

**CABLE TELEVISION
FINAL LICENSE**

**GRANTED TO
VERIZON NEW ENGLAND INC.**

DECEMBER 31, 2008

**BOARD OF SELECTMEN
TOWN OF HANOVER,
MASSACHUSETTS**

TABLE OF CONTENTS

ARTICLE		PAGE
1.	DEFINITIONS.....	2
2.	GRANT OF AUTHORITY; LIMITS AND RESERVATIONS	8
3.	PROVISION OF CABLE SERVICE	10
4.	SYSTEM FACILITIES	11
5.	PEG SERVICES AND SUPPORT.....	12
6.	LICENSE FEES.....	15
7.	CUSTOMER SERVICE	16
8.	REPORTS AND RECORDS	17
9.	INSURANCE AND INDEMNIFICATION.....	18
10.	TRANSFER OF LICENSE	20
11.	RENEWAL OF LICENSE	20
12.	ENFORCEMENT AND TERMINATION OF LICENSE.....	21
13.	MISCELLANEOUS PROVISIONS.....	23

EXHIBITS

EXHIBIT A -- SERVICE AREA

EXHIBIT B -- MUNICIPAL BUILDINGS TO BE PROVIDED FREE CABLE SERVICE

EXHIBIT C -- CUSTOMER SERVICE STANDARDS

EXHIBIT D -- PERFORMANCE BOND

THIS CABLE LICENSE AGREEMENT (this "License" or "Agreement") is entered into by and between the Board of Selectmen of the Town of Hanover, 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 the Licensee a nonexclusive License to construct, install, maintain, extend and operate a Cable 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, the 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, the Licensee submitted an application dated January 9, 2008, 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 March 28, 2008, and Licensee submitted an amended application dated April 25, 2008.

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 the Licensee is consistent with the public interest;

WHEREAS, the Issuing Authority and the 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; and

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 the Licensee shall make available to the Town or its designee(s) without charge for non-commercial public, educational, or governmental use for the transmission of Video Programming as directed by the Issuing Authority or its designee, in accordance with 47 U.S.C. § 531 and the terms of this License.

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(7) of the Communications Act, 47 U.S.C. § 522(7), meaning a 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, but such term does not include (A) a facility that serves only to retransmit the television signals of one or more television broadcast stations; (B) a facility that serves subscribers without using any public right-of-way; (C) a facility of a common carrier which is subject, in whole or in part, to the provisions of Title II of the Communications Act, except that such facility shall be considered a cable system (other than for purposes of Section 621(c) of the Communications Act) to the extent such facility is used in the transmission of video programming directly to subscribers unless the extent of such use is solely to provide interactive on-demand services; (D) an open video system that complies with Section 653 of the Communications Act; or (E) any facilities of any electric utility used solely for operating its electric utility systems.

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, in accordance with 47 U.S.C. § 531 and the terms of this License.

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 a party 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, accidents for which a party is not primarily responsible, fire, flood, or other acts of God, or with respect to Licensee's obligations hereunder, actions or inactions of any government instrumentality or public utility including condemnation, 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, in accordance with 47 U.S.C. § 531 and the terms of this License.

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: subscriber fees, charges and payments 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 of service and similar charges; 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; additional outlet fees; fees from third parties for leased access programming; revenues that 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 (after deducting sales commissions) as prorated to include such revenue attributable to the Cable System in the Town; and all fees imposed on Licensee by this License and applicable law that are passed through and paid by Subscribers and which are included in gross revenues of other cable operator(s) in the Town (including the License Fee and PEG Access Support) provided, however, that Gross Revenue shall not include:

1.16.1. Revenues received by any Affiliate in exchange for supplying goods or services used by Licensee to provide Cable Service over the Cable System, 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 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 as Non-Cable Services revenue under federal or State law including, without limitation, revenues received from Telecommunications Services; revenues received from Information Services, including, without limitation, Internet Access Service, electronic mail service, electronic bulletin board service, or similar online computer services;

1.16.5. Any revenues of the Licensee or any other Person which is received directly from the sale of merchandise through any Cable Service distributed over the Cable System, not including 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. Revenues from the sale of Cable Services on the Cable System to a reseller, when the reseller is required to pay (and does pay) cable license fees to the Town on the resale of the Cable Services;

1.16.7. The sale of Cable Services to customers which are exempt from being charged for Cable Service pursuant to the Massachusetts Cable Law, including, without limitation, the provision of Cable Services to public institutions pursuant to the Massachusetts Cable Law or as required or permitted herein;

1.16.8. Any tax of general applicability imposed by a Town, State, federal or any other governmental entity and required to be collected from Subscribers by Licensee and remitted to the taxing entity (including, but not limited to, taxes in the nature of a sales/use tax, communication taxes and non-cable license fees);

1.16.9. Any foregone revenues 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, barter, services or other items of value shall be included in Gross Revenue;

1.16.10. Revenues from the sales of capital assets or sales of surplus equipment (provided that this exclusion shall not include sales to Subscribers of converters, remote controls and other Subscriber equipment for the provision of Cable Service over the Cable System);

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; and

1.16.13. Any fees or charges collected from Subscribers or other third parties for the PEG Grant (Section 5.2), except to the extent that the Town provides the Licensee evidence that the other cable provider(s) in the Town include such fees or charges in their respective gross revenue calculations.

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 Hanover.

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 and the regulations thereunder.

1.23. *Non-Cable Services*: Any service that does not constitute the provision of Cable Services over the Cable System and that is not otherwise included in the definition of Cable Services under Section 602(6) of the Communications Act (47 U.S.C. §522(6)), 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. *Public Access Channel*: An Access Channel available for the use by the residents in the Town, in accordance with 47 U.S.C. § 531 and the terms of this License.

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 compatible public utility easements or any other easements or rights of way dedicated for compatible uses, 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. Reference herein to a "Public Rights-of-Way" shall not be construed to be a representation or guarantee by the Town that its property rights are sufficient to permit its use for any purpose, or that the Licensee shall gain or be permitted to exercise any rights to use property in the Town greater than those already possessed by the Town.

1.31. *Service Area*: The geographic boundary of the Town as outlined in attached **Exhibit A**, being the entire Town of Hanover.

1.32. *Service Date*: The date that the Licensee first provides Cable Service on a commercial basis directly to multiple Subscribers in the Town, which date shall be within twelve (12) months of the Effective Date. 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. *State*: The Commonwealth of Massachusetts.

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

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

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

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

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

1.40. *Town*: The Town of Hanover.

1.41. *Transfer of this License*:

Any transaction in which:

1.41.1.1 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

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

However, notwithstanding Sections 1.41.1.1 and 1.41.1.2 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 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.).

1.42. *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 in, over and along the Public Rights-of-Way within the Town and subsequent additions thereto, 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. This License grants no authority for the Licensee to use the Public-Rights-of-Way within the Town for any purpose other than as provided herein. However, nothing in this License shall be construed to prohibit or limit the Licensee from offering any service over the Cable System that is not prohibited by federal or State law provided that any requirements for Town authorization or permitting not inconsistent with federal and State law are satisfied. The Licensee's FTTP Network in the Public Rights-of-Way is subject to M.G.L. c. 166, s. 22, and as such is subject to regulation by the Town consistent with that law, including all lawful and applicable Town bylaws and regulations regarding rights-of-way and public works matters, including rights-of-way management requirements with regard to public safety and other legitimate municipal concerns. To the extent that grants of location may be required for the ownership, operation and maintenance of the Cable System along the Public Rights-of-Way within the Town, the Town reserves the right to require that Licensee obtain grants of location and comply with such grant of location requirements.

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. 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. 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 December 31, 2008 (the "Effective Date"). The term of this License shall be ten (10) years from the Effective Date unless this License is earlier revoked or terminated as provided herein. If, subsequent to the Effective Date, there is a change in federal or State law that eliminates, limits or modifies the authority of the Issuing Authority to require, grant or maintain that the Licensee operate under this License or permits the Licensee to "opt out" of this License, then to the extent permitted by law this License shall survive such legislation and the Licensee will not exercise any such "opt out" rights that it may have under such legislation.

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 after the Effective Date shall not be inconsistent with the rights granted under this License or the Licensee's rights under State law with respect to its telecommunications network.

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 the Communications Act and the Massachusetts Cable Law.

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.

2.8. *Police Powers:* Nothing in this License shall be construed to prohibit the reasonable, necessary and lawful exercise of the Town's police powers, provided that the Town shall not exercise its police powers in a manner that would result in a material alteration of the terms and conditions of this License. Any such police powers exercised by the Town in contravention of the preceding sentence shall be of no effect with respect to this License.

3. PROVISION OF CABLE SERVICE

3.1. *Service Area:*

3.1.1. *Service Area:* Licensee shall offer Cable Service to a substantial number of residential households served by aerial plant, and may make Cable Service available to businesses in the Service Area, within twelve (12) months of the Effective Date, and shall offer Cable Service to all residential households in the Service Area within four (4) years of the Effective 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 developments or buildings that Licensee cannot access under reasonable terms and conditions after good faith negotiation, as reasonably determined by Licensee; (F) in areas, developments or buildings where Licensee is unable to provide Cable Service for stated 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 ten (10) occupied residential dwelling units served by aerial plant or fifteen (15) occupied residential units served by underground plant 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:* The 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 the Licensee shall not discriminate between or among any individuals in the availability of Cable Service. In the areas in which the Licensee shall provide Cable Service, Licensee shall be required to connect, at Licensee's expense, all residential dwelling units that are within one hundred fifty (150) feet of trunk or feeder lines not otherwise already served by the Licensee's FTTP Network. The 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 fifty (150) feet as well as actual costs incurred to connect any non-residential dwelling unit Subscriber and Licensee shall disclose such costs to the Subscriber prior to, or at the time of, such installation.

3.3. *Cable Service to Public Buildings:* Subject to Section 3.1 and pursuant to Section 5(e) of the Massachusetts Cable Law, Licensee shall provide a cable drop and an outlet activated for Basic Service along its cable routes within the Service Area at no cost to public schools, police and fire stations, public libraries, and other public buildings designated in writing by the Issuing Authority. All such written designations shall include the street address of each building. The current designation of such buildings and their addresses is set forth in **Exhibit B**. Licensee shall not be responsible for the cost of any terminal equipment (including television monitors, VCRs, DVDs, DVRs and/or computers) and shall not be responsible for any lost, stolen or damaged converters or other equipment that may be provided by Licensee. The cost of additional drops or outlets, inside wiring for said additional drops or outlets, and any converters requested by the Issuing Authority within the public buildings is the responsibility of the Town. The Licensee shall coordinate the location of each outlet with representatives for each of the buildings receiving service pursuant to this Section 3.3, including consideration of locating such outlet in a building hub or wire closet capable of transmitting signals through the buildings internal wiring where reasonable, technically feasible and not cost prohibitive.

4. **SYSTEM FACILITIES**

4.1. *System Characteristics:* The 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 of 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.

4.1.3. The System shall comply with applicable FCC technical standards, as such standards may be amended from time to time.

4.1.4. The System shall conform in all material respects to the following standards to the extent applicable: Occupational Safety and Health Administration regulations, the National Electrical Code and the National Electrical Safety Code.

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

4.4. *Parental Control Capability:* The Licensee shall comply with all applicable requirements of federal law governing Subscribers' capability to control the reception of any Channels being received on their television sets.

4.5. *Stereo Transmissions; Remote Controls.* The Cable System shall be capable of passing through stereo signals to Subscribers. The Licensee shall allow Subscribers to utilize remote control devices which are compatible with the converters provided by the Licensee, provided that the Licensee may charge Subscribers for the use or purchase of any such converters or remote controls.

5. PEG SERVICES AND SUPPORT

5.1. *PEG Set Aside; Interconnection:*

5.1.1. In order to ensure universal availability of PEG programming, Licensee shall provide capacity on its Basic Service tier for three (3) 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 Hanover 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. Consistent with federal law, Licensee shall provide the Town with at least sixty (60) days notice prior to utilizing a PEG Channel pursuant to this Section 5.1.2. 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. The time periods in 5.1.2 can be waived by mutual consent of both parties.

5.1.3. The Licensee, at the Licensee's expense, shall connect its Cable System to equipment owned by the Town or its access designee at the PEG Access Studio at The High School (287 Cedar St.) ("PEG Access Studio") in order to cablecast, on a live basis, all PEG Access Programming originated exclusively at said location and the two (2) additional PEG programming origination locations designated in this Section 5.1.3. The Licensee shall provide fiber links between the PEG Access Studio and equipment owned by the Town or its access designee at the following two (2) locations in order to cablecast, on a live basis, all PEG Access Programming originated exclusively at such locations: (1) Town Hall (550 Hanover St.) and (2) School Administration Building (188 Broadway). The PEG Access Studio shall serve as the aggregation point for all PEG Access Programming originating at such locations. 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 provided, however, that the Issuing Authority shall be responsible for the operation and maintenance of the PED Device. The Licensee shall make such connections at the above designated locations within one hundred and eighty (180) of the Effective Date, provided that the Issuing Authority shall cooperate with the Licensee's efforts pursuant to this Section 5.1.3, and provided further that the Issuing Authority or its access designees shall cooperate with the Licensee with respect to such connections, including, without limitation, providing Licensee with reasonable and lawful access, sufficient space and favorable environmental conditions at each such location. The Issuing Authority or its access designee shall be responsible for delivering a suitable PEG signal to the access connection point at each such location. The Licensee shall provide, install, maintain, repair and replace only equipment that is necessary to receive and transmit such PEG Programming from the designated locations to Subscribers. Notwithstanding the foregoing, the Licensee shall not be obligated to provide LFA with either cablecast equipment and facilities or personnel responsible for maintaining and operating such equipment and facilities or generating any such PEG programming. The Issuing Authority and the Licensee shall work together in good faith to resolve any PEG access interconnection issues.

5.1.4. If the Issuing Authority relocates the PEG Access Studio during the course of this License, no sooner than two (2) years after the Effective Date, the Issuing Authority may require the Licensee to connect its Cable System to the relocated PEG Access Studio and reestablish the fiber links between the PEG Access Studio and the two (2) locations designated in Section 5.1.3 above. Issuing authority shall notify the Franchisee in writing upon selection of the new location for the PEG Access Studio. Licensee shall relocate the PEG Access Studio and reestablish the fiber links within two hundred forty (240) days of receipt of such written request from the Town requesting such relocation, provided that the new PEG Access Studio is located within the boundaries of the LFA along Licensee's activated cable route, and provided further that the Issuing Authority shall cooperate with the Licensee's efforts pursuant to this Section 5.1.4, and that the Issuing Authority or its access designees shall cooperate with the Licensee with respect to such connections, including, without limitation, providing Licensee with reasonable and lawful access, sufficient space and favorable environmental conditions at each location. The Issuing Authority shall only be permitted to exercise its rights under this Section 5.1.4 one (1) time during the term of this license.

5.1.5. 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. *PEG Grant:* Licensee shall provide a facilities and equipment grant to the Town or its access 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 Forty Thousand Dollars (\$40,000), payable within sixty (60) days from the Effective Date.