effective as of the date on which the semi-annual payment hereinabove provided for is to be computed next following the expiration of said six (6) months. If such changed rate is not acceptable to Licensee, Licensee may terminate this Agreement as hereinafter provided.

16. No use, however extended, of any of said poles under this Agreement shall create or vest in Licensee any ownership or property rights therein, but Licensee's rights therein shall be and remain a mere license, which as to any particular pole or poles may be terminated at any time by Licensor upon thirty (30) days' written notice to Licensee, and Licensee shall remove its equipment from said pole or poles within said thirty (30) days. Nothing herein contained shall be construed to compel Licensor to maintain any particular pole or poles for a period longer than demanded by its own service requirements.

17. Licensee shall exercise special precautions to avoid Licensee's causing damage to the facilities of Licensor and others on said poles; and Licensee shall assume all responsibility for any and all loss from such damage. Licensee shall make an immediate report of the occurrence of any such damage to the owner of the damaged facilities, and shall on demand, reimburse said owner for the entire expense incurred in making repairs.

18. Licensor shall have the right to inspect each new installation of Licensee's equipment on and in the vicinity of said poles and to make periodic inspections, semi-annually or oftener as plant conditions may warrant, of such of Licensee's plant as it deems necessary. Such inspections, made or not, shall not relieve Licensee of any responsibility, obligation or liability assumed under this Agreement.

19. Licensee covenants and agrees not to provide service to any subscriber without obtaining a signed contract from said subscriber containing a provision substantially as follows:

> "Subscriber understands that in providing television antenna service (Licensee) is making use of poles owned by The Truckee Public Utility District or in which said District has an ownership or other interest, and that the continued use of these poles is in no way guaranteed. In the event the continued use of such poles is denied to (Licensee) for any reason (Licensee) will make every reasonable effort to provide service over alternate routes. Subscriber agrees that he will make no claim nor undertake any action against The Truckee Public Utility District or others having an ownership or other interest in said poles if the service to be provided by (Licensee) hereunder is interrupted or discontinued."

The form of Licensee's contract with its subscribers shall be subject to approval by Licensor with respect to the inclusion of this provision.

20. Licensee shall indemnify and hold harmless Licensor and other owners of an interest in or of facilities on said poles, and each of them, and their respective heirs, administrators, executors, successors and assigns, against and from any and all claims, demands, causes of action, damages, costs or liabilities, in law or in equity, of every kind and nature whatsoever, directly or proximately resulting from or caused by (a) the installation, maintenance, use, or removal of said equipment on or from said

poles, or (b) any interruption, discontinuance, or interference with Licensee's service to any of its subscribers occasioned or claimed to have been occasioned by any action of Licensor or each other such owner, or any two or more of them, pursuant to or consistent with this Agreement; and Licensee shall, upon demand and at its own sole risk and expense, defend any and all suits, actions or other legal proceedings which may be brought or instituted by third persons against Licensor, or any otherself owner, or any two or more of them, or their respective heirs, administrators, executors, successors or assigns, on any such claim, demand or cause of action; and shall pay and satisfy any judgment or decree which may be rendered against Licensor, or any other such owner, or any two or more of them, or their respective heirs, administrators, executors, successors or assigns, in any such suit, action or other legal proceeding; and further, Licensee shall reimburse Licensor and each other such owner for any and all legal expense incurred by each of them in connection therewith.

21. Throughout the life of this Agreement Licensee shall maintain in full force and effect with a carrier or carriers selected by Licensee and satisfactory to Licensor

(a) Compensation Insurance in compliance with all Workmen's Compensation Insurance and Safety Laws of the State of California and amendments thereto;

(b) Bodily Injury Liability Insurance with limits of $200,000, each person, and $500,000, each occurrence; and

(c) Property Damage Liability Insurance with limits of $50,000, each accident, and $100,000, aggregate.

The insurance described in (b) and (c), above, shall also provide contractural liability coverage satisfactory to Licensor with respect to liability assumed by Licensee under the provisions of paragraph numbered 20 hereof. Written proof of compliance with the requirements of this paragraph numbered 21 shall be filed with and approved by Licensor prior to the installation of any said equipment on said poles and prior to the expiration of each policy year thereafter.

22. Licensor shall have the right to require Licensee to furnish a bond to cover the faithful performance by Licensee of its obligations to make the payments provided for in paragraphs numbered 6 and 15 hereof; to pay the premiums for the insurance provided for in paragraph numbered 21 hereof; and to remove or to pay for the removal of its equipment from said poles, or any of them, if this Agreement should be terminated in whole or in part pursuant to paragraph numbered 25 or paragraph numbered 29 hereof. If such a bond is required by Licensor, it shall be issued by a commercial bonding company selected by Licensee and satisfactory to Licensor; shall not be subject to termination or cancellation except upon ninety (90) days' prior written notice by registered mail to Licensor; shall be in such form and in such amount, not to exceed $50,000, as Licensor shall specify from time to time; and, subject to termination or cancellation as aforesaid, shall be maintained in full force and effect throughout the life of this Agreement. The foregoing shall be in addition to such other bond as Licensor may require as a part of its extension policy.

23. If the Surety on the bond mentioned in paragraph numbered 22 hereof should give notice of the termination of said bond, or if Licensee should default in its obligations under para-

graphs numbered 19 and 21 hereof, or if Licensee should default in any other of its obligations under this Agreement and such default shall continue for thirty (30) days after written notice thereof, Licensor may, by a written notice to Licensee, forthwith terminate this Agreement or forthwith terminate any or all permits granted by it hereunder, and Licensee shall remove its equipment from the poles to which said termination applies within thirty (30) days from such notification.

24. (a) If Licensee should default in the performance of any work which it is obligated to do under this Agreement except the work of removing its equipment from any pole within the time allowed for such work, Licensor may elect to do such work at Licensee's sole risk and expense and Licensee on demand shall reimburse Licensor for the entire expense thereby incurred.

(b) If Licensee should default in the removal of its equipment from any pole within the time allowed for such removal, Licensor may elect, by a written notice to Licensee, (i) to remove said equipment at Licensee's sole risk and expense in which event Licensee shall reimburse Licensor on demand for the entire expense thereby incurred, or (ii) to become the sole and absolute owner of said equipment in which event title to said equipment shall vest in Licensor as of the date of such written notice.

25. If Licensor or any other owner or owners of an interest in or of facilities on said poles should bring any suit, action or other legal proceeding against Licensee, it or they shall be entitled to recover, in addition to any judgment or decree for costs, such reasonable attorney's fees as it or they may have incurred in such suit, action, or other legal proceedings.

26. The failure of Licensor to enforce any provision of this Agreement or the waiver thereof in any instance shall not be construed as a general waiver or relinquishment on its part of any such provision but the same shall nevertheless be and remain in full force and effect.

27. All amounts payable by Licensee to Licensor or others under the provisions of this Agreement shall, unless otherwise specified, be payable within thirty (30) days after presentation of bills therefor. Nonpayment of any such amount when due shall constitute a default of this Agreement.

28. Nothing herein contained shall be construed as affecting any rights or privileges previously conferred by Licensor or any other owner of an interest in or of facilities on said poles, by contract or otherwise, upon others to use any poles covered by this Agreement; and Licensor and each other such owner shall have the right to continue and extend such rights or privileges. The privileges herein granted to Licensee shall at all times be subject to any such existing contracts and arrangements.

29. Unless sooner terminated as herein provided, this Agreement shall remain in effect for a term of one (1) year from the date hereof, and shall continue in effect thereafter, subject to termination in whole or in part by at least six (6) months' prior notice in writing from either party to the other. At the expiration of the period specified in said notice, all rights and privileges of Licensee hereunder as to the poles affected by said notice shall forthwith terminate, and Licensee shall remove said equipment from said poles within said period.

Any termination of this Agreement in whole or in part shall

not release Licensee from any liability or obligation hereunder, whether of indemnity or otherwise, which may have accrued or which may be accruing or which arises out of any claim that may have accrued or may be accruing at the time of termination.

30. Licensee shall not, without the prior consent in writing of Licensor, assign, transfer or sublet any privilege granted to it hereunder, nor shall it, without such consent, assign, transfer, sublet or permit any other person to use any of its said equipment attached to Licensor's poles. Subject to the foregoing, this Agreement shall inure to the benefit of and be binding upon the respective heirs, administrators, executors, successors and assigns of the parties hereto.

And it is further agreed, as a material consideration hereunder, that Licensee shall obtain and purchase electrical energy hereunder solely from the Licensor.

31. Wherever in this Agreement notice is provided or required to be given by either party hereto to the other, such notice shall be in writing and transmitted by United States mail or by personal delivery to Licensee at its office at _____, or to Licensor at its office at _____, as the case may be or to such other address as either party hereto may, from time to time, designate for that purpose.

32. This Agreement shall be subject to such changes or modifications as may be required or authorized by any regulatory commission in the exercise of its lawful jurisdiction, and any modification, revision, renewal or extension of this Agreement shall so state. Nothing herein contained or incorporated, however, shall limit, restrict, or modify the rights, duties, or obligations of Licensor granted or imposed by the Laws of the State of California, as now in effect, or hereafter enacted.

Dated: _____, 19 65.

TRUCKEE PUBLIC UTILITY DISTRICT

By: _____
President

and: _____
Secretary

LICENSOR

_____
THOMAS KIRBY, doing business as TOM'S IV

_____

LICENSEE.

APPLICATION AND PERMIT

No. _____

_____

_____

_____

In accordance with the terms of the Agreement dated _____, 19___, covering use of poles in and near _____, we hereby request permission to place and maintain certain equipment on certain poles, all as more particularly described and delineated on the sketch and diagram appearing on the attached drawing(s).

Dated: _____, 19__. _____

By: _____

Permission is hereby granted to place the above-described equipment on the above-identified pole(s), subject to:

(1) the terms and conditions of the above mentioned Agreement; and

n(2) receiving authorization to make, at your sole risk and expense, the changes and rearrangements detailed on the attached sheet estimated to cost $_____.

Installation of said equipment on said pole(s) shall be completed within _____ days from the date hereof, failing which the permission hereby granted shall automatically be revoked.

Dated: _____, 19____. TRUCKEE PUBLIC UTILITY DISTRICT

By: _____

nYou are hereby authorized to make the above-mentioned changes and rearrangements at our risk and expense.

Dated: _____, 19____. _____

By: _____

ANNOTE: When no changes or rearrangements are involved, delete item (2) in the paragraph granting permission to place equipment on poles and delete the paragraph authorizing changes and rearrangements to be made at risk and expense of the licensee.

EXHIBIT "B"

2.

JQJ
2/7/76

ADDENDUM TO LICENSE AGREEMENT

This Addendum to License Agreement is made by and between TRUCKEE-DONNER PUBLIC UTILITY DISTRICT, hereinafter called the "Licensor", and TOM'S TV SYSTEM, INC., a corporation, hereinafter called the "Licensee".

1. The original License Agreement, dated February 15, 1965, was made by and between the same parties but at that time the Licensee was then known as THOMAS KIRBY, doing business as TOM'S TV. Said original agreement, except as herein stated, is hereby ratified and confirmed.

2. Paragraph 15, page 4, of said agreement is stricken, and, in its place the following is hereby substituted:

15. (a) Pole Charge: For the privilege of placing and maintaining said equipment on said poles, Licensee shall pay to Licensor semi-annually in advance, amounts to be computed on the 1st day of January and on the 1st day of July of each calendar year during existence of this agreement at the rate of Four Dollars ($4.00) for each pole, per annum, used by Licensee on the date of computation, said sum being payable semi-annually and the aggregate amount of payment being determined by audit, as hereinafter provided.

Semi-annually, on or about July 1st and January 1st of each year, Licensor and Licensee shall jointly audit the number of poles in use, which shall establish the payment due, in advance, for the next six months period. In the event additional poles be put in use, during the period between the audit, the charge hereinabove set forth shall be paid in advance, prorated to the next succeeding audit date, and in the event, during the period between audit, use of any poles by Licensee hereunder be abandoned or discontinued, Licensee shall first notify Licensor thereof in writing in advance, which notice shall specify or designate the pole or poles the use of which is to be abandoned or discontinued, and the date on which the same will occur; in which event the charge therefor shall be prorated as of the date of such abandonment or discontinuance, or the date specified in said notice, whichever shall be later.

By giving six (6) months' notice to Licensee, Licensor may from time to time increase or decrease the rate specified above, effective as of the date on which the semi-annual payment hereinabove provided for is to be computed next following the expiration of said six (6) months. If such changed rate is not acceptable to Licensee, Licensee may terminate this agreement as hereinafter provided.

(b) Connection Charge: At the time of adding any new connection points or metering points, Licensee shall pay to Licensor the sum of $ 25.00 at the time of adding each

Page 1.

Exhibit "A"

additional connection or metering point.

Dated: February 24, 1976.

TRUCKEE-DONNER PUBLIC UTILITY DISTRICT

By M. Rex Anderson
REX ANDERSON, President

By Paul Hohenseck
PAUL HOHENSECK, Clerk

TOM'S TV SYSTEM, INC.,
A corporation

By Earl J. Kelly

3.

RESOLUTION NO. 81-79
OF THE
TRUCKEE DONNER PUBLIC UTILITY DISTRICT

AMENDING THE FEBRUARY 15, 1965, LICENSE AGREEMENT BETWEEN THE DISTRICT AND TOM'S TV TO PROVIDE FOR THE ASSIGNMENT OF SAID LICENSE AGREEMENT AND AN INCREASE IN THE INSURANCE COVERAGE PROVIDED THEREIN

WHEREAS, on February 15, 1965, the TRUCKEE-DONNER PUBLIC UTILITY DISTRICT, as Licensor, entered into a License Agreement with THOMAS KIRBY, doing business as TOM'S TV, as Licensee, a copy of which is attached hereto as Exhibit "A", providing, among other things, for the use of the District's power poles by the said Licensee; and

WHEREAS, on February 17, 1976, pursuant to Resolution No. 7604, a copy of which is attached hereto as Exhibit "B", the District resolved to amend said License Agreement, and thereafter, pursuant to an Addendum To License Agreement dated February 24, 1976, a copy of which is attached hereto as Exhibit "C", the License Agreement was amended; and

WHEREAS, MICKELSON MEDIA, INC., is the successor in interest to the Licensee, intends to sell Licensee and its business to WESTSTAR COMMUNICATIONS, INC., and has requested that the District consent to the assignment of the License Agreement and all amendments and addendums thereto, to WESTSTAR COMMUNICATIONS, INC., and

WHEREAS, District Counsel and District Management have reviewed the existing agreement, together with amendments and addendums thereto, and determined that it is advisable to consent to said assignment and to amend Paragraph 21 thereof, to increase the amount of liability insurance maintained by Licensee;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of

the TRUCKEE-DONNER PUBLIC UTILITY DISTRICT, as follows:

1. Said License Agreement shall be and hereby is amended to provide for an increase in the amount of liability coverage, which amendment is set forth in the Addendum To And Assignment Of License Agreement attached hereto as Exhibit "D".

2. The District consents to the assignment of the License Agreement, together with all amendments and addendums thereto, including the amendment set forth in Paragraph 1 above, from MICKELSON MEDIA, INC., to WESTSTAR COMMUNICATIONS, INC.

3. All other provisions of said License Agreement, and all prior amendments and addendums thereto, are hereby ratified and confirmed.

4. The President of the Board of Directors is authorized to execute the Addendum To And Assignment Of License Agreement, , Exhibit "D" hereto, and obtain the signature of MICKELSON MEDIA, INC., as Assignor, and WESTSTAR COMMUNICACTIONS, INC., as the Assignee and new Licensee.

PASSED AND ADOPTED by the Board of Directors of the TRUCKEE DONNER PUBLIC UTILITY DISTRICT at a meeting thereof duly called and held within the District on the 19th day of December, 1983, by the following roll call vote:

AYES: Cooley, Corbett, Duffy, Hamilton and Maass.

NOES: None.

ABSENT: None.

TRUCKEE DONNER PUBLIC UTILITY DISTRICT

By: James A. Maass
JAMES MAASS, President

ATTEST:

Susan M. Craig
Susan M. Craig,
Deputy District Clerk

4/.

1983

ADDENDUM TO AND ASSIGMENT OF

LICENSE AGREEMENT

This Addendum To And Assignment Of License Agreement is made by and between the TRUCKEE-DONNER PUBLIC UTILITY DISTRICT (Licensor), MICKELSON MEDIA, INC., (Assignor) and WESTSTAR COMMUNICATIONS, INC., (Licensee). The parties hereto agree as follows:

1. The original License Agreement, dated February 15, 1965, between Licensor and THOMAS KIRBY, doing business as TOM'S TV, together with all amendments and addendums thereto, and all rights, duties, responsibilities and obligations created thereby, are hereby assigned from Assignor to Licensee. Said original License Agreement, together with all previous amendments and addendums thereto, is hereby ratified and confirmed, except as amended in the following paragraph.

2. Paragraph 21, on page 6 of the original License Agreement is stricken, and in its place the following is hereby substituted:

> 21. Throughout the life of this Agreement Licensee shall maintain in full force and effect with a carrier or carriers selected by Licensee and satisfactory to Licensor;
>
> (a) Compensation Insurance in compliance with all Worker's Compensation Insurance and Safety Laws of the State of California and amendments thereto; and
>
> (b) A liability insurance policy, naming Licensor as an additional insured, with a combined single limit for bodily injury and property damage of $4,000,000.
>
> The insurance described in (b) above, shall also provide contractual liability coverage satisfactory to Licensor with respect to liability assumed by Licensee under the provisions of paragraph number 20 hereof. Written proof of compliance with the requirements of this paragraph number 21 shall be filed with and approved by Licensor prior to the

installation of any said equipment on said poles and prior to the expiration of each policy year thereafter.

DATED: December 19, 1991.

Licensor:

TRUCKEE-DONNER PUBLIC UTILITY DISTRICT

BY James A. Maass
JAMES MAASS, President

Licensee:

WESTSTAR COMMUNICATIONS, INC.

BY Rodney A. Hansen
President

RODNEY A. HANSEN, President

Assignor:

MICKELSON MEDIA, INC.

BY Mark Sutherlin (FOR MICKELSON MEDIA INC)
MARK SUTHERLIN, System Manager
Truckee River Cable TV

JUL-13-99 03:40P USA MEDIA GROUP LLC

ASSIGNMENT

For valuable consideration, WestStar Communications I, hereby transfers and assigns to USA Media Group, LLC, all their right, title and interest in and to that certain Pole Attachment Agreement, whereby the Truckee Donner Public Utility District, granted to WestStar Communications I, the rights stated hereinabove and provided for in the agreement.

DATED: 2/25/99

WESTSTAR COMMUNICATIONS I, INC.

BY: BARRY H. HYNE
ITS: VICE PRESIDENT

ASSUMPTION

USA Media Group, L.L.C., hereby agrees to assume and be bound by all of the terms and conditions of the assigned certain Pole Attachment Agreement.

DATED: 2/25/99

USA MEDIA GROUP, LLC

BY: JIM K PARCHITH
ITS: Chief Operating Officer

EXHIBIT 5

Declaration of Roger Terneuzen

Declaration of Roger Terneuzen

I, Roger Terneuzen, hereby state as follows:

1. I am Director of Operations and Senior Marketing Officer of USA Media Group ("USA Media").

2. In this capacity, one of my job responsibilities is to supervise USA Media's operations under its pole attachment agreement with the Truckee Donner Public Utility District (the "PUD"). I am thoroughly familiar with the facts underlying the dispute that has arisen between USA Media and the PUD.

3. I have read and am familiar with the contents of the "Petition for Preemption and Declaratory Ruling" that USA Media is filing against the PUD, and the factual representations contained therein are all true and correct.

4. USA Media relies on the PUD's utility poles in connection with the distribution of USA Media's cable facilities serving the community of Truckee, California and the surrounding unincorporated county areas (jointly, "Truckee").

5. Pursuant to a License Agreement with the PUD, USA Media's facilities are attached to approximately 6900 utility poles owned or controlled by the PUD, enabling the construction and operation of a cable television system serving over 11,000 subscribers in Truckee.

6. USA Media began to upgrade its Truckee cable plant in November, 1999. The upgrade requires new fiber optic cable to be overlashed over USA Media's copper coaxial cable.

7. After USA Media announced its planned overlashing project, the PUD informed USA Media that it would be required to file applications for approval of the overlashing project.

8. Prior to beginning this overlashing project, the PUD permitted USA Media to upgrade, repair and maintain its current cable plant if the physical attachments to the PUD's existing poles were not affected by the work without requiring USA Media to file additional applications. I understand that the PUD applied a similar policy to USA Media's predecessors in Truckee.

9. As a result of a court order issued in the litigation between USA Media and the PUD, USA Media met with the PUD's chief engineer to agree on a format for submitting pole attachment applications. USA Media began submitting these completed applications in this agreed-upon format within 24 hours of the meeting with the PUD's chief engineer.

10. The PUD refused to act on these initial applications without USA Media submitting a full engineering study of each pole, despite the fact that this information is not required by the License Agreement and, to the best of my knowledge, the PUD should have already had this information available as part of its records.

11. USA Media ultimately filed 20 applications with the PUD for the overlashing project. The PUD has taken three months or more to respond to some of the applications and in almost all

instances has required USA Media to make changes to the current attachments in order to obtain approval. Application 99-12 took almost five months for the PUD to review and approve and Applications 99-17, 99-18, and 99-19 took approximately nine months for the PUD to review and approve.

12. As a result of the PUD's failure to cooperate in a timely manner, USA Media has been required to delay many logistical activities necessary for the overlashing project, such as organizing the crews, equipment and materials necessary to complete the project.

I hereby declare under penalty of perjury that the foregoing is true and correct.

Roger Terneuzen

November 2, 2000

EXHIBIT 6

Cable System Franchise Agreement Between the Town of Truckee and USA Media Group, L.L.C, Feb. 23, 1999

DRAFT
2/23/99

CABLE SYSTEM FRANCHISE AGREEMENT

BETWEEN THE TOWN OF TRUCKEE

AND USA MEDIA GROUP, L.L.C.

EFFECTIVE: February 23, 1999

SECTION 4 SYSTEM UPGRADE

4.1 Upgrade

(a) By no later than March 31, 2000, the Grantee shall launch and make available to all Subscribers, through digital compression techniques, an expanded tier or tiers of video programming.

(b) Grantee shall upgrade the Cable System to provide a capacity of at least Five Hundred Fifty Megahertz (550 MHz) utilizing a fiber-to-the-node Hybrid Fiber/Coaxial design, within sixty (60) months of the effective date of this Agreement. Grantor and Grantee agree that completion of the upgrade shall be defined as the activation of downstream capacity of at least 54-550 MHz to Subscribers, activation of upstream capacity of at least 5-40 MHz from Subscriber locations, activation of interactive communications capability between the System headend and all nodes and the satisfactory completion of any permit-specified requirements and the public building connections provided in Section 4.2 below.

(c) The offering of residential interactive data services shall occur when each node is activated, to all subscribers served by that node.

4.2 Interactive Network Services to Public Agencies

(a) No later than the activation of each node of the Cable System upgrade provided in Section 4.1(b) above, Grantee shall provide both basic Cable Service and interactive data services capability to public buildings as defined in Exhibit "C" and under the terms specified in Section 6 herein.

(b) Grantor and Grantee agree that any use of the interactive service capability by public agencies to generate revenue or to serve nonpublic entities shall occur only with the prior written consent of Grantee, provided, that Section 6.1(b) shall be exempt from this requirement to the extent stated.

4.3 Most Favored Nation

(a) To assure that Grantee's Cable System continues to reflect the general cable industry state-of-the-art throughout the term of the Franchise, Grantor and Grantee agree to

utilize Cable Systems in the following communities as a basis for comparison. The comparison communities (also referred to as the "comparison group") shall be:

(1) City of South Lake Tahoe	(5) City of Big Bear Lake
(2) City of Grass Valley	(6) City of Mount Shasta
(3) City of Auburn	(7) City of Oakhurst
(4) City of Yuba City	(8) City of Susanville

(b) Grantor and Grantee agree that subsequent to the completion of the upgrade required in Section 4.1 above, but no earlier than five (5) years after the effective date of this Agreement, when four (4) or more of the communities in the comparison group have Cable Systems that offer programming services which exceed the services provided on Grantee's System by ten (10) video programming services or more, Grantor may require Grantee to provide additional programming services to meet or exceed the average provided by the comparison group. Grantee shall complete any modification required to meet the comparison group average within six (6) months of receipt of a Grantor written request.

(c) No earlier than five (5) years after the effective date of this Agreement, when four (4) or more of the comparison group have Cable Systems that are offering new or advanced residential services not available to Grantee's Subscribers, Grantee shall offer comparable services in the Town within twelve (12) months of receipt of a Grantor written request.

(d) If any Grantor request made pursuant to (b) or (c) above, would require a substantial new investment of funds in the Cable System, Grantee may request an appropriate extension of the Franchise term. If Grantor and Grantee cannot agree upon the duration of the extension, and Grantee otherwise is unwilling to comply with Grantor's request, Grantor, after a public hearing, and with at least thirty (30) days written notice to Grantee, may shorten the

existing Franchise term so that the term will expire not less than thirty-six (36) months after Grantor's notification to Grantee of Grantor's intent to shorten the term.

4.4 Emergency Alert Capability

Grantee shall provide Emergency Alert System capability in full compliance with applicable Federal Communications Commission requirements.

Until such time as a system satisfying the requirements of the Federal Communications System is implemented, Grantee shall provide a telephone-activated, voice-override local Emergency Alert.

Authorized Grantor officials shall be permitted to utilize the emergency system at no cost in the event of a local or regional emergency. Grantor and Grantee shall establish procedures for Grantor testing and use of the emergency system.

4.5 Standby Power

Grantee shall provide standby power generating capacity at the Cable System control center capable of providing at least twelve (12) hours of emergency supply. Grantee shall maintain standby power system supplies at all nodes and throughout the major trunk cable networks capable of providing emergency power within the standard limits of commercially available power supply units.

4.6 Parental Control Lock

Grantee shall provide, for sale or lease, to Subscribers, upon request, a parental control locking device or digital code that permits inhibiting the video and audio portions of premium Channels.

4.7 Status Monitoring

Grantee shall provide an automatic status monitoring system or a functional equivalent when the Cable System has been activated for interactive service, provided that such status monitoring is technically and economically feasible to Grantee's satisfaction.

4.8 Technical Standards

The Federal Communications Commission (FCC) Rules and Regulations, Part 76, Subpart K (Technical Standards), as amended from time to time, shall apply, to the extent permitted by applicable law.

4.9 Right of Inspection

Grantor shall have the right to inspect all construction, reconstruction or installation work performed subject to the provisions of the Franchise and other pertinent provisions of law, and as part of Grantor's obligation to protect the public health, safety and welfare of its citizens.

SECTION 5 SERVICES AND PROGRAMMING

5.1 Services and Programming

Grantee shall provide Grantor with a list of program services offered, which list shall be updated each time a change is made. Grantee shall not reduce the number of program services without thirty (30) days prior written notification to the Grantor and System Subscribers.

5.2 Leased Channel Service

Grantee shall offer leased channel service on reasonable terms and conditions and in accordance with applicable law.

SECTION 6 SUPPORT FOR PUBLIC EDUCATIONAL AND GOVERNMENTAL (PEG) CABLE ACCESS

6.1 Grantee Support for Public, Educational and Governmental (PEG) Access

Grantee shall provide the following support for PEG Access within the Franchise Area:

(a) Upon the effective date of this Agreement, Grantee shall continue to make the existing downstream video Channel Number 6 available exclusively for Public, Educational and Governmental (PEG) Access use. This Channel shall be dedicated for the term of the Franchise renewal.

(b) Revenues which may be generated from program sponsorship or the sale of local advertising on Channel Number 6 shall be retained by the management of Channel Number 6 to defray Channel costs, up to a maximum of Thirty-Five Thousand Dollars ($35,000) per year.

(c) No sooner than the completion of the System upgrade as defined in Section 4.1, Grantor may request and Grantee shall provide up to two (2) additional Channels for PEG Access use. Grantor may not submit such a request unless any PEG Access Channel already being utilized is cablecasting at least sixty (60) hours per month of unduplicated, locally-produced video programming and, further, that additional contemplated PEG Access programming cannot effectively utilize the existing Channel(s) during the time they are available.

(d) If an additional Channel is needed prior to the completion of the System upgrade, the Town Manager and the Grantee's General Manager shall negotiate to utilize their best efforts to make such a Channel available.

(e) The Grantee, within sixty (60) days of the effective date of this Agreement, shall provide Grantor with an initial PEG Access capital equipment grant of Sixty Thousand Dollars ($60,000).

(f) In addition to (e) above, Grantee shall provide Grantor with further PEG Access support grants throughout the term of this Agreement. The grants shall be computed at

the rate of Forty Cents ($0.40) per Subscriber per month, paid quarterly concurrent with the Franchise Fee. The ongoing grants may be used for any and all PEG Access purposes, including operating expenses and capital expenditures and, furthermore, Grantor and Grantee agree that said funds are not franchise fees for the purposes of the Cable Communications Policy Act of 1984, as amended.

(g) If any third-party entity, other than Grantor, is successful in litigation which determines that any funds provided in paragraph (f) above must be considered as Franchise Fees, the Grantor shall credit such funds against future Franchise Fees.

(h) Upon completion of the Cable System rebuild provided in Section 4.1, Grantee shall provide at least one (1) connection and the highest tier of basic Cable Service, at no installation or monthly service charge, to all of the public buildings listed in Exhibit "C."

(i) Upon completion of the Cable System upgrade provided in Section 4.1 and the offering of residential interactive data services, Grantee shall provide interactive data communications capability to the public buildings listed in Exhibit "C." Grantee shall make interactive high-speed cable modem data service available to the buildings listed in Exhibit "C," under the following conditions:

(1) There shall be no charge for one (1) installation and the basic interactive data service to each public building.

(2) For additional connections for interactive data service to the public buildings listed in Figure 1, Grantee shall provide a the discount indicated in Exhibit "D" herein.

(j) No later than completion of the System upgrade, Grantee shall provide an optical fiber upstream communications link from the Council Chambers, and from a designated High School location, to the Cable System headend, to permit live cablecasting of video programming from those locations.

(k.) During the term of this Agreement, Grantor may request, in writing and at least one hundred twenty (120) days in advance, and Grantee shall provide one (1) additional upstream link from a public facility within the Town.

6.2 Competitive Video Service Providers

If any Town-franchised or licensed multichannel video service providers serving the Town shall achieve and maintain in the aggregate, at least twenty percent (20%) of the number of subscribers served by Grantee, and if, further, any competitive providers achieving that percentage are not subject to providing PEG Access support, or are subject to providing a lower level of support than Grantee is required to provide under Section 6.1 above, then Grantee shall have the right to negotiate to reduce its level of support to that which is applicable to the competitive provider(s).

6.3 Title to PEG Equipment

Grantor shall retain title to all PEG equipment procured with funding made available in accordance with Section 6.1 above.

6.4 Relocation of PEG Channels

If Grantee relocates any PEG Access Channel to a different Channel number, Grantee shall reimburse Grantor for any out-of-pocket Grantor costs, up to a maximum of Five Thousand Dollars ($5,000) incurred as a result of the relocation. Grantee shall provide Grantor and all subscribers with at least thirty (30) days written notice of such relocation.

6.5 Promotion of PEG Access

Grantee shall allow the Grantor to place bill stuffers in Grantee's subscriber statements at a cost to the Grantor not to exceed Grantee's cost, no more than twice per year upon the written request of the Grantor and at such times that the placement of such materials would not affect Grantee's cost for the production and mailing of such statements. The Grantor agrees to pay Grantee in advance for the actual cost of such bill stuffers. Grantee shall also make available