



**CABLE TELEVISION
FINAL LICENSE**

**GRANTED TO
VERIZON NEW ENGLAND, INC.**

June 29, 2009

**BOARD OF SELECTMEN
TOWN OF GROTON,
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 Groton, 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 October 13, 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 January 8, 2007 with an extension dated January 13, 2009, and Licensee submitted an amended application dated February 11, 2009;

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 or its designee.

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 Cable.

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.

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, which includes the Cable Communications Policy Act of 1984, as amended by the Cable Television Consumer Protection and Competition Act of 1992 and by the Telecommunications Act of 1996.

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 Revenues*: All revenue, as determined in accordance with generally accepted accounting principles, which is derived by Licensee and/or its Affiliates from the operation of the Cable System to provide Cable Service in the Town, including, without limitation, the following items: fees collected from Subscribers for Cable Services (including, but not limited to, basic and premium Cable Services and pay-per-view Cable Service); installation, reconnection, change-in-service (upgrades, downgrades, etc.) and similar charges; leased access programming revenues; revenues received from rentals or sales to Subscribers of converters, remote controls and other Subscriber equipment used to provide Cable Service over the Cable System; revenues that the Licensee receives from home shopping channels for the use of the Cable System to sell merchandise as prorated to include such revenue attributable to the Cable System in the Town; advertising revenues as prorated to include such revenue attributable to the Cable System in the Town; and all fees imposed on the Licensee by this License and applicable law that are passed through and paid to the Licensee by Subscribers. In no event shall revenue of an Affiliate be Gross Revenue to the Licensee if such revenue is otherwise subject to cable franchise and/or license fees to be paid to the Issuing Authority. Provided, however, that Gross Revenues shall not include:

1.16.1. Revenues received by any Affiliate of Licensee, except to the extent that such revenues are derived from the operation of the Cable System to provide Cable Service in the Town;

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 Revenues 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 and Information Services, including, without limitation, Internet Access Service, electronic mail service, electronic bulletin board service, or similar online computer services; directory or Internet advertising revenue including, but not limited to, yellow page, white page, banner advertisement and electronic publishing;

1.16.5. Any revenues which is received directly from the sale of merchandise through any Cable Service distributed over the Cable System, notwithstanding that any 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 (i.e., home shopping channels) shall be included in Gross Revenues;

1.16.6. Revenues from the sale of Cable Services on the Cable System to a reseller, when the reseller is required to pay cable license fees to the Town on the resale of such Cable Services;

1.16.7. Any tax of general applicability imposed 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 taxes and non-cable license fees);

1.16.8. Any revenues foregone as a result of the Licensee's provision of free or reduced cable or other communications services to any Person, including without limitation, employees of Licensee and public institutions or other institutions as required or permitted herein; provided, however, that such foregone revenue which Licensee chooses not to receive in exchange for trades, barter, services or other items of value shall be included in Gross Revenues;

1.16.9. Revenues from the sales of capital assets or sales of surplus equipment (provided that this exclusion shall not include revenues from the sale to Subscribers of Subscriber equipment used for the provision of Cable Service over the Cable System);

1.16.10. Program launch fees; and

1.16.11. Any fees or charges collected from Subscribers or other third parties for the PEG Grant.

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 Groton.

1.20. *License Fee*: The payments to be made by the Licensee to the Town, which shall have the meaning as set forth in M.G.L. c.166A, Section 9.

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 5.1.1 of this Agreement.

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

1.29. *Prime Rate*: The prime rate of interest as published in the Wall Street Journal.

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

1.31. *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.

1.32. *Service Area*: All portions of the Town where Cable Service is being offered, being the entire Town of Groton, as outlined in **Exhibit A**.

1.33. *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.

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

1.35. *State*: The Commonwealth of Massachusetts.

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

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

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

1.39. *Title II*: Title II of the Communications Act, as amended.

1.40. *Title VI*: Title VI of the Communications Act, as amended.

1.41. *Town*: The Town of Groton.

1.42. *Transfer of the License*:

1.42.1. Any transaction in which:

1.42.1.1 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

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

1.42.2. However, notwithstanding Sections 1.42.1.1 and 1.42.1.2 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, except to the extent that any of the foregoing are determined to be a transfer of control pursuant to M.G.L. c. 166A, Section 7, and 207 CMR 4.01, in which case such transaction shall be subject to the Cable Division's transfer regulations (207 CMR 4.00, et. seq.).

1.43. *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. Notwithstanding any provision of this License, unless otherwise permitted by federal or State law, the Licensee may not provide Cable Service over the Public Rights-of-Way in the Town other than pursuant to the terms of this License (and any amendments and renewals thereto). However, nothing in this License shall be construed to prohibit the Licensee from offering any service over the Cable System that is not prohibited by federal or State law. 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 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, and the FTTP Network is subject to Town regulation consistent with such laws, including all lawful and applicable Town bylaws and regulations regarding rights-of-way and public works matters. The Issuing Authority's regulatory authority under Title VI and M.G.L. c. 166A does not extend to the construction, installation, maintenance or operation of the Licensee's Telecommunications Facilities or its provision of Non-Cable Services. 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.

2.3. *Term:* This License shall become effective on June 29, 2009 (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 shall not be in conflict with the authority as granted by this License. Disputes between the Licensee and other parties regarding use of Public Rights-of-Way shall be resolved in accordance with applicable law.

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

2.6. *No Waiver:*

2.6.1. The failure of the Issuing Authority 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 Issuing Authority, 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 Issuing Authority 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.

2.8. *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 powers 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 the parties agree to submit the matter to binding arbitration in accordance with the commercial arbitration rules of the American Arbitration Association. This Section 2.8 shall be subject to the procedural requirements of 207 CMR 3.07.

3. PROVISION OF CABLE SERVICE

3.1. *Service Area:*

3.1.1. *Service Area:* The Licensee shall offer Cable Service to significant number of residents in 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 four (4) 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 the Licensee's inability to obtain authority to access rights-of-way in the Service Area; (D) in developments or buildings that are subject to claimed exclusive arrangements with other cable providers; (E) in areas, developments or buildings where the Licensee cannot access under reasonable terms and conditions after good faith negotiation, as determined by the Licensee; (F) in areas, developments or buildings where the 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 requirement set forth in Section 3.1.2.

3.1.2. *Density Requirement:* The 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 twenty five (25) 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 requirement after the time stated for providing Cable Service as set forth in Sections 3.1.1 and 3.1.3 respectively, the Licensee shall provide Cable Service to such area within six (6) months of receiving notice from the Issuing Authority that the density requirement have been met.

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 three hundred (300) 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 three hundred (300) 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 fire station, public school, police station, public library, and other public buildings as are designated by the Issuing Authority and 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; provided, however, that Licensee shall not charge for the provision of Basic Service to the additional service outlets once installed.

4. SYSTEM FACILITIES

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

4.1.1. The System shall be designed with an initial digital carrier passband between 54 and 863 MHz.

4.1.2. 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.

4.2. *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.

4.3. *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.

5. PEG SERVICES AND SUPPORT

5.1.1. In order to ensure universal availability of PEG programming, Licensee shall provide capacity on its Basic Service tier for three (3) PEG Channels for Public Access, Educational Access and Government Access (the "PEG Channels").

5.1.2. The Town waives any objection that it may have with respect to Licensee's carriage of Groton PEG Access programming outside of the Town to other areas in Massachusetts and releases and forever discharges the Licensee from any and all claims, actions, obligations or liabilities, whether known or unknown, that the Town may have arising from copyright and other intellectual property rights, which may arise from Licensee's carriage of such programming outside of the Town. The Licensee specifically reserves the right to make or change PEG Access Channel number assignments in its sole discretion. However, Licensee will provide the Issuing Authority with written notice of any changes in PEG Access channel number assignments at least thirty (30) days prior to implementing such changes. 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 one hundred twenty (120) days' prior written notice of such request.

5.1.3. *PEG Access Interconnection:* The Licensee, at the Licensee's expense, shall connect its Cable System to equipment owned by the Town or the Access Provider at the PEG Access studio (703 Chicopee Road), in order to cablecast, on a live basis, all PEG Access Programming originated by the Access corporation and/or its producers generated exclusively at the PEG Access studio and the following four (4) origination points: (i) Town Hall (173 Main Street), (ii) Library (99 Main Street), (iii) Middle School (344 Main Street), and (iv) Senior Center (163 West Main Street). The Licensee shall build auxiliary links to connect the above four (4) remote PEG origination locations to the PEG Access studio. The Licensee shall make such connections to the PEG Access Studio and two (2) of four (4) Auxiliary Locations as directed by the Issuing Authority within one hundred and eighty (180) days of the Effective Date, and shall make the connections to the remaining two (2) Auxiliary Locations within two hundred and forty (240) days of the Effective Date, provided that the Issuing Authority and the authorized representatives of the PEG content origination locations shall reasonably cooperate with the Licensee with respect to all such connections, including, without limitation, providing the Licensee with timely and reasonably sufficient access to such buildings, sufficient and environmentally suitable floor space, cable pathways and electrical power. Licensee shall provide PEG Edge Device ("PED") equipment to switch PEG Programming generated at these locations onto the appropriate PEG Channels provided pursuant

to Section 5.1.1 above subject to a technical assessment of the need to upgrade or augment the existing switching capability at said PEG Access studio, and provided, however, that the Issuing Authority or its access designee shall be responsible for the installation, operation and maintenance of the PED equipment. The Issuing Authority and/or the access provider shall be responsible for the picture and audio quality of all PEG Access Programming up to the demarcation point (the "Demarcation Point"). The Demarcation Point between the Licensee's signal processing equipment and the Town's and/or the Access Provider's modulation equipment shall be at the output of the Town's and/or the Access Provider's modulator(s) at each of the respective origination locations specified in this Section 5.1.3. If the Licensee has not accomplished the above connections within the applicable time periods set forth above, then the Licensee shall provide a written description of the status of such connection efforts to the Issuing Authority within ten (10) business days after the conclusion of the applicable time period. The Issuing Authority and the Licensee shall work together in good faith to resolve any interconnection issues.

5.1.4. The Licensee shall monitor the PEG Access Channels for technical quality and shall ensure that they are maintained at standards the same or better than those which apply to the Cable System's standard definition commercial Channels, provided, however, that the Licensee is not responsible for the production quality of PEG Access programming productions, nor for any deficiencies in the source signal it receives from any party over which the Licensee has no control, nor for any PEG Access equipment not owned by the Licensee.

5.2. *PEG Grant and PEG Access Support*

5.2.1. Licensee shall provide a facilities and equipment grant to the Town or its designee to be used for the support of the production of local PEG programming (the "PEG Grant"). The PEG Grant provided by Licensee hereunder shall be One Hundred Twelve Thousand Five Hundred Dollars (\$112,500) payable as follows: Twenty Two Thousand Five Hundred Dollars (\$22,500) within sixty (60) days of the Effective Date, Twenty Two Thousand Five Hundred Dollars (\$22,500) on or before the First (1st) Anniversary of the Effective Date, Twenty Two Thousand Five Hundred Dollars (\$22,500) on or before the Second (2nd) Anniversary of the Effective Date, Twenty Two Thousand Five Hundred Dollars (\$22,500) on or before the Third (3rd) Anniversary of the Effective Date, and Twenty Two Thousand Five Hundred Dollars (\$22,500) on or before the Fourth (4th) Anniversary of the Effective Date.

5.2.2. The Licensee shall provide payments to the Town or its designee to be used to support ongoing operations of PEG access (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 operations. Subject to the limitations in Section 6.2, the PEG Access Support provided by Licensee shall be four and one quarter percent (4.25%) of Licensee's annual Gross Revenues, or such other percentage (not to exceed five percent (5%)) that is equal to the lowest percentage provided by any other cable television licensee operating in the Town, to be paid pursuant to Section 5.2.3 below. Each such payment shall be accompanied by a general statement of the total amount of Gross Revenue subject to the fee and the total fee amount due.

5.2.3. The PEG Access Support payments (Section 5.2.1) 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 period for determining Gross Revenues shall be the preceding calendar quarter. 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 rules, regulations, standards or orders.

5.3. *PEG Operations.* The Issuing Authority or its designee access corporation 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. In accordance with Section 638 of the Communications Act (47 U.S.C. § 558), the Licensee shall not incur any liability arising from or in connection with the use of a PEG facility or Channel.

5.4. *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 and INET-related payments 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.

5.5. *Late Payments:* In the event that the PEG Access Support fee (Section 5.2.1) or the License Fee (Section 6.1) is not paid on or before the due dates set forth in this License for such payments, then interest shall accrue from the due date until the date paid at the rate equal to two percent (2%) above the Prime Rate.

6. LICENSE FEES

6.1. *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").

6.2. *Maximum Financial Obligation:* The Licensee shall not be liable for a total franchise fee 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 6.1), (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 5.2.2), but it shall not include the PEG Grant (Section 5.2.1) or any other exclusions to the term "franchise fee" pursuant to Section 622(g)(2) of the Communications Act..

6.3. *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.

6.4. *Recomputation and Audit:*

6.4.1. Tender or acceptance of any payment made pursuant to Articles 5 or 6 shall not be construed as an accord that the amount paid is correct, nor shall such acceptance of payment be construed as a release of any claim that the Issuing Authority may have for additional sums.

6.4.2. If the Issuing Authority has reason to believe that any payments made pursuant to Articles 5 or 6 are incorrect, it may conduct an audit no more than once during any three (3) year period during the term of this License. If, after such audit and recomputation, an additional fee is owed to the Town, such fee shall be paid within thirty (30) business days after such audit and recomputation; provided, however, the Licensee shall be provided a reasonable opportunity to review the results of any audit and to dispute any audit results which indicate an underpayment to the Town. Any auditor employed by the Issuing Authority shall not be compensated on a success-based formula (e.g., payment based on a percentage of underpayment, if any).

7. **CUSTOMER SERVICE**

Customer Service Requirements are set forth in **Exhibit C**, which shall be binding unless amended by written consent of the parties. Licensee shall comply with the billing and termination of service provisions set forth in 207 CMR 10.00, as amended.

8. **REPORTS AND RECORDS**

8.1. *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 unless required to do so by law. Licensee shall not be required to provide Subscriber information in violation of Section 631 of the Communications Act, 47 U.S.C. § 551.

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

8.2.1. Records of all written complaints for a period of three (3) years after receipt by Licensee. The term "complaint" as used herein refers to complaints about any