

Canaan



FrontierVision Partners, L.P.
1777 South Harrison Street
Suite P-200
Denver, CO 80210-3925
(303) 757-1588
Fax: (303) 757-6105

December 5, 1997

**VIA CERTIFIED MAIL/
RETURN RECEIPT REQUESTED**

Board of Selectmen
Town of Canaan
P.O. Box 38
Canaan, NH 03741

Dear Board of Selectmen:

On behalf of FrontierVision Operating Partners, L.P. ("FrontierVision"), this letter is to notify the Town of Canaan that the sale of the cable television system serving your community to FrontierVision has now been completed, effective December 2, 1997. We are delighted to be operating in your community and we are looking forward to working with you to make sure the residents of the Town of Canaan receive quality cable television service.

If you have any questions concerning FrontierVision's operations, please feel free to call Gary Crosby, Regional Manager, at (207) 942-3047 or myself at (303) 757-1588.

Sincerely,

A handwritten signature in black ink that reads "Daniel P. Callahan". The signature is fluid and cursive, with a long horizontal stroke at the end.

Daniel P. Callahan
Vice President, Northeast Division

RECEIVED
JAN 29 1998
NEW HAMPSHIRE
SECRETARY OF STATE

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:
 Board of Selectmen
 Town of Canaan
 P.O. Box 38
 Canaan, NH 03741

4a. Article Number
 Z 297 455 313

4b. Service Type

<input type="checkbox"/> Registered	<input checked="" type="checkbox"/> Certified
<input type="checkbox"/> Express Mail	<input type="checkbox"/> Insured
<input type="checkbox"/> Return Receipt for Merchandise	<input type="checkbox"/> COD

7. Date of Delivery
 12/15/97

5. Received By: (Print Name)
 Sherill D Zani

6. Signature: (Addressee or Agent)
 Sherill D Zani

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994



Thank you for using Return Receipt Service.

102595-97-B-0179 Domestic Return Receipt

PS Form 3800, April 1995

US Postal Service
Receipt for Certified Mail
 No Insurance Coverage Provided.
 Do not use for International Mail (See reverse)

Z 297 455 313

Sent to	Town of Canaan
Street & Number	P.O. Box 38
Post Office, State, & ZIP Code	Canaan, NH 03741
Postage	\$.32
Certified Fee	1.25
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.25
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$ 2.82
Postmark or Date	12/8/97

RECEIVED
 JAN 29 1998
 NEW HAMPSHIRE
 SECRETARY OF STATE

Expires 3-4-2003

RESOLUTION NO. _____

**CONSENT RESOLUTION AUTHORIZING THE TRANSFER OF
CABLE TELEVISION FRANCHISE AND
THE ASSIGNMENT OF THE ASSETS AND THE FRANCHISE AS COLLATERAL**

WHEREAS, WestMarc Development Joint Venture d/b/a Taft Cable Partners ("WestMarc") currently owns and operates the cable television system (the "System") operating in the Town of Canaan, New Hampshire (the "Town") pursuant to that certain Ordinance No. _____ dated January 5, 1988 (hereinafter, the "Franchise"); and

WHEREAS, WestMarc and FrontierVision Operating Partners, L.P. ("FrontierVision") have entered into an Asset Purchase Agreement, dated as of May 12, 1997 (the "Purchase Agreement"), providing for, among other things, the sale, assignment and transfer of the Franchise and the assets of the System to FrontierVision (the "Transfer") and requiring WestMarc to obtain any required consents of governmental franchising authorities for the Transfer pursuant to applicable law and the Franchise; and

WHEREAS, WestMarc, as Transferor, and FrontierVision, as Transferee, have jointly submitted to the Board of Selectmen (the "Board") of the Town an application on Federal Communications Commission ("FCC") Form 394 requesting consent for the Transfer and have submitted such other information concerning the Transfer and FrontierVision as required by law and the Franchise and as requested by the Council (collectively, the "Transfer Application"); and

WHEREAS, the Board has reviewed the Transfer Application, examined the legal, financial and technical qualifications of FrontierVision, followed all required procedures in order to consider and act upon the Transfer Application, and considered the comments of all interested parties; and

WHEREAS, the Franchise is in full force and effect without default thereunder by WestMarc as of the date hereof in accordance with its terms and conditions as set forth therein, and FrontierVision has agreed to comply with the Franchise and applicable law from and after the completion of the Transfer; and

WHEREAS, FrontierVision and its partners will need to grant one or more security interests and/or liens in or upon the Franchise and the System from time to time on or after the closing date of the Transfer (as defined in the Purchase Agreement) in order to secure the present and future indebtedness of FrontierVision; and

WHEREAS, the Board believes it is in the interest of the Town to approve the Transfer Application and the Transfer of the Franchise and the System to FrontierVision, to

- 2 -

allow FrontierVision to secure its present and future indebtedness with security interests and/or liens in or upon the Franchise and the System and to allow the parties owning or controlling FrontierVision to pledge their equity interests to secure FrontierVision's current and future indebtedness, all as described in the Transfer Application;

NOW, THEREFORE, BE IT RESOLVED, by the Board as follows:

1. The Board hereby approves the Transfer Application and the assumption by FrontierVision of the obligations of WestMarc under the Franchise which relate to the time period after the consummation of the Transfer and the closing of the transactions described in the Purchase Agreement and grants its consent for the Transfer to FrontierVision, or to any affiliated company under common control with or controlled by FrontierVision, as described in the Transfer Application.

2. FrontierVision is authorized to pledge, mortgage, transfer in trust and otherwise hypothecate the property and assets used or held for use in connection with the ownership and operation of the System, including the Franchise, and the parties owning or controlling FrontierVision are authorized to pledge, mortgage, transfer in trust and otherwise hypothecate their equity interests in FrontierVision as collateral security for such loans and financing (or for guarantees of such loans and financing) as may be incurred or assumed by FrontierVision from time to time in connection with the ownership and operation of the System.

3. In order to facilitate FrontierVision's financing arrangements with its lenders, the Board hereby acknowledges that (i) the Franchise is valid and outstanding and in full force and effect on the date hereof; (ii) WestMarc is in compliance with the provisions of the Franchise without default thereunder to the date hereof and there exists no fact or circumstance known to the Board which constitutes or which, with the passage of time or the giving of notice or both, would constitute a default or breach; and (iii) the current term of the Franchise will expire on ~~March 2003~~

4. The Board's grant of the Transfer Application and its consent to the Transfer to FrontierVision herein provided shall be effective immediately upon and as of the consummation of the Transfer and the closing of the transactions described in the Purchase Agreement, and FrontierVision shall notify the Board promptly upon the closing of such transactions.

5. The franchise documents listed by name and date in the first WHEREAS clause of this Consent Resolution (the "Named Franchise Documents") contain the only commitments and obligations (subject to applicable law and regulations) that relate to the Franchise and would be binding upon FrontierVision after the closing date of the

Transfer and, without limiting the generality of the foregoing, none of the documents referred to or incorporated by reference in the Named Franchise Documents, unless such referenced or incorporated document is itself a Named Franchise Document, exists or contains any commitments or obligations that relate to the Franchise and would be binding upon FrontierVision after the closing date of the Transfer.

ADOPTED by the Board on this _____ day of _____, 1997.

TOWN OF CANAAN, NEW HAMPSHIRE

By: *[Signature]*
Name: *Steve Lawrence*
Title: *Charter Selectmen*

Attest:

Secretary

3/5/2003
See new agreement
filed 12-26-97

ORDINANCE NO.

An Ordinance of the Town of Canaan, New Hampshire
Granting a Franchise to Taft Cable Partners
for the Construction and Operation of a Cable System

The Town of Canaan, having determined that the financial, legal and technical ability of Taft Cable Partners is reasonably sufficient to provide services, facilities and equipment necessary to meet the future cable-related needs of the community, does hereby ordain as follows:

SECTION I

Definition of Terms

1.1 Terms. For the purpose of this Ordinance, the following terms, phrases, words, and abbreviations shall have the meanings ascribed to them below. When not inconsistent with the context, words used in the present tense include the future tense, words in the plural number include the singular number, and words in the singular number include the plural number:

- a) "Affiliate" means an entity which owns or controls, is owned or controlled by, or is under common ownership with Grantee.
- b) "Basic Cable" is the tier of service regularly provided to all subscribers that includes the retransmission of local broadcast television signals and the public, educational and governmental channels, if required by the terms hereof.
- c) "Cable Act" means the Cable Communications Policy Act of 1984, as amended.
- d) "Cable Service" means (i) the one-way transmission to subscribers of Video Programming or other programming service, and (ii) subscriber interaction, if any, which is required for the selection of such Video Programming or other programming service.
- e) "Cable System" means a facility, consisting of a set of closed transmission paths and associated signal generation, reception, and control equipment or other communications equipment that is designed to provide Cable Service and other service to subscribers.
- f) "FCC" means Federal Communications Commission, or successor governmental entity thereto.

- g) "Franchise" shall mean the initial authorization, or renewal thereof, issued by the Franchising Authority, whether such authorization is designated as a franchise, permit, license, resolution, contract, certificate, or otherwise, which authorizes construction and operation of the Cable System for the purpose of offering Cable Service or other service to Subscribers.
- h) "Franchise Authority" means the Town of Canaan, or the lawful successor, transferee or assignee thereof.
- i) "Grantee" means Taft Cable Partners, or the lawful successor, transferee or assignee thereof.
- j) "Person" means an individual, partnership, association, joint stock company, trust corporation, or governmental entity.
- k) "Public Way" shall mean 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, 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 Franchise Authority in the Service Area which shall entitle the Franchise Authority and the Grantee to the use thereof 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 Franchise Authority within the Service Area for the purpose of public travel, or for utility or public service use dedicated for compatible uses, and shall include other easements or rights-of-way as shall within their proper use and meaning entitle the Franchise Authority and the Grantee to the use thereof for the purposes of installing or transmitting Grantee's Cable Service or other service 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.
- l) "Service Area" means the present municipal boundaries of the Franchising Authority, and shall include any additions thereto by annexation or other legal means.
- m) "Service Tier" means a category of Cable Service or other services, provided by Grantee and for which a separate charge is made by Grantee.
- n) "Subscriber" means a person or user of the Cable System who lawfully receives Cable Services or other service therefrom with Grantee's express permission.

- o) "Video Programming" means programming provided by, or generally considered comparable to programming provided by, a television broadcast station.

SECTION II

Grant of Franchise

2.1 Grant. The Town hereby grants to Grantee a non-exclusive Franchise which authorizes the Grantee to construct and operate a Cable System and offer Cable Service and other services in, along, among, upon, across, above, over, under or in any manner connected with Public Ways within the Service Area and for that purpose to erect, install, construct, repair, replace, reconstruct, maintain or retain in, on, over, under, upon, across or along any Public Way and all extensions thereof and additions thereto, such poles, wires, cables, conductors, ducts, conduits, vaults, manholes, pedestals, amplifiers, appliances, attachments, and other related property or equipment as may be necessary or appurtenant to the Cable System.

2.2 Term. The Franchise granted pursuant to this Ordinance shall be for an initial term of fifteen (15) years from the effective date of the Franchise as set forth in Section 2.3, unless otherwise lawfully terminated in accordance with the terms of this Ordinance.

2.3 Acceptance; Effective Date. Grantee shall file a written acceptance of the Franchise granted pursuant hereto with the Town Clerk or other appropriate official or agency of the Franchising Authority within sixty (60) days after the passage and final adoption of this Ordinance. The Franchising Authority shall notify Grantee of the date that the Ordinance is finally passed and adopted, as well as, the date by which a written acceptance is required to be filed. Subject to the filing of the written acceptance by Grantee, the effective date of this Ordinance shall be the sixtieth day after its passage and final adoption.

2.4 Favored Nations. In the event the Franchising Authority enters into a franchise, permit, license, authorization or other agreement of any kind with any other person or entity other than the Grantee for the purpose of constructing or operating a Cable System or providing Cable Service to any part of the Franchise Area which contains terms more favorable to such person or entity in any regard than similar provisions of this Ordinance, then this Ordinance shall be deemed amended as of the effective date of the other franchise, permit, license authorization or other agreement, so as to give the Grantee the benefit of any such more favorable terms.

SECTION III

Standards of Service

3.1 Conditions of Street Occupancy. All transmission and distribution structures, poles, other lines, and equipment installed or erected by the Grantee pursuant to the terms hereof shall be so

located so as to cause a minimum of interference with the proper use of Public Ways and with the rights and reasonable convenience of property owners who own property that adjoins any of said Public Ways.

3.2 Restoration of Public Ways. If during the course of Grantee's construction operation or maintenance of the Cable System there occurs a disturbance of any Public Way by Grantee, it shall, at its expense, replace and restore such Public Way to a condition reasonably comparable to the condition of the Public Way existing immediately prior to such disturbance.

3.3 Relocation at Request of Franchising Authority. Upon its receipt of reasonable advance notice, not to be less than five (5) business days, the Grantee shall, at its own expense, protect, support, temporarily disconnect, relocate in the Public Way, or remove from the Public Way, any property of the Grantee when lawfully required by Franchising Authority by reason of traffic conditions, public safety, street abandonment, freeway and street construction, change or establishment of street grade, installation of sewers, drains, gas or water pipes, or any other type of structures or improvements by the Franchising Authority; but, the Grantee shall in all cases have the right of abandonment of its property. If public funds are available to any company using such street, easement or right-of-way for the purpose of defraying the cost of any of the foregoing, such funds shall also be made available to the Grantee.

3.4 Relocation at Request of Third Party. The Grantee shall, on the request of any person holding a building moving permit issued by the Franchising Authority, temporarily raise or lower its wires to permit the moving of such building, provided: (a) the expense of such temporary raising or lowering of wires is paid by said person, including, if required by the Grantee, making such payment in advance; and (b) the Grantee is given not less than ten (10) business days advance written notice to arrange for such temporary wire changes.

3.5 Trimming of Trees and Shrubbery. The Grantee shall have the authority to trim trees or other natural growth overhanging any of its Cable System in the Service Area so as to prevent branches from coming in contact with the Grantee's wires, cables or other equipment. Grantee shall be permitted to charge persons who own, or are responsible for, such trees or natural growth for the cost of such trimming, provided that similar charges are assessed by and paid to the utilities or the Franchising Authority for tree trimming. The Grantee shall reasonably compensate the Franchising Authority or property owner for any damages caused by such trimming, or shall, in its sole discretion and at its own cost and expense, reasonably replace all trees or shrubs damaged as a result of any construction of the System undertaken by Grantee. Such replacement shall satisfy any and all obligations Grantee may have to the Franchise Authority or property owner pursuant to the terms of this Section 3.5.

3.6 Use of Grantee's Equipment by Franchising Authority.

Subject to any applicable state or federal regulations or tariffs, the Franchising Authority shall have the right to make additional use, for any public purpose, of any poles or conduits controlled or maintained exclusively by or for the Grantee in any Public Way; provided that (a) such use by the Franchising Authority does not interfere with a current or future use by the Grantee; (b) the Franchising Authority holds the Grantee harmless against and from all claims, demands, costs, or liabilities of every kind and nature whatsoever arising out of such use of said poles or conduits, including, but not limited to, reasonable attorneys' fees and costs; and (c) at Grantee's sole discretion, the Franchising Authority may be required either to pay a reasonable rental fee or otherwise reasonably compensate Grantee for the use of such poles, conduits, or equipment; provided, however, that Grantee agrees that such compensation or charge shall not exceed those paid by it to public utilities pursuant to the applicable pole attachment agreement, or other authorization, relating to the Service Area.

3.7 Safety Requirements. Construction, installation and maintenance of the Cable System shall be performed in an orderly and workmanlike manner. All such work shall be performed in substantial accordance with applicable FCC or other federal, state and local regulations. The Cable System shall not unreasonably endanger or interfere with the safety of persons or property in the Service Area.

3.8 Aerial and Underground Construction. In those areas of the Service Area where all of the transmission or distribution facilities of the respective public utilities providing telephone communications and electric services are underground, the Grantee likewise shall construct, operate and maintain all of its transmission and distribution facilities underground; provided that such facilities are actually capable of receiving Grantee's cable and other equipment without technical degradation of the Cable System's signal quality. In those areas of the Service Area where the transmission or distribution facilities of the respective public utilities providing telephone communications and electric services are both aerial and underground, Grantee shall have the sole discretion to construct, operate and maintain all of its transmission and distribution facilities, or any part thereof, aurally or underground. Nothing contained in this Section 3.8 shall require Grantee to construct, operate, and maintain underground any ground-mounted appurtenances such as subscriber taps, line extenders, system passive devices (splitters, directional couplers), amplifiers, power supplies, pedestals, or other related equipment. Notwithstanding anything to the contrary contained in this Section 3.8, in the event that all of the transmission or distribution facilities of the respective public utilities providing telephone communications and electric services are placed underground after the effective date of this Ordinance, Grantee shall only be required to construct, operate and maintain all of its transmission and distribution facilities underground if it is given reasonable notice and access to the public utilities' facilities at the time that such are placed underground.

3.9 Required Extensions of Service The Cable System as constructed as of the date of the passage and final adoption of this ordinance substantially complies with the material provisions hereof. Grantee is hereby authorized to extend the Cable System as necessary, as desirable, or as required pursuant to the terms hereof within the Service Area. Whenever Grantee shall receive a request for service from at least fifteen (15) Subscribers within 1320 cable bearing strand feet (one-quarter cable mile) of its trunk or distribution cable, it shall extend its Cable System to such Subscribers at no cost to said Subscribers for system extension, other than the usual connection fees for all Subscribers; provided that such extension is technically feasible, and if it will not adversely affect the operation, financial condition or market development of the Cable System, or as provided for under Section 3.10 of this Ordinance.

3.10 Subscriber Charges for Extensions of Service. No Subscriber shall be refused service arbitrarily. However, for unusual circumstances, such as a Subscriber's request to locate his cable drop underground, existence of more than one hundred fifty (150) feet of distance from distribution cable to connection of service to Subscribers, or a density of less than fifteen (15) Subscribers per 1320 cable bearing strand feet of trunk or distribution cable, Cable Service or other service may be made available on the basis of a capital contribution in aid of construction, including cost of material, labor and easements. For the purpose of determining the amount of capital contribution in aid of construction to be borne by Grantee and Subscribers in the area in which Cable Service may be expanded, Grantee will contribute an amount equal to the construction and other costs per mile multiplied by a number whose numerator equals the actual number of potential Subscribers per 1320 cable bearing strand feet of its trunks or distribution cable, and whose denominator equals fifteen (15) Subscribers. Potential Subscribers will bear the remainder of the construction and other costs on a prorata basis. Grantee may require that the payment of the capital contribution in aid of construction borne by such potential Subscribers be paid in advance.

3.11 Service to Public Buildings. The Grantee shall provide without charge one (1) outlet of Basic Service to the Franchising Authority's office buildings, fire station, police station, and public school building that is passed by its Cable System. The outlets of Basic Service shall not be used to distribute or sell Cable Services in or throughout such buildings; nor shall such outlets be located in common or public areas open to the public. Users of such outlets shall hold Grantee harmless from any and all liability or claims arising out of their use of such outlets, including but not limited to, those arising from copyright liability. Notwithstanding anything to the contrary set forth in this Section 3.11, the Grantee shall not be required to provide an outlet to such buildings where the drop line from the feeder cable to said buildings or premises exceeds one hundred fifty (150) cable feet, unless it is technically feasible and if it will not adversely affect the operation, financial condition or market development of

the Cable System to do so, or unless the appropriate governmental entity agrees to pay the incremental cost of such drop line in excess of 150 cable feet. In the event that additional outlets of Basic Service are provided to such buildings, the building owner shall pay the usual installation fees associated therewith, including, but not limited to, labor and materials. Upon request of Grantee, the building owner may also be required to pay the service fees associated with the provision of Basic Service and the additional outlets relating thereto.

3.12 Conditions of Sale. If Grantee's Franchise is lawfully revoked for cause and the Franchising Authority acquires ownership of the Cable System or by its actions effects a transfer of ownership of the Cable system to another person, any such acquisition or transfer shall be at an equitable price. Grantee and Franchising Authority agree that in the case of a revocation, at Grantee's request, which shall be made in its sole discretion, Grantee shall be given a reasonable opportunity to effectuate a transfer of its Cable System to a qualified third party at fair market value, determined on the basis of the Cable System valued as an ongoing concern. The Franchising Authority further agrees that during such a period of time, it shall authorize the Grantee to continue to operate pursuant to the terms of its prior Franchise; however, in no event shall such authorization exceed a period of time greater than six (6) months from the effective date of such revocation. If, at the end of that time, Grantee is unsuccessful in procuring a qualified transferee or assignee of its Cable System, which is reasonably acceptable to the Franchising Authority, Grantee and Franchising Authority may avail themselves of any rights they may have pursuant to federal or state law; it being further agreed that Grantee's continued operation of its Cable System during the six (6) month period shall not be deemed to be a waiver, nor an extinguishment of, any right of either the Franchising Authority or the Grantee.

neither Franchising Authority nor Grantee shall be required to violate federal or state law.

3.13 Transfer of Franchise. Grantee's right, title, or interest in the Franchise shall not be sold, transferred, assigned or otherwise encumbered, other than to an Affiliate, without the prior consent of the Franchising Authority, such consent not to be unreasonably withheld. No such consent shall be required, however, for a transfer in trust, by mortgage, by other hypothecation, or by assignment of any rights, title, or interest of Grantee in the Franchise or Cable System in order to secure indebtedness.

SECTION IV

Compliance and Monitoring

4.1 Testing for Compliance. The Franchising Authority may perform technical tests of the Cable System during reasonable times and in a manner which does not unreasonably interfere with the normal business operations of the Grantee or the Cable System in order to determine whether or not the Grantee is in compliance with the terms hereof and applicable state or federal laws. Except in emergency circumstances, such tests may be undertaken only after giving Grantee reasonable notice thereof, not to be less than two (2) business days, and providing a representative of Grantee an opportunity to be present during such tests. In the event that such testing demonstrates that the Grantee has substantially failed to comply with a material requirement hereof, the reasonable costs of such tests shall be borne by the Grantee. In the event that such testing demonstrates that Grantee has substantially complied with such material provisions hereof, the cost of such testing shall be borne by the Franchising Authority. Except in emergency circumstances, the Franchising Authority agrees that such testing shall be undertaken no more than two (2) times a year in the aggregate, and the results thereof shall be made available to the Grantee upon Grantee's request.

4.2 Books and Records. The Grantee agrees that the Franchising Authority may review such of its books and records, during normal business hours and on a nondisruptive basis, as are reasonably necessary to monitor compliance with the terms hereof. Such records shall include, but shall not be limited to, any public records required to be kept by the Grantee pursuant to the rules and regulations of the FCC. Notwithstanding anything to the contrary set forth herein, Grantee shall not be required to disclose information which it reasonably deems to be proprietary or confidential in nature. The Franchising Authority agrees to treat any information disclosed by the Grantee to it on a confidential basis, and only to disclose it to employees, representatives, and agents thereof that have a need to know, or in order to enforce the provisions hereof.

SECTION V

Insurance, Indemnification, and Bonds or Other Surety

5.1 Insurance Requirements. Grantee shall maintain in full force and effect, at its own cost and expense, during the term of the Franchise, General Comprehensive Liability Insurance in the amount of \$500,000 for bodily injuries, (including accidental death) to any one person, and subject to the same limit for each person in amount not less than \$300,000 on account of any one occurrence, and Property Damage Liability Insurance in an amount not less than \$500,000 resulting from any one occurrence. Said insurance shall designate the Franchising Authority as an additional named insured. Such

insurance shall be non-cancellable except upon thirty (30) days prior written notice to the Franchising Authority.

5.2 Indemnification. The Grantee agrees to indemnify, save and hold harmless and defend the Franchising Authority, its officers, boards and employees, from and against any liability for damages and for any liability or claims resulting from property damage or bodily injury, (including accidental death), which arise out of the Grantee's construction, operation, or maintenance of its Cable System, including, but not limited to, reasonable attorney's fees and costs.

5.3 Bonds and other Security. Except as expressly provided herein, Grantee shall not be required to obtain or maintain bonds or other surety as a condition or being awarded the Franchise or continuing its existence. The Franchising Authority acknowledges that the legal, financial and technical qualifications of Grantee are sufficient to afford compliance with the terms of the Franchise and the enforcement thereof. Grantee and Franchising Authority recognize that the costs associated with bonds and other surety may ultimately be borne by the Subscribers in the form of increased rates for Cable Services. In order to minimize such costs, the Franchising Authority agrees to require bonds and other surety only in such amounts and during such times as there is a reasonably demonstrated need therefor. The Franchise Authority agrees that in no event, however, shall it require a bond or other related surety in an aggregate amount greater than \$10,000, conditioned upon the substantial performance of the material terms, covenants, and conditions of the Franchise. Initially, no bond or other surety will be required. In the event that one is required in the future, the Franchising Authority agrees to give Grantee at least sixty (60) days prior notice thereof stating the exact reason for the requirement. Such reasons must demonstrate a change in the Grantee's legal, financial or technical qualifications which would materially prohibit or impair its ability to comply with the terms of the Franchise or afford compliance therewith.

SECTION VI

Enforcement and Termination of Franchise

6.1 Notice of Violation. In the event that the Franchising Authority believes that the Grantee has not complied with the terms of the Franchise, it shall notify Grantee of the exact nature of the alleged non-compliance.

6.2 Grantee's Right to Cure or Respond. Grantee shall have thirty (30) days from receipt of the notice described in Section 7.1 to (a) respond to the Franchising Authority contesting the assertion of non-compliance, or (b) to cure such default or, in the event that, by the nature of default, such default cannot be cured within the thirty (30) day period, initiate reasonable steps to remedy such default and notify the Franchising Authority of the steps being taken and the projected date that they will be completed.

6.3 Public Hearing. In the event that Grantee fails to respond to the notice described in Section 7.1 pursuant to the procedures set forth in Section 7.2, or in the event that the alleged default is not remedied within sixty (60) days after the Grantee is notified of the alleged default pursuant to Section 7.1, the Franchising Authority shall schedule a public meeting to investigate the default. Such public meeting shall be held at the next regularly scheduled meeting of the Franchising Authority which is scheduled at a time which is not less than five (5) business days therefrom. The Franchising Authority shall notify the Grantee of the time and place of such meeting and provide the Grantee with an opportunity to be heard.

6.4 Enforcement. Subject to applicable federal and state law, in the event the Franchising Authority, after such meeting, determines that Grantee is in default of any provision of the Franchise, the Franchising Authority may:

- a) Foreclose on all or any part of any security provided under this Franchise, if any, including, without limitation, any bonds or other surety; provided, however, the foreclosure shall only be in such a manner and in such amount as the Franchising Authority reasonably determines is necessary to remedy the default;
- b) Commence an action at law for monetary damages or seek other equitable relief;
- c) In the case of a substantial default of a material provision of the Franchise, declare the Franchise Agreement to be revoked; or
- d) Seek specific performance of any provision, which reasonably lends itself to such remedy, as an alternative to damages.

The Grantee shall not be relieved of any of its obligations to comply promptly with any provision of the Franchise by reason of any failure of the Franchising Authority to enforce prompt compliance.

6.5 Acts of God. The grantee shall not be held in default or non-compliance with the provisions of the Franchise, nor suffer any enforcement or penalty relating thereto, where such non-compliance or alleged defaults are caused by strikes, acts of God, power outages, or other events reasonably beyond its ability to control.

SECTION VII

Unauthorized Reception

7.1 Misdemeanor. In addition to those criminal and civil remedies provided by state and federal law, it shall be a misdemeanor for any person, firm, or corporation to create or make use of any unauthorized connection, whether physically, electrically, acoustically, inductively or otherwise, with any part of the Cable System without the express consent of the Grantee. Further, without

the express consent of Grantee, it shall be a misdemeanor for any person to tamper with, remove or injure any property, equipment or part of the Cable System or any means of receiving Cable Service or other services provided thereto. Subject to applicable federal and state law, the Franchising Authority shall incorporate into its criminal code, if not presently a part thereof, criminal misdemeanor law which will enforce the intent of this Section 8.1.

SECTION VIII

Miscellaneous Provisions

8.1 Documents Incorporated and Made a Part Hereof. The following documents shall be incorporated herein by this reference, and in the case of a conflict or ambiguity between them, the document of latest date shall govern:

- a) Any enabling ordinance in existence as of the date hereof; and
- b) Any proposal submitted by Grantee pursuant to a Franchise renewal procedure, as amended and supplemented during the Franchise renewal negotiation process;
- c) Any franchise agreement between Grantee and Franchising Authority reflecting the renewal of the Franchise, if any.

8.2 Preemption. If the FCC, or any other federal or state body or agency shall now or hereafter exercise any paramount jurisdiction over the subject matter of the Franchise, then to the extent such jurisdiction shall preempt and supersede or preclude the exercise of the like jurisdiction by the Franchising Authority, the jurisdiction of the Franchising Authority shall cease and no longer exist.

8.3 Actions of Franchising Authority. In any action by the Franchising Authority or representative thereof mandated or permitted under the terms hereof, such party shall act in a reasonable, expeditious and timely manner. Furthermore, in any instance where approval or consent is required under the terms hereof, such approval or consent shall not be unreasonably withheld.

8.4 Notice. Unless expressly otherwise agreed between the parties, every notice or response to be served upon the Franchising Authority or Grantee shall be in writing, and shall be deemed to have been duly given to the required party five (5) business days after having been posted in a properly sealed and correctly addressed envelope by certified or registered mail, postage prepaid, at a Post Office or branch thereof regularly maintained by the U.S. Postal Service.

8.5 Descriptive Headings. The captions to Sections contained herein are intended solely to facilitate the reading thereof. Such captions shall not affect the meaning or interpretation of the text herein.

8.6 Severability: If any Section, sentence, paragraph, term or provision hereof is determined to be illegal, invalid or unconstitutional, by any court of common jurisdiction or by any state or federal regulatory authority having jurisdiction thereof, such determination shall have no effect on the validity of any other Section, sentence, paragraph, term or provision hereof, all of which will remain in full force and effect for the term of the Franchise or any renewal or renewals thereof.

Passed and adopted this 5th day of January, 1988, by the following vote:

AYES:

NOES:

ABSENT:

The Effective Date of this Ordinance is the 5th day of January, 1988.

CANAAN BOARD OF SELECTMEN

Mary H. Hathorn

[Signature]

Edward Labrie

ATTEST:

Maurice Gould
Justice of the Peace
My Commission Expires: 2/2/88