



August 9, 2004

Board of Selectmen
Town of Sutton
PO Box 487
North Sutton, NH 03260

Re: Cable Television Franchise Renewal Revisions

Dear Selectmen:

Enclosed please find two copies of the Cable Television Franchise Renewal agreement between TDS Cable and the Town of Sutton. I have made all of the changes discussed at the Selectmen's meeting I attended in June. I have also incorporated the changes suggested by attorney Whitelaw of Mitchell & Bates, P.A.

Please contact me at 746-9278 if you have any questions or concerns. If possible, I would like to attend a Selectmen's meeting in the near future so that we can sign the Franchise Renewal.

Sincerely,

A handwritten signature in black ink, appearing to read "Marc A. Violette".

Marc A. Violette
General Manager

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**CABLE TELEVISION
FRANCHISE AGREEMENT**

TOWN OF SUTTON, NH

&

TDS CABLE

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FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT entered into this _____ day of _____, 200__ by and between the Board of Selectmen of the Town of Sutton (hereinafter referred to as the "Board" and MCT Communications, Inc. d/b/a TDS Cable (hereinafter referred to as the "Company").

WHEREAS, the Town at its Annual Meeting, pursuant to Revised Statutes Annotated of the New Hampshire, Chapter 53-C, authorized its Selectmen to be a franchising authority with respect to the granting of a franchise for installation and operation of cable television systems within the Town, and subject to the vote of the Town Selectmen, approving the granting of a franchise to the Company and,

WHEREAS, the Company is prepared and desirous of receiving by contract such franchise from the Town.

NOW THEREFORE, in consideration of their mutual covenants, promises, and agreements contained herein, the Town and the Company agree as follows:

I

AUTHORIZATION

- A. **Grant of Franchise:** The Town grants to the Company the non-exclusive right , privilege and franchise for the construction, maintenance and operation of a television transmission and distribution facility and extensions thereto commonly referred to as a cable television system of the Town for a period of fifteen (15) years from the effective date hereof. This franchise shall extend to subsequent additions to the above mentioned cable television system, and any replacement thereof. The cable television system for which this franchise is granted shall be for the purpose of transmission and distribution of audio and visual impulses of radio and television energy, communications, data and any other lawful purpose, in accordance with the laws and regulations of the United States of America, the State of New Hampshire and the Ordinances and Regulations of the Town now in existence or hereafter adopted. The foregoing description of purpose shall not be deemed a limitation of the right of the Company to use the cable television system for any lawful purpose, provided that such purpose shall not be detrimental to the services being provided under this franchise.

B. **Use of Public Facilities:** In consideration of the foregoing, there is hereby granted to the Company, its successors and assigns, the right to erect, maintain, and operate said cable television transmission and distribution facilities, and additions thereto, in, under, over, along, across, and upon the streets, lanes, avenues, sidewalks, alleys, bridges, and other public places in the Town of Sutton, New Hampshire, and subsequent additions thereto for the purpose of transmission and distribution of said audio and visual impulses of television energy and other communication type services. This franchise, however, shall not relieve the Company of any obligations involved in obtaining pole or conduit use agreements in the streets, lanes, avenues, sidewalks, alleys, bridges and other public ways or public places in the Town. In exercising rights pursuant to this Agreement, the Company shall not endanger or interfere with the lives of the persons, interfere with any installation of the Town, any public utility serving the Town or any Persons permitted to use public ways and places.

C. **Assignment:** Said franchise cannot in any event, be sold, transferred, leased, assigned or otherwise disposed of in whole or part, either by forced or voluntary sale, merger, consolidation, mortgage, trust, receivership or any other means without the prior consent of the Town expressed by a vote of the Selectmen. The Town may consider such factors as it deems relevant in deciding whether to consent, including the best interests of the Town. The

Town shall not arbitrarily or unreasonably withhold such consent. No such transfer shall be effective unless the transferee shall file a written statement with the Town agreeing to be bound by all terms and conditions of this franchise. (It shall not be deemed a transfer if it were transferred to any entity owned and controlled more than 50% by the Company.)

II

STREET OCCUPANCY

- A. **Facilities:** The Company's transmission and distribution system, poles, wires, and appurtenances shall be located, erected, and maintained according to standards of the industry.
- B. **Installation:** Construction and maintenance of the transmission distribution system shall be in accordance with the provisions of the National Electrical Safety Code, the National Electrical Code (NFPA 70) and such applicable ordinances and regulations of the Town of Sutton, affecting electrical installations, which are in effect at the time.
- C. **Maintenance and Operation:** In the maintenance and operation of its television and distribution system in the streets, alleys and other public places in the course of any new construction or addition to its facilities, the Company shall proceed so as to cause the least possible inconvenience to the

general public. Any excavation or taking up of pavement, curbing or sidewalks shall be done only with the approval of the Town.

- D. **Relocations:** In the event the Town shall relocate a street, raise or lower a bridge, or make any other changes requiring the removal of utility installations, the Company at its sole expense shall remove or relocate its installations at said locations.
- E. **Authority to Trim Trees:** The Company shall have the right to trim trees upon and over-hanging the streets of the Town so as to prevent the branches of such trees from coming in contact with the wires and cables of the system.
- F. **Restoration or Reimbursement:** In the event of disturbance of any street or private or private property by the Company, it shall at its own expense and in a manner approved either by the Town in the case of a public way or the owner, in the case of a private way, replace and restore such street or private property in as good a condition as before the work causing such disturbance was done. The Company shall, upon proper notification in advance, reimburse the Town for reasonable expenses incurred as a direct result of work done by the Company.

III

OPERATIONS

- A. **Operations to be in Accordance with Rules:** The Company shall maintain and operate its cable television system in accordance with the rules and regulations of the Federal Communications Commission, the State of New Hampshire and the Town.
- B. **Equal Opportunity Employment:** The Company states that it will follow Equal Opportunity laws and regulations. The Company also states that at present it has no employees and contracts its work through an affiliate company, who also agrees to comply with all Equal Opportunity Employment laws and regulations.
- C. **Safety:** The Company and its agents will comply with all safety practices, laws and rules and regulations in effect for its industry, including any local ordinances pertaining to safety and all applicable State and Federal laws. All construction and maintenance will be done in accordance with the provisions of the National Electric Safety Code and National Electric Code (NFPA 70).
- D. **Municipal Services:** The Company will provide "Basic Service", if so requested which includes installation of the first outlet, at the Town Hall, the Selectmen's Office, Fire Station and all public schools within the Town at no monthly cost. Additional services or locations requested will be at the Company's normal rates.
- E. **Public Access Channel:** One channel shall be set aside for use by the communities it serves on an as needed basis for events of public interest and/or importance, subject to any applicable laws or regulations, including

the FCC Fairness Doctrine. The Town shall not compete with the programming produced by the Company nor will it accept advertising. This shall not preclude the Town from accepting and acknowledging grants from persons or organizations to defray expenses associated with local programming. Access to this channel will be provided at the Company's facilities in Warner. The Company will provide the air time at no charge, but the entity requesting coverage shall pay all out-of-pocket costs connected with such coverage, including the hourly wages of camera technicians and other personnel required.

F. User Features:

Converters or Set Top Boxes: The system is a fully addressable, computer controlled, cable television system. The Company will provide converters, at a monthly charge, for customers. Converters are required to view Premium and Pay-Per-View channels. Converters are also required for customers in the Seasonal program.

Remote Controls: A standard remote control is offered for each converter, at rates in effect at the time. Remote controls are provided, at no charge, to persons over the age of sixty-five (65), and to persons with walking disabilities.

Service Requests: With the addressable system, requests for addition, deletion or change in Premium channels can be accomplished by our Customer Sales & Services Representatives in our local Business Offices during the normal work hours of the Company.

Cable Ready Televisions: Customers with Cable Ready Televisions and other electronic devices may use these on the cable television system without the use of a cable converter. All Premium and Pay-Per-View channels are scrambled and can not be received on a cable ready television without a converter.

IV

PERFORMANCE

- A. **Services:** The Company shall provide a cable television system with a bandwidth of no less than 400 MHz. The Company shall have the right to substitute programming at its discretion and shall use its best efforts to maintain a balanced mix of programming for all customers to enjoy.
- B. **Modernization and Upgrading:** Future upgrades of the system would be done by the Company as dictated by demand, technology, cost and economic factors.

V

LIABILITY AND IDEMNIFICATION AND OTHER GUARANTEES

A. **Indemnification:**

1. The Company shall, at its sole cost and expense, indemnify and hold harmless the Town, its officials, boards, commissions, committees, agents

and/or employees against all claims for damage due to the actions of the Company, its employees, officers or agents arising out of the construction, installation, maintenance, operation and/or removal of the Cable Television System under this Agreement, including without limitation, damage to Persons or property, both real and personal. In addition, the Company shall indemnify the Town, its officials, boards, commissions, committees, agents and/or employees and shall hold them harmless of and from any and all liability with respect to alleged copyright infringements, and with respect to the subject matter of any program transmitted by the Company.

2. Pursuant to the Company's obligation to indemnify the Town, the Town agrees that it will, on request, surrender to the Company the defense of any claim for damages which the Town claims a right to indemnification hereunder. The Company shall then have the duty to defend such claim. If the Town does surrender its rights to defend itself, the Company agrees that it will be financially responsible for all claims, whether covered by insurance or not. The Town reserves the right to approve any and all settlements.
3. The Town may refuse to surrender its rights to defend itself if the Town determines it is in its best interest of the Town not to do so (by way of example only, if the Town believes that the potential for the claim exceeds

the resources of the Company available to indemnify the Town, or a claim alleges wrong doing by the Town).

B. Insurance: The Company shall carry insurance, to protect the parties hereto from and against all claims, demands, actions, judgements, costs, expenses and liabilities which may arise or result, directly or indirectly from or by reason of any loss, injury or damage. The amounts of such insurance against liability due to physical damage to property shall not be less than \$100,000.00 (Dollars) as to any one accident and not less than \$100,000.00 (Dollars), aggregate in any single policy year; and against liability due to bodily injury or to death of persons not less than \$500,000.00 (Dollars) as to any one person and no less than \$5,000,000.00 (Dollars) as to any one accident. The Company shall also carry such insurance as is necessary to protect it from all claims under the Workmen's Compensation Laws in effect that may be applicable to the Company. All insurance required by this Agreement shall remain in full force and effect for the entire life of this Agreement. Said policy or policies of insurance or a certificate of insurance shall be deposited with and kept on file by the Town Clerk or Selectmen's Office.

VI

SERVICE STANDARDS

A. Complaint Procedures: The Company has adopted its own complaint procedures with respect to investigation and resolution of all complaints

regarding cable television operations. The Company will handle all service requests and complaints through its Business Offices and investigation of all complaints with respect to service quality, malfunction of equipment and other matters relating to its operations. All complaints shall be investigated within twenty-four (24) hours and, if due to Company's equipment, shall be repaired as soon as reasonably possible. Notice of the procedures for reporting and resolving complaints will be given to each customer by the Company at the time of the initial installation of cable television service.

- B. **Discrimination:** The Company shall not refuse service to any person or organization that requests such service for a lawful purpose. The Company shall not, as to rates, charges, service facilities, rules, regulations or in any other respect make or grant any preference or advantage to any person, nor subject any person to any prejudice or disadvantage, except for the establishment of a rate schedule.
- C. **Privacy:** The Company shall not provide any list designating customer's names and/or addresses to any other party without prior approval by the Town.
- D. **Service Response:** The Company will provide reasonable service response, seven (7) days a week for all complaints and requests for repairs. Upon request within thirty (30) days of the service outage, the Company will credit any affected subscriber the pro rata portion of the number of signals affected by the outage, for each twenty-four (24) hour period wherein service is not

provided. Service outages caused by events beyond the Company's control shall not be eligible for a rebate. Such events are defined as, but not limited to: a. loss of commercial power, b. acts of God (i.e., storms, lightning, winds, etc.) or c. acts of other persons not controlled by the Company (i.e., damage to facilities by vehicle accidents or similar items or acts).

- E. **Repair Service Number:** The Company will provide a toll-free Repair Service number, that is answered 24 hours per day, for all customers to call and report service problems.
- F. **Interruption and Rebate:** The Company will, whenever it is necessary, interrupt service over the system for the purpose of maintenance, alteration or repair, but will endeavor to do so at such time as will cause the least amount of inconvenience to its subscribers, unless such interruption is unforeseen or due to an emergency.

VII

FRANCHISE FEE

The Company shall pay to the Town as a Franchise fee an amount equal to three percent (3%) of the net "Basic Service" revenues each year. These revenues will be adjusted by uncollectible revenues. The fee shall be due and payable on or before May 31st in each year following the calendar year in which the fee is accrued. If the fee is not paid when due, interest therein shall accrue at the rate

allowable by the State for past due real estate property taxes. Franchise fees will be paid on "Basic Service" cable television revenues from Sutton customers only.

VIII

FRANCHISE RENEWAL AND TERMINATION

- A. **Renewal:** This Franchise Agreement shall take effect and be in full force and effect from the date hereof and the same shall continue in full force and effect for a term of fifteen (15) years beginning July 10th, 2004. The Company shall have the option to renew this Franchise for an additional period not to exceed fifteen (15) years on terms and conditions which are mutually agreeable to the Town and the Company at that time. Should the Company desire to exercise this option, it shall notify the Town, in writing, not less than six (6) months prior to expiration of this Franchise.
- B. **Revocation:** The Town reserves the right to revoke this Franchise and rescind all rights and privileges associated with it only in the following circumstances:
- (1) If the Company should default in the performance of any of its obligations under this Franchise and fails to cure or commence with diligence to cure the default within thirty (30) days after receipt of written notice of the default from the Town.

- (2) If a petition is filed by or against the Company under the Bankruptcy Act, or any other insolvency or creditors' right law, state or federal, and the Company shall fail to have it dismissed. If a bankruptcy or other insolvency petition is filed against the Company, the Company will have 120 days to have it dismissed or satisfy the Town that its pendency does not jeopardize the Town's interest in this Franchise.
- (3) If the Company arbitrarily ceases to provide service over the cable television system and fails to reinstate service after notice as in paragraph (1) above.

C. Revocation Procedures:

Section 8.1: Determination of Breach:

- (A) It is the intent of the parties hereto to attempt to resolve disputes arising under the Renewal Franchise informally. In the event that such efforts are not successful, the Franchising Authority and the Franchisee shall follow the procedures set forth in this section.
- (B) In the event that the Franchising Authority has reasons to believe that the Franchisee has defaulted in the performance of any or several provisions of this Renewal Franchise, except as excused by Force Majeure, the Franchising Authority shall notify the Franchisee in writing, by certified mail, of the provision or provisions which the Franchising Authority believes may have been in default and the details relating hereto. The Franchisee shall have thirty (30) days from the receipt of such notice to:

- (a) respond to the Franchising Authority in writing, contesting the Franchising authorities assertion of default and providing such information or documentation as may be necessary to support the Franchisee's position; or
- (b) cure any such default (and provide written evidence of the same), or, in the event that by nature of the default, such default cannot be cured within such thirty (30) day period, to take reasonable steps to cure said default and diligently continue such efforts until said default is cured. The Franchisee shall report to the Franchising Authority, in writing, by certified mail, at fourteen (14) day intervals as to the Franchisee's efforts, indicating the steps taken by the Franchisee to cure said default and reporting the Franchisee's progress until such default is cured.
- (c) In the event that (i) the Franchisee fails to respond to such notice of default; (ii) the Franchisee fails to cure the default or take reasonable steps to cure the default within the required thirty (30) day period; or (iii) the Franchising Authority is not satisfied with (1) the Franchisee's response (pursuant to the paragraph {a} above) or (2) the Franchisee's efforts to cure (pursuant to paragraph {b} above), the Franchise Authority shall promptly schedule a public hearing no sooner than fourteen (14) days after written notice, by certified mail, to the Franchisee. The Franchisee shall be provided

a full and fair opportunity to offer evidence, question any Person(s) offering testimony and only at the request of the Franchisee, be heard at such public hearing.

(d) Within thirty (30) days after said public hearing, the Franchising Authority shall determine whether or not the Franchisee is in default of any provisions of the Renewal Franchise. In the event that the Franchising Authority, after such hearings, determines that the Franchisee is in such default, the Franchising Authority (i) shall issue a written decision containing its findings and (ii) may determine to pursue any of the following remedies:

- i) assesses liquidated damages in accordance with the schedule set forth in 8.2 below;
- ii) seek specific performance of any provision of the Renewal Franchise which reasonably lends itself to such remedy as an alternative to damages;
- iii) commence and action at law for monetary damages;
- iv) foreclose on all or any appropriate part of the security provided pursuant to Section 7.2 herein;
- v) declare the Renewal Franchise to be revoke subject to Section 8.3 and applicable law;
- vi) invoke any other lawful remedy available to the Town.

Section 8.2 - Liquidated Damages

- (a) For the violation of any of the following provisions of this Renewal Franchise, liquidated damages shall be paid by the Franchisee to the Franchising Authority, subject to Section 8.1 above. Any such liquidated damages shall be assessed as of the date that the Franchisee receives written notice, by certified mail, of the provision or provisions which the Franchising Authority believes are in default.
- (1) For failure to upgrade, extend, install, operate and maintain the Cable Television System, in accordance with Section V(b) herein, three hundred fifty dollars (\$350.00) per day, for each day that such upgrade, installation, operation and maintenance has not occurred.
 - (2) For failure to construct, install, fully activate and maintain the Institutional Network in accordance with Section V.3 herein, two hundred dollars (\$200.00) per day, for each day that such non-compliance continues.
 - (3) For failure to obtain the advance, written approval of the Town for any transfer of the Renewal Franchise in accordance with Article 3 herein, four hundred dollars (\$400.00) per day, for each day that such non-compliance continues.

- (4) For failure to comply with the FCC's Customer Service Obligations in accordance with Section 9.2 herein, one hundred dollars (\$100.00) per day, for each day that such non-compliance continues.
- (5) For failure to comply with any of the obligations in accordance with Article 9 herein, seventy-five dollars (\$75.00) per day, for each day that such non-compliance continues.
- (b) Such liquidated damages shall be in addition to, and not a limitation upon, any other provision of this Renewal Franchise and applicable law, including penalties or revocation, or any other provisions of this Renewal Franchise and applicable law, including penalties or revocation or any other statutorily or judicially imposed penalties or remedies.

Section 8.3 - Revocation of the Renewal Franchise: In the event that the Company fails to comply with any material provision of this Renewal Franchise, the Town may revoke the Renewal Franchise granted herein, subject to the procedures of Section 8.1 above.

Section 8.4 - Termination: The termination of this Renewal Franchise and the Company's rights herein shall become effective upon the earliest to occur of {i}

the revocation of the Renewal Franchise by action of the Town, pursuant to Section 8.1 and 8.3 above; {ii} the abandonment of the Cable System, in whole or material part, by the Company without the express, prior approval of the Town; or {iii} the expiration of the term of this Renewal Franchise. In the event of any termination, the Town shall have all the rights provided in this Renewal Franchise.

Section 8.5 - Notice to Other Party of Legal Action: Except for (i) enforcing any damages pursuant to Section 8.2 herein and/or (ii) in any case where the Town, the Company, and/or the Town may lose any rights that such party may otherwise have, including, but not limited to, injunctive relief, in the event that such party to this Renewal Franchise intends to take legal against the other for any reason.

D. Surrender of Franchise: The Company may surrender this Franchise at any time upon filing with the Town Clerk of the Town, a written notice of its intention to do so at least six (6) months before the surrender date. The Company will provide a full and complete explanation of its reasons for surrendering the franchise. On the surrender date specified in the notice, if the Company has completed performance as specified herein, and on payment of all franchise fee to the surrender date, all of the rights and privileges and all obligations, duties, and liabilities of the Company shall

terminate. If the performance is not complied with, the Town shall have those remedies provided by law or contained herein.

IX

RATES AND CHARGES

- A. **BASIC SERVICE:** This service consists of a combination of “off-air” and satellite stations offered for a basic monthly rate and includes an optional converter. Basic service is available for cable ready televisions without needed a converter. A converter is needed to view Premium or Pay-Per-View channels. Increases in rates for Basic Service rates will be consistent with FCC Rules and current Public Laws.
- B. **OTHER CHARGES AND SERVICES:** Premium Channels, Pay-Per-View Channels, FM Radio Services, Installation Charges, Converters, Additional Outlets, Remote Controls, Wiring Charges, Reconnection Charges, Construction Charges and other non-television uses are not regulated under this Franchise Agreement.
- C. **STANDARD INSTALLATIONS:** A Standard Installation includes an aerial or buried service drop to bring the service from the distribution cable to the customer premises provided that the service wire is 250 feet or less in length. Standard Installations require surface (non-concealed) wiring on the customer

premises. Standard Installation charges apply for all new customers or existing customers that move to a new location which has never had service.

- D. LONG SERVICE DROPS:** Service Drops in excess of 250 feet will be installed, as in Section XI - Line Extension Policy - Private Property.
- E. CONCEALED WIRING:** Concealed wiring is defined as wiring through a structure that is concealed within the walls, ceilings or floors to the points of outlet. For concealed wiring or other, non-standard installations, customers will be billed additionally at the Company's standard labor, material and equipment rates.
- F. UNDERGROUND and/or BURIED SERVICE DROPS:** The Company shall provide wire for Underground Service Drops up to 250 feet in length at no cost. The customer shall pay for all wire costs beyond 250 feet. The customer shall provide the necessary trench work, back filling and conduit required to meet specifications of the Company. All future maintenance costs shall be charged to the customer at the Company's standard labor, material and equipment rates. The Company may provide Direct Buried Service Drops at its discretion, if feasible, with the customers permission, for lengths up to 250 feet, at no charge. All future maintenance costs shall be charged to the customer at standardized labor, material and equipment rates. The customer shall pay for all construction costs beyond 250 feet.

LINE EXTENSION POLICY ALONG THE PUBLIC RIGHT OF WAY

The Company will provide service to households along the public right of way as long as the cable television distribution system is already constructed. In areas along the public right of way where there are no cable television distribution system facilities in place, the Company will construct cable plant for line extensions under the following conditions:

1. If an area reaches an average of twenty (20) homes passed per mile of proposed continual cable plant.
2. If a customer or customers request service in an area of less density than described in subsection 1. above, the Company will extend its cable plant if the requesting customers share in the cost of construction as described in the following:

The Company will provide the portion equal to one-fifteenth (1/15) of the proposed plant construction for each actual customer along the route. The remaining costs would be paid or contracted for with the Company, in advance of construction, by the requesting customers. Contracts for construction would be for a maximum of one (1) year.

Should additional households request service along the same route within the first year after completion of the extension, the Company will provide a pro-rata

refund to the initial subscribers. No refunds will be provided after one (1) year of the date of completion of the extension.

XI

LINE EXTENSION POLICY - PRIVATE PROPERTY

The Company will construct the first two-hundred fifty (250) feet of cable on private roads, driveways or property. All costs beyond two hundred fifty (250) feet shall be borne by the customer(s) requesting service. This includes pole attachment fees and rearrangement costs, which are charged to the Company. The Company's normal type of construction is aerial, however it may choose construction of buried type, if feasible and economical. If buried construction is used, all future maintenance and replacement costs will be charged to the customer. If the customer requests underground type of construction, the Company will provide the first 250 feet of cable, the customer will be charged for the remainder. All other costs, including trench work, back filling, conduit requirements, future maintenance and replacement will be charged to the customer and completed to the Company's specifications. The entire cost shall be paid before construction is started or all parties shall execute a contract for payment before construction shall begin. Contracts shall be for no more than 12 months.

XII

MISCELLANEOUS

- A. **Severability:** If any section, subsection, sentence, clause, phrase, word of this Franchise, or other Franchise documents should be held invalid or unconstitutional either by the FCC or any court of competent jurisdiction, such section, subsection, sentence, clause, phrase or word shall be deemed severable as a separate, distinct, and independent provision, and such holding shall not affect the validity of the remaining portions hereof.
- B. **Franchise Binding:** Anything contained herein to the contrary notwithstanding, all provisions of this Franchise shall be binding upon the Company, its successors, lessees or assigns, and the Town, its successor or assigns. To the extent that anything in this Agreement is inconsistent with the Company's final proposal, the Agreement shall govern.
- C. **Unauthorized Connections or Service:** It shall be unlawful for any firm, person, group, company, corporation, or governmental body or agency, without written consent of the Company, to possess or make any connection, extension, or division whether physically, acoustically, inductively, electronically, or otherwise, with or to any segment of this cable television system for any purpose whatsoever. It shall be unlawful for any firm, person, group, company, corporation, or governmental body or agency to willfully interfere, tamper, remove, obstruct or damage any part, segment or content of

premium service or installation revenues or other optional or additional services.

- H. **"Board"**: shall mean the Board of Selectmen, Town of Sutton, New Hampshire, and its successors.
- I. **"Franchise"**: shall mean the authority to construct and operate a cable television system within the Town; with this document constituting the final and complete grant of authority.
- J. **"May"**: is permissive.
- K. **"Shall"**: is mandatory.
- L. **"Will"**: is mandatory.
- M. **"Customer Premises"**: same as dwelling unit.
- N. **"Basic Service"**: a combination of "off-air" and satellite stations offered for a basic monthly rate.
- O. **"Premium Service"**: special programming stations offered at a separate monthly rate or a combination (package) rates with other premium services. (Example: Home Box Office (HBO)). Premium Service offerings requires that subscribers have Basic Service and a converter.
- P. **"FM Radio Service"**: complete FM radio band from 88 to 108 MHz.
- Q. **"Underground Construction"**: placing facilities underground by trenching or digging a trench to a depth specified by the Company or Companies (such as in jointly provided with other wire placing Companies) and providing

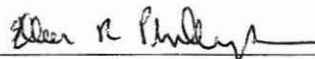
either specified material cushion and covering and/or conduit as specified by the Company(ies).

R. **"Buried Construction"**: placing facilities in the ground using a cable plow unit or other method not requiring conduit or other special materials for cushion or covering.

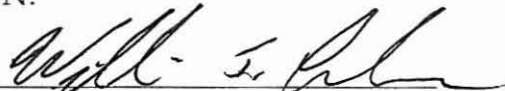
S. **"Employees"**: Employees, Officers and Directors of TDS Cable and its affiliated Companies.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals on the aforesaid day and year.

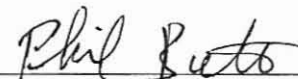
WITNESS:



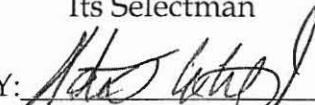
TOWN:

BY: 

Its Selectman

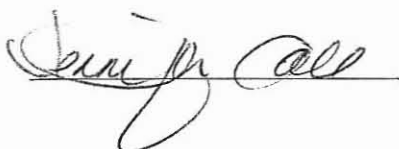
BY: 

Its Selectman

BY: 

Its Selectman

WITNESS:



COMPANY:

BY: 

Its

STATE OF NEW HAMPSHIRE

MERRIMACK *Sutton*, SS. *August 16*, 2004

Personally appeared the above named Selectmen of the Town of Sutton, New Hampshire, and acknowledged the foregoing instrument to be their free act and deed in their said capacity and the free act and deed of the Town.

Before me,

Jennifer A. Call

Notary Public

JENNIFER A. CALL, Notary Public
My Commission Expires December 17, 2008

STATE OF NEW HAMPSHIRE

MERRIMACK *Sutton*, SS. *August 23*, 2004

Personally appeared and the above named Marc A. Violette and acknowledged the foregoing instrument to be his free act and deed in his said capacity and the free act and deed of the Company herein.

Before me,

Jennifer A. Call

Notary Public

JENNIFER A. CALL, Notary Public
My Commission Expires December 17, 2008

TDS Cable
 11 Kearsarge Avenue
 Contoocook NH 03229
 603-456-2211

| Cable Franchise Fee Calculation for Year 2005 - Sutton NH | | | | |
|------------------------------------------------------------------|--------------------------|---------------------------------|---------------------------|------------------------|
| Month 2005 | Subscribers @ \$29.95 | Subscribers @ \$5.95 | Basic Monthly Revenues | Basic Revenues @ 3% |
| January | 333 | 24 | \$ 10,116.15 | \$ 303.48 |
| February | 326 | 23 | \$ 9,900.55 | \$ 297.02 |
| March | 326 | 23 | \$ 9,900.55 | \$ 297.02 |
| April | 322 | 23 | \$ 9,780.75 | \$ 293.42 |
| May | 296 | 0 | \$ 8,865.20 | \$ 265.96 |
| June | 299 | 0 | \$ 8,955.05 | \$ 268.65 |
| July | 308 | 0 | \$ 9,224.60 | \$ 276.74 |
| August | 301 | 0 | \$ 9,014.95 | \$ 270.45 |
| September | 295 | 0 | \$ 8,835.25 | \$ 265.06 |
| October | 291 | 24 | \$ 8,858.25 | \$ 265.75 |
| November | 290 | 20 | \$ 8,804.50 | \$ 264.14 |
| December | 286 | 22 | \$ 8,696.60 | \$ 260.90 |
| | | | \$ 110,952.40 | \$ 3,328.59 |
| | | Total Franchise Fees Due | | \$ 3,328.59 |
| **May-Sept no seasonal count (\$5.95) | | | | |

