

Town of Brookfield, New Hampshire

OPERATOR

CABLE TELEVISION SYSTEM FRANCHISE

Issued to

Grassroots Cable Systems FP2, Inc.

Agreement made this 10th day of January, 1990 by and between the town of Brookfield, New Hampshire (hereinafter, "TOWN") and Grassroots Cable Systems FP2, Inc., a New Hampshire corporation having its principal place of business at Exeter, New Hampshire (hereinafter, "GRASSROOTS").

WHEREAS, GRASSROOTS desires to operate a cable television system in the TOWN and to obtain a franchise for such cable television system from TOWN, and TOWN by its Selectmen (hereinafter, the "BOARD") pursuant to authorization of the voters of the March, 1989 Town Meeting under Article #25 and in compliance with New Hampshire State Law (RSA 53-C) is willing to grant a Franchise pursuant to all applicable laws and regulations, according to the terms and conditions as described herein.

NOW, THEREFORE, the parties mutually agree as follows:

FIRST: GRANT OF FRANCHISE, TERRITORY

There is hereby granted to GRASSROOTS, its successors and assigns, the non-exclusive franchise to operate a cable television system (hereinafter, the "Franchise") throughout the Town of Brookfield, New Hampshire, (hereinafter, "the Franchise Territory") to such geographic areas within the Franchise Territory as may, from time to time, contain a sufficient number of potential subscribers as shall, in the judgement of GRASSROOTS, reasonably exercised under Section 6, render it economical to extend its cable to such areas.

SECOND: TERM and RENEWAL

The Franchise and the rights herein granted shall commence on the date of this Agreement (the "Commencement Date"). The Franchise shall be for the term of fifteen (15) years (the "Franchise Term") from the date of this Agreement, unless extended by Section 17. The Franchise shall terminate and be of no further force or effect if GRASSROOTS shall not begin construction within eighteen months of the date of this Agreement unless extended by Section 17.

GRASSROOTS shall have an option to renew the franchise for a minimum of one (1) fifteen year period. The application for renewal of the franchise shall be made in accordance with federal law. This franchise may, at the discretion of the TOWN, be renewed upon such terms and conditions as may be mutually agreed upon by the TOWN and GRASSROOTS provided 1) said terms and conditions are reasonable to meet the cable related community needs and interest, after accounting for the cost of meeting such needs and interests, and 2) GRASSROOTS has reasonably fulfilled all terms and conditions of any previous franchise agreement. GRASSROOTS and the TOWN shall have all rights to notice and opportunity for public hearing as are provided under federal law.

THIRD: SERVICES and RATES

Schedule "A" and "C", attached hereto and made part hereof, are the schedules of initial programming services offered (Schedule "A") and rates that shall be initially charged (Schedule "C") by GRASSROOTS in the Franchise Territory as of the date of the execution of this Franchise Agreement.

GRASSROOTS may also transmit any and all other lawful services over the cable system and may change the programming services offered at its sole option. The Selectmen shall be notified at least fifteen (15) days prior to any changes announced to the public with 30 days public notice before implementation.

GRASSROOTS will not raise its residential Broadcast and Standard monthly service fees more often than yearly and such increases shall be consistent with federal guidelines. The Selectmen shall be notified at least fifteen (15) days prior to any changes announced to the public with 30 days public notice before implementation.

GRASSROOTS will maintain the residential Broadcast and Standard monthly service rates shown in Schedule "C" for a period of two (2) years from the date of this Agreement.

It is in the best interest of GRASSROOTS and the TOWN to have a financially viable system. The system Financial Proformas are based on the system statistics given in Schedule "C" Rate Adjustment Criteria Section, our current capital and operating costs and projected sales estimates. It is our intent to review costs associated with construction (i.e. makeready, actual miles built, capital costs, etc.). When savings have occurred to review our rates and reduce them when feasible to pass along such windfall savings to our subscribers. Conversely, in the event costs (initial or ongoing operations) are higher or revenues are lower we will increase rates to our subscribers. The above is in keeping with our company policy of providing a quality service at a fair price to insure financial viability for the system. In either case changes would be made only after consulting with the Selectmen and may be implemented during a "Rate Freeze" period as an emergency rate adjustment.

Applicable taxes are not included in GRASSROOTS' Schedule "C" rates and charges.

FOURTH: COMMUNITY CHANNEL

GRASSROOTS will provide the TOWN with a shared character generated Community Channel with the capability of providing video programming under the control of a joint Community Channel Committee established by the sharing towns.

FIFTH: SERVICE AREA

Schedule "D" attached hereto is a map of the TOWN showing the initial service area highlighted in yellow. While Schedule "D" is an honest attempt to depict the "actual" proposed service area, in the event of a dispute, the system design maps used for construction to meet appropriate Schedule "C" rate adjustment criteria shall prevail. The initial service area shall be constructed in accordance with the time period specified in Section 7, Subsection 8 of this Agreement. GRASSROOTS reserves the right to delay construction in any remaining unbuilt initial service area(s) in the event sales projections (i.e. Schedule "C" rate adjustment criteria) are not met in completed initial build area(s) until such time as the sales/revenue shortfall is resolved.

SIXTH: LINE EXTENSIONS

Grassroots will extend its facilities, within twelve (12) months of a Town request, beyond the initial service area to new service area(s) that meet the current EHPM density of dwelling units per contiguous mile within the service drop distance on the proposed cable plant extension(s) as long as the "existing" service area has met financial projections. See Schedule "E" for Line Extension Terms and conditions for contiguous areas not meeting the current EHPM of dwelling units.

SEVENTH: CONSTRUCTION

In furtherance of the franchise granted hereby, the following rights and privileges are hereby granted by the TOWN to GRASSROOTS, subject to the limitations set forth therein:

- 1) GRASSROOTS is hereby granted the right and privilege to erect facilities in the Franchise Territory and to construct, maintain and operate in the present and future streets, alleys and public places of the Franchise Territory and in all easements within the Franchise Territory which are dedicated to compatible uses, towers, poles, anchors, antennas, lines, cables, necessary wiring and other apparatus for the purpose of receiving, amplifying, and distributing television, radio and other electronic and optical signals to the Franchise Territory and the inhabitants thereof.
- 2) Such poles and towers shall be so erected as not to interfere with the traffic over the streets and alleys, and the location of all poles, towers or other obstructions shall be determined so as to give consideration to the reasonable operation of such traffic, provided that such location shall not be a vested interest. The poles and towers erected and owned by GRASSROOTS shall be removed by GRASSROOTS whenever the same restrict or obstruct the operation or location or any future operation or location of said streets, alleys and public places.
- 3) GRASSROOTS shall be subject to all ordinances generally applicable now in force or that may be hereafter enacted relative to the construction of facilities, use of land and use of the streets and alleys in the Franchise Territory.
- 4) All poles owned by public utility companies which are located within the Franchise Territory shall be made available for use by GRASSROOTS at rates, terms and conditions prescribed by 47 USC 224. GRASSROOTS, however, bears sole responsibility for making any necessary arrangements with the public utility companies regarding the use of their poles.

5) All streets and sidewalks disturbed or damaged in the construction or maintenance of the plant and other appurtenances of the cable television system shall be promptly repaired by GRASSROOTS at its expense and to the satisfaction of the TOWN.

6) The construction and maintenance of the system shall be in accordance with federal, state and local codes and applicable laws, ordinances and regulations affecting electrical installations. All installations of equipment shall be of a permanent nature, durable and installed in accordance with good engineering practice in common use in cable television systems at the time of installation.

7) GRASSROOTS shall have the authority to trim trees upon and overhanging streets, sidewalks, alleys and public places of the TOWN so as to prevent branches from coming into contact with the aerial plant, only to the extent the TOWN would have the right to do so, at the expense of GRASSROOTS. GRASSROOTS shall not be responsible for the cost or work of public utilities, the TOWN, or others who trim trees for their own purposes.

8) GRASSROOTS shall make application for pole attachment agreements with the appropriate utilities within 20 business days of the Franchise Date, submit pole applications within 60 business days after receiving a fully executed pole attachment agreement, diligently pursue completion of make-ready work by the utilities and commence construction within 60 business days of the receipt of adequate pole attachment permits for effective construction and will complete system construction within twelve (12) months after receipt of the last pole attachment permit issued unless extended by Section 17 or schedule "C" (rate adjustment criteria, section 3) of this agreement. GRASSROOTS shall provide the TOWN with a monthly status report including copies of communications with utility companies involved.

9) The TOWN shall have the right to inspect the construction and installation work of the company for the purpose of ensuring compliance with applicable laws, codes, ordinances and terms of the contract and for the purpose of ordering corrections of any violations.

EIGHTH: CONSTRUCTION BOND

GRASSROOTS shall post with the TOWN, prior to the start of construction, an acceptable construction bond in the amount of ten thousand dollars (\$10,000.00) which is tendered as liquidated damages and will terminate upon completion of the build area designated in Schedule "D" or twelve months after issuance, whichever occurs first.

GRASSROOTS also will post with the applicable utilities such bonds as they may require for the attachment of GRASSROOTS' cable and other equipment to the utilities' poles and supports.

NINTH: FREE SERVICE

GRASSROOTS shall provide free of charge for the Franchise Term, the Standard Package, as it shall be described from time-to-time in GRASSROOTS' rates, to the TOWN buildings listed in Schedule "B" attached hereto and made part hereof. The governing authority of the TOWN shall in writing request and authorize service and connection by GRASSROOTS to said TOWN buildings.

TENTH: SERVICE REQUESTS, COMPLAINTS AND CUSTOMER SERVICE STANDARDS

GRASSROOTS will have 24 hour a day toll-free telephone lines for the purpose of receiving communications from subscribers and others concerning service including complaints about the quality of service, equipment malfunctions and similar matters. GRASSROOTS shall be responsible for the prompt response to and resolution of such matters.

Upon a subscriber's request, Grassroots will give a pro-rata credit for total loss of cable service or Premium Service(s) lasting 24 continuous hours or longer.

GRASSROOTS will use its best effort to adhere to the National Cable Television Association (NCTA) Customer Service Standards included as Schedule "F".

ELEVENTH: SHARED SPECTRUM

GRASSROOTS agrees to maintain its cables, cable drops and all connectors used therewith in good condition and good repair at all times. GRASSROOTS shall insure that its system is in full compliance with all applicable technical rules of the FCC. GRASSROOTS shall make measurements of leakage, as defined in Section 76.609 of the FCC Rules. GRASSROOTS will immediately suspend service to subscribers whose installations do not conform to applicable leakage standards of the FCC. Grassroots will restore service to affected dwelling unit(s) after the leakage violation is corrected.

TWELFTH: CABLE RULES

GRASSROOTS shall comply with all applicable requirements of the State and the Federal Communications Commission.

THIRTEENTH: INDEMNIFICATION

GRASSROOTS shall indemnify, protect and save the TOWN harmless from and against losses and physical damages to property and bodily injury or death to persons, including payments made under Workers' Compensation Law, and attorney's fees for defending any action brought against the TOWN which may arise out of or be caused by the erection, maintenance, presence, use or removal of attachments on poles and/or receiving towers, antennas and related structures within the Franchise Territory or by any act of GRASSROOTS, its agents or employees. GRASSROOTS 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 such loss, injury or damage. The amounts of insurance shall be not less than the following, or such other limits as may be required by law for activities similar to those of GRASSROOTS:

Against liability due to physical damages to property:

One million dollars (\$1,000,000) as to any one accident;

One million dollars (\$1,000,000) aggregate in any single policy year; and

Against liability due to bodily injury or to death of persons:

Three million dollars (\$3,000,000) as to one person;

Three million dollars (\$3,000,000) as to any one accident.

GRASSROOTS shall also carry insurance to protect it from all claims under the Workers' Compensation Laws in effect that may be applicable to GRASSROOTS. All insurance required by this Agreement shall be and remain in full force and effect when construction of physical facilities commences and for the entire life of the Agreement and any extension or renewal thereof. GRASSROOTS shall provide certificates of the insurance called for in the foregoing evidencing the coverages required and the continuance of such coverages being in full force and effect throughout the term of this agreement and any extension thereof.

FOURTEENTH: FUTURE ENHANCEMENTS

GRASSROOTS will annually offer the TOWN any services provided under franchise(s) issued after the date of this Agreement for other towns served by GRASSROOTS and other affiliates controlled by its principals if said town(s) are of comparable size and economic characteristics. An offer of enhancements not accepted by the TOWN within 30 days of receipt will be deemed automatically withdrawn.

FIFTEENTH: COST PROTECTION PROVISIONS

A. ADDITIONAL FRANCHISES In the event the TOWN grants additional cable television franchises, such franchises shall not contain terms and conditions more favorable or less burdensome than those contained herein. Any such additional franchises shall be granted on the condition that such franchisees shall indemnify and hold harmless GRASSROOTS from and against all costs and expenses incurred, but not limited to, in strengthening poles, rearranging attachments, placing underground facilities and all other costs (including those of the TOWN and GRASSROOTS) incident to inspections, make-ready and construction of an additional cable television system in the Franchise Territory.

B: MAKEREADY COSTS In the event the estimated makeready costs from the utilities owning the poles in town exceeds an average of twenty five hundred dollars (\$2,500.00) per mile, GRASSROOTS may:

1. Seek a mutually satisfactory resolution of the economic hardship with the TOWN.
2. Failing the above GRASSROOTS may terminate the Franchise without penalty or prejudice including the release from any bonds made under this agreement.

SIXTEENTH: SEVERABILITY

If any section, sentence, clause or phrase of this Agreement is for any reason held illegal, invalid or unconstitutional by any court of competent jurisdiction or by regulations of the FCC or any other governmental agency having appropriate jurisdiction, such portion shall be deemed a separate, distinct and independent provision, and such holding shall not affect the validity of the remaining portions hereof.

SEVENTEENTH: FORCE MAJEURE

Prevention or delay of any performance under this Franchise due to circumstances beyond the control of GRASSROOTS or the TOWN, unforeseen circumstances or Acts of God shall not be deemed non-compliance with, or a violation of, this Franchise.

EIGHTEENTH: CONTRAVENTION OF PROVISIONS; ARBITRATION

1. To insure reasonable continuity of service by the expeditious resolution of any dispute or disagreement in any way arising out of or resulting from this franchise or any claimed breach or material violation of this franchise, or any dispute or disagreement in any way arising out of or resulting from any hearing held pursuant to the provisions of this franchise, such dispute or disagreement excluding those which are covered under Federal Law shall be submitted to arbitration by a Board of Arbitrators (hereinafter "ARBITRATORS"): one chosen by the BOARD, one chosen by GRASSROOTS and the third chosen by the two named arbitrators. Should either party fail to choose an arbitrator, or should the two chosen arbitrators fail to choose a third, the appointment shall be made by the American Arbitration Association, failing which either party may apply to County Superior Court having jurisdiction to appoint an arbitrator or arbitrators. All matters shall be heard *de novo* by the ARBITRATORS, and the ARBITRATOR shall have final and conclusive authority on all such matters, but it shall not be empowered to depart from or in any way alter the terms of this Franchise. The ARBITRATORS may order specific performance as well as other forms of appropriate relief as requested by the parties or as justice may require. The ARBITRATORS shall be entitled to reasonable compensation for their services, and they shall determine whether their charges are to be shared equally by the parties, or are to be paid in full by the party found to be in the wrong. Each party agrees to make payment to the ARBITRATORS in accordance with said determination, and if no such determination is made, to pay one-half of their charges. This section shall be governed by and construed in accordance with the laws and statutes of the State of New Hampshire and particularly, but without limitation, RSA Chapter 542, as amended and if and to the extent that anything herein is inconsistent therewith or anything required thereby is omitted herefrom, the provisions of the applicable laws shall have the right to bring any legal proceedings against the other, save only as expressly authorized in and for the purposes specifically set forth in the said RSA Chapter 542 with respect to agreements to arbitrate, arbitration proceedings and arbitrators' awards.

If either party fails or refuses to comply with the ARBITRATORS' award, such party shall reimburse the other party for all expenses, including attorney fees, reasonably incurred in obtaining judicial enforcement of the award.

The provisions of this paragraph shall in any and all events survive termination and/or breach of this Franchise.

2. The TOWN reserves the right to revoke this Franchise and rescind all rights and privileges of Franchisee associated with it in the following circumstances:

(a) If the Franchisee should default in the performance of its material obligations under this Franchise and fails to cure the default within 90 days after receipt of written notice of the default from the TOWN, or fails to cure the default within a reasonable time after commencing curative action.

(b) If the Franchisee arbitrarily ceases to provide service pursuant to this Agreement and fails to reinstate service after notice as in subparagraph (a) above.

(c) Notwithstanding a) and b) above the TOWNS power of revocation shall not exceed those granted under the 1984 Cable Act or any amendments thereto or any other applicable laws or regulations.

3. Prior to revocation for cause under subparagraphs (a) and (b) of Paragraph 2 of this Section, the BOARD shall give 30 days written notice of intent to revoke. After such notice and meeting with the BOARD, if any is requested, revocation shall be subject to further proceedings under Section 18, Paragraph 1 hereof. Nothing herein shall be construed to prohibit either party from proceeding to arbitration at any time under Section 18, Paragraph 1.

4. Upon termination or revocation of this Franchise:

(a) GRASSROOTS shall upon request remove any of its aerial property located on public rights of ways installed for the cable television system, not including interior or exterior building wires, unless

(b) The Town, at its option, buys the system from GRASSROOTS at fair market value, subject to encumbrances, or

(c) GRASSROOTS sells the system to others subject to the terms of this Franchise Agreement.

(d) In the event of (b) or (c) of this Section "Fair Market Value Of The System" is based on an ongoing business entity with a 15 year Franchise term remaining. Any removal hereunder shall be conducted with the same care and subject to the same procedures and conditions as required for installation and maintenance. Any property disturbed or altered by removal shall be promptly repaired, reconstructed or restored less allowance for normal wear and tear.

NINETEENTH: NOTICE

All notices sent pursuant to this Franchise shall be in writing and mailed by certified mail with a return receipt requested. Notice to GRASSROOTS shall be made to Grassroots Cable Systems FP2, Inc., Industrial Drive, Exeter Corporate Park, P.O. Box 280, Exeter, New Hampshire 03833, Attention: W. Robert Felder, President. Notice to the TOWN shall be to the Chairman of the Board of Selectmen at the TOWN office. Each party may advise the other in writing of change of designated address or agent for receipt of notices.

TWENTIETH: SUCCESSION

This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, representatives, successors and assigns. The rights and privileges granted to GRASSROOTS by the TOWN shall not be assigned or transferred without the majority consent of the Selectmen, which consent shall not be unreasonably withheld or delayed. Failure to act within thirty (30) days on any such request shall be construed as approval. In no event shall a transfer of ownership or control be approved without the successor in interest becoming a signatory to the Franchise Agreement.

Nothing in this section shall be deemed to prohibit mortgage or pledge of the Franchise, system plant or any part thereof, for financing purposes and as such does not require approval of the BOARD. Any such mortgage, pledge or other interest shall be subordinate to the rights of the TOWN under the terms of this Agreement. The BOARD shall be notified if a mortgage or pledge of the Franchise, system plant or any part thereof, was granted by GRASSROOTS to a lender for financing purposes

TWENTY FIRST: AMENDMENTS

Any proposed amendment to this Agreement must be in writing and upon execution by the parties will become a part of this Agreement. Said proposed amendment(s) to be numbered sequentially and paginated.

TWENTY SECOND: FRANCHISE FEE

The TOWN will not receive a Franchise Fee.

IN WITNESS WHEREOF, the parties hereto have executed this 21 page agreement by causing the signatures of its duly designated agents to be affixed to duplicate originals on this date.

Selectmen,
Town of Brookfield, New Hampshire


Grassroots Cable Systems FP2, Inc.,

By:

By:


W. Robert Felder
President

By:


Robert Seaman
Selectman

By:


Mark S. Herbert

TWENTY-THREE : LEARN FEES

GRASSROOTS WILL REIMBURSE THE TOWN
FOR \$1,537.50 IN FRANCHISE LEARN

FEES AS FOLLOWS :

- 1) 1/3 WHEN SYSTEM HAS 50 PAYING
SUBSCRIBERS IN TOWN
- 2) 1/3 WHEN SYSTEM HAS 100 PAYING
SUBSCRIBERS IN TOWN
- 3) REMAINDER WHEN SYSTEM HAS 150
PAYING SUBSCRIBERS IN TOWN OR
AT DISCRETION OF GRASSROOTS. IF
LESS THAN 150 SUBSCRIBERS ARE
ATTAINED.

WRT
RS MSH

SCHEDULE "A"

PROPOSED CHANNEL OFFERING, 30 CHANNELS ACTIVE

BROADCAST SERVICE (9 CHANNELS)

ABC, WMUR CHANNEL 9, MANCHESTER
CBS, WGME CHANNEL 13, PORTLAND
NBC, WCSH CHANNEL 6, PORTLAND
PBS, WENH CHANNEL 11, DURHAM
COMMUNITY CHANNEL
IND, WSBK CHANNEL 38 BOSTON
IND, WTBS CHANNEL 17 ATLANTA
FOX, WFXT CHANNEL 25 BOSTON
IND, WLVI CHANNEL 56 BOSTON

SATELLITE SERVICE (17 CHANNELS)

SPORTSCHANNEL
ESPN
THE FAMILY CHANNEL
THE DISCOVERY CHANNEL
ACTS
ARTS & ENTERTAINMENT NETWORK
C-SPAN 1
QUALITY VALUE CHANNEL
TNT

VH-1
NICKELODEON
USA CABLE NETWORK
THE NASHVILLE NETWORK
FNN/SCORE/TELSHOP
CNN
HEADLINE NEWS
MTV

STANDARD PACKAGE (26 CHANNELS) - Broadcast Service and Satellite Service combined

***PREMIUM SERVICES (4 CHANNELS)**

SHOWTIME
CINEMAX
THE DISNEY CHANNEL
NESN (New England Sports Network)
PAY-PER-VIEW (future service)

*Extra monthly fee required per Premium Service purchased and Subscriber must have the Standard Package.

GRASSROOTS may change this package at any time by dropping, adding or changing services.

SCHEDULE "B"

FREE SERVICE

GRASSROOTS agrees to provide FREE the Standard Package, up to a maximum of three (3) total, to the public building(s) listed below when requested in writing by the Selectmen, providing such buildings are within 500' aerial of a street with feeder cable on it. If underground service is required, the TOWN must provide a trench or conduit. GRASSROOTS will bring cable to one set in each building. Any other services or equipment will be provided at GRASSROOTS' rates then in effect.

1. Town Hall

2.

3.

SCHEDULE "C"

RESIDENTIAL RATES

Monthly Charges (Plus Tax)

REMOTE CONTROL CONVERTER (W/VOLUME CONTROL)	\$ 3.00 Each
PERSONAL REMOTE CONTROL CENTER (TV, VCR, CATV)	1.95 Each
BROADCAST SERVICE (9 Channels)*	\$ 9.95
Additional TV Outlets (without converter)	1.95 Each
FM Service Outlets	1.95 Each
Monthly Cable Guide	2.00 First Copy
* Additional channels added to the Broadcast Service Package (12 channel maximum) will increase the rate by \$1.00 per additional channel added.	
SATELLITE SERVICE (17 Channels)**	\$16.50
(Must purchase Broadcast Service, Includes additional outlets, FM service outlet(s), one A/B switch and cable guide)	
STANDARD PACKAGE	\$26.45
(Broadcast Service and Satellite Service combined)	
Additional monthly cable guide copies (To same service address)	.75 Each
PREMIUM SERVICES (4 channels)**	
SHOWTIME	6.95
CINEMAX	6.95
THE DISNEY CHANNEL	6.95
NEW ENGLAND SPORTS NETWORK (NESN)	5.95
PAY-PER-VIEW (future)	PER EVENT

** Only available to Standard Service Subscribers

COMMERCIAL RATES

HOTELS, MOTELS & TUITION SCHOOLS (Non-public viewing areas)

STANDARD COMMERCIAL CONVERTER	1.00 Each
REMOTE CONTROL CONVERTER W/VOLUME CONTROL	3.00 Each
PERSONAL REMOTE CONTROL CENTER (TV, VCR, CATV)	1.95 Each
COMMERCIAL SERVICE (Includes one cable guide)	
First set charge	\$26.45
Additional Outlets	
2-10 outlets	7.50 each
11-20 outlets	6.50 each
21+ outlets	5.50 each
Additional monthly cable guide copies (To same service address)	.75 Each
PREMIUM SERVICES (priced per outlet)	
SHOWTIME	3.50 each
CINEMAX	3.50 each
THE DISNEY CHANNEL	3.75 each
NESN	1.00 each
PAY-PER-VIEW (future)	Not available

TV DEALERS, VIDEO STORES, BARS & OTHER COMMERCIAL ESTABLISHMENTS (Public viewing areas)

STANDARD COMMERCIAL CONVERTER	1.00 Each
REMOTE CONTROL CONVERTER W/VOLUME CONTROL	3.00 Each
PERSONAL REMOTE CONTROL CENTER (TV, VCR, CATV)	1.95 Each
COMMERCIAL SERVICE	\$26.45
Additional TV Outlets (without converter)	1.95 Each
Additional monthly cable guide copies (To same service address)	.75 Each
PREMIUM SERVICES	
SHOWTIME	Not available
CINEMAX	Not available
THE DISNEY CHANNEL	Not available
NESN	\$50. per month
PAY-PER-VIEW (future)	Not available

INSTALLATION CHARGES

One Time Charges (Plus Tax)

.Complete installation, first set within 500' (If aerial, measured by pole distances) of our cable lines or additional fees apply. We do not bury underground services but we will place the cable in a conduit or trench provided by the subscriber, includes GCS A/B switch installed and, if ordered, installation of FM Service (within 10' of first set) and Premium services	\$45.00
.Additional outlets installed, same service address, each includes installation of purchased GCS A/B switch and, if ordered, installation of FM service (within 10' of set) and Premium Services	
With initial installation....	20.00
Special trip.....	30.00
.Additional FM hookups with 10' of cable, each	
With initial installation....	20.00
Special trip.....	30.00
.Non-payment reconnect	20.00
.Service calls	
To restore Operator's cable TV service due to cable system failure	no charge
To restore Operator's cable TV service due to subscriber caused or other non-system problem	25.00
.Subscriber requested change, each	25.00
.Drop any or all service(s)	no charge
.Miscellaneous Charges:	
Subscriber requested visit not on a regularly scheduled day, add	20.00
Installation longer then standard	cost + 10%
Underground installation	cost + 10%
Increase signal level to dwelling unit	cost + 10%
.Multiple set installation, commercial or other in volume	cost + 10%
.A/B switch, each	10.00
.A/B switch w/Installation not covered above	25.00
.Standard commercial converter, purchased, each w/Installation	cost + 20%
.Remote control converter, purchased, each w/Installation	cost + 20%
.Personal Remote Control Center (TV, VCR, CATV), purchased, each w/Installation	cost + 20%

RATE ADJUSTMENT CRITERIA

1) The monthly base rate for the Standard Package Service as of the above date is based on system statistics of 235 dwelling units (218 year-round and 17 seasonal) requiring 22.8 miles of plant having 9.9 EHPM (effective homes per mile). Prior to any rate adjustment, GRASSROOTS and the TOWN will verify the current density of the build area to determine what growth has occurred. The monthly base rate will be adjusted, if applicable, at that time according to the following:

MONTHLY BASE RATE	EFFECTIVE HOMES PER MILE
\$26.45	9.9 - 16.0
\$24.45*	16.1 - 20.0
\$21.95*	20.1 +

* Or the rate in effect in towns having similar services and operating parameters.

Any general rate increase is added to the current monthly base rate.

Example #1: GRASSROOTS institutes a \$1.00 rate increase. At that time it is determined that the density has increased to lower the base rate to \$24.45. The net result will be a \$1.00 reduction (\$25.45) in the monthly Standard Package service rate paid by subscribers.

Example #2: GRASSROOTS institutes a \$1.00 rate increase. At that time it is determined that the density has not changed. The net result will be a \$1.00 increase (\$27.45 per month) in the monthly Standard Package service rate paid by subscribers.

2) GRASSROOTS will commence construction of the initial build area (ie. Phase I Part a. consisting of 163 dwelling units with 155 year round and 8 seasonal, requiring 14.0 miles of plant having 11.4 EHPM) at the rates shown in Schedule "C". In the event sales projections are not met (see items 3 & 4 following) GRASSROOTS reserves the right to delay construction in any remaining unbuilt initial service area(s) as well as any line extensions proposed until said sales/revenue shortfall is resolved.

3) The following criteria will be used by GRASSROOTS and the TOWN to determine if "sales projections are met" in the initial build area (ie. Phase I Part a.):

- a) A subscriber buy rate of 65% of homes passed
- b) A buy rate of 1% for Broadcast and 99% for Standard Package
- c) A buy rate of 95% for Premium Service (i.e. Showtime - 45%, Cinemax - 30%, Disney 10%, NESN 10%)
- d) Minimum system statistics of:
 - 1. Phase I (parts a. & b.) of 191 dwelling units (178 year round and 13 seasonal) requiring 17.4 miles of plant or less.
 - 2. Phase II of 44 dwelling units (40 year round and 4 seasonal) requiring 5.4 miles of plant or less.
 - 3. Phase I & II of 235 dwelling units (218 year round and 17 seasonal) requiring 22.8 miles of plant or less.
 - 4. Phase III of 16 dwelling units (1 year round and 15 seasonal) requiring 3.6 miles of plant or less.
- e) The above are guidelines not absolutes. The intent is that the financial viability of the system is demonstrated by achieving revenue dollar projections while adhering to system cost (i.e. capital and operating) projections whether or not specific pieces of the puzzle are met or not. It is both of our intents to be reasonable in our evaluation of whether or not "sales" projections are met.

4) GRASSROOTS will notify the TOWN of its intent as regards Phase II construction within 6 months of the completion of Phase I construction.

5) Phase III can only be built by using the line extension formulas or waiting until density improves (ie. it would have to double) to meet the existing initial build criteria above.

DISCOUNTS

FREE INSTALLATION

Free Standard Package Installation, if the resident signs up at the first sales contact, will be offered on the first set only to subscribers for the first 60 days after the system is activated. The homes and businesses must be within 500' (if aerial, measured by pole distances) of our cable lines or additional fees apply. We do not bury underground services but we will place the cable in a conduit or trench provided by the subscriber. Complete installation rate will be charged if subscriber downgrades to Broadcast Service within 90 days.

SENIOR CITIZENS RATE

Senior Citizens are defined as 65 years of age or older, head of household. Seniors receive a 15% discount on Standard Service, Premium Supersaver discounts on each Premium Service purchased (i.e. \$1.00/service, no minimum) plus a 50% discount off on installation charges. Senior rates also apply for advance payment and seasonal subscription plans.

ADVANCE PAYMENT

Thirteen (13) months service for twelve (12) months payment in advance on all services purchased, regular rates apply. Valid on residential and commercial accounts. Advance payment does not guarantee an old rate on a remaining credit balance in the event of a rate increase.

PREMIUM SUPERSAVER

Subscribe to two (2) or more Premium Services and you will receive \$1.00 off each of their monthly fees. (Example: Purchase Showtime and NESN and you will pay \$5.95 for Showtime and \$4.95 for NESN.)

SEASONAL SUBSCRIPTIONS

Number of months service used (six month minimum), paid in advance on all services purchased, regular rates apply. Subscriber's annual certification of seasonal occupancy required, no annual hookup charge. Valid on residential and commercial accounts.

PAYMENT TERMS

Monthly charges are payable in advance, on the first day of the month. Billing will be handled by coupons or a monthly statement or coupon book.

Payments received that are postmarked after the due date will be assessed a late charge. Subscribers with amounts more than 45 days past due will be disconnected. Subscribers will not be disconnected without first receiving a warning notice.

To reinstate service after a non-payment disconnect, the subscriber must pay all past due balances, pay the current period in advance and a reconnect charge. Payment made to a technician sent out to disconnect for non-payment will require a reconnect fee in addition to the past due balance and current monthly charges. Chronic late payers may be required to post a deposit equal to one month's service to protect GRASSROOTS from loss.

Subscribers may terminate service at any time and be refunded, pro-rata, any advance monthly service payment credit existing for their account.

Continue on Map 36

TO NC

SCHEDULE "D"

PHASE I (LIVING BUILDING)

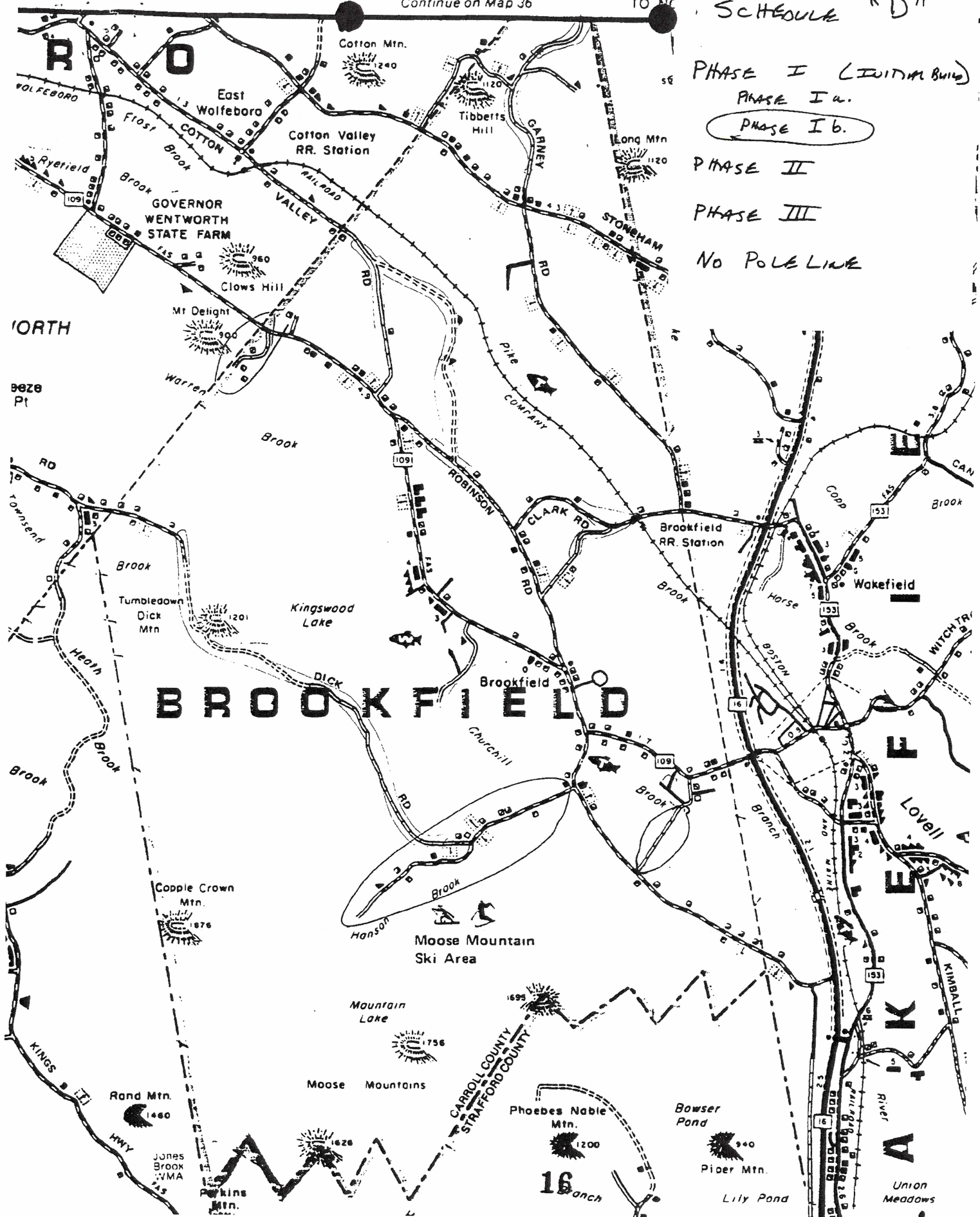
PHASE I a.

PHASE I b.

PHASE II

PHASE III

NO POLE LINE



SCHEDULE "E" - Line Extensions to contiguous areas not meeting current EHPM of dwelling units.

Upon request, service will be extended, within twelve (12) months, to contiguous areas with less than the current EHPM of dwelling units upon receipt by the Company of:

1). Initial payment of a \$20.00 individual non-refundable preliminary processing fee per applicant to be served by the proposed line extension. Said fee to be applied towards capital contribution construction costs, if any or towards regular service charges for subscribing applicants on an individual basis for completed line extension projects. GRASSROOTS will prepare cost estimates (per items 2 & 3 following) and forward same to the applicant(s) for their acceptance or rejection.

2). An additional payment of a charge computed in accordance with the following formula:

Capital Contribution Formula

The formula is not used unless $N < XYL$

Where:
$$A = \left(\frac{C}{N} \right) \cdot \left[1 - \left(\frac{N}{XYL} \right) \right]$$

A = Contribution per verified subscriber on extension;

C = Total cost of rebuild and extension exclusive of subscriber costs (i.e. house-drops, converters, etc.);

N = Number of verified subscribers on extension;

X = Current effective homes per mile (EHPM) density of the system;

Y = Current buy rate % for the Standard Package (i.e. Broadcast and Satellite combined) on the system; and

L = Length of extension from existing plant in miles.

Applicant(s) shall contract to pay the applicable amount of capital contribution as "Construction In Aid" prior to construction. If the actual cost is more than the contract price, the applicant(s) shall pay the difference before the service extension is energized. If the actual cost is less than the contract price, the Company shall credit the account of affected subscribers(s) with their pro-rata share of the cost savings.

The Company shall not be obligated to construct, on an annual basis, more than one mile of such "Construction In Aid" line extension(s) in the Town.

And 3): In addition to the capital "Construction In Aid" contribution the residents in the extension area agree to pay individually their equivalent share of the monthly revenue of the Standard Package subscribers on an existing plant mile (EHPM) at the monthly rate then in effect for the current EHPM base rate. Said "special" monthly rate will be reviewed every two (2) years in conjunction with normal system rate increase analysis and adjusted to reflect increased dwelling density (EHPM) on their "Construction In Aid" mile(s) built as appropriate.

The "special" monthly rate computed in accordance with the following formula:

Monthly Rate Contribution Formula*

Review at end of Yrs. 2,4,6,8 & 10

The formula is not used unless $Z < XYL$

Limit $B \geq M$, when $B = M$ stop record keeping (max of 10 years in any event)

$$\text{Where: } B = M \cdot \left\{ 1 + \left[1 - \left(\frac{Z}{XYL} \right) \right] \right\}$$

B = Monthly rate for the Standard Package per verified subscriber on extension;

M = Current monthly rate for the Standard Package per subscriber on the system;

Z = Current number of verified subscribers on extension;

X = Current effective homes per mile (EHPM) density of the system;

Y = Current buy rate % for the Standard Package (i.e. Broadcast and Satellite combined) on the system; and

L = Length of extension from existing plant in miles.

And 4): In addition to the bi-annual monthly rate review there will also be conducted a bi-annual capital contribution rebate review. A capital contribution rebate will be distributed to surviving contributors to reflect increased dwelling density (EHPM) on their "Construction In Aid" mile(s) built as appropriate.

The capital contribution rebate computed in accordance with the following formula:

Capital Contribution Rebate Formula*

Review at end of Yrs. 2,4,6,8 & 10

$$R_{\text{Total}} = (A - F_{\text{Total}}) = [R_{Yr2} + (R_{Yr4} - R_{Yr2}) + \dots (R_{Yr10} - R_{Yr8})]$$

The formula is not used unless $Z \geq XYL$

$$R = \left\{ \left[A - \left(\frac{AT}{10} \right) \right] \cdot \left(\frac{Z}{XYL} \right) \right\} - F$$

$$F_{\text{Total}} = F_2 + (F_4 - F_2) + \dots (F_{10} - F_8)$$

$$F = A \cdot [10\% \cdot (T)]$$

Limit $R \leq A$, when $R = A$ stop record keeping (max of 10 years in any event)

Where:

R = Current bi-annual rebate due to original subscribers making capital contribution "A" (applies as a credit for future service billings only - no cash rebates);

A = Contribution per verified subscriber on extension;

T = Number of years since last review period (i.e. 2,4,6,8, & 10);

Z = Current number of verified subscribers on extension;

X = Current effective homes per mile (EHPM) density of the system;

Y = Current buy rate % for the Standard Package (i.e. Broadcast and Satellite combined) on the system;

L = Length of extension from existing plant in miles; and

F = Administrative fee of 10% per year of cost contribution "A".

*Notes:

- 1) The monthly rate used is the highest Standard Package rate charged on the system.
- 2) The monthly rate review process stops when the monthly rate of a subscriber on an extension equals the current monthly rate of a subscriber on the system. In any event after the tenth year of service the monthly rate paid will be the current system monthly rate.
- 3) The capital rebate review process stops when surviving contributors have received their initial contribution less yearly administration fees back or the amount of a rebate is \$20.00 or less. In no event does the review process continue beyond the tenth year.

SCHEDULE "F" - National Cable Television Association (NCTA) Customer Service Standards

Grassroots is dedicated to providing our customers a consistently high level of service. We are committed to ensuring that our customers receive a variety of quality programming; reliable, clear signals; and prompt, courteous service. To that end Grassroots has voluntarily adopted the following Standards for Customer Service.

Each community and each cable system are different and a reasonable flexibility should be employed in applying these standards; rigidity will hamper rather than help good customer service.

1. Office and Telephone Availability

A. Knowledgeable, qualified company representatives will be available to respond to customer telephone inquiries Monday through Friday during normal business hours. Additionally, based on community needs, Grassroots will staff telephones for supplemental hours on weekdays and/or weekends.

B. Under normal operating conditions, telephone answer time by a customer service representative, including wait time, and the time required to transfer the call, shall not exceed 30 seconds.

Those systems which utilize automated answering and distributing equipment will limit the number of routine rings to four or fewer. Systems not utilizing automated equipment shall make every effort to answer incoming calls as promptly as the automated systems.

This standard shall be met no less than ninety percent of the time measured on an annual basis.*

C. Under normal operating conditions, the customer will receive a busy signal less than three percent of the total time that the cable office is open for business.

D. Customer service center and bill payment locations will be open for transactions Monday through Friday during normal business hours. Additionally, based on community needs, Grassroots will schedule supplemental hours on weekdays and/or weekends during which these centers will be open. At present Grassroots has one customer service center/bill payment location which is located in Portsmouth, NH.

* In certain small cable systems with fewer than 10,000 subscribers, systematic measurement of compliance with some of these standards (e.g. telephone answering time) will not be cost effective and should not be expected.

2. Installations, Outages and Service Calls

Under normal operating conditions, each of the following four standards will be met no less than 95% of the time measured on an annual basis.

A. Standard installations will be performed within seven business days after an order has been placed except during the initial activation of the cable system or the activation of any future extensions due to the volume of new orders being filled and Grassroots will make a best effort to do so for new build installations as well. "Standard" installations are up to 500 feet from the existing distribution system.

B. Excluding those situations beyond Grassroots control Grassroots will respond to service interruptions promptly and in no event later than 24 hours. Other service problems will be responded to within 36 hours during the normal work week.

C. The appointment window alternatives for installations, service calls, and other installation activities will be (a) morning, (b) afternoon, or (c) all day during normal business hours. Additionally, based on community needs, Grassroots will schedule supplemental hours during which appointments can be set.

D. If, at any time an installer or technician is running late, an attempt to contact the customer will be made and the appointment rescheduled as necessary at a time which is convenient for the customer.

3. Communications, Bills and Refunds

A. Grassroots will provide written information in each of the following areas at the time of sale or installation and at any future time upon request:

- . products and services offered
- . prices and service options
- . installation and service policies
- . how to use the cable service