areas in which its facilities exist, the location of all streets and the locations of all residences, subject to proprietary limitations and the confidentiality provisions of RSA 91-A. Upon reasonable request by the Franchising Authority, Franchisee shall provide updated maps.

ARTICLE 5
CUSTOMER SERVICE AND CONSUMER PROTECTION

SECTION 5.1 - CUSTOMER SERVICE

(a) The Franchisee shall provide and maintain a toll-free 24-hour answering line which Subscribers may call without incurring added message units or toll charges so that prompt maintenance and service is available. At the time of initial subscription the Franchisee shall give each new subscribing household a notice of billing practices and dispute procedures, which notice shall include the Franchisee's telephone number.

(b) Upon reasonable notice the Franchisee shall expeditiously investigate and resolve complaints regarding the quality of service, equipment malfunctions and similar matters. The Franchisee shall also maintain records of all reported complaints and action taken to respond to such complaints and shall make such records available to the Franchise Authority or designee for inspection upon request, but shall also comply with Subscribers' privacy rights in accordance with federal law.

(c) The Franchisee shall respond to all service calls within twenty-four (24) hours and correct malfunctions as promptly as possible. A serious system malfunction will be serviced as soon as possible after its discovery. For these purposes, the Franchisee shall maintain a competent staff of employees sufficient to provide adequate and prompt service to its Subscribers.

(d) Except as limited by federal law or FCC regulations concerning privacy, the Franchisee shall maintain a record of all such complaints and such records shall be available at Franchisee's local offices for at least two (2) years for inspection by the Town as it may from time to time request, during regular business hours and upon reasonable notice. Nothing herein shall be deemed to require Franchisee to maintain records of oral complaints which can be handled to the Subscriber's satisfaction in the course of the initial conversation in which the complaint is made or does not require technical field response. Upon request, the Franchisee shall provide to the Town an accounting of the number and nature of such complaints.

(e) The Franchisee shall maintain its records as required by and in a manner not inconsistent with applicable federal or state law or regulation.

(f) Franchisee shall maintain the same drop box and box exchange as the current license.

SECTION 5.2 - SUBSCRIBERS' ANTENNAS - SWITCHING DEVICES

The Franchisee shall not remove any television antenna of any Subscriber, but shall, at the Franchisee's actual cost, plus reasonable rate of return, offer an adequate switching device to allow the Subscriber to choose between cable television and non-cable reception.

SECTION 5.3 - SERVICE INTERRUPTIONS

(a) Franchisee may intentionally interrupt service on the cable system for good cause and for the shortest time possible. Franchisee shall make every effort to limit planned interruptions in service to the hours between 12:00 a.m. and 6:00 a.m.

(b) In the event that the Franchisee's service to any Subscriber is completely interrupted for twenty-four (24) or more consecutive hours, Franchisee shall, upon proper notice, grant such Subscriber a pro rata credit or rebate, on a daily basis, of that portion of the service charge during the next consecutive billing cycle, or at its option, apply such credit to any outstanding balance then currently due. In the instance of other individual Subscriber service interruptions, credits shall be applied as described above after due notice to the Franchisee from the Subscriber.

SECTION 5.4 - SUBSCRIBER PRIVACY AND RIGHTS TO INFORMATION

(a) The Franchisee shall not collect, store, use or make available to any third party data relating to individual subscribing households without first giving the Subscriber an opportunity to remove his or her name from the Franchisee's list of Subscribers, unless such disclosure is necessary to provide Cable Service or to conduct cable-related business activities (for example, disclosure to the company that addresses and mails out monthly bills and guides, the programming services or a collections service for past due accounts). The conduct of the Franchisee under this Section shall be consistent with and governed by Section 631 of the Cable Communications Policy Act of 1984, "Protection of Subscriber Privacy."

(b) Any Subscriber, may upon written request, examine all records maintained by the Franchisee relating to the Subscriber's account. The Franchisee shall insure that all information related to billing and service requests is accurate and up-to-date and shall promptly correct any errors upon discovery.

SECTION 5.5 - IDENTIFICATION

The Franchisee shall ensure that all of its vehicles, employees, agents, and subcontractors are reasonably identified to the general public. Agents and contractors hired by the Franchisee to perform any substantial work on the Cable System during the rebuild period in the Town shall inform the Police Department of the work location within the Town and provide relevant vehicle identification prior to commencing such work.

ARTICLE 6
RATES AND CHARGES

SECTION 6.1 - RATES AND CHARGES

(a) A price schedule for service and installation in effect on the date of execution of this Franchise Agreement is attached hereto as **Exhibit C**. Any changes in prices will be in conformance with the federal law, the rules and regulations of the FCC (47 CFR §76.33) and any currently or hereinafter applicable federal and/or state laws and regulations.

(b) The Franchise Authority acknowledges that under the Cable Act, certain costs of public, educational and governmental (“PEG”) access and other Franchise requirements, may be passed through to the Subscribers in accordance with federal law.

(c) The Franchisee may require a deposit or refuse service for a bona fide credit reason which relates to the Subscriber's overdue or delinquent account with the Franchisee. The Franchisee may levy reasonable collection charges, including a late fee, on overdue or delinquent accounts.

The Franchisee requires that the account of any Subscriber requesting work be current before such work is performed.

(d) Franchisee shall give the Franchising Authority 30 day written notice of any adjustment in price for cable service provided by the cable system. The notice shall state the date on which the adjustment in price is to occur. Upon written request for relevant information by the Town, Franchisee shall respond in writing within 30 days and provide non-proprietary information regarding the subject rate adjustment.

ARTICLE 7
CONTRACT ADMINISTRATION

SECTION 7.1 - INDEMNIFICATION

The Franchisee shall at its sole cost and expense indemnify and hold the Town harmless at all times during the term of this Franchise Agreement, and subsequent renewals, if any, from any and all claims for injury and damage to persons or property, both real and personal, caused by the construction, installation, operation or maintenance of any structure, equipment, wire or cable authorized to be installed pursuant to this Franchise Agreement. Upon receipt of notice in writing from the Franchise Authority, the Franchisee shall at its own expense defend any action or proceeding against the Town in which it is claimed that personal injury or property damage was caused by activities of the Franchisee, its employees and/or agents, in the construction, installation, operation or maintenance of its Cable Communications System.

SECTION 7.2 - INSURANCE

(a) The Franchisee shall carry insurance throughout the term of this Franchise Agreement with the Town listed as an additional insured with an insurance company satisfactory to the Franchise Authority indemnifying the Town and the Franchisee from and against any and all claims for injury or damage to persons or property, both real and personal, caused by the construction, installation, operation, maintenance or removal of its Cable System. The amount of such insurance against liability for damage to property shall be no less than One Million Dollars (\$1,000,000) 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). The amount of such insurance for excess liability shall be Five Million Dollars (\$5,000,000) in umbrella form. Policies will contain a provision that the Franchise Authority will receive thirty (30) days written notice prior to any cancellation.

(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).

(c) All insurance coverage, including Workers' Compensation, shall be maintained throughout the period of this Franchise Agreement. All expenses incurred for said insurance shall be at the sole expense of the Franchisee. No later than 30 days after the execution of this Franchise, Franchisee shall furnish to the Town evidence of insurance.

SECTION 7.3 - PERFORMANCE BOND

The Franchisee shall maintain throughout the duration of the Franchise Agreement a performance bond running to the Town in the amount of One Hundred Thousand Dollars (\$100,000) with a company surety satisfactory to the Franchise Authority to guarantee the following terms:

(a) the satisfactory completion of the installation and operation of the Cable System in the time schedule provided herein and satisfactory compliance with provisions of this Franchise Agreement;

(b) the satisfactory restoration of pavements, sidewalks and other improvements in accordance with this Franchise Agreement; and

(c) the satisfactory operation of the Cable System in accordance with the material terms and conditions of this Franchise Agreement.

(d) The Town may draw upon this bond for the purpose of curing any deficiency or breach by Franchisee of the terms within this Franchise subject to notice and opportunity to cure provisions infra. This right to draw upon the bond shall not in any way impede or impair the right of the Franchisee to appeal the basis for such action.

SECTION 7.4 - REPORTS

Upon written request and within ninety (90) days of such a request, the Franchisee shall provide information regarding the overall operation of the Cable System during the preceding year. The information requested may include, but not be limited to, status of rates and charges, new programming services added, and status of operating procedures.

SECTION 7.5 - EQUAL EMPLOYMENT OPPORTUNITY

The Franchisee is an Equal Opportunity Employer and must file an Equal Employment Opportunity Plan with the FCC and otherwise comply with the FCC regulations with respect to Equal Employment Opportunities. The Franchisee has filed its current plan with the FCC and agrees to abide by such plan.

SECTION 7.6 - REVOCATION OF FRANCHISE

The Franchise Agreement issued hereunder may, after due notice and hearing as defined herein, be revoked by the Franchise Authority for any of the following reasons:

- (a) For failure to comply with any of the material terms and conditions of the Franchise Agreement;
- (b) The repeated failure, as determined by the Franchise Authority, to maintain signal quality pursuant to FCC standards;
- (c) For any transfer or assignment of the Franchise Agreement or control thereof without prior notice to the Franchise Authority;
- (d) For failure to maintain a performance bond as described in Section 7.3 (Performance Bond) or to maintain insurance as described in Section 7.2 (Insurance).

SECTION 7.7 - NOTICE AND OPPORTUNITY TO CURE

Prior to instituting any action against the Franchisee under either Section 7.3 (Performance Bond) or Section 7.6 (Revocation of Franchise), the Franchise Authority shall notify the Franchisee in writing of specific failure and shall give the Franchisee ninety (90) days, or such longer time as may be granted by the Franchise Authority in its reasonable discretion, in which to demonstrate that a failure does not exist or to rectify such failure and shall not proceed further if the matter is resolved to the reasonable satisfaction of the Franchise Authority within the specified time period.

SECTION 7.8 - TRANSFER OR ASSIGNMENT

Franchisee shall provide the Town with notice prior to transferring the franchise to another entity, except as otherwise provided under federal law.

SECTION 7.9 - REMOVAL OF SYSTEM

Upon termination of this Franchise Agreement or of any renewal hereof by passage of time or otherwise, the Franchisee shall remove its supporting structures, poles, transmission and distribution systems and other appurtenances from the streets, ways, lanes, alleys, parkways, bridges, highways, and other public and private places in, over, under, or along which they are installed and shall restore the areas to their original condition. If such removal is not completed within six (6) months of such termination, the Franchise Authority or property owner may deem any property not removed as having been abandoned or, at the Franchisee's expense, remove or cause to be removed any components of the Cable System and restore the areas to their original condition. Such abandonment shall not relieve the Franchisee of cost of removal.

SECTION 7.10 - INCORPORATION BY REFERENCE

All presently and hereafter applicable conditions and requirements of federal and state law and the rules and regulations of the FCC, as they may be amended from time to time are incorporated herein by reference and, shall control the interpretation and performance of this Franchise Agreement to the extent that any provision of this Franchise Agreement conflicts with or is inconsistent with such laws, rules or regulations.

ARTICLE 8
MISCELLANEOUS

SECTION 8.1 - SEVERABILITY

If any section, paragraph, term or provision of this Franchise is determined to be illegal, invalid or unconstitutional, by any court of competent jurisdiction thereof, such determination shall have no effect on any other section, paragraph, term or provision hereof, all of which will remain in full force and effect for the term of this Franchise Agreement or any renewal or renewals hereof.

SECTION 8.2 - FORCE MAJEURE

If for any reason of force majeure the Franchisee is unable in whole or in part to carry out its obligations hereunder, said Franchisee shall not be deemed in violation or default during the continuance of such inability. Unless further limited elsewhere in this Franchise, the term "force majeure" as used herein shall have the following meaning: strikes; acts of god; acts of public enemies, orders of any kind of the government of the United States of America or of the State of New Hampshire or any of their departments, agencies, political subdivisions, or officials, or any civil or military authority; insurrections; riots, epidemics; landslides; lightening; earthquakes; fires, hurricanes; volcanic activity; storms; floods; washouts; droughts, arrests; civil disturbances; explosions; partial or entire failure of utilities; or any other cause or event not reasonably within the Franchisee's control.

SECTION 8.3 - NOTICES

Every notice to be served upon the Franchise Authority shall be delivered or sent by certified mail (postage prepaid) to Attn: Ilene Healy, Town Administrator, Town of Durham, Durham, NH 03824 or such other address as the Franchise Authority may specify in writing to the Franchisee.

Every notice served upon the Franchisee shall be delivered or sent by certified mail (postage prepaid) to Attn: Director of Government Affairs, MediaOne, 334B Calef Highway, Epping, NH 03042 and a copy to Attn: Corporate Counsel, MediaOne, 6 Campanelli Drive, Andover, MA 01810, or such other address as the Franchisee may specify in writing to the Franchise Authority. The delivery shall be equivalent to direct personal notice, direction or order, and shall be deemed to have been given at the time of receipt.

SECTION 8.4 - AMENDMENT OR MODIFICATIONS

This Franchise shall not be amended or modified except by written agreement following publication of the proposed amendment in a manner consistent with applicable state and local laws.

SECTION 8.5 - ANNUAL TOWN REVIEW

At the Franchising Authority's written request and with reasonable advanced notice, the Franchisee shall attend annual meetings with authorized Town officials to review compliance with the terms of this Franchise and matters of interest to either party. No later than fifteen (15) days prior to such meeting, either party may submit a list of items to be reviewed.

SECTION 8.6 - DELEGATION

The Franchising Authority may delegate to any Town official, employee, agency or commission the authority to exercise any of the Franchising Authority's rights hereunder which may lawfully be so designated. Franchisee shall receive written notice within 30 days regarding any such delegation.

SECTION 8.7 - FINAL AGREEMENT

The Agreement stated herein, in writing, constitutes the final and entire agreement between the parties.

WITNESS OUR HANDS AND OFFICIAL SEAL, THIS 20th DAY OF

June 2000.

TOWN OF DURHAM

By:



Chairman, Town Council

Town Councilman

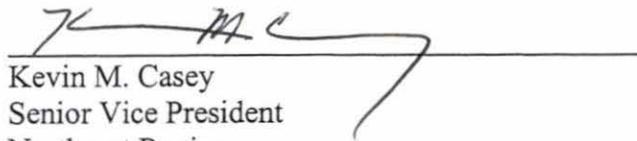
Town Councilman

Town Councilman

Town Councilman

MEDIAONE OF NEW ENGLAND, INC.

By:



Kevin M. Casey
Senior Vice President
Northeast Region

EXHIBIT A

The Franchisee shall provide for construction of all necessary line extensions for Cable Service to new dwelling units when the number of new Subscribers reaches the density requirement of ten (10) full-time Subscribers per mile of cable facilities, measured from the nearest feeder plant, with a one-year standard service (Total Basic) commitment payable in advance. In the areas with less than ten (10) Subscribers per mile of plant, the Franchisee shall require payment, as follows:

- (ii) where there are nine (9) Subscribers per mile, each of whom commits to pay in advance for one year of Cable Service, the Franchisee shall pay ninety (90) percent of the cost of such line extension and the Subscribers shall pay ten (10) percent;
- (iii) where there are eight (8) Subscribers per mile, each of whom commits to pay in advance for one year of Cable Service, the Franchisee shall pay eighty (80) percent of the cost of such line extension and the Subscribers shall pay twenty (20) percent;
- (iv) where there are seven (7) Subscribers per mile, each of whom commits to pay in advance for one year of Cable Service, the Franchisee shall pay seventy (70) percent of the cost of such line extension and the Subscribers shall pay thirty (30) percent;
- (v) where there are six (6) Subscribers per mile, each of whom commits to pay in advance for one year of Cable Service, the Franchisee shall pay ninety (60) percent of the cost of such line extension and the Subscribers shall pay forty (40) percent;
- (vi) where there are five (5) Subscribers per mile, each of whom commits to pay in advance for one year of Cable Service, the Franchisee shall pay fifty (50) percent of the cost of such line extension and the Subscribers shall pay fifty (50) percent;
- (vii) where there are four (4) Subscribers per mile, each of whom commits to pay in advance for one year of Cable Service, the Franchisee shall pay forty (40) percent of the cost of such line extension and the Subscribers shall pay sixty (60) percent;
- (viii) where there are three (3) Subscribers per mile, each of whom commits to pay in advance for one year of Cable Service, the Franchisee shall pay thirty (30) percent of the cost of such line extension and the Subscribers shall pay seventy (70) percent;
- (ix) where there are two (2) Subscribers per mile, each of whom commits to pay in advance for one year of Cable Service, the Franchisee shall pay twenty (20) percent of the cost of such line extension and the Subscribers shall pay eighty (80) percent;

(x) where there is one (1) Subscriber per mile, who commits to pay in advance for one year of Cable Service, the Franchisee shall pay ten (10) percent of the cost of such line extension and the Subscribers shall pay ninety (90) percent.

EXHIBIT B

**PUBLIC AND MUNICIPAL BUILDINGS
ON THE SUBSCRIBER NETWORK**

Public School Buildings:

Oyster River High School

Oyster River Middle School

Municipal Buildings:

Town Hall

Public Works

Police Station

Fire Station

Library