CABLE TELEVISION
FINAL LICENSE

GRANTED TO
VERIZON NEW ENGLAND, INC.

BOARD OF SELECTMEN
TOWN OF SWAMPSCOTT,
MASSACHUSETTS

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THIS CABLE LICENSE AGREEMENT (this "License" or "Agreement") is entered into by and between the Board of Selectmen of the Town of Swampscott, as Issuing Authority for the grant of the cable television license pursuant to the Massachusetts Cable Law, and Verizon New England, Inc., a corporation duly organized under the applicable laws of the State of New York (the "Licensee").

WHEREAS, the Issuing Authority wishes to grant Licensee a nonexclusive License to construct, install, maintain, extend and operate a cable communications system in the Town as designated in this License;

WHEREAS, the Issuing Authority is a "franchising authority" in accordance with Title VI (as hereinafter defined) (see 47 U.S.C. § 522(10)) and is authorized to grant one or more nonexclusive cable licenses pursuant to the Massachusetts Cable Law;

WHEREAS, Licensee is in the process of upgrading its existing Telecommunications Facilities through the installation of a Fiber to the Premise Telecommunications Network ("FTTP Network") in the Town which transmits Non-Cable Services pursuant to authority granted by M.G.L. c. 166 and Title II, which Non-Cable Services are not subject to the Massachusetts Cable Law or Title VI;

WHEREAS, the FTTP Network will occupy the Public Rights-of-Way within the Town, and Licensee desires to use portions of the FTTP Network once installed to provide Cable Services (as hereinafter defined) in the Town;

WHEREAS, Licensee submitted an application dated February 8, 2006, on Cable Division Form 100 for a license to operate and maintain a Cable System in the Town;

WHEREAS, pursuant to 207 CMR 3.03(3), the Issuing Authority released an Issuing Authority Report dated July 20, 2006, and Licensee submitted an amended application dated July 28, 2006;

WHEREAS, pursuant to 207 CMR 3.03(4), the Issuing Authority held a public hearing to assess the qualifications of Licensee, and has found Licensee to be financially, technically and legally qualified to operate the Cable System;

WHEREAS, the Issuing Authority has determined that, in accordance with the provisions of the Massachusetts Cable Law, the grant of a nonexclusive License to Licensee is consistent with the public interest; and

WHEREAS, the Issuing Authority and Licensee have reached agreement on the terms and conditions set forth herein and the parties have agreed to be bound by those terms and conditions.

NOW, THEREFORE, in consideration of the Issuing Authority's grant of a License to Licensee, Licensee's promise to provide Cable Service to residents of the Town pursuant to the terms and conditions set forth herein, and for other good and valuable consideration, the receipt and the adequacy of which are hereby acknowledged,

THE SIGNATORIES DO HEREBY AGREE AS FOLLOWS:

1. DEFINITIONS

Except as otherwise provided herein, the definitions and word usages set forth in the Communications Act are incorporated herein and shall apply in this Agreement. In addition, the following definitions shall apply:

1.1. *Access Channel*: A video Channel, which Licensee shall make available to the Town without charge for non-commercial public, educational, or governmental use for the transmission of Video Programming as directed by the Town.

1.2. *Affiliate:* Any Person who, directly or indirectly, owns or controls, is owned or controlled by, or is under common ownership or control with, the Licensee.

1.3. *Basic Service:* Any service tier which includes the retransmission of local television broadcast signals as well as the PEG Channels required by this License.

1.4. *Cable Division:* The Cable Television Division of the Massachusetts Department of Telecommunications and Energy.

1.5. *Cable Service* or *Cable Services:* Shall be defined herein as it is defined under Section 602 of the Communications Act, 47 U.S.C. § 522(6).

1.6. *Cable System* or *System:* Shall be defined herein as it is defined under Section 602 of the Communications Act, 47 U.S.C. § 522(7), meaning Licensee's facility, consisting of a set of closed transmission paths and associated signal generation, reception, and control equipment that is designed to provide Cable Service, which includes video programming, and which is provided to multiple Subscribers within the Town. The Cable System shall be limited to the optical spectrum wavelength(s), bandwidth or future technological capacity that is used for the transmission of Cable Services directly to Subscribers within the Town and shall not include the tangible Telecommunications Facilities of Licensee subject in whole or in part to Title II or of an Information Services provider.

1.7. *Channel:* Shall be defined herein as it is defined under Section 602 of the Communications Act, 47 U.S.C. § 522(4).

1.8. *CMR:* The Code of Massachusetts Regulations.

1.9. *Communications Act*: The Communications Act of 1934, as amended.

1.10. *Control:* The ability to exercise *de facto* or *de jure* control over day-to-day policies and operations or the management of Licensee's affairs.

1.11. *Educational Access Channel*: An Access Channel available for the use of the local public schools in the Town.

1.12. *FCC*: The United States Federal Communications Commission, or successor governmental entity thereto.

1.13. *Force Majeure*: An event or events reasonably beyond the ability of Licensee to anticipate and control. This includes, but is not limited to, severe or unusual weather conditions, strikes, labor disturbances, lockouts, war or act of war (whether an actual declaration of war is made or not), insurrection, riots, act of public enemy, actions or inactions of any government instrumentality or public utility including condemnation, accidents for which the Licensee is not primarily responsible, fire, flood, or other acts of God, or work delays caused by waiting for utility providers to service or monitor utility poles to which Licensee's FTTP Network is attached, and unavailability of materials and/or qualified labor to perform the work necessary.

1.14. *FTTP Network*: Shall have the meaning set forth in the recitals of this Agreement.

1.15. *Government Access Channel*: An Access Channel available for use of the Issuing Authority.

1.16. *Gross Revenue:* All revenue, as determined in accordance with generally accepted accounting principles, which is derived by Licensee from the operation of the Cable System to provide Cable Service in the Town, provided, however, that Gross Revenue shall not include:

1.16.1. Revenues received by any Affiliate or other Person in exchange for supplying goods or services used by Licensee to provide Cable Service over the Cable System;

1.16.2. Bad debts written off by Licensee in the normal course of its business, provided, however, that bad debt recoveries shall be included in Gross Revenue during the period collected;

1.16.3. Refunds, rebates or discounts made to Subscribers or other third parties;

1.16.4. Any revenues classified, in whole or in part, as Non-Cable Services revenue under federal or state law including, without limitation, revenue received from Telecommunications Services; revenue received from Information Services, including, without limitation, Internet Access Service, electronic mail service, electronic bulletin board service, or similar online computer services; charges made to the public for commercial or cable television that is used for two-way communication; and any other revenues attributed by Licensee to Non-Cable Services in accordance with FCC or state public utility regulatory commission rules, regulations, standards or orders;

1.16.5. Any revenue of Licensee or any other Person which is received directly from the sale of merchandise through any Cable Service distributed over the Cable System, notwithstanding that portion of such revenue which represents or can be attributed to a

Subscriber fee or a payment for the use of the Cable System for the sale of such merchandise, which portion shall be included in Gross Revenue;

1.16.6. The sale of Cable Services on the Cable System for resale in which the purchaser is required to collect cable license fees from purchaser's customer;

1.16.7. The sale of Cable Services to customers which are exempt, as required or allowed by the Town including, without limitation, the provision of Cable Services to public institutions as required or permitted herein;

1.16.8. Any tax of general applicability imposed upon Licensee or upon Subscribers by a Town, state, federal or any other governmental entity and required to be collected by Licensee and remitted to the taxing entity (including, but not limited to, sales/use tax, gross receipts tax, excise tax, utility users tax, public service tax, communication taxes and non-cable license fees);

1.16.9. Any foregone revenue which Licensee chooses not to receive in exchange for its provision of free or reduced cost cable or other communications services to any Person, including without limitation, employees of Licensee and public institutions or other institutions designated in this License; provided, however, that such foregone revenue which Licensee chooses not to receive in exchange for trades, barters, services or other items of value shall be included in Gross Revenue;

1.16.10. Sales of capital assets or sales of surplus equipment;

1.16.11. Program launch fees;

1.16.12. Directory or Internet advertising revenue including, but not limited to, yellow page, white page, banner advertisement and electronic publishing;

1.16.13. Any fees or charges collected from Subscribers or other third parties for the License Fee, PEG Grant, and PEG Access Support.

1.17. *Information Services*: Shall be defined herein as it is defined under Section 3 of the Communications Act, 47 U.S.C. § 153(20).

1.18. *Internet Access Service*: Dial-up or broadband access service that enables Subscribers to access the Internet.

1.19. *Issuing Authority*: The Board of Selectmen of the Town of Swampscott.

1.20. *License Fee*: The payments to be made by the Licensee to the Town, which shall have the meaning as set forth in Section 9 of the Massachusetts Cable Law.

1.21. *Licensee:* Verizon New England, Inc., and its lawful and permitted successors, assigns and transferees.

1.22. *Massachusetts Cable Law:* Chapter 166A of the General Laws of the Commonwealth of Massachusetts.

1.23. *Non-Cable Services*: Any service that does not constitute the provision of Video Programming directly to multiple Subscribers in the Town including, but not limited to, Information Services and Telecommunications Services.

1.24. *Normal Business Hours:* Those hours during which most similar businesses in the community are open to serve customers. In all cases, "normal business hours" must include some evening hours at least one night per week and/or some weekend hours.

1.25. *Normal Operating Conditions*: Those service conditions which are within the control of the Licensee. Those conditions which are not within the control of the Licensee include, but are not limited to, natural disasters, civil disturbances, power outages, telephone network outages, and severe or unusual weather conditions. Those conditions which are within the control of the Licensee include, but are not limited to, special promotions, pay-per-view events, rate increases, regular peak or seasonal demand periods, and maintenance or rebuild of the Cable System. *See* 47 C.F.R. § 76.309(c)(4)(ii).

1.26. *PEG*: Public, educational, and governmental.

1.27. *PEG Channel*: Shall have the meaning set forth in Section 6.1.1 of this Agreement.

1.28. *Person*: An individual, partnership, association, joint stock company, trust, corporation, or governmental entity.

1.29. *Public Access Channel*: An Access Channel available for the use by the residents in the Town.

1.30. *Public Rights-of-Way*: The surface and the area across, in, over, along, upon and below the surface of the public streets, roads, bridges, sidewalks, lanes, courts, ways, alleys, and boulevards, including, public utility easements and public lands and waterways used as Public Rights-of-Way, as the same now or may thereafter exist, which are under the jurisdiction or control of the Town. Public Rights-of-Way do not include the airwaves above a right-of-way with regard to cellular or other nonwire communications or broadcast services.

1.31. *Service Area*: The geographic boundaries of the Town as outlined in Exhibit A.

1.32. *Service Date*: The date that the Licensee first provides Cable Service on a commercial basis directly to multiple Subscribers in the Town. The Licensee shall memorialize the Service Date by notifying the Issuing Authority in writing of the same, which notification shall become a part of this License.

1.33. *Service Interruption*: The loss of picture or sound on one or more cable Channels.

1.34. *Subscriber*: A Person who lawfully receives Cable Service of the Cable System with Licensee's express permission.

1.35. *Telecommunications Facilities*: Licensee's existing Telecommunications Services and Information Services facilities, including the FTTP Network.

1.36. *Telecommunication Services:* Shall be defined herein as it is defined under Section 3 of the Communications Act, 47 U.S.C. § 153(46).

1.37. *Title II*: Title II of the Communications Act.

1.38. *Title VI*: Title VI of the Communications Act.

1.39. *Town*: The Town of Swampscott.

1.40. *Transfer of the License*:

1.40.1. Any transaction in which:

1.43.1.1 an ownership or other interest in Licensee is transferred, directly or indirectly, from one Person or group of Persons to another Person or group of Persons, so that Control of Licensee is transferred; or

1.43.1.2 the rights held by Licensee under this License are transferred or assigned to another Person or group of Persons.

1.40.2. However, notwithstanding Sections 1.43.1.1 and 1.43.1.2 above, a Transfer of this License shall not include transfer of an ownership or other interest in Licensee to the parent of Licensee or to another Affiliate of Licensee; transfer of an interest in this License or the rights held by the Licensee under the License to the parent of Licensee or to another Affiliate of Licensee; any action which is the result of a merger of the parent of the Licensee; or any action which is the result of a merger of another Affiliate of the Licensee.

1.41. *Video Programming:* Shall be defined herein as it is defined under Section 602 of the Communications Act, 47 U.S.C. § 522(20).

2. GRANT OF AUTHORITY; LIMITS AND RESERVATIONS

2.1. *Grant of Authority*: Subject to the terms and conditions of this Agreement and the Massachusetts Cable Law, the Issuing Authority hereby grants the Licensee the right to own, operate and maintain a Cable System along the Public Rights-of-Way within the Town, in order to provide Cable Service. No privilege or power of eminent domain is bestowed by this grant; nor is such a privilege or power bestowed by this Agreement.

2.2. *Issuing Authority Does Not Regulate Telecommunications*: The Issuing Authority's regulatory authority under Title VI does not extend to the construction, installation, maintenance or operation of the FTTP Network to the extent the FTTP Network is constructed,

installed, maintained or operated for the purpose of upgrading and/or extending Verizon's existing Telecommunications Facilities for the provision of Non-Cable Services.

2.3. *Term:* This License shall become effective on November 20, 2006 (the "Effective Date"). The term of this License shall be fifteen (15) years from the Effective Date unless this License is earlier revoked or terminated as provided herein, or surrendered. If, subsequent to the Effective Date, there is a change in federal law or state law that eliminates the authority of local governments to require and grant cable television franchises for the provision of Cable Service, then to the extent permitted by law this License shall survive such legislation and remain in effect for the term of this License.

2.4. *Grant Not Exclusive:* This License and the rights granted herein to use and occupy the Public Rights-of-Way to provide Cable Services shall not be exclusive, and the Issuing Authority reserves the right to grant other licenses for similar uses or for other uses of the Public Rights-of-Way, or any portions thereof, to any Person, or to make any such use themselves, at any time during the term of this License. Any such rights which are granted shall not adversely impact the authority as granted under this License and shall not interfere with the existing facilities of the Cable System or the FTTP Network.

2.5. *License Subject to Federal Law:* Notwithstanding any provision to the contrary herein, this License is subject to and shall be governed by all applicable provisions of federal law as it may be amended, including but not limited to the Communications Act.

2.6. *No Waiver*:

2.6.1. The failure of the Town on one or more occasions to exercise a right or to require compliance or performance under this License, the Massachusetts Cable Law or any other applicable law shall not be deemed to constitute a waiver of such right or a waiver of compliance or performance by the Town, nor to excuse Licensee from complying or performing, unless such right or such compliance or performance has been specifically waived in writing.

2.6.2. The failure of the Licensee on one or more occasions to exercise a right under this License or applicable law, or to require performance under this License, shall not be deemed to constitute a waiver of such right or of performance of this Agreement, nor shall it excuse the Town from performance, unless such right or performance has been specifically waived in writing.

2.7. *Construction of Agreement*:

2.7.1. The provisions of this License shall be liberally construed to effectuate their objectives.

2.7.2. Nothing herein shall be construed to limit the scope or applicability of Section 625 of the Communications Act, 47 U.S.C. § 545.

2.7.3. Should any change to state law have the lawful effect of materially altering the terms and conditions of this License, then the parties shall modify this License to the

mutual satisfaction of both parties to ameliorate the negative effects on the Licensee of the material alteration. If the parties cannot reach agreement on the above-referenced modification to this License, then Licensee may terminate this Agreement without further obligation to the Town or, at Licensee's option, the parties agree to submit the matter to binding arbitration in accordance with the commercial arbitration rules of the American Arbitration Association.

2.8. *Police Powers*: Nothing in this License shall be construed to prohibit the reasonable, necessary and lawful exercise of the Town's police powers. However, if the reasonable, necessary and lawful exercise of the Town's police power results in any material alteration of the terms and conditions of this License, then the parties shall modify this License to the mutual satisfaction of both parties to ameliorate the negative effects on the Licensee of the material alteration. If the parties cannot reach agreement on the above-referenced modification to this License, then Licensee may terminate this Agreement without further obligation to the Town or, at Licensee's option, the parties agree to submit the matter to binding arbitration in accordance with the commercial arbitration rules of the American Arbitration Association.

3. PROVISION OF CABLE SERVICE

3.1. *Service Area*:

3.1.1. *Service Area*: Licensee shall offer Cable Service to significant numbers of Subscribers in residential areas of the Service Area, and may make Cable Service available to businesses in the Service Area, within twelve (12) months of the Service Date, and shall offer Cable Service to all residential areas of the Service Area within five (5) years of the Service Date, except: (A) for periods of Force Majeure; (B) for periods of delay caused by the Town; (C) for periods of delay resulting from Licensee's inability to obtain authority to access rights-of-way in the Service Area; (D) in areas where developments or buildings are subject to claimed exclusive arrangements with other providers; (E) in areas, developments or buildings where Licensee cannot access under reasonable terms and conditions after good faith negotiation, as determined by Licensee; and (F) in areas, developments or buildings where Licensee is unable to provide Cable Service for technical reasons or which require non-standard facilities which are not available on a commercially reasonable basis; and (G) in areas where the occupied residential household density does not meet the density requirements set forth in Section 3.1.2.

3.1.2. *Density Requirement:* Licensee shall make Cable Services available to residential dwelling units in all areas of the Service Area where the average density is equal to or greater than thirty (30) occupied residential dwelling units per mile as measured in strand footage from the nearest technically feasible point on the active FTTP Network trunk or feeder line. Should, through new construction, an area within the Service Area meet the density requirements after the time stated for providing Cable Service as set forth in Section 3.1.1, Licensee shall provide Cable Service to such area within six (6) months of receiving notice from the Issuing Authority that the density requirements have been met.

3.1.3. *Additional Service Area*: Except for the Service Area, Licensee shall not be required to extend its Cable System or to provide Cable Services to any other areas

within the Town during the term of this License or any renewals thereof. If licensee desires to add additional service areas within the Town, Licensee shall notify the Issuing Authority in writing of such additional service area at least ten (10) days prior to providing Cable Service in such areas.

3.2. *Availability of Cable Service*: Licensee shall make Cable Service available to all residential dwelling units, and may make Cable Service available to businesses, within the Service Area in conformance with Section 3.1 and Licensee shall not discriminate between or among any individuals in the availability of Cable Service. In the areas in which Licensee shall provide Cable Service, Licensee shall be required to connect, at Licensee's expense, all residential dwelling units that are within one hundred twenty five (125) feet of trunk or feeder lines not otherwise already served by Licensee's FTTP Network. Licensee shall be allowed to recover, from a Subscriber that requests such connection, actual costs incurred for residential dwelling unit connections that exceed one hundred twenty five (125) feet and actual costs incurred to connect any non-residential dwelling unit Subscriber.

3.3. *Cable Service to Public Buildings*: Subject to Section 3.1, Licensee shall provide, without charge within the Service Area, one service outlet activated for Basic Service to each public school, police and fire station, public library, and other public buildings as are designated by the Issuing Authority pursuant to Section 5(e) of the Massachusetts Cable Law, as well as one service outlet activated for the most commonly subscribed to digital tier to the police station and to two offices within the Town Hall at the discretion of the Town, including a set top box for each of the three digital service outlets. The parties recognize that the mostly commonly subscribed to digital tier only pertains to the flat rate digital tier offered by Licensee and does not include any pay per view services or similar services; and, the Town recognizes that equipment provided by Licensee shall be replaced at retail rates if lost, stolen or damaged.. Each such written designation for Basic Service shall include the street address of each building. The current designation of public buildings and their street addresses are set forth in Exhibit B. Licensee shall be permitted to recover, from any school or other public building owner entitled to free service, the direct cost of installing, when requested to do so, more than one outlet, or concealed inside wiring, or a service outlet requiring more than one hundred twenty five (125) feet of drop cable; provided, however, that Licensee shall not charge for the provision of Basic Service to the additional service outlets once installed.

4. SYSTEM OPERATION

The parties recognize that the FTTP Network is being constructed and will be operated and maintained as an upgrade to and/or an extension of Licensee's existing Telecommunications Facilities under Title II and M.G.L. c. 166. The jurisdiction of the Town over such Telecommunications Facilities is restricted by federal and state law, and the Town does not and will not assert jurisdiction over Licensee's FTTP Network, in contravention of those limitations.

5. SYSTEM FACILITIES

5.1. *System Characteristics:* Licensee's Cable System shall meet or exceed the following requirements:

5.1.1. The System shall be designed with an initial analog and digital carrier passband between 50 and 860 MHz.

5.1.2. The System shall be designed to be an active two-way plant for subscriber interaction, if any, required for the selection or use of Cable Service.

5.2. *Interconnection:* The Licensee shall design its Cable System so that it may be interconnected with other cable systems in the Town. Interconnection of systems may be made by direct cable connection, microwave link, satellite, or other appropriate methods.

5.3. *Emergency Alert System*: Licensee shall comply with the Emergency Alert System ("EAS") requirements of the FCC in order that emergency messages may be distributed over the System.

6. PEG SERVICES AND SUPPORT

6.1. *PEG Set Aside; Interconnection*:

6.1.1. In order to ensure universal availability of PEG programming, Licensee shall provide capacity on its Basic Service tier for two (2) Channels for Public Access, Educational Access and Government Access (collectively, "PEG Channels").

6.1.2. In addition to the two (2) PEG Channels referenced in Section 6.1.1 above, Subscribers in the Town will have the capability of viewing a third PEG Channel with programming from Lynn, Massachusetts. However, in the event that the Town of Lynn determines that programming on said third PEG Channel shall be solely for the benefit of Lynn subscribers or the Issuing Authority decides that it intends to have a third PEG Channel for the Town's use, the Issuing Authority shall then have the right to request a third PEG Channel for Swampscott use, as follows:

6.1.2.1. In order to obtain said third PEG Channel, the Issuing Authority shall write to the Licensee, stating that the two (2) existing PEG Channels are being programmed with non-duplicated, locally produced programming during available cablecast hours for the previous three (3) months and that there is a need for a third PEG Channel in order to provide additional programming for the benefit of Swampscott Subscribers during available cablecast hours and shall provide a log of such programming. In its letter to the Licensee, the Issuing Authority shall state, in good faith, that such third PEG Channel i) will be substantially programmed with non-duplicated, locally produced non-character generated programming and (ii) is necessary to accomplish the PEG programming goals of the Town. Such third PEG Channel will not be used simply to repeat PEG programming that is already carried on the other two (2) PEG Channels, but will be used to carry substantially new locally produced PEG programming. The Issuing Authority agrees that such a third PEG Channel shall not be utilized solely to carry character-generated messages; provided, however, that the Town may use said third PEG Channel to carry character-generated messages along with other new locally produced PEG programming.

6.1.2.2. At such time as the Issuing Authority requests such third PEG Channel, at the request of the Licensee, the Issuing Authority and the Licensee agree to meet in order to discuss said request; and,

6.1.2.3. For purposes of this Section 6.1.2, "available cablecast hours" shall mean the hours of 11:00 AM to 10:00 PM.

6.1.3. Provided that the Issuing Authority give the Licensee six (6) months written notice, the Licensee shall make such third PEG Channel available to the Issuing Authority within six (6) months of said notice and the meeting of the conditions in Section 6.1.2.

6.1.4. The programming to be carried on each of the PEG Channels set aside by Licensee is reflected on Exhibit C. The Issuing Authority hereby authorizes Licensee to transmit such programming within and without the Town's jurisdictional boundaries. Licensee shall assign the PEG Channels on its channel line-up as set forth in such exhibit, to the extent such channel assignments do not interfere with Licensee's existing or planned channel line-up and contractual obligations, provided it is understood that Licensee specifically reserves the right to make such assignments in its sole discretion. If a PEG Channel provided under this Article is not being utilized by the Town, Licensee may utilize such PEG Channel, in its sole discretion, until such time as the Town elects to utilize the PEG Channel for its intended purpose. In the event that the Town determines to use such PEG capacity, the Town shall provide Licensee with 120 days' prior written notice of such request.

6.1.5. The Licensee, at the Licensee's expense, shall interconnect its Cable System at the new Swampscott High School (to be located at Essex Street). The Licensee shall take reasonable steps to accomplish such interconnection within one-hundred twenty (120) days of access to the studio at the new Swampscott High School being made available by the Town to the Licensee, provided that the Town shall cooperate with the Licensee with respect to such interconnection, including, without limitation, providing the Licensee with timely and reasonably sufficient access to the studio. The Licensee shall provide, install, maintain, repair and replace equipment as may be necessary to receive and transmit such PEG Access Programming from the designated location to Subscribers. The interconnection shall be implemented in consultation with the Town and/or its designee(s) to ensure coordination and implementation of same.

6.2. PEG Grant and PEG Access Support:

6.2.1. Licensee shall provide an annual grant to the Town or its designee to be used for the support of the production of local PEG programming (the "PEG Grant"). Such grant shall be used by the Town or its designee solely for PEG access equipment, including, but not limited to, studio and portable production equipment, editing equipment and program playback equipment, or for renovation or construction of PEG access facilities. The PEG Grant provided by Licensee hereunder shall be the sum of two hundred twenty-five thousand dollars ($225,000), payable as follows:

$125,000 within sixty (60) days of the signing of the License by both parties; and,
$100,000 on the fifth (5th) anniversary of the Effective Date.

6.2.2. Licensee shall provide payments to the Town or its designee to be used to support ongoing operations of PEG access programming (the "PEG Access Support"). Such payment shall be used by the Town or its designee solely for personnel, operating and other related expenses incurred in connection with PEG access programming operations. Subject to the limitations in Section 7.2, the PEG Access Support provided by Licensee hereunder shall be up to two and three quarters percent (2.75%) of Licensee's annual Gross Revenues and paid pursuant to Section 6.2.3 below. Each payment made pursuant to this Section 6.2.2 shall be accompanied by a statement certified by a duly authorized representative of Licensee documenting, in reasonable detail, the basis for the computation.

6.2.3. The annual PEG Grant payments (Section 6.2.1) shall be made no later than March 15 of each year during the term of this License. The PEG Access Support payments (Section 6.2.2) shall be made no later than forty-five (45) days following the end of each calendar quarter. Licensee shall be allowed to submit or correct any payments that were incorrectly omitted, or shall be refunded any payments that were incorrectly submitted, in connection with the quarterly remittances within ninety (90) days following the close of the calendar year for which such payments were applicable. For purposes of the PEG Access Support payment, the annual period for determining Gross Revenues shall be the preceding calendar year. If Cable Services subject to the calculation of Gross Revenues are provided to Subscribers in conjunction with Non-Cable Services, the amount of such revenue included in the calculation of Gross Revenues shall be only the value of the Cable Services, as reflected on the books and records of Licensee in accordance with FCC or state public utility regulatory commission rules, regulations, standards or orders.

6.3. *Indemnity for PEG.* The Town shall require all local producers and users of any of the PEG facilities or Channels to agree in writing to authorize Licensee to transmit programming consistent with this License and to hold harmless and defend Licensee and the Town from and against any and all liability or other injury, including the reasonable cost of defending claims or litigation, arising from or in connection with claims for failure to comply with applicable federal laws, rules, regulations or other requirements of local, state or federal authorities; for claims of libel, slander, invasion of privacy, or the infringement of common law or statutory copyright; for unauthorized use of any trademark, trade name or service mark; for breach of contractual or other obligations owing to third parties by the producer or user; and for any other injury or damage in law or equity, which result from the use of a PEG facility or Channel. The Town shall establish rules and regulations for use of PEG facilities consistent with, and as required by, Section 611 of the Communications Act (47 U.S.C. § 531).

6.4. *Recovery of Costs.* To the extent permitted by federal law, the Licensee shall be allowed to recover the costs of the PEG Grant, the PEG Access Support, and any other costs arising from the provision of PEG services from Subscribers and to include such costs as a separately billed line item on each Subscriber's bill. Without limiting the foregoing, if allowed under state and federal laws, Licensee may externalize, line-item, or otherwise pass-through interconnection costs to Subscribers.

7. LICENSE FEES

7.1. *License Fee:* Pursuant to Section 9 of the Massachusetts Cable Law, the Licensee shall pay to the Town, throughout the term of this License, a license fee equal to fifty cents ($.50) per Subscriber per year (the "License Fee").

7.2. *Maximum Financial Obligation:* The Licensee shall not be liable for a total financial commitment pursuant to this License and applicable law in excess of five percent (5%) of its annual Gross Revenues; provided that such five percent (5%) shall include (i) the License Fee payable to the Town (Section 7.1), (ii) the license fee payable to the Commonwealth of Massachusetts pursuant to Section 9 of the Massachusetts Cable Law, and (iii) the PEG Access Support (Section 6.2.2), but it shall not include the PEG Grant (Section 6.2.1).

7.3. *Payment Information:* In determining the License Fee, the number of Subscribers shall be measured as of December 31 of the preceding calendar year. The License Fee shall be paid no later than March 15 of each year during the term of this License.

7.4. *Limitation on Actions*: The parties agree that the period of limitation for recovery of any payment obligation under this Agreement shall be three (3) years from the date on which payment by Licensee is due.

8. CUSTOMER SERVICE

Customer Service Requirements are set forth in Exhibit D, which shall be binding unless amended by written consent of the parties.

9. REPORTS AND RECORDS

9.1. *Open Books and Records*: Upon reasonable written notice to the Licensee and with no less than thirty (30) business days written notice to the Licensee, the Issuing Authority shall have the right to inspect Licensee's books and records pertaining to Licensee's provision of Cable Service in the Town at any time during Normal Business Hours and on a nondisruptive basis, as are reasonably necessary to ensure compliance with the terms of this License. Such notice shall specifically reference the section or subsection of this License which is under review, so that Licensee may organize the necessary books and records for appropriate access by the Issuing Authority. Licensee shall not be required to maintain any books and records for License compliance purposes longer than three (3) years. Notwithstanding anything to the contrary set forth herein, Licensee shall not be required to disclose information that it reasonably deems to be proprietary or confidential in nature, nor disclose any of its or an Affiliate's books and records not relating to the provision of Cable Service in the Town. The Issuing Authority shall treat any information disclosed by Licensee as confidential and shall only disclose it to employees, representatives, and agents thereof that have a need to know, or in order to enforce the provisions hereof. Licensee shall not be required to provide Subscriber information in violation of Section 631 of the Communications Act, 47 U.S.C. § 551.

9.2. *Records Required*: Licensee shall at all times maintain:

9.2.1. Records of all written complaints for a period of three years after receipt by Licensee. The term "complaint" as used herein refers to complaints about any aspect of the Cable System or Licensee's cable operations, including, without limitation, complaints about employee courtesy. Complaints recorded will not be limited to complaints requiring an employee service call;

9.2.2. Records of outages for a period of three years after occurrence, indicating date, duration, area, and the number of Subscribers affected, type of outage, and cause;

9.2.3. Records of service calls for repair and maintenance for a period of three years after resolution by Licensee, indicating the date and time service was required, the date of acknowledgment and date and time service was scheduled (if it was scheduled), and the date and time service was provided, and (if different) the date and time the problem was resolved;

9.2.4. Records of installation/reconnection and requests for service extension for a period of three (3) years after the request was fulfilled by Licensee, indicating the date of request, date of acknowledgment, and the date and time service was extended; and

9.2.5. A map showing the area of coverage for the provisioning of Cable Services and estimated timetable to commence providing Cable Service.

10. INSURANCE AND INDEMNIFICATION

10.1. Insurance:

10.1.1. Licensee shall maintain in full force and effect, at its own cost and expense, during the term of this License, the following insurance coverage:

10.1.1.1. Commercial General Liability Insurance in the amount of one million dollars ($1,000,000) combined single limit for property damage and bodily injury. Such insurance shall cover the construction, operation and maintenance of the Cable System, and the conduct of Licensee's Cable Service business in the Town.

10.1.1.2. Automobile Liability Insurance in the amount of one million dollars ($1,000,000) combined single limit for bodily injury and property damage coverage.

10.1.1.3. Workers' Compensation Insurance meeting all legal requirements of the Commonwealth of Massachusetts.

10.1.1.4. Employers' Liability Insurance in the following amounts: (A) Bodily Injury by Accident: $100,000; and (B) Bodily Injury by Disease: $100,000 employee limit; $500,000 policy limit.

10.1.1.5. Excess liability or umbrella coverage of not less than three million dollars ($3,000,000).

10.1.2. The Town shall be designated as additional insured under each of the insurance policies required in this Article 10 except Excess liability/umbrella insurance, Worker's Compensation and Employer's Liability Insurance.

10.1.3. Licensee shall not cancel any required insurance policy without submitting documentation to the Issuing Authority verifying that the Licensee has obtained alternative insurance in conformance with this Agreement.

10.1.4. Each of the required insurance policies shall be with sureties qualified to do business in the State of Massachusetts, with a B+ or better rating for financial condition and financial performance by Best's Key Rating Guide, Property/Casualty Edition.

10.1.5. Upon written request, Licensee shall deliver to the Issuing Authority Certificates of Insurance showing evidence of the required coverage.

10.2. Indemnification:

10.2.1. Licensee shall indemnify and hold the Town harmless at all times during the term of this License from any and all claims for injury and damage to persons or property, both real and personal, caused by the installation, operation, or maintenance of any structure, equipment, wire or cable authorized to be installed pursuant to this License, provided that the Town shall give Licensee written notice of its request for indemnification within ten (10) days of receipt of a claim pursuant to this subsection. Notwithstanding the foregoing, Licensee shall not indemnify the Town for any damages, liability or claims resulting from the willful misconduct or negligence of the Town, its officers, agents, employees, attorneys, consultants, independent contractors or third parties or for any activity or function conducted by any Person other than Licensee in connection with PEG Access or EAS, or the distribution of any Cable Service over the Cable System.

10.2.2. With respect to Licensee's indemnity obligations set forth in Section 10.2.1, Licensee shall, at its own expense, provide the defense of any claims brought against the Town by selecting counsel of Licensee's choice to defend the claim, subject to the consent of the Town, which shall not unreasonably be withheld. Nothing herein shall be deemed to prevent the Town from cooperating with the Licensee and participating in the defense of any litigation by its own counsel at its own cost and expense, provided however, that after consultation with the Town, Licensee shall have the right to defend, settle or compromise any claim or action arising hereunder, and Licensee shall have the authority to decide the appropriateness and the amount of any such settlement. In the event that the terms of any such settlement do not include the release of the Town and the Town does not consent to the terms of any such settlement or compromise, Licensee shall not settle the claim or action but its obligation to indemnify the Town shall in no event exceed the amount of such settlement.

10.2.3. The Town shall hold harmless and defend Licensee from and against, and shall be responsible for, damages, liability or claims resulting from or arising out of the willful misconduct or negligence of the Town.

10.2.4. The Town shall be responsible for its own acts of willful misconduct or negligence, or breach of obligation, subject to any and all defenses and limitations of liability provided by law. The Licensee shall not be required to indemnify the Town for acts of the Town which constitute willful misconduct or negligence, on the part of the Town, its officers, employees, agents, attorneys, consultants, independent contractors or third parties.

10.3. *Performance Bond.* Prior to the Service Date, Licensee shall provide to the Town, and shall maintain throughout the term of this License, a performance bond in the Town's favor in the amount of fifty thousand dollars ($50,000) securing the performance of Licensee's obligations under this License. The performance bond shall be substantially in the form of Exhibit E. In the event that a performance bond provided pursuant to this License is not renewed or is cancelled, Licensee shall provide new security pursuant to this Article within thirty (30) days of such failure to renew or cancellation. Neither cancellation, nor termination nor refusal by the surety to extend the bond, nor the inability of Licensee to file a replacement bond or replacement security for its obligations under this License, shall constitute a loss to the Town recoverable under the bond.

11. TRANSFER OF LICENSE

Subject to Section 617 of the Communications Act, 47 U.S.C. § 537, no Transfer of this License shall occur without the prior consent of the Issuing Authority, provided that such consent shall not be unreasonably withheld, delayed or conditioned. No such consent shall be required, however, for a transfer in trust, by mortgage, by other hypothecation, by assignment of any rights, title, or interest of the Licensee in this License or the Cable System in order to secure indebtedness, or otherwise for transactions otherwise excluded under Section 1.43 above.

12. RENEWAL OF LICENSE

12.1. *Governing Law*: The Town and Licensee agree that any proceedings undertaken by the Town that relate to the renewal of this License shall be governed by and comply with the provisions of Section 626 of the Communications Act, 47 U.S.C. § 546, the Massachusetts Cable Law and Section 14.13 below.

12.2. *Needs Assessments*: In addition to the procedures set forth in Section 626 of the Communications Act, the Town shall notify Licensee of all of its assessments regarding the identity of future cable-related community needs and interests, as well as the past performance of Licensee under the terms of this License. Such assessments shall be provided to Licensee by the Town promptly so that Licensee has adequate time to submit a proposal under Section 626 of the Communications Act and complete renewal of this License prior to expiration of its term.

12.3. *Informal Negotiations*: Notwithstanding anything to the contrary set forth herein, Licensee and the Town agree that at any time during the term of the then current License, while affording the public appropriate notice and opportunity to comment, the Town and Licensee may agree to undertake and finalize informal negotiations regarding renewal of the then current License and the Issuing Authority may grant a renewal thereof.

12.4. *Consistent Terms*: Licensee and the Town consider the terms set forth in this Article 12 to be consistent with the express provisions of Section 626 of the Communications Act.

13. ENFORCEMENT AND TERMINATION OF LICENSE

13.1. *Notice of Violation*: If at any time the Issuing Authority believes that Licensee has not complied with the terms of this License, the Issuing Authority shall informally discuss the matter with Licensee. If these discussions do not lead to resolution of the problem in a reasonable time, the Issuing Authority shall then notify Licensee in writing of the exact nature of the alleged noncompliance (for purposes of this Article, the "Noncompliance Notice").

13.2. *Licensee's Right to Cure or Respond:* Licensee shall have thirty (30) days from receipt of the Noncompliance Notice to: (i) respond to the Issuing Authority, if Licensee contests (in whole or in part) the assertion of noncompliance; (ii) cure such noncompliance; or (iii) in the event that, by its nature, such noncompliance cannot be cured within such thirty (30) day period, initiate reasonable steps to remedy such noncompliance and notify the Issuing Authority of the steps being taken and the date by which they are projected to be completed. Upon cure of any noncompliance, the Town shall provide Licensee with written confirmation that such cure has been effected.

13.3. *Public Hearing*: In the event that Licensee fails to respond to the Noncompliance Notice pursuant to the procedures required by this Article, or in the event that the alleged noncompliance is not remedied within thirty (30) days or the date projected pursuant to Section 13.2(iii) above, if the Town seeks to continue its investigation into the alleged noncompliance, then the Issuing Authority shall schedule a public hearing. The Issuing Authority shall provide Licensee at least thirty (30) business days prior written notice of such public hearing, which will specify the time, place and purpose of such public hearing, and provide Licensee the opportunity to be heard.

13.4. *Enforcement*: Subject to applicable federal and state law, in the event the Issuing Authority, after the public hearing set forth in Section 13.3, determines that Licensee is in default of any provision of this License, the Issuing Authority may:

13.4.1. Seek specific performance of any provision, which reasonably lends itself to such remedy, as an alternative to damages; or

13.4.2. Commence an action at law for monetary damages or seek other equitable relief; or

13.4.3. In the case of a substantial noncompliance of a material provision of this License, seek to revoke this License in accordance with Section 13.5.

13.5. *Revocation*: Should the Issuing Authority seek to revoke this License after following the procedures set forth in this Article, including the public hearing described in Section 13.3, the Issuing Authority shall give written notice to Licensee of such intent. The notice shall set forth the specific nature of the noncompliance. The Licensee shall have ninety (90) days from receipt of such notice to object in writing and to state its reasons for such objection. In the event the Issuing Authority has not received a satisfactory response from Licensee, it may then seek termination of this License at a second public hearing. The Issuing Authority shall cause to be served upon the Licensee, at least thirty (30) business days prior to such public hearing, a written notice specifying the time and place of such hearing and stating its intent to revoke this License.

13.5.1. At the designated public hearing, Licensee shall be provided a fair opportunity for full participation, including the rights to be represented by legal counsel, to introduce relevant evidence, to require the production of evidence, to compel the relevant testimony of the officials, agents, employees or consultants of the Issuing Authority, to compel the testimony of other persons as permitted by law, and to question and/or cross examine witnesses. A complete verbatim record and transcript shall be made of such hearing.

13.5.2. Following the second public hearing, Licensee shall be provided up to thirty (30) days to submit its proposed findings and conclusions to the Issuing Authority in writing and thereafter the Issuing Authority shall determine (i) whether an event of default has occurred under this License; (ii) whether such event of default is excusable; and (iii) whether such event of default has been cured or will be cured by the Licensee. The Issuing Authority shall also determine whether it will revoke this License based on the information presented, or, where applicable, grant additional time to the Licensee to effect any cure. If the Issuing Authority determines that it will revoke this License, the Issuing Authority shall promptly provide Licensee with a written determination setting forth the Issuing Authority's reasoning for such revocation. Licensee may appeal such written determination of the Issuing Authority to an appropriate court, which shall have the power to review the decision of the Issuing Authority *de novo*. Licensee shall be entitled to such relief as the court finds appropriate. Such appeal must be taken within sixty (60) days of Licensee's receipt of the written determination of the Issuing Authority.

13.5.3. The Issuing Authority may, at its sole discretion, take any lawful action that it deems appropriate to enforce the Issuing Authority's rights under this License in lieu of revocation of this License.

13.6. *Licensee Termination:* Licensee shall have the right to terminate this License and all obligations hereunder within ninety (90) days after the end of three (3) years from the Service Date of this License, if at the end of such three (3) year period Licensee does not then in good faith believe it has achieved a commercially reasonable level of Subscriber penetration on its Cable System. Licensee may consider Subscriber penetration levels outside the Town in this determination. Notice to terminate under this Section 13.6 shall be given to the Town in writing, with such termination to take effect no sooner than one hundred and twenty

(120) days after giving such notice. Licensee shall also be required to give its then current Subscribers not less than ninety (90) days prior written notice of its intent to cease Cable Service operations.

14. MISCELLANEOUS PROVISIONS

14.1. *Actions of Parties*: In any action by the Town or Licensee that is 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, delayed or conditioned.

14.2. *Binding Acceptance*: This Agreement shall bind and benefit the parties hereto and their respective heirs, beneficiaries, administrators, executors, receivers, trustees, successors and assigns, and the promises and obligations herein shall survive the expiration date hereof.

14.3. *Preemption:* In the event that federal or state law, rules, or regulations preempt a provision or limit the enforceability of a provision of this Agreement, the provision shall be read to be preempted to the extent and for the time, but only to the extent and for the time, required by law. In the event such federal or state law, rule or regulation is subsequently repealed, rescinded, amended or otherwise changed so that the provision hereof that had been preempted is no longer preempted, such provision shall thereupon return to full force and effect, and shall thereafter be binding on the parties hereto, without the requirement of further action on the part of the Issuing Authority.

14.4. *Force Majeure*: Licensee shall not be held in default under, or in noncompliance with, the provisions of this License, nor suffer any enforcement or penalty relating to noncompliance or default, where such noncompliance or alleged defaults occurred or were caused by a Force Majeure. Furthermore, the parties hereby agree that it is not the Town's intention to subject Licensee to penalties, fines, forfeitures or revocation of this License for violations of this License where the violation was a good faith error that resulted in no or minimal negative impact on Subscribers, or where strict performance would result in practical difficulties and hardship being placed upon Licensee that outweigh the benefit to be derived by the Town and/or Subscribers.

14.5. *Performance Evaluations*. If, during the term of this License, the Town conducts an evaluation of Licensee's performance under this License or otherwise related to Licensee's provision of Cable Service in the Town, then the Town shall provide Licensee with a written report with respect to Licensee's compliance within ten (10) days after the conclusion of such evaluation.

14.6. *Notices:* Unless otherwise expressly stated herein, notices required under this License shall be mailed first class, postage prepaid, to the addressees below. Each party may change its designee by providing written notice to the other party.

14.6.1. Notices to Licensee shall be mailed to:

Verizon New England, Inc.
185 Franklin Street
Boston, MA 02110
Attention: Donna C. Cupelo, President

14.6.2. with a copy to:

Verizon Communications, Inc.
1095 Avenue of Americas
New York, NY 92223
Attention: Jack White, Senior VP and Deputy General Counsel

14.6.3. Notices to the Issuing Authority shall be mailed to:

Town of Swampscott
Andrew W. Maylor, Town Administrator
Elihu Thomson Administration Building
22 Monument Avenue
Swampscott, MA 01907

14.7. *Entire Agreement*: This License and the Exhibits hereto constitute the entire agreement between Licensee and the Town, and it supersedes all prior or contemporaneous agreements, representations or understandings (written or oral) of the parties regarding the subject matter hereof. Any local law that conflicts with the provisions of this License are superseded by this License.

14.8. *Amendments*: Amendments to this License shall be mutually agreed to in writing by the parties.

14.9. *Captions:* The captions and headings of articles and sections throughout this Agreement are intended solely to facilitate reading and reference to the sections and provisions of this Agreement. Such captions shall not affect the meaning or interpretation of this Agreement.

14.10. *Severability*: If any section, subsection, sentence, paragraph, term, or provision hereof is determined to be illegal, invalid, or unconstitutional, by any court of competent 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, subsection, sentence, paragraph, term or provision hereof, all of which will remain in full force and effect for the term of this License.

14.11. *Recitals:* The recitals set forth in this Agreement are incorporated into the body of this Agreement as if they had been originally set forth herein.

14.12. *Modification:* This License shall not be modified except by written instrument executed by both parties.

14.13. *FTTP Network Transfer Prohibition:* Under no circumstance including, without limitation, upon expiration, revocation, termination, surrender, denial of renewal of this License or any other action to forbid or disallow Licensee from providing Cable Services, shall Licensee or its assignees be required to sell any right, title, interest, use or control of any portion of Licensee's FTTP Network including, without limitation, the Cable System and any capacity used for Cable Service or otherwise, to the Town or any third party. Licensee shall not be required to remove the FTTP Network or to relocate the FTTP Network or any portion thereof as a result of revocation, expiration, termination, surrender, denial of renewal or any other action to forbid or disallow Licensee from providing Cable Services. This provision is not intended to contravene leased access requirements under Title VI or the PEG requirements set out in this Agreement.

14.14. *Interpretation*: The Town and Licensee each acknowledge that it has received independent legal advice in entering into this Agreement. In the event that a dispute arises over the meaning or application of any term(s) of this Agreement, such term(s) shall not be construed by the reference to any doctrine calling for ambiguities to be construed against the drafter of the Agreement.

SIGNATURE PAGE FOLLOWS

AGREED TO THIS 20 DAY OF November, 2006.

Town of Swampscott

Marc R. Paster, Chairman

Charles D. Baker, Vice Chairman

Reid J. Cassidy

Adam P. Forman

Daniel R. Santanello

By: The Swampscott Board of Selectmen

Verizon New England, Inc.

By: Donna C. Cupelo
Donna C. Cupelo, President

FORM APPROVED

Attorney

Date 11/15/06

EXHIBITS

EXHIBIT A – SERVICE AREA MAP

EXHIBIT B – MUNICIPAL BUILDINGS TO BE PROVIDED FREE CABLE SERVICE

EXHIBIT C – PEG CHANNELS

EXHIBIT D – CUSTOMER SERVICE STANDARDS

EXHIBIT E – PERFORMANCE BOND

EXHIBIT A

SERVICE AREA MAP

See attached

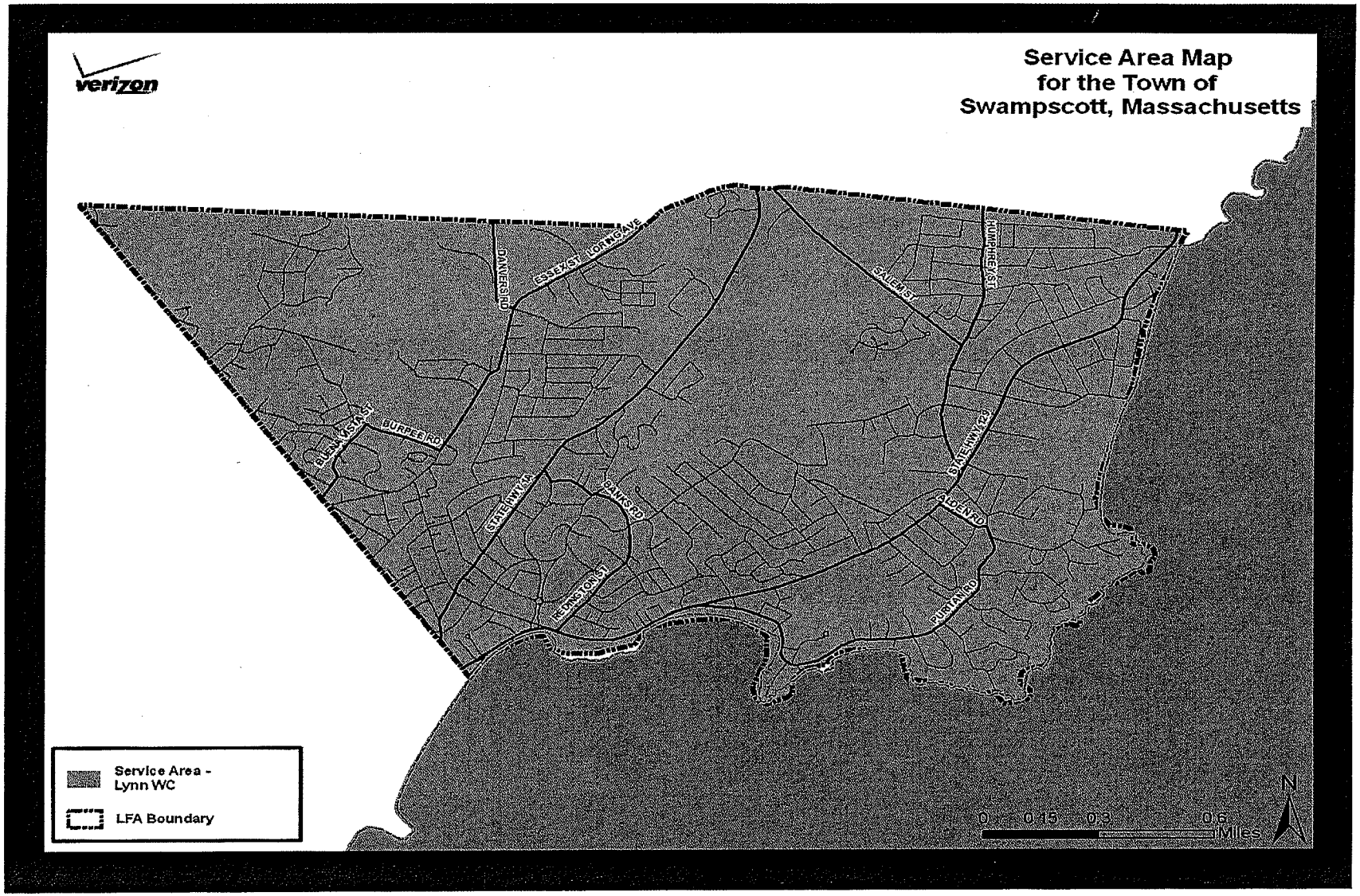
verizon
Service Area Map
for the Town of
Swampscott, Massachusetts
DANVERS RD
ESSEX ST
LORING AVE
SALEM ST
HUMPHREY ST
BUENA VISTA ST
BURPEE RD
STATE HWY 1A
BANKS RD
REDINGTON ST
STATE HWY 129
ALDEN RD
PURITAN RD
Service Area - Lynn WC
LFA Boundary
0 0.15 0.3 0.6
Miles
N

EXHIBIT B

MUNICIPAL BUILDINGS TO BE PROVIDED FREE CABLE SERVICE

MUNICIPAL BUILDINGS TO BE PROVIDED FREE CABLE SERVICE

Clarke School	Norfolk Avenue
Hadley School	24 Redington Street
Machon School	35 Burpee Road
Stanley School	Whitman Road
New Swampscott High School	Essex Street
Swampscott Jr. (Middle) School	Greenwood Avenue
Central Fire Station	76 Burrill Street
Elihu Thompson Admin. Building*	22 Monument Avenue
Public Library	61 Burrill Street
Police Station*	86 Burrill Street
Public Works Garage	200 Paradise Road
Council on Aging	Burrill Street
Phillips Park	Humphrey Street
Former Temple Israel Property	837 Humphrey Street
Town Hall Annex	531 Humphrey Street
High School	207 Forest Avenue
Facilities Building	207 Forest Avenue
Senior Center	Greenway

* As provided in Section 3.3 of the License, one service outlet will be activated for the most commonly subscribed to digital tier to the police station and for two offices within the Town Hall (Elihu Thomson Admin. Building) at the discretion of the Town, including a set top box for each of the three digital service outlets.

EXHIBIT C

PEG CHANNELS

- PEG Channels
    - 2 Swampscott public, educational, and governmental access programming channel; and,
    - 1 Lynn public, educational, and governmental access programming channel.

EXHIBIT D

CUSTOMER SERVICE STANDARDS

These standards shall, starting six months after the Service Date, apply to the Licensee to the extent it is providing Cable Services over the Cable System in the Town.

SECTION 1: DEFINITIONS

A. Respond: Licensee's investigation of a Service Interruption by receiving a Subscriber call and opening a trouble ticket, if required.

B. Significant Outage: A significant outage of the Cable Service shall mean any Service Interruption lasting at least four (4) continuous hours that affects at least ten percent (10%) of the Subscribers in the Service Area.

C. Service Call: The action taken by the Licensee to correct a Service Interruption the effect of which is limited to an individual Subscriber.

D. Standard Installation: Installations where the Subscriber is within one hundred twenty five (125) feet of trunk or feeder lines.

SECTION 2: TELEPHONE AVAILABILITY

A. The Licensee shall maintain a toll-free number to receive all calls and inquiries from Subscribers in the Town and/or residents regarding Cable Service. Licensee representatives trained and qualified to answer questions related to Cable Service in the Service Area must be available to receive reports of Service Interruptions twenty-four (24) hours a day, seven (7) days a week, and other inquiries at least forty-five (45) hours per week. Licensee representatives shall identify themselves by name when answering this number.

B. The Licensee's telephone numbers shall be listed, with appropriate description (e.g. administration, customer service, billing, repair, etc.), in the directory published by the local telephone company or companies serving the Service Area, beginning with the next publication cycle after acceptance of this License by the Licensee.

C. Licensee may use an Automated Response Unit ("ARU") or a Voice Response Unit ("VRU") to distribute calls. If a foreign language routing option is provided, and the Subscriber does not enter an option, the menu will default to the first tier menu of English options.

After the first tier menu (not including a foreign language rollout) has run through three times, if customers do not select any option, the ARU or VRU will forward the call to a queue for a live representative. The Licensee may reasonably substitute this requirement with another method of handling calls from customers who do not have touch-tone telephones.

D. Under Normal Operating Conditions, calls received by the Licensee shall be answered within thirty (30) seconds. The Licensee shall meet this standard for ninety percent (90%) of the calls it receives at all call centers receiving calls from Subscribers, as measured on a cumulative quarterly calendar basis. Measurement of this standard shall include all calls received by the Licensee at all call centers receiving calls from Subscribers, whether they are answered by a live representative, by an automated attendant, or abandoned after 30 seconds of call waiting.

E. Under Normal Operating Conditions, callers to the Licensee shall receive a busy signal no more than three (3%) percent of the time during any calendar quarter.

F. Upon request from the Town, but in no event more than once a quarter thirty (30) days following the end of each quarter, the Licensee shall report to the Town the following for all call centers receiving calls from Subscribers except for temporary telephone numbers set up for national promotions:

(1) Percentage of calls answered within thirty (30) seconds as set forth in Subsection 2.D.

(2) Percentage of time customers received busy signal when calling the Verizon service center as set forth in Subsection 2.E.

Subject to consumer privacy requirements, underlying activity will be made available to the Town for review upon reasonable request.

G. At the Licensee's option, the measurements and reporting above may be changed from calendar quarters to billing or accounting quarters. The Licensee shall notify the Town of such a change at least thirty (30) days in advance of any implementation.

SECTION 3: INSTALLATIONS AND SERVICE APPOINTMENTS

A. All installations will be in accordance with FCC rules, including but not limited to, appropriate grounding, connection of equipment to ensure reception of Cable Service, and the provision of required consumer information and literature to adequately inform the Subscriber in the utilization of the Licensee-supplied equipment and Cable Service.

B. The Standard Installation shall be performed within seven (7) business days after the placement of the Optical Network Terminal ("ONT") on the customer's premises or within seven (7) business days after an order is placed if the ONT is already installed on the customer's premises.

The Licensee shall meet this standard for ninety-five percent (95%) of the Standard Installations it performs, as measured on a calendar quarter basis, excluding customer requests

for connection later than seven (7) days after ONT placement or later than seven (7) days after an order is placed if the ONT is already installed on the customer's premises.

C. The Licensee shall provide the Town with a report upon request from the Town, but in no event more than once a quarter thirty (30) days following the end of each quarter, noting the percentage of Standard Installations completed within the seven (7) day period, excluding those requested outside of the seven (7) day period by the Subscriber. Subject to consumer privacy requirements, underlying activity will be made available to the Town for review upon reasonable request.

At the Licensee's option, the measurements and reporting of above may be changed from calendar quarters to billing or accounting quarters. The Licensee shall notify the Town of such a change not less than thirty (30) days in advance.

D. The Licensee will offer Subscribers "appointment window" alternatives for arrival to perform installations, Service Calls and other activities of a maximum four (4) hours scheduled time block during appropriate daylight available hours, usually beginning at 8:00 AM unless it is deemed appropriate to begin earlier by location exception. At the Licensee's discretion, the Licensee may offer Subscribers appointment arrival times other than these four (4) hour time blocks, if agreeable to the Subscriber. These hour restrictions do not apply to weekends.

SECTION 4: SERVICE INTERRUPTIONS AND OUTAGES

A. The Licensee shall promptly notify the Town of any Significant Outage of the Cable Service.

B. The Licensee shall exercise commercially reasonable efforts to limit any Significant Outage for the purpose of maintaining, repairing, or constructing the Cable System. Except in an emergency or other situation necessitating a more expedited or alternative notification procedure, the Licensee may schedule a Significant Outage for a period of more than four (4) hours during any twenty-four (24) hour period only after the Town and each affected Subscriber in the Service Area have been given fifteen (15) days prior notice of the proposed Significant Outage.

C. Licensee representatives who are capable of responding to Service Interruptions must be available to Respond twenty-four (24) hours a day, seven (7) days a week.

D. Under Normal Operating Conditions, the Licensee must Respond to a call from a Subscriber regarding a Service Interruption or other service problems within the following time frames:

(1) Within twenty-four (24) hours, including weekends, of receiving Subscriber calls respecting Service Interruptions in the Service Area.

(2) The Licensee must begin actions to correct all other Cable Service

problems the next business day after notification by the Subscriber or the Town of a Cable Service problem.

E. Under Normal Operating Conditions, the Licensee shall complete Service Calls within seventy-two (72) hours of the time Licensee commences to Respond to the Service Interruption, not including weekends and situations where the Subscriber is not reasonably available for a Service Call to correct the Service Interruption within the seventy-two (72) hour period.

F. The Licensee shall meet the standard in Subsection E. of this Section for ninety percent (90%) of the Service Calls it completes, as measured on a quarterly basis.

G. The Licensee shall provide the Town with a report upon request from the Town, but in no event more than once a quarter within thirty (30) days following the end of each calendar quarter, noting the percentage of Service Calls completed within the seventy-two (72) hour period not including Service Calls where the Subscriber was reasonably unavailable for a Service Call within the seventy-two (72) hour period as set forth in this Section. Subject to consumer privacy requirements, underlying activity will be made available to the Town for review upon reasonable request. At the Licensee's option, the above measurements and reporting may be changed for calendar quarters to billing or accounting quarters. The Licensee shall notify the Town of such a change at least thirty (30) days in advance.

H. Under Normal Operating Conditions, the Licensee shall provide a credit upon Subscriber request when all Channels received by that Subscriber are out of service for a period of twenty-four (24) consecutive hours or more. The credit shall equal, at a minimum, a proportionate amount of the affected Subscriber(s) current monthly bill. In order to qualify for the credit, the Subscriber must promptly report the problem and allow the Licensee to verify the problem if requested by the Licensee. If Subscriber availability is required for repair, a credit will not be provided for such time, if any, that the Subscriber is not reasonably available.

I. Under Normal Operating Conditions, if a Significant Outage affects all Video Programming Cable Services for more than twenty-four (24) consecutive hours, the Licensee shall issue an automatic credit to the affected Subscribers in the amount equal to their monthly recurring charges for the proportionate time the Cable Service was out, or a credit to the affected Subscribers in the amount equal to the charge for the basic plus enhanced basic level of service for the proportionate time the Cable Service was out, whichever is technically feasible or, if both are technically feasible, as determined by Licensee provided such determination is non-discriminatory. Such credit shall be reflected on Subscriber billing statements within the next available billing cycle following the outage.

J. With respect to service issues concerning cable services provided to Town facilities, Licensee shall Respond to all inquiries from the Town within four (4) hours and shall commence necessary repairs within twenty-four (24) hours under Normal Operating Conditions. If such repairs cannot be completed within twenty-four (24) hours, the Licensee shall notify the Town in writing as to the reason(s) for the delay and provide an estimated time of repair.

SECTION 5: CUSTOMER COMPLAINTS

Under Normal Operating Conditions, the Licensee shall investigate Subscriber complaints referred by the Town within seventy-two (72) hours. The Licensee shall notify the Town of those matters that necessitate an excess of seventy-two (72) hours to resolve, but those matters must be resolved within fifteen (15) days of the initial complaint. The Town may require reasonable documentation to be provided by the Licensee to substantiate the request for additional time to resolve the problem. For purposes of this Section, "resolve" means that the Licensee shall perform those actions, which, in the normal course of business, are necessary to investigate the Customer's complaint and advise the Customer of the results of that investigation.

SECTION 6: BILLING

A. Subscriber bills must be itemized to describe Cable Services purchased by Subscribers and related equipment charges, and shall include the information required by 207 CMR 10.03(1) in clear, concise and understandable language and format. Bills shall clearly delineate activity during the billing period, including optional charges, rebates, credits, and aggregate late charges. Licensee shall, without limitation as to additional line items, be allowed to itemize as separate line items, License fees, taxes and/or other governmentally imposed fees. The Licensee shall maintain records of the date and place of mailing of bills.

B. Every Subscriber with a current account balance sending payment directly to Licensee shall be given at least five (5) days from the date statements are mailed to the Subscriber until the payment due date.

C. A specific due date shall be listed on the bill of every Subscriber.

D. Any Subscriber who, in good faith, disputes all or part of any bill shall have the option of withholding the disputed amount without disconnect or late fee being assessed until the dispute is resolved provided that:

(1) The Subscriber pays all undisputed charges;

(2) The Subscriber provides notification of the dispute to Licensee within thirty (30) days after the due date; and

(3) The Subscriber cooperates in determining the accuracy and/or appropriateness of the charges in dispute.

E. The Licensee shall notify the Subscriber of the result of its investigation of any complaint and shall give an explanation for its decision within 30 business days after the receipt of the complaint. The Subscriber shall forfeit any rights under 207 CMR 10.07 if he or she fails to pay the undisputed balance within 30 days. Any Subscriber who disagrees with the results of

Licensee's investigation shall promptly inquire about and take advantage of any complaint resolution mechanism, formal or informal, available under this License or through the Issuing Authority before the Cable Division may accept a petition. The Subscriber or Licensee may petition the Cable Division to resolve disputed matters within 30 days of any final action.

F. The Licensee shall forward a copy of any Cable Service related billing inserts or other mailing sent to Subscribers to the Town upon request.

G. The Licensee shall provide all Subscribers with the option of paying for Cable Service by check or an automatic payment option where the amount of the bill is automatically deducted from a checking account designated by the Subscriber. Licensee may in the future, at its' discretion, permit payment by using a major credit card on a preauthorized basis. Based on credit history, at the option of the Licensee, the payment alternative may be limited.

H. The Issuing Authority hereby requests that Licensee omit the information specified in 47 C.F.R. §76.952(a) from its Subscriber bills.

SECTION 7: DEPOSITS, REFUNDS AND CREDITS

A. The Licensee may require refundable deposits from Subscribers with 1) a poor credit or poor payment history, 2) who refuse to provide credit history information to the Licensee, or 3) who rent Subscriber equipment from the Licensee, so long as such deposits are applied on a non-discriminatory basis. The deposit the Licensee may charge Subscribers with poor credit or poor payment history or who refuse to provide credit information may not exceed an amount equal to an average Subscriber's monthly charge multiplied by six (6). The maximum deposit the Licensee may charge for Subscriber equipment is the cost of the equipment which the Licensee would need to purchase to replace the equipment rented to the Subscriber.

B. The Licensee shall refund or credit the Subscriber for the amount of the deposit collected for equipment, which is unrelated to poor credit or poor payment history, after one year and provided the Subscriber has demonstrated good payment history during this period.

C. Under Normal Operating Conditions, refund checks will be issued within the next available billing cycle following the resolution of the event giving rise to the refund (e.g., equipment return and final bill payment.

D. Credits for Cable Service will be issued no later than the Subscriber's next available billing cycle, following the determination that a credit is warranted, and the credit is approved and processed. Such approval and processing shall not be unreasonably delayed.

E. Bills shall be considered paid when appropriate payment is received by the Licensee or its' authorized agent. Appropriate time considerations shall be included in the Licensee's collection procedures to assure that payments due have been received before late notices or termination notices are sent.

SECTION 8: RATES, FEES AND CHARGES

A. The Licensee shall not, except to the extent expressly permitted by law, impose any fee or charge for Service Calls to a Subscriber's premises to perform any repair or maintenance work related to Licensee equipment necessary to receive Cable Service, except where such problem is caused by a negligent or wrongful act of the Subscriber (including, but not limited to a situation in which the Subscriber reconnects Licensee equipment incorrectly) or by the failure of the Subscriber to take reasonable precautions to protect the Licensee's equipment (for example, a dog chew).

B. The Licensee shall provide reasonable notice to Subscribers of the possible assessment of a late fee on bills or by separate notice.

SECTION 9: DISCONNECTION /DENIAL OF SERVICE

A. The Licensee shall not terminate Cable Service for nonpayment of a delinquent account unless the Licensee mails a notice of the delinquency and impending termination prior to the proposed final termination. The notice of termination shall be mailed to the Subscriber to whom the Cable Service is billed. The notice of delinquency and impending termination may be part of a billing statement.

B. Cable Service terminated in error must be restored without charge within twenty-four (24) hours of notice. If a Subscriber was billed for the period during which Cable Service was terminated in error, a credit shall be issued to the Subscriber if the Service Interruption was reported by the Subscriber.

C. Nothing in these standards shall limit the right of the Licensee to deny Cable Service for non-payment of previously provided Cable Services, refusal to pay any required deposit, theft of Cable Service, damage to the Licensee's equipment, abusive and/or threatening behavior toward the Licensee's employees or representatives, or refusal to provide credit history information or refusal to allow the Licensee to validate the identity, credit history and credit worthiness via an external credit agency.

D. Charges for cable service will be discontinued at the time of the requested termination of service by the Subscriber, except equipment charges may by applied until equipment has been returned. No period of notice prior to requested termination of service can be required of Subscribers by the Licensee. No charge shall be imposed upon the Subscriber for or related to total disconnection of Cable Service or for any Cable Service delivered after the effective date of the disconnect request, unless there is a delay in returning Licensee equipment or early termination charges apply pursuant to the Subscriber's service contract. If the Subscriber fails to specify an effective date for disconnection, the Subscriber shall not be responsible for Cable Services received after the day following the date the disconnect request is received by the Licensee. For purposes of this subsection, the term "disconnect" shall include

Subscribers who elect to cease receiving Cable Service from the Licensee and to receive Cable Service or other multi-channel video service from another Person or entity.

SECTION 10: COMMUNICATIONS WITH SUBSCRIBERS

A. Licensee shall require that: (i) all Licensee personnel, contractors and subcontractors contacting Subscribers or potential Subscribers outside the office of the Licensee wear a clearly visible identification card bearing their name and photograph; (ii) all Licensee representatives wear appropriate clothing while working at a Subscriber's premises; and (iii) every service vehicle of the Licensee and its contractors or subcontractors shall (a) be clearly identified as such to the public, (b) have the Licensee's logo plainly visible and (c) have the contractor's / subcontractor's name plus markings (such as a magnetic door sign) indicating they are under contract to the Licensee. In addition, the Licensee shall make reasonable effort to account for all identification cards at all times.

B. Licensee shall require that all contact with a Subscriber or potential Subscriber by a Person representing the Licensee shall be conducted in a courteous manner.

C. The Licensee shall send annual notices to all Subscribers informing them that any complaints or inquiries not satisfactorily handled by the Licensee may be referred to the Town.

D. All notices identified in this Section shall be by either:

(1) A separate document included with a billing statement or included on the portion of the monthly bill that is to be retained by the Subscriber; or

(2) A separate electronic notification

E. The Licensee shall provide reasonable notice to Subscribers of any pricing changes or additional changes (excluding sales discounts, new products or offers) and, subject to the forgoing, any changes in Cable Services, including channel line-ups. Such notice must be given to Subscribers a minimum of thirty (30) days in advance of such changes if within the control of the Licensee, and the Licensee shall provide a copy of the notice to the Town including how and where the notice was given to Subscribers.

F. The Licensee shall provide information to all Subscribers about each of the following items at the time of installation of Cable Services, annually to all Subscribers, at any time upon request, and, subject to Subsection 10.E., at least thirty (30) days prior to making significant changes in the information required by this Section if within the control of the Licensee:

(1) Products and Cable Service offered;

(2) Prices and options for Cable Services and condition of subscription to Cable Services. Prices shall include those for Cable Service options, equipment rentals, program

guides, installation, downgrades, late fees and other fees charged by the Licensee related to Cable Service;

(3) Installation and maintenance policies including, when applicable, information regarding the Subscriber's in-home wiring rights during the period Cable Service is being provided;

(4) Channel positions of Cable Services offered on the Cable System;

(5) Complaint procedures, including the name, address and telephone number of the Town, but with a notice advising the Subscriber to initially contact the Licensee about all complaints and questions;

(6) Procedures for requesting Cable Service credit;

(7) The availability of a parental control device;

(8) Licensee practices and procedures for protecting against invasion of privacy; and

(9) The address and telephone number of the Licensee's office to which complaints may be reported.

A copy of notices required in this Subsection 10.F. will be given to the Town at least fifteen (15) days prior to distribution to Subscribers if the reason for notice is due to a change that is within the control of Licensee and as soon as possible if not with the control of Licensee.

G. Notices of changes in rates shall indicate the Cable Service new rates and old rates, if applicable.

H. Notices of changes of Cable Services and/or Channel locations shall include a description of the new Cable Service, the specific channel location, and the hours of operation of the Cable Service if the Cable Service is only offered on a part-time basis. In addition, should the channel location, hours of operation, or existence of other Cable Services be affected by the introduction of a new Cable Service, such information must be included in the notice.

I. Every notice of termination of Cable Service shall include the following information:

(1) The name and address of the Subscriber whose account is delinquent;

(2) The amount of the delinquency for all services billed;

(3) The date by which payment is required in order to avoid termination of Cable Service; and

(4) The telephone number for the Licensee where the Subscriber can receive additional information about their account and discuss the pending termination.

EXHIBIT E

FORM OF PERFORMANCE BOND

Franchise Bond
Bond No._____

KNOW ALL MEN BY THESE PRESENTS: That (name & address) (hereinafter called the Principal), and (name and address) (hereinafter called the Surety), a corporation duly organized under the laws of the State of (state), are held and firmly bound unto (name & address) (hereinafter called the Obligee), in the full and just sum of Fifty Thousand Dollars ($50,000), the payment of which sum, well and truly to be made, the said Principal and Surety bind themselves, their heirs, administrators, executors, and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal and Obligee have entered into a License Agreement dated_____ which is hereby referred to and made a part hereof.

WHEREAS, said Principal is required to perform certain obligations under said Agreement.

WHEREAS, the Obligee has agreed to accept this bond as security against default by Principal of performance of its obligations under said Agreement during the time period this bond is in effect.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH that if the Principal shall perform its obligations under said Agreement, then this obligation shall be void, otherwise to remain in full force and effect, unless otherwise terminated, cancelled or expired as hereinafter provided.

PROVIDED HOWEVER, that this bond is executed subject to the following express provisions and conditions:

1. In the event of default by the Principal, Obligee shall deliver to Surety a written statement of the details of such default within 30 days after the Obligee shall learn of the same, such notice to be delivered by certified mail to address of said Surety as stated herein.

2. This Bond shall be effective _____, 20___, and shall remain in full force and effect thereafter for a period of one year and will automatically extend for additional one year periods from the expiry date hereof, or any future expiration date, unless the Surety provides to the Obligee not less than sixty (60) days advance written notice of its intent not to renew this Bond or unless the Bond is earlier canceled pursuant to the following. This Bond may be canceled at any time upon sixty (60) days advance written notice from the Surety to the Obligee.

3. Neither cancellation, termination nor refusal by Surety to extend this bond, nor inability of Principal to file a replacement bond or replacement security for its obligations under said Agreement, shall constitute a loss to the Obligee recoverable under this bond.

4. No claim, action, suit or proceeding shall be instituted against this bond unless same be brought or instituted and process served within one year after termination or cancellation of this bond.

5. No right of action shall accrue on this bond for the use of any person, corporation or entity other than the Obligee named herein or the heirs, executors, administrators or successors of the Obligee.

6. The aggregate liability of the surety is limited to the penal sum stated herein regardless of the number of years this bond remains in force or the amount or number of claims brought against this bond.

7. This bond is and shall be construed to be strictly one of suretyship only. If any conflict or inconsistency exists between the Surety's obligations as described in this bond and as may be described in any underlying agreement, permit, document or contract to which this bond is related, then the terms of this bond shall supersede and prevail in all respects.

This bond shall not bind the Surety unless it is accepted by the Obligee by signing below.

IN WITNESS WHEREOF, the above bounded Principal and Surety have hereunto signed and sealed this bond effective this _____ day of _____, 2006.

Principal **Surety**

By: _____ By: _____

, Attorney-in-Fact

Accepted by Obligee: _____

(Signature & date above - Print Name, Title below)