

*See renewal filed
9-25-00*



TOWN OF NORTHWOOD

NEW HAMPSHIRE

03261

803-942-5586

OFFICE of SELECTMEN

The Board of Selectmen of the Town of Northwood, as the Cable Television Franchise Issuing Authority, hereby APPROVE the transfer to MetroCast Cablevision of NH, LLC., of the Cable Television franchise dated September 15, 1983, which is currently held by Community TV Corporation. This approval shall become effective on the Closing Date of the Asset Purchase Agreement between Community TV Corporation and Metrocast Cablevision of New Hampshire.

Date:

August 31, 1998

Northwood Board of Selectmen:

Virginia R. Dole
Virginia R. Dole, Chairman

Marion J. Knox
Marion J. Knox

Douglas J. Peterson
Douglas J. Peterson

Expires 12-29-2011
(Noted on 8/30/2000 list)

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RENEWAL OF FRANCHISE
BETWEEN THE TOWN OF NORTHWOOD
AND

METROCAST CABLEVISION OF NEW HAMPSHIRE

RENEWAL OF FRANCHISE
BETWEEN THE TOWN OF NORTHWOOD
AND
METROCAST CABLEVISION OF NEW HAMPSHIRE L.L.C.

WHEREAS, MetroCast Cablevision of New Hampshire L.L.C. (hereinafter "MetroCast or "Franchisee") is the duly authorized holder of a Franchise to operate a cable communications system in the Town of Northwood (hereinafter "Town"), said Franchise having originally commenced on 12 March 1983; and

WHEREAS, MetroCast and the Town entered into informal negotiations to address the cable service requirements of the Town of Northwood; and

WHEREAS, there has been an opportunity for public comment, as described by Section 626(h) of the Cable Act; and

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

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

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

ARTICLE I

DEFINITIONS

SECTION 1.1 - DEFINITIONS

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

(a) Access Channel: One or more channels which the Franchisee shall make available to the Town of Northwood without charge, for the purpose of transmitting public, governmental and educational programming.

(b) Access Programming: (i) "Educational": Non-commercial local programming produced by Town of Northwood 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 local programming produced by Town of Northwood 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 nonprofit 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 services from a remote location.

(d) Affiliate or Affiliated Person: Any person who or which directly or indirectly controls and owns an interest in the Franchisee; any person which the Franchisee directly or indirectly controls and in which the Franchisee owns an interest; and any person directly or indirectly subject to control and owned in whole or in part by a person who or which directly or indirectly controls and owns an interest in the Franchisee.

(e) Basic Service: That service tier which includes at a minimum the retransmission of local television broadcast signals, public, educational and governmental access channels and other signals as defined by the FCC and services required by the Cable Act.

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

(g) Cable Act: Cable Communications Policy Act of 1984, Public Law No. 98-549, 98 Stat. 2779 (1984), 47 U.S.C. 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. 104-104, Section 101(a), 110 Stat. 56 (1996); 47 U.S.C. §253 et. seq. (1996).

(h) Cable Service: The two-way transmission to Subscribers of video programming, or other programming service and Subscriber interaction, if any, which is required for the selection or use of such video programming or other programming service. For the purposes of this definition, video programming is programming provided by, or generally considered comparable to programming provided by, a television broadcast station and, other programming service is information that a cable operator makes available to all subscribers generally. Cable service includes the provision of Internet service.

(i) 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 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.

(j) Channel: A frequency or set of frequencies with sufficient capacity to carry either one standard video signal or a number of audio, digital or other non-video signals.

(k) Converter: An electronic device which converts signals to a frequency not susceptible to interference within the television receiver of a Subscriber and any channel selector which permits a Subscriber to view all signals delivered at designated convertor dial locations at the set or by remote control.

(l) Drop: The coaxial cable that connects a home or building to the Residential Network or Institutional Network.

(m) Economic Feasibility: Economic feasibility shall mean the Franchisee shall have prospects of recovering the additional capital invested to provide such cable service and of earning a reasonable rate of return, including a recognition of risk to the Cable Operator if offering a new, untried technology or service.

(n) Effective Date: 12/30/99

(o) FCC: Federal Communications Commission.

(p) Feeder Cable: The cable, connected to the trunk cable, from which cable service is distributed to multiple Subscribers, as distinguished from trunk cable (which distributes cable service throughout the franchise area).

(q) Franchisee: MetroCast Cablevision of New Hampshire L.L.C. ("MetroCast").

(r) Franchise or Franchise Agreement: The Franchise granted herein.

(s) Franchise or Franchising Authority: The Town of Northwood, New Hampshire, or its designee, in accordance with applicable federal and state law.

(t) Franchise Fee: The payments to be made to the Franchise Authority or other governmental entity as consideration for the renewal franchise granted herein which shall have the meaning set forth in Section 622 (g) of the Cable Act. The Franchise Fee shall not include capital costs incurred by the cable operator pursuant to the terms of this agreement for educational or governmental access facilities. In addition, the Franchise Fee shall not include any fee imposed under Title 17, United States Code or any charge incidental to the awarding or enforcing or renewal of the franchise, including payments for bonds, security funds, letters of credit, insurance, indemnification penalties or liquidated damages.

(u) Gross Revenues: Any and all consideration of any form or kind or compensation received by the Franchisee, its affiliates, subsidiaries or parent, which is the result of the provision of Cable Television Service on the Cable System including, but not limited to, all monthly service fees including premium services, all commercial Subscriber revenues, all other service fees

including pay-per-view services and others sold on a per-channel basis; installation, reconnection, downgrade, upgrade and any similar fees; franchise fees, advertising fees, revenues received by the Franchisee which are derived from the sale of products in any way advertised or promoted on the Cable system; and revenues received from the provision of Internet Services; and converter and remote control rentals, leases or sales.

(v) Institutional Network or I-NET: The cable network which is available for two way transmission between and among certain designated points within the Town, as part of or connected to the Residential System.

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

(x) Other Definitions: Any term defined in FCC rules and/or regulations, or by Federal Law, as of the effective date of this Franchise Renewal, but not included in the foregoing definitions. Other Definitions shall be incorporated herein by reference as is set forth in full and shall be defined as appears in such rules and/or regulations.

(y) Outlet: An interior receptacle that connects a television set to the Cable System.

(z) Pay Cable or Pay Cable Services: Programming delivered for a fee or charge to Subscribers on a per channel basis, in addition to the fee or charge for the basic service.

(aa) Pay-per-view: Programming delivered for a fee or charge to Subscribers on a per program basis, in addition to the charge or fee to Subscribers for basic service.

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

(cc) Private Roads: Private rights-of-way or non-public roadways not classified as highways by Chapter 231 of the Revised Statutes Annotated of New Hampshire which provide access to two or more free-standing, non-connected residential buildings as residential buildings.

(dd) Programming: Any video, audio, text, data or other signal carried over the Cable System.

(ee) Public Way: The surface of, and the space above and below, any public street, highway, freeway, bridge, land path, alley, court, boulevard, sidewalk, parkway, way, lane, public way, drive, circle, or other public right of way, including, but not limited to public utility easements (except those owned by the Town) dedicated utility strips or rights of way dedicated for compatible uses and any temporary or permanent fixtures or improvements located thereon now or thereafter held by the

Franchising Authority and the Franchisee for the purpose of installing, operating, repairing and maintaining the cable system. Public Way shall also mean any easement now or hereafter held by the Franchising Authority within the service area for the purpose of public travel, or for compatible uses, and shall include other easements or rights of way and shall, within their proper use and meaning, entitle the Franchising Authority and the Franchisee to the use thereof for the purpose of the installing and transmitting of Franchisee's cable services or other services over poles, wires, cables, conductors, ducts, conduits, vaults, manholes, amplifiers, compliances, attachments and other property as may be ordinarily necessary and pertinent to the cable system.

(ff) Residential System: The trunk and feeder signal distribution network with bi-directional capability to be operated by the Franchisee over which video, audio, text and data signals can be transmitted to Subscribers, as is described in Section 3.3.

(gg) Scrambling: The electronic distortion of a signal in order to render it unintelligible or unreceivable without the use of a converter or other decoding device.

(hh) Service Interruption: The loss of any signal, video picture or sound on one or more channels carried over the Cable System for distribution to a Subscriber.

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

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

(kk) 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.

(ll) 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.

(mm) Subscriber: A person, firm, company, municipality, corporation or association lawfully receiving either basic cable services or additional services from the Franchisee under the schedule of charges filed with the Town.

(nn) Town: The Town of Northwood, New Hampshire.

(oo) Transfer: The disposal by the Franchisee, directly or indirectly, by gift, assignment, sale, merger, consolidation or

ARTICLE 2

GRANT OF FRANCHISE

SECTION 2.1 - GRANT OF FRANCHISE

Pursuant to the authority of the Cable Act and RSA 53-C of the laws of New Hampshire, as amended from time to time, the Board of Selectmen acting as the Franchising Authority, hereby grants a non-exclusive Franchise to the Franchisee, authorizing and permitting said Franchisee to construct, upgrade, operate and maintain a Cable System within the municipal limits of the Town of Northwood.

The Franchise is granted under and in compliance with and subject to the Cable Act and RSA 53-C of the 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. The Franchising Authority specifically reserves all authority granted it under RSA 231:160 et. seq. to manage, regulate and control the public right-of-way, as such authority relates to the provision of telecommunications services.

Subject to the terms and conditions herein, the Franchising Authority hereby grants to the Franchisee the right to construct, operate and maintain the Cable System, which may include poles, wires, optical fibers, amplifiers and other property and equipment as are necessary in the Public Ways of the Town, including other property over which the Town has a sufficient compatible easement or right-of-way, for the purpose of reception, transmission, amplification, origination, distribution or redistribution of video, audio, text, data or other signals in accordance with the laws of the United States of America and the State of New Hampshire and Town of Northwood.

SECTION 2.2 -TERM: NON-EXCLUSIVITY [SEE RSA 53-C:3-b]

→ (a) The term of this non-exclusive Franchise Agreement shall be for a period of ten (10) years at the conclusion of the rebuild or twelve (12) years, following the expiration of the current franchise, whichever comes first. The term of this Franchise Agreement is subject to the future technology reviews which are to occur at the conclusion of the third year upon request of the Town, and fifth years of the term of this agreement and which are described more fully at Section 3.4 hereof, and the term is subject to all provisions of New Hampshire law and applicable federal law, as such laws may be from time to time amended, and is subject

further to the performance by Franchisee of all terms and conditions set forth herein.

(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 persons for a similar Cable System or otherwise at any time during the term of the Franchise Agreement. The Franchisee hereby acknowledges the Town 's right to make such grants and permit such uses.

SECTION 2.3 - RENEWAL OF FRANCHISE

The renewal of this Franchise shall be governed by applicable federal law and regulations promulgated thereunder and by applicable New Hampshire law.

SECTION 2.4 - FRANCHISE FEE

(a) Franchisee shall pay to the Town as a Franchise Fee a sum equal to three percent (3%) of the Franchisee's Gross Revenues, as defined herein, derived during each year of the Franchise. Such percentage may be changed at the anniversary of the Effective Date by the Franchising Authority upon thirty (30) days' notice to the Franchisee. Said payment shall not include any equipment or facilities grants or payment of any damages. Said payment shall be made semi-annually within thirty (30) days after June 30th and

thirty (30) days after the end of the calendar year. Each payment shall be accompanied by a statement certified by Franchisee's Chief Financial Officer documenting the factual basis for payment in reasonable detail, including a break-down by category and source of Franchisee's Gross Revenues upon which such payment is based. The Town may designate a particular Town account or fund, including any reserve or trust fund duly established, to which the Franchisee shall direct Franchise Fees due hereunder.

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

(c) Within one hundred twenty (120) days of the payment of the Franchise Fee described above, the Town may, as needed to verify the appropriateness of such payment, request and the Franchisee shall make available its financial records and books insofar as they apply to the calculation of Gross Revenues and the Franchise Fee, and the Town may subject said records and books to an independent audit at the Town's expense so as to verify the amount due to the Town for Franchise Fees. At any other time during the life of this Franchise, the Town may, as needed to verify the information provided hereunder, upon reasonable belief and after notice and an opportunity by the Franchisee to be heard, inspect and subject to independent audit at Town's expense, the financial

records and books of Franchisee insofar as they apply to the calculation of Gross Revenues and Franchise Fees paid to the Town; provided, however, that if the Town has a reasonable belief or reasonably should have such a belief of a need to verify information, it must exercise its right to inspect and audit within five (5) years of such event. If, after audit and recomputation, an additional payment is owed, such payment shall be paid within thirty (30) days after notice of deficiency, and the Franchisee shall pay the full cost of said audit. The interest on such additional payment shall be charged from the due date at the Prime Rate during the period that such additional amount is owed.

(d) No acceptance of any payment shall be construed as an accord that the payment is, in fact, the correct amount, nor shall such acceptance of payment be construed as a release of (i) any claim the Town may have for further or additional sums, including interest, payable under provisions of this Franchise or (ii) any other claim whatsoever, provided, however, that if the Town knows or reasonably should have known that a payment is incorrect, it must challenge such payment within five (5) years of such event.

(e) The Town agrees to protect any proprietary information supplied from disclosure by treating such information as confidential to the extent permitted by RSA 91-A.

SECTION 2.5 - TRANSFER OR ASSIGNMENT

(a) This Franchise, or any part of this Franchise, shall not be transferred, assigned, or subject to a change of control without the prior written consent of the Franchising Authority, which consent shall not be arbitrarily or unreasonably withheld or delayed, and which shall be governed by applicable provisions of the Cable Act.

(b) For purposes of this Section, a transfer or assignment of this Franchise or control thereof between commonly controlled entities, between affiliated companies or between parent and subsidiary corporations shall not constitute a transfer or assignment. Control shall mean majority (over 50%) voting control of the Franchisee. An affiliated company is one that directly or indirectly, or through one or more intermediaries, controls, is controlled by, or is under common control with another person or entity.

(c) If there shall be filed against Franchisee in any Court, pursuant to any statute either of the United States or of any State, a Petition at Bankruptcy or insolvency or for reorganization or for the appointment of the receiver or trustee of all or a portion of Franchisee's property, and if, within sixty (60) days thereof, Franchisee fails to secure a discharge thereof, or Franchisee shall voluntarily file any such petition or make an assignment for the benefit of creditors, Franchisee shall notify

Town of such fact within five (5) days of its occurrence. Any subsequent sale of the Cable System, or any part thereof, or cable property or facilities, or the Franchise shall be treated as a transfer or assignment and the provisions of this section requiring approval of the Town shall apply. The term "bankruptcy" as used herein shall include an assignment for the benefit of creditors.

(d) In reviewing any request to transfer, assign or change control of ownership, the Town shall analyze such factors as whether the transferee has the appropriate technical, legal and financial capacity to operate the Cable System.

(e) The parties agree that the Town, in consenting to any transfer, assignment or change of control, does not waive its right to pursue Franchisee for violation of provisions of this contract. All terms of this Agreement shall be binding on transferees except as otherwise agreed to. The Town, as part of its review process, may impose reasonable conditions on the Transferee before granting consent. Such condition shall be calculated to ensure performance of this Franchise. Such condition may include but is not limited to the requirement that all terms of the current franchise be upheld by the Transferee.

SECTION 2.6 - EQUAL PROTECTION PROVISION [See RSA 53-C:3-b]

(a) In the event the Franchising Authority grants an additional cable franchise or franchises, such franchise(s) shall

not contain terms and conditions which violate the standard set forth in NH RSA 53-C:3-b.

(b) Any such additional franchise(s) shall be granted on the condition that such franchise(s) shall indemnify and hold harmless the Town and the Franchisee from and against all costs and expenses incurred in strengthening poles, rearranging attachments, placing underground facilities and all other costs (including those of the Town and Franchisee) incident to inspections, make-ready and construction of an additional Cable System in the franchise area.

(c) The Town agrees that it will not use its designated access channel(s) or other designated Franchisee Subscriber network facilities to provide for-profit commercial services which compete with the Franchisee's lines of business.

SECTION 2.7 - POLE ATTACHMENT RIGHTS

(a) Pursuant to RSA 231:161, permission is hereby granted to the Franchisee to attach or otherwise affix cables, wire, or optical fibers comprising the Cable System to the existing poles on public streets and ways, provided the Franchisee secures permission and consent of the public utility companies to affix the cables and/or wires to their pole facilities and provided further that the Franchising Authority shall have the right or option to determine the location of all such cables or wires. Franchisee may erect its own poles and install its own conduit, with approval of the

location of such installation by the Franchising Authority, which approval shall not be unreasonably withheld. The Franchising Authority grants Franchisee equal standing with the power and telephone utilities in the matter of placement of facilities on Public Ways subject to the ultimate authority of the Franchising Authority to determine the location of all installations. All poles and conduit installed within the service area, as defined herein at Section 3.1, 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 U.S.C., Section 224.

(b) In all areas of town where public utility lines are aerially placed, if subsequently during the term of the Franchise such utility lines required by local ordinance or State law to be relocated aerially or underground, Franchisee shall similarly relocate its Cable System. The Town is not responsible for any costs of relocating utility poles or trenching for the placement of underground conduits.

SECTION 2.8 - USE OF SYSTEM BY TOWN

The Town shall have the right, without cause, to make attachments within the Town to facilities owned by Franchisee for governmental use, subject to Franchisee's ability to fully use its facilities for all legally authorized purposes, such attachments to

be installed and maintained only after written notice to Franchisee, provided, that Franchisee shall assume no liability or expense in connection therewith and provided further that the Town's use thereof shall be in such a manner as not to interfere in any manner with the operation of the Cable System by Franchisee, and shall be in compliance with the National Electrical Safety Code and all applicable federal, state, and local laws, rules and regulations. Should the Franchisee permit the Town to make attachments pursuant to this section and subsequently determine that the attachments interfere with the operation of the Cable System by Franchisee, the Franchisee shall provide the Town with written notice of such determination and the Town shall remove such attachments within a reasonable time period.

The Town shall provide notice of such attachments to all similarly affected users of the public rights-of-way, including pole facility owners.

SECTION 2.9 - POLICE AND REGULATORY POWERS

Franchisee's rights are subject to the powers of the Town to adopt and enforce general ordinances necessary for the safety and welfare of the public, provided that such ordinances are of general applicability and not specific to the Cable System, the Franchisee, or this Franchise including ordinances and regulations pertaining to management, control and regulation of public rights-of-way but

only to the extent authorized or allowed by state law and federal law.

ARTICLE 3

SYSTEM SPECIFICATIONS AND CONSTRUCTION

SECTION 3.1 - SERVICE AREA; LINE EXTENSIONS

(a) Present Service Area: The areas of Northwood highlighted on MetroCast's map as "to do" and attached herein as Exhibit "A" shall be connected within six (6) months of the date of the Franchise Renewal Agreement execution. If MetroCast is unable to complete the extension due to force majeure, performance of make ready or availability of construction crews and equipment, MetroCast shall provide written notice and explanation to the Town on a monthly basis until such extension is completed. To the extent that MetroCast has not previously done so, MetroCast shall submit pole permit applications within thirty (30) days of the execution of this Franchise Renewal. Subject to Exhibit A, every public highway shall be serviced by feeder cable unless such service can be supplied using alternative cable technology. Cable Service shall be provided to every existing dwelling unit requesting Cable Service and located on public streets and private roads, as marked on Exhibit "A", provided Franchisee is able to obtain from property owners any necessary easements at no cost and/or any applicable permits.

(b) Future Service Area: 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 10 Subscribers per mile of cable facilities, with a one-year cable service commitment payable in advance. In areas with less than 10 Subscribers, MetroCast shall require payment as described in Exhibit B.

SECTION 3.2 - SUBSCRIBER CONNECTION

(a) The Franchisee shall, within fifteen (15) days of a 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 (200) aerial feet 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 (200) aerial feet from Feeder Cable shall be charged an additional one time installation fee, at cost of necessary labor and materials as mutually agreed.

(c) Franchisee shall complete construction of any such Subscriber connections within fifteen (15) days of either a request for such connection by the occupant or owner of the dwelling or within fifteen (15) 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

Franchising Authority, Franchisee shall provide a written report to the Town completely explaining its failure to meet the time frame stated herein.

SECTION 3.3 - RESIDENTIAL SYSTEM

(a) The Franchisee commits to constructing within twenty-four (24) months of the execution date of the Franchise Renewal Agreement a 2-way residential Cable System utilizing Addressable Technology, and cable and electronics capable of transmitting a bandwidth of 860 MHZ, providing a minimum of 75 channels in the downstream direction and 4 channels in the upstream direction. The Cable System shall have 2-way interactivity within two years of the execution date of the Franchise Renewal Agreement.

(b) Franchisee shall conduct routine monitoring and testing of the system no less than twice each year to ensure compliance with FCC regulations. Test results shall be made available for review at request by Franchising Authority.

Franchisee shall notify the Franchising Authority as soon as practicable, of any failure to meet required standards, and shall transmit details of such failure to the Franchising Authority, as soon as possible. Franchisee shall take prompt steps to remedy any such failure. Franchising Authority shall be notified when the system is brought back into compliance. Repeated failure to meet

FCC regulations shall be grounds for revocation of the Franchise Agreement.

(c) Only those customers who choose to take digital services shall be required to use a digital converter. Only those customers who choose to subscribe to digital programming services shall be required to pay for those programming services. Customers who choose not to receive digital services shall continue to pay their existing rates, as amended from time to time according to federal and local regulations. Franchisee shall make available converters to all Subscribers who wish to purchase the digital service.

(d) The Cable System shall be designed and constructed so that television station broadcast signals received by the Franchisee in stereo can be received in stereo by Subscribers without the necessity of subscribing to any other Cable System service, providing Subscriber has video reception equipment capable of receiving stereo signals.

(e) Within two (2) years of the execution of the Franchise Renewal Agreement, Franchisee shall offer Internet Services to the Subscribers of the Town, if such service is Economically Feasible.

(f) Franchisee shall provide the Franchising Authority with sixty (60) days notice until the Bulletin Board is operable and thirty (30) days' notice thereafter, before making any deletions, additions, relocations to programming or stations or any other change to its channel offerings. The Franchising Authority may, at

its sole discretion, hold a public hearing to solicit comment regarding the proposed changes. Upon provision of fifteen (15) days notice, the Franchisee shall attend such public hearing.

SECTION 3.4 - FUTURE TECHNOLOGY

(a) To maintain a leadership position in providing cable service in 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 the terms of this Franchise Agreement.

(b) At the third and sixth anniversary, Franchisee shall, upon request by the Franchising Authority, conduct a performance evaluation review with the Franchising Authority regarding changes in relevant cable technology, as defined herein, that might benefit Northwood's Subscribers. Within a year of the completion of any such evaluation and review, Franchisee shall provide Cable Services comparable to those services available to at least forty (40%) percent of all cable subscribers in the following New Hampshire municipalities: Bow, Candia, Farmington, Milton, Rye, Nottingham, Hopkinton, Kingston, Barrington, Stratham, Strafford, Lee, Epping and such other New Hampshire municipalities as mutually agreed.

Franchisee may refuse to provide such Cable Services upon a showing that the demand for such services does not permit recovery of a reasonable rate of return on the additional capital investment required to provide such services over the remaining term of the Franchise. For purposes of this Franchise and this section, the term "Cable Service" includes the provision of Internet access services but does not include the provision of telecommunication services. Relevant cable technology may include, but is not limited to, video compression capacity, scrambling technology, additional interactive capability, Institutional Network upgrade and PEG access capacity and capability. The Franchisee shall fully cooperate with the Franchising Authority, and produce such documents, subject to the confidentiality provisions of RSA 91-A, and other materials as are reasonably requested by the Town to facilitate the process.

For the Town to exercise its options in this section, the following requirements must be met:

- i. The Franchising Authority shall notify the Franchisee in writing of its request that the performance evaluation be conducted;

- ii. The Franchisee shall meet with the Town and negotiate in good faith to identify the cable technologies provided in the benchmark municipalities, which are not currently provided in the Town of Northwood;
- iii. The Franchising Authority must request in writing that the Franchisee perform the upgrade as in the best interest of Subscribers;
- iv. Such relevant cable technology must be technically and economically feasible. Economically feasible shall mean the Franchisee shall have prospects of recovering the additional capital invested to provide such Cable Service and of earning a reasonable rate of return, including a recognition of risk to the cable operator if offering a new, untried, technology or service;
- v. The Franchising Authority may hold a public hearing, upon fifteen (15) days' notice to the Franchisee, for public comment on any proposed future technology offering;

vi. Within thirty (30) days of the public hearing, Franchisee shall respond in writing to the Town's request for a technology upgrade by stating its intent to comply with or reject the upgrade requirements. Failure to provide reasonable technology upgrade shall be considered a material breach of the Franchise and may subject the Franchisee to revocation proceedings.

SECTION 3.5 - PARENTAL CONTROL CAPABILITY

The Franchisee shall make available to any Subscriber at their request, a parental control device which will permit the Subscriber at their option to control the reception or to eliminate comprehensive reception of any channels on the Cable System.

SECTION 3.6 - ACCESS PROGRAMMING

(a) Franchisee shall provide one Access Channel and a second channel at such time as the Town is programming the first Access Channel for at least eighteen (18) hours per day with seventy-five (75%) percent non-duplicated programming over an eight week period.

(b) The Franchising Authority shall establish rules for the use of the cable channel consistent with the provisions of the Cable Act.

service that will require subscriber interaction. Converter boxes shall also be made available for rent or purchase for those who desire to augment reception with non-cable-ready TV sets and/or VCR's.

SECTION 3.9 - LEASED ACCESS CHANNELS

Franchisee shall make channel capacity available as required by the Cable Act for leased access use to a person, group, organization or entity upon reaching an appropriate agreement. Rates for the use of Leased Access Channels shall be negotiated between Franchisee and the commercial user in accordance with the provisions of the Cable Act.

SECTION 3.10 - GOVERNMENTAL CABLE DROP TO RESIDENTIAL NETWORK

Franchisee shall provide, as directed by the Town (a) one cable drop connected to the Residential network, (b) one outlet, (c) one modem, and (d) the monthly basic service and the next level of programming service above the basic service taken by the larger number of subscribers in the Town, without charge, to public school buildings, including Coe-Brown Academy (which shall be deemed a public school for purposes of this Agreement for so long as the Town pays Coe-Brown to educate Town children in lieu of a Town public school), the libraries, Town Hall, Police and Fire

Departments located in Northwood. Upon request, Franchisee agrees to provide to the Town, at cost, said cable and/or equipment in order that the Town can install its own additional outlets.

In addition, Franchisee agrees to provide free Internet Service when available to all public school buildings, including Coe-Brown Academy as long as such school functions as the public high school for the students of Northwood and public buildings including the libraries, Town Hall, Police and Fire Departments in the Town of Northwood.

ARTICLE 4

TECHNOLOGICAL AND SAFETY STANDARDS

SECTION 4.1 - SYSTEM MAINTENANCE

(a) When 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 Franchising Authority except as may be approved by the Franchising 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 System for which this Franchise is granted shall be done in conformance with OSHA, the National Electrical Safety Code, rules and regulations of the FCC and applicable state and local laws and ordinances.

(c) The Cable System shall be constructed, operated and maintained so as to comply, at a minimum, with all FCC requirements as to signal quality and characteristic and so as to avoid interference with television reception, radio reception, telephone communications or other electronic installations in Town. Upon request by the Franchising Authority or its designee, Franchisee shall provide proof of compliance of FCC signal requirements. Upon completion of annual FCC required signal quality tests, Franchisee

shall provide the Franchising Authority with a summary of each non-compliant measurement and the corrective action taken. Corrective actions are to be taken within 30 days of discovery of non-compliant measurement. Franchisee shall file a summary report within 30 days of undertaking the corrective action.

(d) In addition, Franchisee shall make measurements of leakage, as required by 76.609 of the FCC Rules. These tests shall be made available to the Franchising Authority. Franchisee agrees to respond within 48 hours to any and all complaints of radio frequency interference alleged to be caused by the operation of its Cable System, and shall make all reasonable, good faith efforts to resolve any interference which may be occurring and which is under Franchisee's control at the Franchisee's own expense and initiative.

(e) Franchisee further agrees to respond within 48 hours to any and all complaints of radio frequency interference caused to its cable Subscribers from other radio users upon reasonable notice of such interference, and shall make all reasonable, good faith efforts to resolve any interference which may be occurring, and which is under the Franchisee's control, at Franchisee's own expense and initiative.

(f) Operations 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 System shall be

routinely inspected and maintained so that conditions that could develop into safety hazards for the public and/or operations 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.

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

(h) The signal of any television or radio station carried on the Cable System shall be carried without material degradation in quality at all Subscriber locations within the limits imposed by the technical specifications of the Cable System and as set forth by the FCC. The Cable 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 Systems.

The Franchisee shall monitor the PEG Access Channels for technical quality and shall ensure that they are maintained at standards commensurate with those which apply to the Cable System's commercial channels; provided, however, that the Franchisee is not responsible for the technical quality of PEG Access Programming.

Upon request, the Franchisee shall make available a copy of its most recent annual performance tests.

(i) The Town reserves the right to inspect all construction and installation work for compliance with applicable laws, codes, ordinances and regulations and with provisions of the Franchise, and the Town through its code enforcement office. All inspections shall be at the expense of the Town.

(j) All lines, cables and distribution structures and equipment, including poles and towers, erected by Franchisee, within the Town shall be located so as not to obstruct or interfere with the proper use of Streets, as defined herein, and to cause minimum interference with the rights of property owners who abut any of the said streets, and not to interfere with existing public utility installations. Franchisee shall have no vested right in a location except as granted herein by the Franchise, and such construction shall be removed by Franchisee at its own cost and expense whenever the same restricts or obstructs or interferes with the operation or location of any future operation or location of said Streets, provided, however, that this standard shall apply to all persons or entities owning lines, cables, and distribution structures, and equipment and provided further that the Franchisee shall not be required to remove any such construction solely to accommodate needs of competing Cable Systems.

(k) Upon written notice from the Town , the Franchisee shall remedy a general deficiency with respect to the technical standards described herein within fourteen (14) days 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

(a) Franchisee shall promulgate and adhere to a preventive maintenance policy directed toward maximizing the reliability (mean-time-between-malfunctions) and maintainability (mean-time-repair) of the Cable System with respect to its delivery of service to Subscribers at or above the performance standard set by the FCC. Whenever it is necessary to interrupt service for the purpose of making repairs, adjustments, installation or other maintenance activities, Franchisee shall do so at such time as will cause the least inconvenience to Subscribers. Except in an emergency, and except for insignificant interruptions of thirty (30) minutes or less which may occur during the course of normal maintenance, service is to be interrupted only between the hours of midnight and 7:00 a.m.

(b) Whenever the Franchisee takes up or disturbs any pavement, sidewalk or other improvement of any public streets or private roads or place, the same shall be replaced and the surface

restored in as good condition as before entry as soon as practicable. In no event shall such restoration be made later than ten (10) business days, weather permitting and excepting events beyond the reasonable control of Franchisee, after Franchisee's receipt of written notification from the property owner so damaged unless otherwise agreed by Franchisee and the property owner. Upon failure of the Franchisee to comply within the time specified (unless the Franchising Authority sets an extended time period for such restoration and repairs) or if such damage presents an emergency situation presenting a threat to public safety, the Franchising 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 Franchising Authority.

(c) In addition, upon the failure, refusal or neglect of Franchisee to cause any work or other act required by law or by this Franchise to be properly completed in, on, over or under any Street within any time prescribed, the Franchising Authority may cause such work or other act to be performed or completed in whole or in part, and upon so doing shall submit to Franchisee an itemized statement of prevailing rates of the cost thereof. Franchisee shall, within thirty (30) days after receipt of such statement, pay to the Town the entire amount thereof. The Town, at its option, and in its sole discretion, may draw upon the bond described herein to recover any cost incurred pursuant to this

section, should Franchisee fail to pay such costs within sixty (60) days of receipt of the statement of those costs.

SECTION 4.3 - CABLE LOCATION

(a) In all areas of Town where the cable or wire facilities of the public utilities are installed underground, Franchisee shall install its cable system underground. Vaults and pedestals shall be suitably restored to a similar condition prior to underground work.

(b) Where public utility cable or wire facilities are above ground, Franchisee shall follow the then current pole placements in the Town.

(c) The Franchisee's drops shall be located underground at the request of the property owner, provided the excess cost over aerial cost for such drops shall be borne by the property owner making the request.

All Drops which are intended to be underground shall be buried within ten (10) days of placement, weather and ground conditions permitting.

(d) At such time the Franchising Authority requires utilities to place facilities underground, Franchisee shall likewise place its Cable System underground without cost to the Town.

(e) The rights and privileges granted hereby shall not be in preference or hindrance to the right of Town, or other governmental

agency, improvement district or other authority having jurisdiction, to perform or carry on any public works or public improvements, and should the Cable System in any way interfere with the construction, maintenance or repair of such public works or improvements, Franchisee shall, at its own expense, protect or relocate its system or part thereof, as directed by Town or other authority having jurisdiction.

SECTION 4.4 - TREE TRIMMING

The Franchisee shall have the authority to trim trees upon and overhanging Public 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 ordinances and regulations.

SECTION 4.5 - STRAND MAPS

Within sixty (60) days from a request in writing from the Franchise 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 the confidentiality provisions of RSA 91-A. Upon reasonable request by the Franchise Authority, Franchisee shall provide updated maps.

SECTION 4.6 - 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 twenty-one (21) 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 move permit.

SECTION 4.7 - 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 unless for reasons of force majeure as defined in Section 8.2 hereof.

SECTION 4.8 - RESIDENTIAL EXTERIOR WIRING

Franchisee shall adhere to Subscriber's reasonable request for location of entry and shall in other respects observe standard specifications for Drop connections into the residence. Exterior wiring on a residence shall be installed as unobtrusively as possible.

ARTICLE 5

CUSTOMER SERVICE, MARKETING OF SERVICES

AND CONSUMER PROTECTION

SECTION 5.1 - CUSTOMER SERVICE

(a) Franchisee shall comply with the federal customer service standards as set forth by the FCC in accordance with the Cable Television Consumer Protection and Competition Act of 1992, as amended from time to time and as set forth in applicable New Hampshire statutes.

(b) Franchisee shall maintain a drop box within the Town for collecting receivables. The Franchisee shall provide for converter box exchange within a reasonable distance to the Town. Franchisee shall provide and maintain 24-hour, toll-free answering lines which Subscribers may call without incurring added message units or toll charges so that prompt maintenance and service is available.

(c) At the time of initial subscription and annually thereafter, the Franchisee shall give each subscribing household a written notice, which shall include full disclosure of (i) products and services offered, (ii) prices and options for programming services and conditions of subscription to programming and other services, (iii) installation equipment and service maintenance charges and policies, (iv) instructions on use of the cable service(s) channel assignments of programming carried on the

system; (v) instructions for cable converter boxes and the use of various cable services; (vi) billing and complaint procedures for reporting and resolving Subscriber complaints, including the address and telephone number of the local Franchising Authority; and (vii) information regarding availability of parental control devices; and (viii) a list of monthly and non-recurring fees and charges.

Franchisee shall include at the time of initial subscription, a written authorization form which requires the Subscriber to affirm expressly that he agrees to release any Subscriber information regarding cable or Internet service, as discussed in Section 5.6. Without such authorization, Franchisee is prohibited from releasing Subscriber lists, e-mail addresses or any other Subscriber information to third parties.

(d) The Franchisee shall make all reasonable efforts to 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. Franchisee agrees to undertake service calls to every Subscriber providing notice to MetroCast regarding problems with Channel 11 picture quality. Such service will continue until the problem is identified and resolved. Such service calls shall be at no cost to the Subscriber. MetroCast shall provide an A/B switch at no cost until Channel 11 picture quality problems are solved.

(e) Except as limited by federal law or FCC regulations concerning privacy, Franchisee shall maintain a record of all such complaints and such records shall be available at Franchisee's local offices for at least two 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 customer'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 Franchising Authority an accounting of the number and nature of such complaints, within the limits of RSA 91-A.

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

(g) The Franchisee shall conduct a survey of customer preferences at least every two years regarding channel offerings and customer services. The Franchisee shall report customer service-related results to the Franchising Authority, subject to the Confidentiality provisions of RSA 91-A. Upon request, the Franchisee shall attend a public hearing to receive public comment regarding channel offerings and customer services.

SECTION 5.2 - TERMINATION OF SERVICE

(a) In the event a Subscriber's service is terminated, monthly charges for service shall be pro-rated on a daily basis and, where advance payment has been made by a Subscriber, the appropriate refund shall be made by Franchisee to the Subscriber within forty-five (45) days of such termination.

(b) Franchisee shall have the right to disconnect a Subscriber for failure to pay an overdue account; provided, that

- (1) Franchisee billing practices and policy statement set forth the conditions under which an account will be considered overdue; and
- (2) Franchisee mails, at least twelve (12) days prior to the proposed disconnection, written notice of intent to disconnect for delinquency in payment; and
- (3) The Subscriber's account is at least thirty (30) days delinquent.

SECTION 5.3 - SERVICE INTERRUPTIONS

In the event of a Cable System failure resulting in a Subscriber experiencing a service interruption for twenty-four (24) or more consecutive hours, Franchisee shall grant such Subscribers, upon request, 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. Credits shall be applied as described above if Franchisee knew of the interruption or after due notice to the Franchisee from the Subscriber.

Franchisee shall consider a similar credit for any service interruptions lasting less than twenty-four (24) hours, upon notice excluding interruptions which are beyond the control of the Franchisee, such as, but not limited to, electrical outages, acts of God, or for any reason of force majeure.

SECTION 5.4 - IDENTIFICATION

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 Northwood Police Department of the work location within the Town and provide relevant vehicle identification prior to commencing such work.

SECTION 5.5 - SUBSCRIBER ANTENNAE

Notwithstanding a required disconnection of Subscriber's existing antenna and downloads to receivers connected to the Cable System, Franchisee shall not remove such antennae and downloads. Subscribers may request and Franchisee shall provide and install AB switch or other appropriate switch technology at no cost to the Subscriber at initial installation.

SECTION 5.6 - SUBSCRIBER PRIVACY AND RIGHTS TO INFORMATION

The Franchisee shall not collect, store, use or make available to any third party data relating to individual Subscriber households, whether the data are for providing Cable Service or Internet services 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 Act, "Protection of Subscriber Privacy." Any Subscriber may, upon written request, examine all records maintained by Franchisee relating to the Subscriber's account. 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.

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 price for Cable Service, equipment and installation will be in conformance with the Cable Act and the rules and regulations of the FCC, and any currently or hereinafter applicable federal and/or state laws and regulations.

(b) Town shall have the right to the extent granted under state law, the Cable Act and FCC regulations, to regulate rates, equipment, installation and service charges to Subscribers.

(c) The Franchisee may require a deposit or refuse service to any applicant for a bona fide credit reason which relates to the applicant's overdue or delinquent account with the Franchisee. The Franchisee may require that the account of any Subscriber requesting work be current before such work is performed.

(d) Franchisee shall notify the Franchising Authority in writing to be received by the Franchising Authority a full thirty (30) days prior to any adjustment in price for Cable Service provided by the Cable System. Notification, post-marked forty-five (45) days prior to change, will be considered adequate notice. The notice shall state the date on which the adjustment in price is to occur. At the request of the Town, upon fifteen (15) days written

notice, Franchisee shall attend and respond at a public hearing disclosing either (1) financial or service information relevant to how Franchisee's basic service rates compare to FCC rate benchmarks and detailed explanation on how rates are calculated, in accordance with FCC regulations or (2) if Franchisee is relying on a cost of service showing, how rates meet that standard, in accordance with FCC regulations. For rates the Town is not authorized to regulate, Franchisee shall provide to the Town, upon request, copies of any filings by the Franchisee relative to rate proceedings at the FCC.

(e) The Franchisee may levy collection charges not to exceed actual costs on overdue or delinquent accounts, not including reasonable late fees consistent with industry practice and the prevailing law of New Hampshire.

ARTICLE 7

REGULATORY OVERSIGHT

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 installation, operation or maintenance of any structure, equipment, wire or cable within the Franchise area. Upon receipt of notice of any such claim in writing from the Board, 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 installation, operation or maintenance of its Cable System.

SECTION 7.2 - INSURANCE

(a) The Franchisee shall carry insurance with the Town as a named insured with an insurance company satisfactory to the Franchising 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 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) and Five Million Dollars (\$5,000,000) on account of injury to or death of any number of persons in any occurrence. Such liability insurance shall include products and completed operations, independent contractors, personal injury, and automobile; and Franchisee's liability insurance shall be endorsed to include the full indemnity for the Town .

(b) Worker's Compensation, including liability benefits and any other legally required employee benefits, shall be supplied in statutory amounts.

(c) All insurance coverage, including Worker's 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 thirty (30) days after the execution of this Franchise, Franchisee shall furnish to the Town certificates of insurance.

(d) All such Franchisee insurance policies and certificates of insurance shall stipulate that the coverage afforded by the policies will not be canceled, modified or not renewed until at least thirty (30) days prior notice has been given to Town .

(e) The Town shall have the right, any time after the fifth year of this Franchise, to require an increase in the amounts of insurance to an amount no greater than \$3,000,000 per person and \$10,000,000 per occurrence provided:

- (i) Town shall give Franchisee at least 60 days notice of any such increase; and
- (ii) the increase may, at Franchisee's request, be considered at a public hearing at which all the parties are afforded an opportunity to be heard; and
- (iii) there is at least thirty (30) days notice of any such hearing.

SECTION 7.3 - ANNUAL REPORTING BY FRANCHISEE

One Hundred Eighty (180) days after the end of each year of the Franchise term, the Franchisee shall report to the Town in writing, responding to a written survey in substantially the form attached hereto as Exhibit "D", such annual report to include, at a minimum, the information described in that Exhibit.

SECTION 7.4 - PERFORMANCE BOND

(a) Franchisee shall obtain and maintain during the entire term of this Franchise, at its sole cost and expense, and file with the Town, an irrevocable performance bond to guarantee performance of the following terms and conditions:

- (1) the satisfactory completion of the cable installation in the time schedule provided herein and satisfactory compliance with provisions of this Agreement;
- (2) the satisfactory restoration of pavements, sidewalks and other improvements in accordance with this Franchise;
- (3) the satisfactory operation of the Cable System in compliance with the material terms and conditions of this Franchise;
- (4) the installation of technology upgrades in accordance with Section 3.4.

During this period of construction this performance bond shall be in the amount of One Hundred Thousand Dollars (\$100,000). When Subscriber service is available on the Cable System, as defined herein, and following a reasonable period of satisfactory operation as determined by the Town, the performance bond shall be reduced, but only with written permission from the Franchising Authority which permission shall not be unreasonably withheld or delayed, to Twenty Thousand Dollars (\$20,000), which shall be held by the Town during the life of this Agreement.

Thereafter, the Town may draw upon this bond for the purpose of curing any deficiency or breach by Franchisee of the terms stated in this Section 7.4. This right to draw upon this bond shall not in any way impede or impair the right of the Franchisee to appeal the basis for such action.

(b) The total amount of the bond shall be forfeited in favor of the Town in the event:

- (i) Franchisee abandons the Cable System or any part thereof at any time during the term of the Franchise; or
- (ii) There is any change in ownership or control of the Franchisee, the Franchise or The Cable System not in compliance with the provisions hereof;
- (iii) Franchisee fails to purchase and maintain insurance as required by this Agreement; or
- (iv) Franchisee fails to perform its obligations under this Agreement or in any way violates the terms of this Agreement.
- (v) Failure to comply with future technology requirements.

(c) The Town may draw upon this bond and may otherwise recover any and all penalties due to the Town and any and all damages, losses, costs, and expenses suffered or incurred by the Town resulting from a material breach due to Franchisee's failure to comply with one or more provisions of this Section 7.4. Such losses, costs and expenses shall include, but not be limited to, reasonable attorneys fees and other legal, consulting and auditing expenses, subject to the determination of a court, arbiteur or agreement by the parties that there was a material breach by Franchisee. Nothing herein shall be deemed to permit the Town to collect more than the sums that it is due. The Town may not recover these sums from multiple parties.

SECTION 7.5 - NOTICE OF OPPORTUNITY TO CURE

(a) Prior to instituting any action against the Franchisee under Section 7.4, (Performance Bond) or Section 7.6 (Revocation of Franchise), the Franchising Authority shall notify the Franchisee in writing of the specific failure and shall give the Franchisee sixty (60) days, or such longer time as may be granted by the Franchising 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 Franchising Authority within the specified time period.

SECTION 7.6 - REVOCATION OF FRANCHISE; DEFAULT

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

- (1) For failure to comply with any of the material terms and conditions of the Franchise;
- (2) The repeated failure, as determined by the Franchising Authority, to maintain signal quality pursuant to FCC standards;
- (3) The repeated failure to correct degraded picture quality as identified in Customer complaints to Franchisee;
- (4) For any transfer or assignment of the Franchise Agreement or control thereof without consent of the Franchising Authority;

- (5) For failure to maintain a performance bond as described in Section 7.4 or to maintain insurance as described in Section 7.2.
- (6) For failure to comply with future technology requirements.

SECTION 7.7 - REMOVAL OF SYSTEM

Upon termination of the 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 Public Ways and other public 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 Franchising Authority 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.

SECTION 7.8 - 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 to the extent that

any provision of this Franchise 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 Agreement 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 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 Agreement, 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 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; lightning; 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 Franchising Authority shall be delivered or sent by certified mail (postage prepaid) to the Town of Northwood, Board of Selectmen, P.O. Box 478, 818 First New Hampshire Turnpike, Northwood, NH 03261, or such other address as the Franchising 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: MetroCast Cablevision of New Hampshire, Terry Hicks, Vice President and General Manager, MetroCast Cablevision of New Hampshire, L.L.C., 9 Apple Road, Belmont, NH 03220, or such other address as the Franchisee may specify in writing to the Franchising 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 OF MODIFICATION

This Franchise shall not be amended or modified except by written agreement following publication of the proposed amendment

in a manner consistent with the publication and notice provisions of RSA 33:8-a.

SECTION 8.5 - ANNUAL TOWN REVIEW

At the Franchising Authority's request, the Franchisee shall attend annual meetings with authorized Town official(s) to review compliance with the terms of this Franchise and matters of interest to either party. No later than five (5) 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 delegated.

SECTION 8.7 - FINAL AGREEMENT

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

IN WITNESS WHEREOF, the parties hereto have caused this Franchise to be executed by their duly authorized representative this 30th day of December 1999.

THE TOWN OF NORTHWOOD
BY ITS BOARD OF SELECTMEN

Witness

Mason J. Knoff
Selectman

Witness

Douglas Peterson
Selectman

Witness

Scott R. Boyer
Selectman

Accepted By:

METROCAST CABLEVISION OF NEW
HAMPSHIRE

Tanner Hicks
By: Tanner Hicks
Its: VP/GM

EXHIBIT A

See attached map.

EXHIBIT B

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, with a one-year service commitment payable in advance. In the areas with less than ten (10) Subscribers per mile of plant, the Franchisee shall require payment, as follows:

(i) 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;

(ii) 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;

(iii) 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;

(iv) 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 sixty (60) percent of the cost of such line extension and the Subscribers shall pay forty (40) percent;

(v) 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;

(vi) 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;

(vii) 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;

(viii) 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;

(ix) where there is one (1) Subscriber per mile, each of whom 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 C

MetroCast Cablevision

2	C-SPAN	17	WNDS (IND-50)	33	OVC	48	CNN-fn
3	New England Cable News	18	WHSB	34	VH1	49	Fox Family
4	WBZ (CBS)	19	WPXB (IND-60)	35	The Weather Channel	50	ESPN2
5	WCVB (ABC)	20	WMFP (IND-62)	36	Lifetime	51	Cartoon Network
6	WCSH (NBC)	21	WNBU (PAX)	37	AMC	52	History Channel
7	WHDH (NBC)	22	TV Guide	38	TNT	53	Comedy Central
8	WMTW (ABC)	23	Future Public Access	39	Nickelodeon	54	Disney
9	WMUR (ABC)	24	Future Public Access	40	TLC	55	NESN
10	WLVI (WB-56)	25	LRPA	41	Sci-Fi	56	HBO
11	WTNH (PBS)	26	USA	42	Bravo	57	Cinemax
12	WSBK (IND-38)	27	MTV	43	HGTV	58	Showtime
13	WGME (CBS)	28	TNN	44	E!	59	Pay-Per-View 1 (VC1)
14	TBS-Superstation	29	A&E	45	CNBC	60	Pay-Per-View 2 (VC5)
15	WFXT (FOX-25)	30	CNN	46	Fox Sports Net- New England	61	Pay-Per-View 3 (Ten-adult)
16	WGBH (PBS-2)	31	Discovery	47	Golf		
		32	ESPN				

2-75 Basic Broadcast Channels 28-48 Expanded Basic Service 49-53 People's Choice Package 54-59 Premium Pay Service 59-61 Pay-Per-View

METROCAST CABLEVISION RESIDENTIAL RATE INFORMATION

Prices effective as of April 1, 1999.

SERVICES

• Basic Service (24 channels)	\$10.01
• Expanded Basis Service (23 channels).....	\$17.99
Basic & Expanded service Combo (47 channels)	\$28.00
• People's Choice (5 channels)	\$3.95
Basic, Expanded & People's Choice Combo (52 channels)*	\$31.95

PREMIUM CHANNELS (INDIVIDUAL)*

• Disney Channel*.....	\$8.95
• Cinemax*.....	\$9.95
• New England Sports Network (NESN)*.....	\$9.95
• Home Box Office (HBO)*.....	\$10.95
• Showtime*.....	\$10.95

YOUR CHOICE PREMIUM PACKAGES*

Both Packages include a FREE addressable converter. Price as of May 1, 1999.

• Pick TWO package.....	\$16.95
Your choice pick any two services: Showtime, HBO or Cinemax	
• Pick THREE package.....	\$21.95
Showtime, HBO and Cinemax	

EQUIPMENT

Addressable converter.....	\$2.11
2 in 1 Remote Control-Purchase.....	\$7.75
3 in 1 Remote Control-Purchase.....	\$11.75
RF-By Pass-Purchase.....	Free Upon Request

INSTALLATION AND OTHER CHARGES

Installation not wire-primary line.....	\$38.59
Installation prewired-primary line.....	\$23.15
Additional outlet at time of installation per line.....	\$15.44
Additional outlet after installation per line.....	\$23.15
Service call 1 hour charge.....	\$30.87
Service call ½ hour charge.....	\$15.44
Office change.....	\$2.00
Return check fee.....	\$20.00
FCC Fee.....	\$0.03

PAY PER VIEW*

*Tune to The TV Guide Channel (ch.22) for showtimes and prices.
Purchase Code PIN numbers and/or Parental Control available,
contact our Customer Care Department for more details.*

Movies on Channel 59 and 60.....	\$3.95**
Special Events on Channel 59.....	Prices vary per event
Movies on Channel 61 are sold in 6-hour blocks.....	\$7.95
(7am-1pm, 1pm-7pm, 7pm-1am, 1am-7am)	
Movies on Channel 61 are intended for adult audiences only.	

* Addressable Converter required for People's Choice, Premium Channels and Pay Per View.

** Unless otherwise noted in Pay Per View guide.

MetroCast Cablevision

9 Apple Road, Belmont, NH 03220
524-4425 or 1-800-952-1001
Monday, Thursday, Friday 7:30am-7:30pm
Tuesday, Wednesday 9:00am-5:00pm
Saturday 9:00am-2:00pm

EXHIBIT D

YEAR END REPORT

Location of Office and Payment Stations:

Office Hours:

Telephone Hours:

Telephone Answering Service Picks Up All Calls During Off Hours

Customer Service Telephone Number:

Location of Headend (Reception Facility)

Miles of Cable Plant
System Wide:
_____ (Town): _____

Number of Subscribers
System Wide:
_____ (Town): _____

System Error Free Operating Percentage:

Customer Service Statistics:

Projects Constructed:

Franchise Fee Paid: \$ _____