

**CABLE TELEVISION FRANCHISE
AGREEMENT**

Between

TOWN OF BRUNSWICK, MAINE
and
CASCO CABLE TELEVISION, INC.

Effective date:

November 15, 2004

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CABLE TELEVISION FRANCHISE AGREEMENT

1.0 DEFINITIONS

1.1 **Meanings**. For the purposes of this Franchise Agreement, the following terms, phrases, words, abbreviations and their derivations shall have the meanings given herein. The word “shall” is always mandatory and not merely directory.

1.2 **“Access”** or **“Access Cablecasting”**. Cablecasting on the Cable System’s access channels for the following purposes: (i) non-commercial and nondiscriminatory use by the public; (ii) carriage of non-commercial educational programs or information; and (iii) use for governmental purposes.

1.3 **“Access Channel(s)”** or **“PEG Access Channels”**. A video channel(s) which the Company shall make available to the Town of Brunswick, without charge, for the purpose of transmitting programming by/for members of the public, Town departments, boards and agencies, public schools, educational institutional, non-profit and similar organizations.

1.4 **“Affiliate”** or **“Affiliated Person”**. Any Person who or which directly or indirectly controls and owns an interest in Casco Cable Television, Inc., any Person which Casco Cable Television, Inc. directly or indirectly controls and in which Casco Cable Television, Inc. owns an interest, and any Person directly or indirectly subject to control and owned in whole or in part by a Person or which directly or indirectly controls and owns an interest in Casco Cable Television, Inc.

1.5 **“Alphanumeric”**. Consisting of a combination of letters and numbers, used in reference to keyboards permitting communication in such form and in reference to channels or programs transmitting information in such form.

1.6 **“Area Outage”**. An area outage occurs when cable or equipment is damaged, fails or otherwise malfunctions (collectively called “malfunctions”), and ten or more Subscribers receiving services from that section of cable or that equipment receive unusable or no service as a result of that malfunction.

1.7 **“Basic Service.”** The minimum service transmitted to all Subscribers, and currently referred to by Company as “Limited Service” which includes, at a minimum, (1) all signals of domestic television broadcast stations entitled to "must carry" status under FCC rules, (2) any public educational and governmental programming required by this

Franchise Agreement to be carried on the basic tier, and (3) any additional video programming signals added to the basic tier by the cable operator.

1.8 **“Broadcast”**. Over-the-air transmission by a radio or television station.

1.9 **“Cable Act”**. The Cable Communications Policy and Communications Act of 1984, as amended by the Cable Consumer Protection and Competition Act of 1992 and the Telecommunications Act of 1996, and as further amended.

1.10 **“Cablecast”**. Programming (exclusive of Broadcast signals) carried on the Cable System.

1.11 **“Cable Programming Service”**. Any video programming provided over a Cable System, regardless of service tier, including installation or rental of equipment used for the receipt of such video programming, other than (1) video programming carried on the Basic Service tier, (2) video programming offered on a pay-per-channel or pay-per-program basis, or (3) a combination of multiple channels of pay-per-channel or pay-per-program video programming offered on a multiplexed or time-shifted basis so long as the combined service: (i) consists of commonly-identified video programming; and (ii) is not bundled with any regulated tier of service.

1.12 **“Cable Service”**. The one-way transmission to Subscribers of video programming or other programming service, together with Subscriber interaction, if any, which is required for the selection or use of such video programming or other programming service.

1.13 **“Cable System”**. 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 (as defined in the Cable Act) which includes video programming and which is provided to multiple Subscribers within the Town of Brunswick.

1.14 **“Channel”** or **“Video Channel”**. A portion of the electromagnetic frequency spectrum which is used in a Cable System and which is capable of delivering a television channel. With respect to PEG channel requirements, the definition of channel shall also mean a minimum allocation of 6 MHz of bandwidth.

1.15 **“Company”**. Casco Cable Television, Inc. or any successor or transferee in accordance with the terms and conditions of this Franchise Agreement.

1.16 **“Completion of Construction”**. That point when the Company has provided written documentation to the Grantor that its existing system has been fully upgraded to a minimum of 750 MHz trunk and its distribution system and service has been made

available to one hundred percent (100%) of Subscribers and potential Subscribers as required pursuant to Section 3.1 of this Franchise Agreement; provided, however, that “Completion of Construction” does not require installation of Cable Service to those potential Subscribers who elect not to connect to the Cable System or for whom necessary easements over private roadways have not been granted to the Company.

1.17 **“Converter”**. A special tuner or device attached to the Subscriber’s television set that expands reception capacity and/or unscrambles coded signals distributed over the Cable System.

1.18 **“Downstream Channel”**. A channel over which signals travel from the Cable System Headend to an authorized recipient of programming.

1.19 **“Downstream Transmissions”**. Signals traveling from the Headend to the Subscriber’s location.

1.20 **“Drop”** or **“Cable Drop”**. The interconnection between each home or building and the feeder line of the Cable System.

1.21 **“FCC”**. The Federal Communications Commission, or any successor agency.

1.22 **“Feeder Cable”**. The cable, connected to trunk cable, from which cable television signal service is distributed to multiple Subscribers, as distinguished from trunk cable (which distributes cable television service throughout the Franchise area) and drop cable.

1.23 **“Franchise Agreement”**. The non-exclusive Cable Television Franchise to be granted to Company by this instrument.

1.24 **“Grantor”**. The Town of Brunswick.

1.25 **“Gross Annual Revenues”**. Any and all revenues received by Company, its Affiliates, subsidiaries, Parents and any Person or entity in which Company or any such Affiliate, subsidiary or Parent has a financial interest, directly or indirectly (collectively called “affiliated entities”), from Subscribers, advertisers or other users of the system in connection with the operation of the Cable System to provide Cable Service within the Town of Brunswick, including but not limited to revenues from Subscribers or users in payment for programs received and/or transmitted, pay and subscription TV, fees paid for pay and/or pay-per-view services and optional programs, charges for connection, disconnection, reinstatement, downgrade, upgrade and any other similar fees, fees paid for channels designated for commercial use, advertising revenue (net of agency fees), all home-shopping service(s) revenues, rentals of Local Origination facilities, rentals of converter boxes, remote control units and other equipment, revenues from channel

leasing; excluding any taxes other than franchise fees on services furnished by Company imposed directly on any Subscriber or user by any governmental unit and collected by Company for such governmental unit. In the event that an Affiliate is responsible for advertising, advertising revenues shall be deemed to be the pro-rata portion of advertising revenues, paid to the Cable System by an Affiliate for said Affiliate's use of the Cable System for the carriage of advertising. If, during the term of this Franchise Agreement, federal law is amended, or interpreted by the FCC or a court of competent jurisdiction, which decision is a final order not subject to further appeal, to permit local franchise authorities to collect franchise fees on revenues Company or its Affiliate collects for the provision of cable modem service in Brunswick, then beginning sixty (60) days after the effective date of such amendment or interpretation, Gross Annual Revenues shall include such revenues related to cable modem service. Revenues collected prior to the effective date shall not be subject to franchise fees. Gross Annual Revenues shall not include security deposits paid to Company by Subscribers or refunds, credits, or revenues from the sale of equipment or revenues from telephony or telecommunications services. It is the intention of the parties hereto that Gross Annual Revenues shall only include such consideration of Affiliates and/or Persons relating to Cable Service over the Cable System and not the gross revenues of any such Affiliate(s) and/or Person(s) itself, where unrelated to Cable Service.

1.26 **"Headend"**. The electronic center through which Broadcast and cablecast signals are electronically translated or modified for distribution over the Cable System.

1.27 **"Leased Channel"** or **"Leased Access"**. A video and/or audio or data channel which the Company shall make available pursuant to Section 612 of the Cable Act.

1.28 **"Local Origination"**. Local programming produced by the Company.

1.29 **"Origination Point"**. A connection to the Cable System which is provided to allow for live PEG Access programming to be transmitted from that location upstream to the Headend and from there downstream to the Subscribers over one or more PEG Access Channels.

1.30 **"Other Programming Service"**. Services which Company may make available to all Subscribers generally.

1.31 **"Outlet"**. An interior receptacle, generally mounted in a wall, that connects a Subscriber's or User's television set to the Cable System.

1.32 **"Parent"**. When used in reference to Company, any Person holding direct or indirect ownership or control of thirty percent or more of the rights of control of Company; and any Person holding such ownership or control of a Parent to Company.

1.33 **“Pay Cable”** or **“Premium Service”**. Optional additional program services, provided to Subscribers at a monthly charge in addition to the charge for Basic Service.

1.34 **“Pay-Per-View”**. Programming delivered for a fee or charge to Subscribers on a per-program or time basis, in addition to the charge or fee to Subscribers for Basic Service, or for such other service tier required by applicable law.

1.35 **“PEG”**. The acronym for Public, Educational and Governmental, used in conjunction with access channels, support and facilities.

1.36 **“Person”**. Any corporation, partnership, limited partnership, association, trust, organization, other business entity, individual or group of individuals acting in concert.

1.37 **“Service”**. Any Basic Service or Standard Cable Service, and Pay Cable Service, or any other Cable Service, whether or not originated by the Company, which is offered to any Subscriber in conjunction with, or which is distributed over, the Cable System.

1.38 **“Signal”**. Any transmission of electromagnetic or optical energy which carries Cable Services from one location to another.

1.39 **“State”**. The State of Maine.

1.40 **“Street”** or **“Public Way”**. The surface of, as well as the spaces above and below, any and all public streets, roads, avenues, highways, boulevards, concourses, bridges, sidewalks, ways, circles, lanes, tunnels, and parkways, within or belonging to the Town, now or hereafter existing. Reference herein to “Public Way” or “Street” 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 Town shall gain or be permitted to exercise any rights to use property in the Town greater than those already possessed by the Town.

1.41 **“Subscriber”**. Any Person lawfully receiving service from the Cable System.

1.42 **“Two-way Capability”**. The ability to transmit audio, video and digital Signals upstream and downstream on the Cable System.

1.43 **“Upstream Channel”**. A channel over which Signals travel from an authorized location to a Cable System distribution point.

1.44 **“Upstream Transmissions”**. Signals traveling from Subscriber or other originating points on the Cable System to a cable distribution point.

1.45 **Other Definitions.** Any term defined in the Cable Act or FCC rules and/or regulations as of the effective date of this Franchise Agreement, but not included in the foregoing definitions, shall be incorporated herein by reference as if set forth in full, and shall be defined as appears in such Act, rules and/or regulations.

2.0 GRANT OF FRANCHISE AND CONDITIONS

2.1 **Representation by Company.** Company represents to Grantor that neither it, nor its officers, agents, employees or any other Person acting under its control or on its behalf has authorized or exerted or caused to be authorized or exerted any undue influence in furtherance of or to obtain the award of this Franchise Agreement, including any undue political influence, or has performed or authorized or caused to be performed or authorized any unlawful act in furtherance of or to obtain the award of this Franchise Agreement. A breach of the representations contained herein shall constitute a substantial violation of this Franchise Agreement, and shall entitle Grantor to terminate this Franchise Agreement for cause.

2.2 **Grant of Authority.** Company is hereby granted by Grantor, where it has the right to do so, the non-exclusive right and privilege to construct, reconstruct, erect, operate and maintain, in the Town of Brunswick (herein called the “Franchise area” or the “Town of Brunswick” or “Brunswick”), in, upon, along, across, above, over and under the Streets and public-ways now laid out or dedicated, and all extensions thereof and additions thereto, poles, wires, cables, optical fibers, underground conduits, manholes and other television and radio conductors and fixtures necessary for the installation, maintenance and operation of a Cable System for the reception, transmission, collection, amplification, origination, interception, sale and distribution of Cable Service. Grantor expressly reserves the right to grant other such franchise agreements in the Town of Brunswick, provided that the terms of such other franchise agreements, taken as a whole, shall not be materially more favorable or materially less burdensome than this Franchise Agreement. Grantor also expressly reserves the right to operate a Town-owned Cable System. No privilege or power of eminent domain is bestowed by this grant of authority. While this Franchise Agreement does not grant Company the power to provide cable modem service over its Cable System in Brunswick, the parties agree that under current federal law Grantor has no power or obligation to authorize such service. Nonetheless, Grantor recognizes that Company is providing cable modem service in Brunswick and will likely do so throughout the term of this Franchise Agreement, and absent a change in federal law, Grantor has no intention to regulate this service.

2.3 **Exercise of Police Power.** All rights and privileges granted hereby are subject to the police power of Grantor to adopt and enforce local laws, ordinances, rules and regulations necessary to the health, safety and general welfare of the public. This

Franchise Agreement is subject to, and incorporates by reference, the Grantor's Cable Television Ordinance, as the same has been amended, and Company agrees that it is bound by and will comply with the said Cable Television Ordinance. Grantor agrees that any change in the provisions of the Cable Television Ordinance subsequent to the Effective Date of the Franchise Agreement will not alter materially the Company's rights or obligations pursuant to this Franchise Agreement. Expressly reserved to Grantor is the right to adopt, in addition to the provisions of this Franchise Agreement and existing laws, ordinances and regulations (collectively "laws"), such additional laws as it may find necessary in the exercise of its police power. Any conflict between the terms of this Franchise Agreement and any present or future exercise of the Grantor's police and regulatory powers shall be resolved in favor of the latter, provided that Grantor's police and regulatory powers shall not be used to unilaterally modify materially the Franchise Agreement.

2.4 Use of Public Ways. The right to use and occupy the Streets, public ways and public places shall not be exclusive, and Grantor reserves the right to grant similar or other uses of the said Streets, public ways and public places to any Persons at any time during the term of this Franchise Agreement.

2.5 Conflict With Public Works. The rights and privileges granted hereby shall not be in preference or hindrance to the right of Grantor, or other governmental agency, improvement district or other authority having jurisdiction, to perform or carry on any public works or public improvement. Should the Company's Cable System in any way interfere with the construction, maintenance or repair of such public works or improvements, Company shall, at its own expense, protect or relocate its system or part thereof, as directed by Grantor or other authority having jurisdiction.

2.6 Use of System by Grantor. Subject to Company's contractual commitments with respect thereto, Grantor shall have the right, at a fee to be negotiated by the Parties, to make attachments to poles owned by Company for Grantor's use, such attachments to be installed and maintained only after written notice to Company, provided, that Company shall assume no liability or expense in connection therewith, and provided further that Grantor's use thereof shall be in such a manner as not to interfere with the cable television operations of Company, and is in compliance with the National Electrical Safety Code and all applicable federal, State and local laws, rules and regulations.

2.7 Removal and Relocation. Grantor shall have the power at any time to order and require Company to remove or relocate any pole, wire, cable or other structure machinery or equipment located within a public way that is dangerous to life or property. In the event that Company, after notice, fails or refuses to act within a reasonable time, Grantor

shall have the power to remove or relocate the same at the sole cost and expense of Company.

2.8 Certification by Company. Company hereby certifies that it has investigated its supply sources, is familiar with the community, has examined the Cable System and system operations and has reviewed its own financial condition, and the obligations it assumes hereunder are commercially practicable.

3.0 EXTENSION OF SERVICE

3.1 Extension Policy. Beginning with the Effective Date of this Franchise Agreement, and continuing throughout the term thereof, the Company shall make service available, upon request, to all homes and businesses located on public and private roads and streets within the Town of Brunswick with a density of at least seventeen (17) homes per mile (“HPM”), said service to be available to locations not currently served not later than one year after the Effective Date of this Franchise Agreement. In addition, Company shall extend its distribution plant to serve the road segments listed on Exhibit A to this Agreement, with each such listed road segment to be served within the later of one year after the Effective Date of this Franchise Agreement or ninety (90) days after a resident on a listed road segment requests service. In the case of private ways, Company shall have no obligation to extend service until it has obtained an appropriate license or easement from the owner of the private way. For purposes of this agreement, a private way serving only one residential structure shall be considered a driveway and will be subject to the provisions in this Agreement governing service Drops. Company shall exercise due diligence to obtain any necessary license or easement required to extend service along a private way. In the event, despite its diligent efforts, Company is unable to obtain a necessary license or easement to serve a private way, Company shall notify the prospective Subscribers residing on the private way, and Company shall have no obligation to extend service on the private way until the prospective Subscribers obtain the necessary license or easement. Except as provided herein, there shall be no charge to Subscribers for the extension or installation of service under this paragraph, or for future connections of new homes and businesses in Brunswick, other than the Company’s standard installation charge. There shall be no special construction charges to Subscribers, other than the normal installation charge, for aerial cable Drops from the Company’s distribution plant to the Subscriber’s home up to three hundred feet (300’) or underground Drops, provided that the Subscriber shall be responsible for the burial of the Drop and any costs associated with such burial. In the event Company is requested to install a Cable Service (aerial or underground) Drop in excess three hundred feet (300’), Company may require that the Subscriber pay Company’s incremental cost of the installation or service Drop over and above the cost of an aerial cable Drop of three hundred feet (300’). If during the term of this Franchise Agreement density on any un-

served road or road segment increases to reach or exceed 17 HPM, Company shall extend service to such road or road segment within sixty (60) days of Company's receipt of necessary pole attachment permits or authorizations. Company shall apply for any such necessary permits or authorizations within thirty (30) days of Company's receipt of a request for service from potential Subscribers in such newly constructed or occupied homes or businesses, and Company shall act diligently to obtain any such permits or authorizations as soon as possible. In extending service to areas that meet the 17 HPM minimum density, Company shall extend its plant for the maximum distance over any individual road segment that service can be extended and still meet, on average, the 17 HPM minimum density over the length of the extension. Where new residential or commercial developments are built in Brunswick to which Cable Service is to be extended, Company agrees to use diligence to assure that Cable Service is installed in coordination with other utility facilities. If all such other utility facilities are placed underground, Cable Service will be installed underground.

3.2 Low Density Extensions. To the extent residents on any road or road segment that is not listed on Exhibit A and does not meet the 17 HPM density standard request Cable Service, Company agrees to contribute \$1,500 per Subscriber to the construction cost of extending service along each such below density road or road segment, with the balance of such construction cost to be paid by the requesting Subscribers. To the extent Subscribers ("Contributing Subscribers") on any such below density road or road segment pay a contribution pursuant to this section to the cost of extending service, and within three (3) years thereafter additional Subscribers ("New Subscribers") on the same below density road or road segment request service, 1) Company shall credit the total cost of constructing the extension in the amount of \$1,500 for each New Subscriber ("the Additional Company Contribution"); 2) Company shall assess each New Subscriber a contribution for their respective share of construction costs previously contributed by the Contributing Subscribers, less the Additional Company Contribution; and 3) Company shall refund to each Contributing Subscriber an amount to reflect a pro rata share of the sum of the cost contributions made by each such New Subscriber and the Additional Company Contribution, said refund to be made within 60 days of the date of any payment of construction costs made by a New Subscriber.

4.0 DURATION OF FRANCHISE AGREEMENT

4.1 Term. The term of this Franchise Agreement shall be for a period of nine years and four and one-half months, commencing as of November 15, 2004 and terminating on March 31, 2014. The Company shall have no automatic right to renewal of this Franchise Agreement, but any renewal shall be in accordance with any applicable provisions of Maine and Federal law.

4.2 Extension of Term by Grantor. Notwithstanding any other provision of this Franchise Agreement, in the event of expiration, termination or revocation of this Franchise Agreement, Grantor may nevertheless extend the term hereof beyond such revocation, termination or expiration date for such period of time, not to exceed three years, as Grantor may specify, by giving Company written notice of the extension, and during any such extension of the term Grantor may terminate this Franchise Agreement, effective at any time not less than sixty days from the date of such notice. In the event of any such extension, Company shall (i) continue to operate its Cable System in accordance with all the provisions of this Franchise Agreement, and (ii) cooperate to the fullest possible extent with any other Person to whom a franchise agreement is awarded; provided, that any such new cable operator shall reimburse Company, within thirty days after receipt of billing therefor, for its reasonable, direct, actual, out-of-pocket expenses incurred by Company in responding to requests by such new cable operator for cooperation pursuant hereto. An extension of term exercised by Grantor is not, and shall not be considered to be, a new franchise agreement or a renewal of this Franchise Agreement, and no such extension of term shall give Company any additional right of renewal or any right to initiate or reinstate renewal proceedings pursuant to §626 of the Cable Act.

5.0 SIGNAL LEAKAGE

5.1 No Interference. The Cable System shall be constructed, operated and maintained to comply with federal law and regulations on Signal leakage and to ensure that there will be no objectionable interference with television reception, radio reception, telephone communications or other electronic installations in the Town of Brunswick or with the operation of any public fire, police, rescue or safety communications system. Should any such interference occur, Company shall promptly eliminate it.

6.0 EMPLOYMENT PRACTICES

6.1 Equal Opportunity. Company shall not hire, or refuse to hire or employ, nor bar or discharge from employment nor discriminate for or against any Person in compensation or in terms, conditions or privileges of employment because of age, race, creed, color, national origin or sex. In carrying out the construction, operation, maintenance, service and repair of the Cable System, Company shall not refuse to hire or employ, nor bar or discharge from employment, nor discriminate against any Person in compensation or in terms, conditions or privileges of employment in violation of any Federal or State statute.

7.0 INSURANCE AND INDEMNIFICATION

7.1 Company Insurance. Company shall maintain during the full term of this Franchise Agreement such insurance as will protect it and Grantor from any claims which may arise

directly or indirectly or result from Company's ownership, construction, repair, operation or maintenance of Company's Cable System serving Brunswick, whether such activities are performed by Company, or by anyone for whose acts Company may be liable, under the following policies:

- (i) Worker's Compensation and any other legally required employee benefits, shall be supplied in statutory amounts;
- (ii) Property insurance, all risk, replacement cost basis, on all insurable Company assets; and
- (iii) General Liability insurance shall be supplied in the following amount: combined single limit for bodily injury, personal injury, death or property damage in the amount of at least \$7,000,000 per occurrence (which may be supplied by a combination of primary and excess policy limits) and Company's liability insurance shall include contractual liability, including so much of the indemnity specified in Section 7.7 as is reasonably insurable.

7.2 **Additional Insured.** The liability insurance policy shall name the Grantor as an additional insured.

7.3 **Cancellation Notice.** All such Company insurance policies and certificates of insurance shall stipulate that the coverages afforded by the policies will not be canceled, modified or not renewed until at least thirty days' prior notice has been given to Grantor.

7.4 **Evidence of Insurance.** By not later than thirty days after the effective date of this Franchise Agreement, and annually thereafter with the annual report required in Section 29.4, Company shall furnish to Grantor current certificates of insurance demonstrating compliance with the insurance coverage requirements of this Section 7, which shall include the indemnity set forth in section 7.7 above with respect to liability insurance and shall include Grantor as an additional insured. Failure to furnish and maintain said insurance shall constitute a substantial violation within the meaning of section 12.2(viii) below, subject to the notice and opportunity to cure provided in Section 12.2(i).

7.5 **Approval.** All insurance coverage shall be with a company authorized to do business in the State of Maine.

7.6 **Changes in Limits.** Grantor shall have the right, effective at the end of the fifth year of the term hereof, to require an increase in the amounts of insurance specified in section 7.1; provided, that Grantor gives Company at least 90 days' notice of any such increase and provided further that the increase bears some reasonable relation to increases in the cost of living since the grant of this Franchise Agreement.

7.7 Indemnification. Company hereby indemnifies and holds Grantor, its councilors, officers, agents, employees, members of boards and committees and any other parties to this Franchise Agreement or connected with its award, with respect to the installation, operation and maintenance of the Cable System, harmless from and against all expenses, losses and claims, demands, payments, suits, actions, recoveries, and judgments of any nature and description, other than as a result of the negligence of Grantor, including reasonable attorney's fees, resulting from claims arising out of the award of this Franchise Agreement, or the procedures leading thereto, any act or omission of Company, its agents or employees, in the construction, operation, maintenance, repair or service of its Cable System, or of any failure to comply with any law, ordinance, or regulations, or by reason of any suit or claim for royalties, license fees, or infringement of copyright or patent rights arising from Company's performance under this Franchise Agreement. In the event of the commencement of any action against Grantor, or its councilors, officers, agents, employees, or members of boards and committees which is within the scope of this indemnification, Grantor will give notice thereof to Company within fifteen business days after Grantor is formally served in any such action, and Company will have the right to select and furnish counsel acceptable to Grantor for the defense of any such action, at no cost or expense to Grantor. Grantor's failure to give timely notice to Company of the commencement of any such action shall not relieve Company of its obligations under this section unless such failure to give timely notice causes actual prejudice to Company's ability to defend any such claim. Except for settlements involving only the payment of money, no settlement of any such action, or any claim therein, shall be made by Company or by counsel selected by Company without the approval of Grantor, which approval shall not be unreasonably withheld. Notwithstanding the foregoing sentence, Grantor's approval shall not be required as to any claims where Company's defense is provided under the terms of an insurance policy and the policy does not allow for the insured's approval of settlements, and in any such cases Company shall consult with and seek the input of Grantor prior to any such settlement. Grantor will cooperate with Company as reasonably required for the defense of any such action.

7.8 Town Immunity. The provisions of this section 7, including the indemnity provisions in section 7.7 and the procurement by Company of insurance policies meeting the requirements of this section 7, shall not be interpreted or construed to effect any waiver, suspension, release or alteration of or to any and all sovereign immunity or other immunities as may be available to the Town by law.

8.0 PERFORMANCE BOND OR SECURITY FUND

8.1 Performance Bond or Security Fund. Company shall obtain and maintain during the entire term of this Franchise Agreement, at its sole cost and expense, and file with Grantor, an irrevocable performance bond, running to the Grantor, with a surety

authorized to do business as a surety in the State of Maine, to guarantee the faithful performance by Company of all of its obligations under this Franchise Agreement. Prior to the Completion of Construction, such performance bond shall be in the amount of at least \$100,000. After the Completion of Construction, such performance bond shall be in the amount of at least \$75,000; provided, however, that Grantor may condition its approval of a transfer or change in control pursuant to Section 10 hereof upon the increase in the required performance bond to \$200,000.00. Company may, if it so elects at any time and from time to time during the term of this Franchise Agreement, satisfy its obligations to maintain a performance bond by depositing with Grantor or its designee as a security fund, the sum of money equal to the amount of the performance bond required pursuant to this section. The security fund shall be maintained in an interest bearing account, with the interest payable to Company

8.2 Conditions. The performance bond shall provide, but not be limited to, the following conditions. There shall be recoverable by Grantor, jointly and severally from the principal and surety, within 30 days after written request by Grantor, any and all penalties due to Grantor and any and all damages, losses, costs and expenses suffered or incurred by Grantor resulting from the failure of Company to comply with one or more provisions of this Franchise Agreement. Such losses, costs and expenses shall include, but not be limited to, reasonable attorney's fees and other legal, consulting and auditing expenses. Not less than thirty days' prior notice to Grantor shall be provided of Company's or the surety's intention to cancel, materially change, or not to renew the performance bond.

8.3 Forfeiture. The total amount of the bond or the security fund shall be forfeited in favor of Grantor in the event:

- (i) Company abandons the Cable System or any part thereof within the Town of Brunswick at any time during the term of this Franchise Agreement;
- (ii) There is any change in ownership or control of Company, this Franchise Agreement or the Cable System except in compliance with the provisions of section 10.0 hereof;
- (iii) Company fails to purchase and maintain insurance as required by section 7.0 hereof; or
- (iv) The Franchise Agreement is revoked as provided in section 12.2 hereof.

8.4 Replenishment. In the event that any portion of the performance bond or security fund is forfeited or withdrawn for any reason, Company shall be required to post an additional bond or replenish the security fund in an amount equal to the forfeiture within 30 days of the date of the forfeiture or withdrawal. Failure to post an additional bond or

replenish the security fund on a timely basis shall constitute a violation of a material provision of this Franchise Agreement within the meaning of section 12.1 hereof.

8.5 Recovery from Performance Bond or Security Fund. Grantor shall be entitled to recover upon the performance bond or the security fund for any amounts due Grantor from Company under this Franchise Agreement, including amounts due to Grantor because Company:

- a. fails to make timely payment to Grantor or its designee or designees of any amount due as a result of this Franchise Agreement;
- b. fails to make timely payment to Grantor of any penalty due under this Franchise Agreement;
- c. fails to make timely payment to Grantor of any taxes due;
- d. fails to repay to Grantor within ten days of notification that such repayment is due, any damages, costs or expenses which Grantor shall be compelled to pay by reason of any act or default of Company in connection with this Franchise Agreement; or
- e. fails after ten days' notice of such failure from Grantor to comply with any provision of the Franchise Agreement which Grantor reasonably determines can be remedied by an expenditure of the security fund;

In any such event, Grantor may withdraw the amount thereof, with interest, from the security fund, or in the case of a performance bond, may make demand upon the surety for payment of the amount thereof, and utilize the same for any of the aforesaid purposes.

8.6 Notification. Within ten business days of a withdrawal by Grantor from the security fund, or a recovery by Grantor from the performance bond, Grantor shall mail notice of the amount, date and purpose of such withdrawal or recovery to Company.

8.7 Inadequate Fund Balance. If at the time of a withdrawal from the security fund by Grantor, or of a recovery against the performance bond, the amount of the fund or bond is insufficient to provide the total payment toward which the withdrawal is directed, the balance of such payment shall continue as an obligation of Company to Grantor, until paid.

8.8 Disposition. Upon termination of this Franchise Agreement under condition, other than those stipulating forfeiture of the security fund, any balance then remaining in the security fund shall be withdrawn by Grantor and paid to Company within ninety days of

such termination, provided that there is then no outstanding default on the part of Company.

8.9 Grantor Rights. The rights reserved to Grantor with respect to sections 7.0, 8.0, 9.0 and 12.0 hereof are in addition to all other rights of Grantor, whether reserved by this Franchise Agreement or authorized by law, and no action, proceeding or exercise of a right with respect to such sections shall affect any other rights Grantor may have.

9.0 PENALTIES

9.1 Assessment. If Company fails to observe any obligation under this Franchise Agreement, Grantor may assess Company, and Company agrees to pay to Grantor, a monetary penalty in accordance with the Schedule of Penalties set forth in sections 9.6 – 9.11 below. Such assessment shall not constitute a waiver by Grantor of any other right or remedy it may have under this Franchise Agreement, or under applicable law, including, without limitation, its right to recover from Company such additional damages, losses, costs and expenses as may have been suffered or incurred by Grantor by reason of or arising out of such breach of this Franchise Agreement; provided, that any penalties collected by Grantor from Company pursuant hereto shall be applied against, and reduce accordingly, the amount of any recoveries due Grantor pursuant to this sentence for the failure to perform for which such penalties were assessed.

9.2 Notification. Upon Grantor's assessing a penalty pursuant to section 9.1 above, notice of such assessment shall be sent to Company, with a concise statement of the reasons therefor.

9.3 Hearing. Within ten days after receipt of a notice pursuant to section 9.2 above, Company may request a hearing before the Grantor's Town Manager or his/her designee. Such hearing shall be held within thirty days after receipt of the request therefor. The pendency of a request for hearing shall suspend payment of the penalty until ten days after receipt by Company of the decision of the Town Manager or designee confirming the penalty in whole or in part. Company may appeal the decision of the Town Manager or designee to the Grantor's Town Council and thereafter to the Cumberland County Superior Court or the United States District Court for the District of Maine.

9.4 Payment. Except as provided in section 9.3 above, Company shall pay the full amount of any penalty to Grantor within ten days after receipt of a notice pursuant to section 9.2 above. Amounts received by Grantor as penalties assessed against Company may be used by Grantor for any purpose it deems fit.

9.5 Default. Upon failure of Company to make timely payment of an assessed penalty, Grantor may recover the amount of any such penalty from the performance bond or, as

the case may be, may withdraw the amount of such penalty from the security fund pursuant to section 8.5 above. Failure of Company to make timely payment of an assessed penalty is a violation of a material provision of this Franchise Agreement.

9.6 Schedule of Penalties. Pursuant to section 9.1 above, the following monetary penalties shall apply, and liability therefor shall accrue from the date of mailing of notice pursuant to section 9.2 above:

9.7 \$100.00 Per Day. The penalty for the following violations shall be \$100.00 per day until the violation is cured:

- a. Failure to maintain company insurance pursuant to section 7.1, beginning on the date Grantor notifies Company of the violation;
- b. Failure to make timely payment of the franchise fee pursuant to section 13.2, beginning on the date Grantor notifies Company of the violation;
- c. Failure to restore damaged property within the specified period pursuant to section 19.11, beginning on the date Grantor notifies Company of the violation;
- d. Failure to complete any required construction hereunder within 20 days from the time due, beginning on the date Grantor notifies Company of the violation;
- e. Failure to obtain and maintain the performance bond or security fund pursuant to section 8 or to restore amounts withdrawn or recovered from the security fund or performance bond, beginning on the date Grantor notifies Company of the violation;
- f. Failure to make service available to unserved areas within the time required by section 3 .1, beginning on the date Grantor notifies Company of the violation.
- g. Failure to remove, relocate or protect Company's system pursuant to sections 2.5, 2.7, or 19.17, beginning on the date Grantor notifies Company of the violation;
- h. Failure to eliminate objectionable interference pursuant to section 5.1, beginning on the date Grantor notifies Company of the violation; and
- i. Failure to provide reports within the time required by sections 29.0, assessed for each report not provided, beginning on the date Grantor notifies Company of the violation.

9.8 **\$10.00 Per Affected Subscriber Per Day.** The fine for the following violations shall be \$10.00 per Subscriber affected by the violation per day until the violation is cured:

- a. Failure to respond to a request for repair or adjustment within the time required by section 23.4;
- b. Failure to commence service to a Subscriber within the time required by section 24.2;
- c. Failure to pay a refund due a Subscriber upon termination within the time required by section 25.11, beginning on the date Grantor or the Subscriber notifies Company of the violation;
- d. Failure to respond to a billing complaint within the time required by section 28.2;
- e. Failure to respond to a service complaint not requesting repair or adjustment within the time required by section 28.2;
- f. Failure to pay a rebate for service loss within the time required by section 23.7; and
- g. Failure to furnish a lockout key pursuant to and within the time required by section 14.1, assessed on a per Subscriber basis.

9.9 **\$500.00 Fine.** The fine shall be \$500.00 for the following violations:

- a. Failure to install new technology pursuant to section 30.0, beginning on the date Grantor notifies Company of the violation, assessed per day until operational;
- b. Failure to provide channel capacity pursuant to section 19.1 or Upstream Channels pursuant to section 20.5, beginning on the date Grantor notifies Company of the violation, assessed per day until required capacity and/or channels are provided;
- c. Failure to provide Access channels, facilities and equipment funding in accordance with section 20.0, beginning on the date Grantor notifies Company of the violation, assessed per day until compliance.
- d. A pattern of failure to comply with the telephone response time requirements pursuant to section 26.3, beginning on the date Grantor notifies Company of the violation, assessed per week until sustained compliance is achieved.

e. Violation of section 16.3 or section 16.5, assessed per violation.

f. Failure to make and maintain records as required by section 23.8 and 29.0, assessed for each such record, beginning on the date Grantor notifies Company of the violation.

9.10 **Violation of Section 16.4.** The fine for a violation of section 16.4 is \$2,000 per occurrence.

9.11 **Violation of Section 19.3.** The fine for a failure of the system to perform pursuant to section 19.3 in the event of a public emergency or vital public information situation, shall be \$1,000 assessed per occurrence, except to the extent the Cable System is rendered non-functional due to damage caused by factors outside of Company's reasonable control.

9.12 **Force Majeure.** The Parties shall not be responsible for any delay or failure to perform their obligations under this Franchise Agreement if doing so is prevented by Act of God, flood, storm, fire, explosions, strikes, riots, wars whether or not declared, insurrections, epidemics, or any law, rule or act of any court of competent jurisdiction or instrumentality of government.

9.13 **Further Recourse.** In addition to the foregoing penalties, upon the failure, refusal or neglect of Company to cause any work or other act required by law or by this Franchise Agreement to be properly completed in, on, over or under any Street within any time prescribed, Grantor may (but shall not be required to) cause such work or other act to be performed or completed in whole or in part, and upon so doing shall submit to Company an itemized statement of the costs thereof. Company shall, within thirty days after receipt of such statement, pay to Grantor the entire amount thereof.

10.0 OWNERSHIP OF CABLE SYSTEM

10.1 **Company Ownership.** The Company shall at all times during the term of this Franchise Agreement be the full and complete owner of, and have complete possessory rights to, all facilities and property, real and personal, of the Cable System, provided that Company is not precluded from entering into any pledge, mortgage or collateralization of any assets of the Cable System in conjunction with any financing or refinancing in the normal course of Company's business. Nothing herein shall be construed to prevent Company from acquiring an interest in such property as a lessee, provided that the terms of such lease shall provide for continuity of possession by the Company throughout the term of the lease.

10.2 **Restriction on Transfer or Assignment.** The Company shall not consummate any transaction, including but not limited to any transfer, sale or assignment, concerning ownership or control of the Company's Cable System in the Town without thirty (30) days prior written notice to the Grantor and without prior written approval of the Grantor. For purposes of this Franchise Agreement “a change of control” shall include any transaction that changes effective majority control of thirty percent (30%) or more of the ownership of the Company.

10.3 **Grantor Review of Transfers or Assignments.** In the event the Company applies to the Grantor for approval of or consent to a sale, transfer or change of control of a Franchise Agreement or of the Cable System serving the Grantor or a transfer of control of the Company, the Company shall include with the application complete responses to the informational requests attached as Exhibit B to this Franchise Agreement. The applicable deadline for the Grantor to act upon the request for approval of or consent to the transaction shall not begin to run until the Company or the proposed transferee provides the Grantor with such complete responses. Any proceedings concerning a sale, transfer or change in control shall be conducted in accordance with Federal Law. In making a determination of whether to approve or reject a sale, assignment, transfer or disposal of the Cable System or this Franchise, the Grantor shall consider, but is not limited to, the following criteria:

- a. The experience of the proposed transferee or assignee (including conducting an investigation of its service record in other communities);
- b. The financial, technical and legal qualifications of the proposed transferee or assignee and its financial and technical capacity to comply with the terms of any Franchise Agreement;
- c. If requested by the Grantor, submittals from the proposed transferee or assignee, on what, if any, changes it intends to make in the operation and maintenance of the present Cable System;
- d. The corporate connection, if any, between the Company and the proposed transferee or assignee; and
- e. Whether operation by the transferee or assignee or approval of the transfer would adversely affect Subscribers, the Grantor’s interest under this Franchise Agreement, the Grantor’s Cable Ordinance or other applicable law, or make it less likely that the future cable-related needs and interests of the community would be satisfied at a reasonable cost.

If the Grantor determines that Company's application does not meet any one of the foregoing criteria, the Grantor may deny the application.

10.4 **Additional Information**. If, in the Grantor's opinion, information furnished to it in connection with a request for approval of a transfer or change of control pursuant to this Franchise Agreement is not sufficient to enable the Grantor to make a fully informed decision with respect thereto, it may request such additional information concerning the proposed transfer and transferee as the Grantor may determine. All such requested information shall be furnished to the Grantor within 45 days after receipt by Company of such a request from the Grantor. Notwithstanding any other provision of this Franchise Agreement, the Grantor shall be under no obligation to act on any request for approval of any such transfer unless and until it receives all the information requested.

10.5 **No Waiver or Release**. The consent or approval of the Grantor to any transfer, assignment, Change of Control, lease sublease or mortgage of any part of the Cable System or this Franchise Agreement granted to the Company shall not constitute a waiver or release of the rights of the Grantor in and shall, by its terms be expressly subordinate to the terms and conditions of this Franchise Agreement.

10.6 **Reimbursement of Expenses**. The Company shall reimburse the Grantor for all reasonable expenses (including legal, technical and financial consulting expenses) incurred by the Grantor in reviewing and acting upon a request by Company for approval of any future sale, transfer or Change of Control of the Company or the Cable System serving the Town of Brunswick or a Change of Control of Company, up to a maximum of \$10,000 per request for approval. Reimbursement provided under this section does not constitute a franchise fee within the meaning of the Cable Act.

10.7 **Foreclosure**. Upon the foreclosure, other judicial sale or reversion of all or a substantial part of the Cable System, the Company shall notify the Grantor of such fact within five (5) days of its occurrence, and such notification shall be treated as a notification that a change in ownership of the Cable System has taken place, and the provisions of this section governing Grantor approval of such change shall apply.

10.8 **Receivership**. In the event of the appointment of a receiver or trustee, or debtor in possession, to take over and conduct the business of the Company, or a Parent, whether in receivership, reorganization, bankruptcy, or other action or proceeding, the Company shall notify the Grantor of such fact within five (5) days of its occurrence, and such notification shall be treated as a notification that a Change in Control of the Company has taken place, and the provisions of this section governing Grantor approval of such change shall apply. The term "bankruptcy" as used herein shall include an assignment for the benefit of creditors and a petition for rearrangement or other similar procedure.

11.0 REGULATORY CHANGES

11.1 **Application.** All applicable State and Federal laws, rules and regulations, as well as all Town ordinances, including, without limitation, the rules and regulations of the FCC, as of the effective date hereof are deemed to be part of this Franchise Agreement. In the event

(i) any such law, rule or regulation is hereafter amended, changed or repealed, or

(ii) any new such law, rule or regulation is adopted or promulgated applicable to Cable Service after the effective date of this Franchise Agreement, and

(iii) the Parties have any option, whether pursuant to such law, rule or regulation or otherwise, as to its applicability to this Franchise Agreement, such new, amended, or changed law, rule or regulation, or such repeal (collectively called “change”), shall be applicable to this Franchise Agreement unless the Parties agree in writing not to include such change, in which case the change shall not be effective as to this Franchise Agreement.

12.0 TERMINATION OF FRANCHISE AGREEMENT

12.1 **Grantor Option.** Upon termination or revocation of this Franchise Agreement, Grantor shall have the option to purchase the Cable System. If Grantor does not elect to purchase the Cable System upon termination or revocation, Grantor shall have the power to require Company to remove, at its own expense, all portions of the Cable System from all public ways and places within the Town of Brunswick and to restore all areas to their original condition; provided, that Company may not be required to remove its Cable System pursuant hereto earlier than one year after the effective date of any such revocation, expiration or termination, it being understood that, for the purposes of this provision of this section 12.1, such effective date shall not be deemed extended if Grantor exercises its rights under section 4.2 above, and such one-year period may overlap any period of extension of the term pursuant to section 4.2.

12.2 **Revocation.** In addition to all other rights and powers of Grantor by virtue of this Franchise Agreement, Grantor may revoke this Franchise Agreement and all rights and privileges of Company hereunder in the event Company either:

(i) Violates any material provision of this Franchise Agreement or any rule, order or determination of Grantor made pursuant hereto where such violation remains uncured for a period of thirty days following notice to Company by Grantor that such violation is deemed to exist;

- (ii) Attempts to evade any material provision of this Franchise Agreement or practices any fraud or deceit upon Grantor;
- (iii) Accumulates, within any period of six consecutive months, penalties imposed under this Franchise Agreement, in the aggregate amount of (a) \$12,000.00 for failure to comply with its obligations under section 16.3 and/or failure to complete construction; or (b) \$20,000.00 for failure to install new technology pursuant to section 30.0 below; or (c) \$6,000.00 for failure to perform any of its other obligations hereunder;
- (iv) Has a petition under the Bankruptcy Code filed by or against it, and the Company fails to have the petition dismissed within 60 days;
- (v) Has a receiver, trustee or liquidator appointed for all or part of the Company's assets;
- (vi) Becomes financially insolvent or makes an assignment for the benefit of creditors;
- (vii) Continuously or repeatedly violates any provisions of this Franchise Agreement or any orders or rulings of any regulatory body having jurisdiction over Company;
- (viii) Fails to provide or maintain in full force and effect the insurance coverages and the performance bond or security fund as required by this Franchise Agreement;
- (ix) Fails to comply with the line extension requirements of section 3.0 of this Franchise Agreement;
- (x) Fails to provide PEG Access Channels and equipment funding as required by Section 20 of this Franchise Agreement;
- (xi) Fails to construct and maintain the live programming Origination Points as required by section 20.5 of this Franchise Agreement;
- (xii) Fails to rebuild the Cable System as required by Section 19.1 of this Franchise Agreement; or
- (xiii) Arbitrarily ceases to provide service over the Cable System or fails to restore service after ninety-six (96) consecutive hours of interrupted service except when approval of such interruption is obtained from the Grantor.

12.3 **Hearing.** Grantor may not revoke this Franchise Agreement pursuant to section 12.2 above unless it shall first have considered the matter at a public hearing before the Brunswick Town Council, held on not less than 14 days notice to Company, at which all interested parties, including Company, are afforded an opportunity to be heard. Any decision by the Town Council to revoke this Franchise Agreement may be appealed by the Company to the Cumberland County Superior Court or the United States District Court for the District of Maine.

12.4 **Grantor Purchase Price.** If Grantor exercises its option under section 12.1 to purchase the Cable System, price shall be determined as provided in the Cable Act.

12.5 **Company Removal.** If upon expiration, termination or revocation (collectively “termination”) of this Franchise Agreement, Grantor exercises its option to require Company to remove the Cable System, upon failure of Company to complete such removal within (i) one year of the effective date of such termination, or (ii) six months of the effective date of such termination if such date has been extended pursuant to section 4.2 above, whichever last occurs, Grantor may deem any property not removed to have been abandoned, and title thereto shall vest in Grantor, or Grantor may remove such property at Company’s expense.

13.0 FRANCHISE FEE

13.1 **Fee.** As compensation for the rights and privileges granted by this Franchise Agreement, Company shall pay to Grantor a franchise fee of five percent (5%) of Company’s Gross Annual Revenues under this Franchise Agreement. In computing amounts due Grantor with respect to advertising revenue and other revenue not specifically attributable to Subscribers in Brunswick, such revenue shall be attributed to Grantor on the basis of the number of Cable System Subscribers in Brunswick as a percentage of the total number of Subscribers served by the Cable System which serves Brunswick and other communities, using, for Brunswick Subscribers and total system Subscribers, respectively, the average numbers of Subscribers for the period for which payment is made.

13.2 **Payment.** Payment of the franchise fee shall be computed and paid quarterly, and payment shall be due and payable no later than forty-five (45) days after the end of the calendar quarter for which payment is made. Each payment shall be accompanied by a statement, certified as correct by a Company controller or officer, showing the factual basis for the payment, including a breakdown by category (e.g. Basic Service revenue, pay cable revenue, advertising revenue, etc.) and source of Company’s Gross Annual Revenues for the period for which payment is intended, and for the year to date. Company shall prepare and maintain financial information and records in accordance

with generally accepted accounting principles and generally accepted auditing standards in the cable television industry. At Grantor's option, the information provided by Company shall be subject to audit by an outside firm of certified public accountants selected by Grantor. Any such audit shall be at Grantor's expense except as provided in section 29.1 hereof. Failure to pay the franchise fee on a timely basis (which shall include a period of ten days after written notice from Grantor) is a violation of a material provision of this Agreement for purposes of section 12.2(i). Interest shall accrue on any and all overdue franchise fees, including franchise fee underpayments, and on any other payments due Grantor under the terms of this Franchise Agreement, at the rate of twelve percent (12%) simple interest per annum; provided, however, that in the event of overdue franchise fees, interest shall not accrue during any period during which the Grantor is assessing a penalty pursuant to section 9.7(b) of this Agreement for Company's failure to pay franchise fees.

13.3 Conditions of Acceptance. No acceptance of any payment shall be construed as an accord that the payment is in fact the correct amount, nor shall such acceptance of payment be construed as a release of (i) any claim Grantor may have for further or additional sums payable under the provisions of this Franchise Agreement or (ii) any other claim whatsoever.

14.0 PARENTAL CONTROL

14.1 Lockout Key. Company shall make available to any Subscriber so requesting, for lease or sale (at Company's out-of-pocket purchase cost), a "parental control device" or "lockout key," or the software or electronic equivalent, which will permit the Subscriber, at his or her option, to eliminate comprehensible reception of any or all of the Basic Service or pay cable channels. If the required lockout key is in the Company's inventory, it will be installed within 20 days of the request. If the Company must order the required lockout key, Company shall place such order within 5 business days of the request and install the lockout key within 10 business days of Company's receipt of the ordered lockout key.

15.0 SEVERABILITY

All terms and conditions of this Franchise Agreement are subject to the rules and regulations of the FCC. If any provision of this Franchise Agreement is held by any court or Federal or State agency of competent jurisdiction to be invalid as conflicting with any Federal or State law, rule or regulation now or hereafter in effect, or is held by such court or agency to be modified in any way in order to conform to the requirements of any such law, rule or regulation, said provision shall be considered a separate, distinct and independent part of this Franchise Agreement, and such holding shall not affect the

validity and enforceability of all other provisions hereof, all of which shall remain in full force and effect for the term of this Franchise Agreement.

Notwithstanding the foregoing, if any part of this Franchise Agreement is declared or found to be invalid by any court or federal or state agency of competent jurisdiction, such part shall, at the option of Grantor or Company, be renegotiated. In the event that such law, rule or regulation is subsequently repealed, rescinded, amended or otherwise changed, so that the provision hereof which had been held invalid or modified is no longer in conflict with the laws, rules and regulations then in effect, said provision shall thereupon return to full force and effect and shall thereafter be binding on the parties hereto. However, if said provision has been renegotiated, as provided for herein, the parties, at their sole discretion, have the right to retain any such renegotiated provision in force rather than reverting back to the original provision, provided that there is no conflict between said renegotiated provision and any such law, rule or regulation allowing the original provision to be reinstated.

16.0 SUBSCRIBER PRIVACY

16.1 **Privacy.** Company shall maintain due vigilance with regard to possible abuses of the right of privacy of any Subscriber, programmer or resident resulting from any device or Signal associated with the Cable System, and shall take all reasonable steps necessary to prevent and terminate any such abuses should they occur. Company shall comply with all applicable Federal and State laws and regulations respecting Subscriber privacy and shall adhere to applicable industry codes of conduct which promote or enhance Subscriber privacy.

16.2 **Installation of Equipment.** Except as permitted by the Cable Act, no cable, line, wire, amplifier, converter or other piece of equipment owned or controlled by Company shall be installed on private property by Company without first securing the permission of the owner or tenant in possession of such property or, if required by law, the written permission of the holder of any easement for utility lines or similar purposes.

16.3 **Monitoring.** Neither Company nor any of its officers, employees or agents shall, or permit any other Person to, tap, monitor or arrange for the tapping or monitoring of any Subscriber Drop, Outlet or receiver for any purpose whatsoever other than legitimate technical testing, monitoring for theft of service or monitoring of Subscriber service status, without the prior written consent of all affected parties. Company shall report to the affected parties and all appropriate authorities any instances of monitoring or tapping of the Cable System, or any part thereof, of which it has knowledge, whether or not such activity has been authorized by Company. Company shall not record or retain any information transmitted between any Subscriber or commercial user and any third party,

except as necessary for lawful business purposes. Company shall destroy all Subscriber information of a personal nature after a reasonable period of time except as authorized not to do so by the affected Subscriber.

16.4 **Subscriber Lists or Information.** Company shall not sell, disclose, or otherwise make available, or permit the use of, lists of the names or addresses of its Subscribers, or any list or other information which identifies by name or address, Subscribers or Subscriber viewing habits, to any Person or agency for any purpose whatsoever without the prior written consent of the Subscriber; provided, that Company may make such lists available to Persons performing services for Company in connection with its operations hereunder (e.g. a billing service) where the availability of such lists is necessary to the performance of such services; on condition, in either case, that the Persons receiving such lists agree in writing that they will not permit them to be made available to any other party. In the event such third party agrees in writing not to disclose such information, but does so in violation of its representation, Company shall not be penalized for such third party's violation. Said consent may be withdrawn at any time by the Subscriber or commercial user by providing written notice to the Company. Company shall provide annual notice to each Subscriber or commercial user who has given the aforesaid authorization of each Subscriber's or commercial user's right to withdraw the authorization. In no event shall such authorization be obtained as a condition of service or continuation thereof, except as necessary to adequately provide particular services.

16.5. **Protection of Privacy.** Company shall not permit the transmission of any Signal, aural, visual or digital, including "polling" the channel selection, from any Subscriber's premises without first obtaining the written consent of the Subscriber. This provision is not intended to prohibit the use of transmission Signals useful only for the control or measurement of Signal performance or for the provision of a service requested by the Subscriber. Company shall not permit the installation of any special terminal equipment in any Subscriber's premises of two-way services utilizing any type of Signal without first obtaining written permission from the Subscriber. No poll or other upstream response of a Subscriber or commercial user shall be conducted or obtained unless the program of which the upstream response is a part shall contain an explicit disclosure of the nature, purpose and prospective use of the results of the poll or upstream response. Company or its agents shall release the results of upstream responses only in the aggregate and without individual references.

17.0 DELEGATION

17.1 **Grantor Delegation.** Grantor may delegate to any Grantor official, employee, agency or commission the authority to exercise any of Grantor's rights and authorities hereunder which may lawfully be so delegated.

18.0 GOVERNING LAW

18.1 **Maine Law**. This Franchise Agreement shall be governed by, and be subject to, the Cable Act, all applicable FCC rules and regulations and the laws of the State of Maine. Company shall be subject to the jurisdiction of the courts of the State of Maine in any suit arising out of this Franchise Agreement except that this provision shall not limit Company's right to initiate proceedings in the United States District Court for the District of Maine to the extent permitted by federal law. Venue over any dispute, action or suit shall be in the Cumberland County Superior Court or the United States District Court for the District of Maine and the parties agree to subject themselves to the personal and subject matter jurisdiction of said Courts for the resolution of any such dispute, action or suit.

19.0 CABLE SYSTEM CONSTRUCTION AND FACILITIES

19.1 **Cable Design**. The Company's Cable System serving Brunswick shall be designed and built for technical quality in conformance with the highest state of the art in the cable television industry for Cable Systems of comparable size. Not later than eighteen (18) months from the effective date of this Franchise Agreement the Cable System serving Brunswick shall be designed and built to provide a Hybrid Fiber/Coax (HFC) distribution system, utilizing fiber optic super trunk and trunk, and coaxial cable for feeder and house Drop, throughout all of the Town, with accompanying optical transmitters, receivers and amplifiers for operation at a minimum of 750 MHz, with bi-directional capability and a channel capacity of at least 110 downstream video channels. All downstream and Upstream Channels shall be activated by such date. The Cable System serving Brunswick shall allow all unscrambled analog channels on the Basic Service tier and Cable Programming Service tier to be received by cable-ready televisions sets without the aid of a converter. The Cable System shall be capable of continuous twenty-four (24) hour daily operation, without severe material degradation of Signal, except during extremely inclement weather or immediately following extraordinary storms that adversely affect utility services or damage major system components. The Cable System shall be capable of operating over an outdoor temperature range of -40° F to +100° F at all locations where Cable System plant is located without catastrophic failure or irreversible performance changes. Company agrees that its costs of rebuilding its Cable System in Brunswick shall not be treated as "costs of complying with franchise requirements" within the meaning of 47 C.F.R. §76.922(f) and will not be itemized on Subscribers' bills as franchise-related or franchise-imposed costs, provided that Company retains all rights to recover rebuild costs as a "significant network upgrade" under 47 C.F.R. §76.922(j) if such costs comply with said regulations, or otherwise to recover rebuild costs in rates in compliance with federal law.

19.2 **Emergency Power.** The Cable System shall incorporate equipment capable of providing standby powering of the Headend and the Cable System for a minimum of two hours upon failure of the power furnished by the utility company.

19.3 **Emergency Alert System.** Company shall comply in full with the requirements for an Emergency Alert System (EAS) as provided in FCC regulations, 47 C.F.R. Part 11, and with any applicable State or local emergency notification requirements not preempted by Federal law.

19.4 **Business Office.** Company's principal business office for the Cable System shall be located at Company's current address at 336 Bath Road, Brunswick, Maine 04011, or, if relocated, within 5 miles of the Brunswick Town Office. Company will provide a minimum of one payment center location in the Town of Brunswick at area businesses or institutions where Subscribers may drop off payments, which payment center may be located at Company's Brunswick office. Payment centers shall be open during normal business hours. Company's monthly bills shall advise Subscribers of the availability, location and hours of all payment centers. Company shall provide Grantor and all Subscribers 30 days advance written notice of any relocation of Company's business office, customer payment centers, or any change in business office hours. Company shall provide Grantor with 30 days advance written notice of any relocation of Company's Headend.

19.5 **Subscriber Antennae.** Notwithstanding a required disconnection of Subscribers' existing antennae and downloads to receivers connected to the Cable System, Company shall not remove or suggest to the Subscriber the removal of such antennae and downloads. Company shall furnish to each Subscriber so requesting, at Company's out-of-pocket purchase cost, a switch permitting the Subscriber to change from cable reception to home antenna reception, and back, at the option of the Subscriber. Installation of such switches at the time of initial installation of service to a Subscriber shall be without charge other than for such purchase cost.

19.6 **VCR/Cable Compatibility.** In order that Subscribers to the Cable System have the capability to simultaneously view and tape any channel and set their VCR to record multiple channels remotely, Company shall provide to any Subscriber, upon request, an A/B switch, at installed cost, which will allow VCR owners to tape and view any two (2) channels capable of being tuned by such owner's television set and/or VCR, except two (2) scrambled Signals.

19.7 **General Construction Requirements.** In the construction, reconstruction, maintenance and repair of the Cable System, Company shall utilize materials of good and

durable quality and shall perform or cause to be performed all work so associated with the system in a safe, thorough and reliable manner.

19.8 **Construction Schedule.** Notwithstanding any other provision of this Franchise Agreement, construction of the Cable System in areas designated in section 3.0 shall be completed within the time period set forth in section 3.0.

19.9 **Compliance With Regulations.** All work, including all working conditions and facilities, associated with the construction, operation, maintenance, repair and removal of the Cable System shall comply with:

- a. All applicable Federal and State laws, rules and regulations;
- b. All applicable laws, codes, ordinances, rules and regulations of Grantor; and
- c. The National Electrical Code, National Electrical Safety Code, the National Cable Television Association Standard Code, and the National Safety Code.

19.10 **Grantor Rights.** Grantor reserves the right to inspect all construction and installation work and to make such tests as it shall deem necessary to ensure compliance with FCC technical regulations and applicable Town ordinances and nationally recognized building, electrical and safety codes, including those standard codes adopted by the Grantor, and with provisions of this Franchise Agreement, and may order corrections of any violations.

19.11 **Restoration of Damage.** Company, at its sole expense, shall restore all damage to property, both public and private, caused by the construction, operation, maintenance or repair of the Cable System, so as to return the damaged property to a condition as good as before the damage was done. Such restoration shall be made as soon as practicable after completion of work necessitating the restoration, and shall be done in a manner approved by the owner or tenant in possession. In no event shall such restoration be made later than ten days, weather permitting, after Company's receipt of notification from the owner of the property so damaged unless otherwise mutually agreed by Company and the property owner; provided, that if any such damage involves (i) curbs, sidewalks or driveways, the damage shall be repaired to the satisfaction of Grantor (curbs and sidewalks) or the owner or tenant in possession of the property (driveways) within five days; or (ii) Streets, water-mains, storm or sanitary sewers, or other public facilities, such damage shall be repaired to the Grantor's satisfaction within 48 hours. If Company fails to make such restoration on a timely basis, Grantor may fix a reasonable time for such restoration and repairs and shall notify Company in writing of the restoration and repairs required and time fixed for performance hereof. Upon failure of Company to comply within the specified time period, Grantor may cause proper restoration and repairs to be

made and the reasonable expense of such work shall be paid by Company upon demand by Grantor.

19.12 **Identification.** Company shall ensure that all of its vehicles are clearly identified to the general public as being associated with Company, and that all of its employees, and the employees of any agents or contractors who enter upon private property wear an employee identification card issued by Company, which card shall bear a picture of said employee and shall be worn in a conspicuous place.

19.13 **Public Ways Hazards.** Any openings or obstructions in Streets or other municipal or public property made by Company shall be guarded and protected at all times by the placement of adequate barriers, fences, boardings or other protective devices at the sole expense of Company. During the periods of dusk and darkness, the protective devices shall be clearly designated by warning lights.

19.14 **Location of Physical Facilities.** Within 60 days after completion of the system rebuild Company shall provide Grantor's Town Manager with Street maps of the Town of Brunswick clearly showing the location of all trunk and feeder runs (indicating underground, where applicable), tower, antennae, receivers, Headend, sub-headends and business office. Thereafter, not more frequently than once every two years, Grantor may request and Company shall provide revised and updated maps.

19.15 **Cable Location.** Insofar as practicable, the distribution system (trunk and feeder cable) shall run along public rights-of-way.

- a. Where the cable or wire facilities of the public utilities are installed underground, Company shall install its cable distribution system underground. Vaults and pedestals shall be suitably landscaped, such landscaping to be subject to the approval of the owner or tenant in possession, which approval shall not unreasonably be withheld.
- b. In all areas where public utility lines are aerially placed, if subsequently during the term of this Franchise Agreement such utility lines are relocated underground, Company shall similarly relocate its cable distribution system underground at its sole expense.
- c. Wherever possible, the distribution system shall use the existing facilities of the public utilities. Poles shall not be installed for the sole purpose of supporting a portion of the distribution system without written justification and approval of Grantor, which approval shall not be unreasonably withheld, pursuant to Grantor's law, ordinances, rules and regulations.

19.16 **Location of Construction.** All lines, cables and distribution structure, and equipment, including poles and towers, erected, installed or maintained by Company within the Town of Brunswick shall be located so as not to obstruct or interfere with the proper use of Streets and Public Ways and to cause minimum interference with the rights of property owners who abut any of the said Streets and Public Ways, and not to interfere with existing public utility installations. Company shall not place new poles, towers or other obstructions in Streets or Public Ways, or relocate existing poles, towers or other obstructions, without first obtaining Grantor's approval, which approval shall not be unreasonably withheld. Company shall have no vested right in any location, and such construction shall be removed by Company at its own cost and expense whenever the same restricts or obstructs or interferes with the operation or location or any future operation or location of said Streets or Public Ways.

19.17 **Grade or Location Changes.** If at any time during the term of this Franchise Agreement Grantor shall elect to alter, or change the grade or location of any Street, or shall engage in any construction, reconstruction, widening, repairs or other public works in, on or under the Streets, Company shall, upon reasonable notice by Grantor, remove and relocate its poles, wires, cables, conduits, manholes and other fixtures ("fixtures") at its own expense, and in each instance comply with the Grantor's standards and specifications.

19.18 **No Interference.** Company shall not place fixtures above or below ground where the same will interfere with any gas, electricity, telephone fixtures, water hydrants, or other utility use, and all such fixtures placed in or upon any Street shall be so placed as to comply with all requirements of Grantor or other applicable authority, and fully comply with local regulations, including zoning ordinances.

19.19 **Temporary Relocation.** Company shall, on request of any Person holding a permit issued by Grantor or other appropriate authority, temporarily move its fixtures to permit the moving or erection of buildings or other objects, with the expense of any such temporary removal to be paid in advance by the Person requesting same, and Company shall be given reasonable notice to arrange for such temporary relocation. Company shall bear any expense to temporarily move its fixtures to permit the moving or erection of publicly owned or constructed buildings or other objects.

19.20 **Tree Trimming.** Company shall have the authority to trim any trees upon and overhanging Grantor's Streets or Public Ways to the minimum extent necessary to prevent the branches of such trees from coming in contact with the wires and cables of Company; provided that, except for incidental trimming done by Company employees in the course of performing their other duties, any tree trimming within the rights of way of Grantor's Streets and Public Ways done by Company shall be subject, in all respects, to

Grantor's prior approval. Except in an emergency, the Company will notify the abutting property owner(s) prior to starting tree trimming work. In performing tree trimming, Company shall employ best management practices, shall use its best efforts to avoid any unnecessary damage or injury to trees, and shall comply in all respects with any Town ordinances governing tree trimming. Except for incidental trimming performed by Company employees in the course of performing their other duties, Grantor may elect to perform tree trimming directly or by agents under Grantor's supervision and direction, at Company's expense.

19.21 **Drops.** In areas where the cable distribution system is located underground, Drop connections to the Subscriber's structure shall be underground; in other areas the Drop connections shall be aerial unless the Subscriber requests underground installation and elects to pay the cost thereof. Insofar as practicable, Company shall adhere to the Subscriber's desire with regard to point of entry of the Drop connection into the structure. Within the Subscriber's structure, Drop or cable runs shall be made as unobtrusively as possible. Each Drop shall be properly grounded at the Subscriber's structure, or, at Company's option, at the water utility service point for the Subscriber's structure or at such other location as may be specified in the National Electrical Safety Code.

19.22. **Zoning and Building Codes.** Any and all construction performed by or under the auspices of Company, and any and all facilities used or operated by Company, shall comply with all applicable zoning and building ordinances, codes or laws of Grantor.

19.23 **Contractors, Subcontractors and Affiliates.** All contractors, subcontractors and Affiliates of Company must be properly licensed under all applicable federal, state and local laws and regulations. Company shall be solely and completely responsible for all acts or omissions of any such contractor, subcontractor or Affiliate, or any employee or agent of any such contractor, subcontractor or Affiliate in the construction, reconstruction, installation, maintenance, operation or removal of Company's Cable System.

19.24 **Completion of Work by Grantor.** Upon failure of Company to commence, pursue or complete any work required by law or by the provisions of this Franchise Agreement in any Street or other public place within the time prescribed and to the satisfaction of the Grantor, Grantor may, at its option, cause such work to be done with reasonable expenditures therefor and Company shall pay to the Grantor the cost thereof in the itemized amounts reported by the Grantor to the Company within thirty (30) days after receipt of such itemized report.

20.0 ACCESS CHANNELS, FACILITIES AND EQUIPMENT

20.1 PEG Access Channels. Company shall provide Grantor with four 6 MHz video channels for the exclusive non-commercial public, educational and governmental (“PEG”) Access use by Grantor or its designee(s). Company shall provide Grantor with two of said four PEG Access Channels immediately upon execution of the Franchise Agreement. Company shall provide the third and fourth PEG Access Channels upon at least 60 days notice to Company, if Grantor determines, in its sole discretion, that the Town’s and the public’s use and demand for PEG Access requires the dedication of an additional Channel(s). All such PEG Access Channels shall be included on the Basic Service tier. Until such time as Grantor assumes the use of a fourth PEG Access Channel, and unless prohibited by law, Company shall also provide to Brunswick Subscribers the principal PEG Access Channel broadcasting governmental programming that originates from the City of Bath, Maine (the “Bath PEG Channel”). The Bath PEG Channel need not be included in the Basic Service tier in Brunswick. Company will use reasonable efforts to assist Grantor in obtaining access in a cost-effective manner to governmental programming originating in Topsham, Maine for rebroadcast in Brunswick.

20.2 Use of PEG Access Channels. Grantor, or its designee(s), shall have the exclusive use of Grantor’s PEG Access Channels. Use of PEG Access Channels shall be subject to such rules as Grantor, or its designee(s), may adopt. The Grantor agrees not to use PEG Access Channels to provide commercial services, provided, however, that the Grantor or its designee may cablecast acknowledgements of funding sources and the underwriting of programming costs. There shall be no charge by Company for the use of the PEG Access Channels.

20.3 PEG Studio Fiber Feed. Company shall install a direct fiber optic feed from the Grantor’s principal PEG Access studio location to the Company’s Headend, which fiber optic feed shall be adequate to permit the simultaneous transport of up to four PEG audio and video Signals to the Headend at a Broadcast quality standard. In the event that (a) the Grantor moves its PEG studio from its current location to a new location or (b) any PEG Access Channel’s primary cablecasting site is established at or moves to a new location, Company shall provide necessary fiber optic feeds to up to three (3) locations to enable the cablecasting Signals for any such channel to be transferred to the Company’s Headend, provided that such new locations are within 1.5 miles of the current Brunswick Municipal Building.

20.4 PEG Access Channel Designation. Company shall not change the Channel designation of any of the PEG Access Channels, or any other Channel designation that would directly affect PEG operations, without prior written authorization from the Grantor. If the Company elects to change the Channel designation of any Access Channel

the Company shall reimburse the Grantor and/or the designated Access provider(s) for any and all costs associated with the Channel change including but not limited to changes to stationary, business cards, logos, promotional materials and items, signs, banners, and brochures.

20.5 Live Programming Origination Points and Communications. To facilitate live programming within the Town of Brunswick and to facilitate video and other communications among municipal buildings in Brunswick, the Company shall construct, install and maintain for the Grantor at no cost a fully activated, dedicated fiber network that will link a hub site at the current Brunswick Municipal Building on Federal Street with the following four locations: 1) the so-called “Times Record Building” on Water Street, or another location within 1.5 miles of the Municipal Building, 2) the Grantor’s new Central Fire Station to be located within 1.5 miles of the Municipal Building, 3) the Grantor’s Public Works Building, and 4) the Office of the Brunswick Superintendent of Schools. Company will complete construction of the network no later than eighteen (18) months from the Effective Date of this Franchise Agreement. The fiber network will include at least 6 fibers to each location, with a 12-fiber link between the hub site and the Grantor’s principal PEG Access studio site. The network will permit, among other communications uses, live PEG video programming to be delivered from the five sites back to the Grantor’s principal PEG Access studio site and from there to Company’s Headend for Broadcast to Subscribers. Company will provide facilities to permit live programming from other municipal buildings and public sites in Brunswick through an MPEG2 or MPEG4 system or in some other manner that provides Broadcast quality carriage of the PEG Signal from the remote sites. The Grantor will determine the location within each building of all fiber network Drops. The fiber network shall be designed, operated and maintained so that any transmission on the network may be simultaneously retransmitted on the PEG Access channels reserved under Section 20.1 of this Agreement. Company shall maintain the fiber network to all FCC technical specifications and all applicable specifications of Company’s Cable System. Company will provide standby power supplies for the fiber network at Company’s Headend. Standby power supplies shall be capable of providing at least four hours of standby power. The fiber network will be capable of distributing video, audio and data Signals to and among all locations.

20.6 Operation of PEG Access Channels. All PEG Access channels shall be available for PEG Access programming on a twenty-four (24) hour basis, seven days a week. All PEG Access programming shall be distributed as received from the source specified by Grantor or its designee without delay, alteration or modification. Company shall not interfere with the content of any PEG Access Channel distributed from Grantor-authorized sources except as otherwise required or permitted by law. Company shall monitor the PEG Access Channels for technical quality and shall ensure that they are

maintained at standards commensurate with those that apply to the Cable System's commercial Channels. Grantor will be responsible for the quality of the audio/video Signal up to the Cable System insertion equipment. Company shall provide, maintain and align all RF/Fiber-Optic/Digital equipment used to insert, transmit, or distribute PEG Access Signals over the Cable System, Subscriber Network and fiber network.

20.7 Access Equipment. In order to develop and promote PEG Access programming, and to assist the Grantor in equipping Grantor's fiber network, Company agrees to provide a capital grant, for PEG Access equipment and facilities and other equipment necessary for the above, in the amount of one hundred thirty three thousand six hundred thirty seven dollars (\$133,637) within thirty (30) days of the effective date of this Franchise Agreement. Company further agrees to provide to the Grantor additional capital grants of nine thousand dollars (\$9,000) each on the second, fourth, sixth and eighth anniversaries of the effective date of this Franchise Agreement for replacement and upgrade of Grantor's PEG and communications equipment and facilities. Grantor shall determine the use and distribution of these funds, and all such equipment and facilities shall be the property of the Grantor and shall be housed in locations specified by the Grantor.

20.8 PEG Access Information Inserts. Company shall insert in its monthly billing mailing a non-commercial promotional PEG Access announcement, up to four (4) times per calendar year; provided, however, that said inserts are delivered to Company in a format that is acceptable to the Company and the billing service utilized by the Company and is of reasonably acceptable weight. The Company shall not be required to insert any message provided if: 1) the insert(s) are not in full conformity to the specifications required by the Company or its billing service; and 2) the insertion of those items in Subscriber statements will cause the Company to be required to pay any additional US postage charges in accordance with the postal rates in effect at that time. Said printed announcements shall be prepared and printed by the Grantor at its sole cost and expense.

20.9 PEG Advertising. In the event that the Company implements local advertising sales on Channels received by Subscribers within the Town of Brunswick the Company shall permit the Grantor or its designee(s) to insert non-commercial PEG Access program or service promotional spots on those Channels according to the following stipulations:

- a. The Grantor shall be entitled to a total of ten (10) minutes of local advertising avails per calendar week between the hours of 6:00 p.m. and 12:00 midnight for this purpose, provided that the Company is utilizing equipment that provides the capability of doing specific day-part advertising. If the Company is not utilizing equipment that provides advertising commercial insertion on a day-part schedule

basis said PEG Access promotional spots will be run on a R.O.S. (Run of Schedule) basis for a consecutive seven (7) day period.

b. The Grantor, or its designee(s) shall provide said spots in a format determined and required by the Company, which will be consistent with the Company's commercial announcements being used at that time.

c. If the Grantor or its designee(s) desires to utilize local advertising avails in excess of ten (10) minutes per calendar week, the Grantor or designee(s) shall pay to the Company the standard rate being charged to commercial users at that time for such excess minutes.

20.10 PEG Channel Listings. Company shall include appropriate designation of the Grantor's PEG Access Channels on channel cards and channel listings provided to Subscribers in a manner comparable to which it identifies other Channels. If Channels are selected by a viewer through a menu system, Company shall display the Grantor's PEG Access Channels in a similar manner as other Channels.

21.0 INTENTIONALLY OMITTED

22.0 PERFORMANCE STANDARDS

22.1 Technical Standards. Subject to section 9.12 above, all Signals carried on the Cable System shall be transmitted to Subscribers without material degradation and with a quality no less than that prescribed by rules of any Federal or State regulatory agencies having jurisdiction. Anything contained in this Franchise Agreement to the contrary notwithstanding, the technical specifications, operation and performance of the Cable System shall, at minimum, conform at all times to the specifications established by any Federal or State regulatory agencies having jurisdiction thereof, and such specifications existing on the effective date hereof, whichever is of the higher quality. Should there be any occasion during the term of this Franchise Agreement when, for whatever reason, there are no Federal or State rules specifying technical and performance standards governing the Cable System operated hereunder, or there are such rules but they do not cover all of the technical and performance aspects covered by such rules in effect on the effective date of this Franchise Agreement, then and in such event Grantor may establish such standards. Any such standards established by Grantor may be adopted only after being considered in a public hearing, with due notice and an opportunity for all interested parties to be heard.

22.2 Performance Testing. At such time as the performance monitoring and testing, conducted pursuant to requirements of any Federal or State regulatory agencies having jurisdiction, provides evidence that the Cable System transmissions do not meet the

prescribed standards, the performance monitoring and testing shall be repeated for all segments of the Cable System which do not meet such prescribed standards, upon completion of the necessary repair or adjustment, notwithstanding the lack of such requirement by the Federal or State agencies, and a report of the second test submitted to Grantor; provided, that Company shall not be required to furnish any such reports with respect to technical problems discovered in the course of Company's routine maintenance testing, except as may be specifically requested by Grantor in each instance. Company shall provide and keep accurately calibrated test equipment on hand at all times for the testing of all services and operational standards outlined in this Franchise Agreement.

23.0 MAINTENANCE AND REPAIR

23.1 **Maintenance Policy.** Company shall promulgate and adhere to a preventative maintenance policy directed toward maximizing the reliability (mean-time-between-malfunctions) and maintainability (mean-time-to-repair) of the Cable System with respect to its delivery of service to Subscribers at or above the performance standards set forth in State or Federal law and regulations. Whenever it is necessary to interrupt service for the purpose of making repairs, adjustments, installations or other maintenance activities, Company shall do so at such time as will cause the least inconvenience to Subscribers. Except in an emergency, and except for interruptions of fifteen minutes or less which may occur during the course of normal maintenance, service is to be interrupted only between the hours of midnight and 7:00 a.m.

23.2 **Repair.** Company shall maintain a repair department comprising qualified technicians, service vehicles and equipment to provide prompt and efficient repair service within the parameters set forth below.

23.3 **Notice.** Except in an emergency, and except for interruptions of fifteen minutes or less, Company shall give Subscribers at least 24 hours' notice of any interruption of service for purposes of maintenance or repair. In an emergency, Company shall give such notice as is reasonable in the circumstances. Notice given on the alphanumeric channels on Basic Service shall be considered sufficient. During the rebuild of the Cable System, Company shall not be required to provide 24 hour notice of any interruption of service if such interruption is the direct result of rebuild work. However, Company shall be required to provide written notification to Subscribers of planned rebuild work schedules and when Subscribers may experience service interruptions. Company shall use its best efforts to minimize the length of any service outage due to the rebuild. Company shall promptly notify Grantor in writing of any significant interruption in the operation of the Cable System. For this purpose, a "significant interruption" shall mean any interruption of a duration of more than four hours to more than ten Subscribers.

23.4 **Repair Procedure.** Company shall maintain a toll free, locally listed telephone number so operated that requests for repairs or adjustments can be received at any time, 24 hours per day, seven days per week. Company responses to such requests shall occur on the same day for requests received before 12:00 noon, but in no event shall such responses occur later than 24 hours after Company's receipt of such a request; provided, the response time for service complaints other than complaints of no or unusable service shall be computed excluding Sundays and holidays.

Company shall respond within four hours to any Area Outage that occurs between the hours of 7:00 a.m. and 10:00 p.m. of any day, and by not later than the following 11:00 a.m. to any Area Outage that occurs between 10:00 p.m. and 7:00 a.m. If Company responds to a service complaint as herein required and the Subscriber is not satisfied that the problem giving rise to the original complaint has been resolved, the Subscriber shall notify Company thereof within 48 hours of the repair visit by Company personnel, and Company shall have an additional period of 24 hours within which to correct the problem. If such second complaint is made to Grantor instead of Company, Company shall have a period of 24 hours after receipt of oral or written notice from Grantor within which to make the correction.

23.5 **Unresolved Service Complaints.** In the event that a Subscriber complaint remains unresolved, the Subscriber may file a complaint with the Grantor or its designee. If the complaint remains unresolved for more than ten (10) days, then within thirty (30) days of the date of the filing of the complaint with the Grantor, the Subscriber shall have the opportunity to meet jointly with the Grantor or its designee and a representative of the Company to discuss and resolve the matter. The Company shall notify each new Subscriber, at the time of initial subscription and at least annually thereafter, of the procedures for reporting and resolving complaints. When there have been numerous similar complaints made or when there exists other evidence which in the judgment of the Grantor or its designee casts reasonable doubt upon the reliability or quality of the Cable Service, the Grantor shall have the right and authority to compel the Company upon written request to test, analyze and report on the performance of the system as provided herein. Such report shall be delivered to the Grantor no later than fourteen (14) days after the Grantor formally notifies the Company and shall include the following information: the nature of the complaints which precipitated the special tests; what system component was tested; the equipment used; the procedures employed in said testing; the results of such tests; and the method in which said complaints were resolved. In the event that the Grantor reasonably finds that testing and analysis by the Company has not produced a solution to the problem, upon written request of the Grantor the Company shall conduct additional testing and analysis under the direction and supervision of a professional engineer with training and experience in cable communications and not on the permanent staff of the Company and otherwise acceptable to the Grantor. The aforesaid engineer

shall sign all records of the special tests and forward to the Grantor such records with a report interpreting the results of the tests and recommending actions to be taken by the Grantor. All costs of such tests, analyses, and reports, and the supervision thereof required under this section shall be borne by the Company.

23.6 Subscriber-Owned Equipment Excluded. The requirements for maintenance and repair shall not apply to Subscriber television or radio receivers or other Subscriber-owned equipment.

23.7 Credit for Service Loss. For every loss of service of which Company becomes aware in excess of 6 continuous hours, Company shall grant a pro rata credit on the regular monthly charge to each Subscriber so affected. The credit shall be made upon request of a customer, whenever a customer notifies company of a loss of service, or whenever Company becomes actually aware that a specific customer has lost service. The credit shall be determined by multiplying the applicable monthly service rate by a fraction whose numerator equals the number of hours (or portion thereof) of the outage and whose denominator equals the number of hours in the month of the outage. For purposes of this paragraph, loss of service shall be considered a Subscriber's receipt of less than two-thirds of the respective available Channels, and loss of pay cable or premium service shall be considered the loss of Signal on any pay Channel or premium Channel. Company shall make such rebate by way of a credit on the affected Subscriber's next bill.

23.8 Records. Company shall maintain records of all oral and written complaints regarding quality of service, equipment malfunctions, billing procedure, employee attitude and similar matters that could reasonably require action on the part of the Company. Such records shall show the exact date and time of receipt of all such customer complaints, identifying the Subscriber (by name, address and telephone number), the nature of the complaint and the exact time action was taken by Company in response thereto, together with a description of such action. Company shall also maintain a record of all whole or partial system outages, including the date approximate time and duration, type and probable cause of each outage, except for outages caused by routine testing or maintenance. Such records shall be available at Company's local office for at least two years, for inspection by Grantor as it may from time to time request, during regular business hours and upon reasonable notice. Company shall, within ten (10) days after receiving a written request therefor, send a written report to Grantor with respect to any complaint. Such report shall provide a full explanation of the investigation, finding(s) and corrective steps taken.

24.0 COMMENCEMENT OF SERVICE TO SUBSCRIBERS

24.1 **Commencement of Service.** Company shall furnish Cable Service, as herein provided, in the Town of Brunswick as requested by the owner or occupant at each location, within the time limits specified below.

24.2 **Time of Installation.** Service to any Subscriber served by a standard aerial Drop shall commence by not later than 7 business days after service is requested; service to any Subscriber served by a standard underground Drop shall commence by not later than 45 days after service is requested unless additional time is required by severe weather or other circumstances outside of Company's control; subject, in either case, to section 9.12 above. Company shall exert every reasonable effort to commence service to a Subscriber served by a non-standard Drop as expeditiously as possible. A standard Drop, for which the Subscriber shall be charged Company's standard installation fee, is an aerial Drop running not more than three hundred feet from feeder cable to the Subscriber's structure; provided, that any installation which requires Company to place a Drop underground or cross a Street underground shall be considered a non-standard installation. An aerial Drop in excess of three hundred feet in length shall be considered a non-standard installation. If the Company fails to meet the above installation deadline, it shall credit the Subscriber's account in the amount of a standard installation charge. If the Company schedules an appointment with a Subscriber for an installation, repair or other service call, and the Company fails to arrive at the Subscriber's premises within 30 minutes of the scheduled time or scheduled window of time (which window shall not exceed 4 hours) for reasons not caused by the Subscriber, the Company shall make no charge to the Subscriber for any make-up or late installation. The Company shall apply a \$20.00 credit to the Subscribers' account for any late service call as defined above. Company may not cancel an appointment with a customer after the close of business on the business day prior to the scheduled appointment. If Company representative is running late for an appointment with a customer and will not be able to keep the appointment as scheduled, the customer will be contacted. The appointment will be rescheduled, as necessary, at a time that is convenient for the customer.

25.0 SUBSCRIBER RATES AND SERVICES

25.1 **Regulation.** Grantor shall have the right, as provided by federal law and regulations (and Maine law to the extent Maine law changes in the future to provide for such regulation and to the extent such Maine law is not preempted by federal law), as the same may be amended, to regulate charges to Subscribers, and may require that all such charges, and any changes therein, be subject to Grantor approval.

25.2 Rate or Service Discriminations: Special Classifications. Company shall not deny service or access, or otherwise discriminate against Subscribers, programmers or other residents in violation of the Constitution of either the United States or the State of Maine, or in violation of any rule, regulation, statute, or ordinance of Grantor, the State of Maine or the United States. Company shall not subject any Person to any prejudice or disadvantage, preference or advantage in connection with rates, charges, service facilities, rules or regulations other than discounted or complementary service provided to Company's employees and public entities. Nothing herein shall prohibit the establishment of a graduated scale of rates for classified schedules to which any Subscriber within such classification shall be entitled.

25.3 Intentionally Omitted.

25.4 Free Cable Service. Free installation, including a Drop, Outlet and converter, and free Basic Service and Cable Programming Service (or the equivalent) shall be provided and maintained in up to four locations in the Brunswick Town Hall, and in one location at each police and fire station, each public school classroom, every public library, all PEG Access provider location(s), and all other municipal buildings. Additional installations and Basic Service shall be provided at the above buildings upon request of, and at no cost to, the Grantor, provided that any unusual labor or material costs, such as costs to run cable through walls, shall be at Grantor's expense.

25.5 Cable Modem Service. For so long as Company is in the business of providing cable modem internet access service, Company shall provide cable modem internet access service at no cost to all public libraries in Brunswick with sufficient bandwidth for reasonable use by the library staff and the public. Company will also provide cable modem service upon request to all municipal buildings at a discount of 50% off Company's published rates for the level of service selected.

25.6 Service Locations. The Company shall verify the location of each connection, specified in section 25.4 and 25.5 with the proper officials of each of the institutions entitled to such free Drop, Outlet, Converter, Cable Service and/or cable modem service connection prior to installation.

25.7 Rate Changes. Company shall give Grantor and each Subscriber at least 30 days' individual written notice of any change in Subscriber rates or charges, and, at Grantor's request, exercised by Grantor giving Company at least seven days' notice thereof, shall attend, and respond to questions, at any public hearing held by Grantor to consider the rate increase. Notice to individual Subscribers of rate changes shall be by mail. Such notices shall indicate the new rate and the amount the rate has increased or decreased from the current rate. If the Grantor elects to regulate rates for Cable Service and

equipment, the foregoing provisions on notice and public hearing shall be supplemented by any applicable provisions of the Cable Act, FCC regulations, Maine law and any local rules or ordinances. At the time of initial solicitation of service, Company shall also provide each Subscriber with a detailed explanation of downgrade and upgrade policies and the manner in which Subscribers may terminate Cable Service. Subscribers shall have at least thirty (30) days from receipt of notification of any rate increase to either downgrade service or terminate altogether without any charge.

25.8 Programming Changes. Company shall give Grantor and each Subscriber prior individual written notice of any change, including additions and deletions, or change in channel position, in the programming carried on the Cable System, as well as any retiering of such programming, and any other changes in the services offered by Company. Such notices shall contain a concise description of the new, deleted or changed programming, and the specific dial location. Company agrees to meet regularly with the Grantor, at the Grantor's request, to review the results of any Subscriber polling, to discuss programming issues and options, and to consider the advice and recommendations of the Grantor. Upon notifying Grantor of a proposed change in programming, Company will, at the request of Grantor, with at least seven days notice, attend a public hearing on the proposed programming change to hear comments and concerns of Grantor and Subscribers, provided that Company shall have the final decision on programming changes.

25.9 Diversity of Programming. Company agrees to use its best efforts to provide a wide diversity of programming options to its Subscribers. Company further agrees to include in the Basic Service tier or Cable Programming Service tier programming of the following broad categories, to the extent such programming is available to Company, in addition to any other programming required or selected to be carried:

- (i) one or more public broadcasting channels;
- (ii) one or more educationally-oriented channels;
- (iii) one or more news channels;
- (iv) one or more music channels;
- (v) one or more sports channels;
- (vi) one or more children-oriented channels;
- (vii) one or more religious-oriented channel;
- (viii) one or more arts and/or cultural channels;

(ix) one or more family-oriented channels; and

(x) one or more French language channel.

25.10 **Billing Practices**. Company shall set forth, in writing its billing and collection practices and policies, and procedures for ordering changes in or termination of services and refund policies, and shall furnish a copy thereof to each new Subscriber and to Grantor, and thereafter to Grantor and all Subscribers at such time as there is a change in such policies. Bills must be itemized to reflect the services purchased and related equipment charges. A specific due date shall be indicated on every Subscriber bill. On all deposits paid by a Subscriber, Company shall pay interest at a rate of at least the prevailing Prime Rate. Such interest shall be accrued and payable upon termination of services, at which time the Subscriber will be entitled to receive a refund or credit against amounts owed Company equal to the deposit plus accumulated interest. Company shall not assess late fees until at least 30 days after the date of mailing of the bill for which the late fee is assessed. Company shall not charge Subscribers for terminating all Cable Service from Company other than for seasonal disconnections for which a reasonable reconnection charge may be made.

25.11 **Pro-Rated Service**. In the event a Subscriber's service is terminated, monthly charges for service shall be pro-rated on a daily basis and, where advance payment has been made by a Subscriber, the appropriate refund shall be made by Company to the Subscriber within thirty days of such termination.

25.12 **Intentionally Omitted**.

25.13 **Disconnection For Non-Payment**. Company shall have the right to disconnect a Subscriber for failure to pay an overdue account; provided, that:

- a. Company billing practices and policy statement set forth the conditions under which an account will be considered overdue;
- b. At least fifteen days prior to the proposed disconnection, Company mails to the Subscriber written notice of intent to disconnect for delinquency in payment;
- c. The Subscriber's account is at least forty five days delinquent at the time said notice is mailed; and
- d. The disconnection occurs at least 15 days, and not more than 60 days, after the mailing of the above written notice.

In the event of a billing dispute, and at the request of Grantor, Company shall meet with Grantor or its designee to attempt to negotiate in good faith a resolution to the billing

dispute. Company shall only disconnect a Subscriber on days when the Subscriber can reach a representative of Company in person or by telephone. In the case of a Subscriber whose service has been disconnected for non-payment, upon payment in full of the delinquent amount, and a reasonable fee for reinstatement, and upon request of the Subscriber, Company shall promptly reinstate the Subscriber's Cable Service.

25.14 **Notice of Rates and Programming.** All rates and charges associated with the provision of Cable Service and the lease of Channel space shall be published. A written schedule of all such rates currently in effect, including special and promotional rates, shall be available and obtainable in person or by mail upon request during business hours at the Company's business office and at the Town Clerk's office. At least once each calendar year, the Company shall provide to each Subscriber and the Town a complete schedule of all services, rates and charges for Cable Service provided by the Company and of the programming offered and Channel alignment. Such information shall also be provided to all new or prospective Subscribers prior to installation or commencement of service. Such information shall be written in plain English and shall include, but shall not be limited to, the following: all services, tiers and rates, deposits, if applicable, installation costs, additional television set installation charges, service upgrade or downgrade charges, stolen or lost converter charges, charges for lockout devices and for connecting video cassette, DVD or other recorders to the Cable System.

25.15 **General Customer Service.** Company shall comply with any and all customer service standards provided under Maine law, including 30-A M.R.S.A. §3010, federal law, FCC regulations, including those regulations found at 47 C.F.R. §76.309, and as promulgated by the cable industry, (such as NCTA standards), as well as with the provisions of this Franchise Agreement. To the extent of any difference or conflict in the requirements of this Franchise Agreement, State and federal law, FCC regulations and/or cable industry standards, the strictest of such standards shall govern.

25.16. **Anti Competitive Practices.** Company shall not interfere with the ability of any Subscriber to utilize his or her terminal for any lawful purpose, including the reception of video services from a competitor. Company shall not engage in any anticompetitive practices with respect to the provision of Cable Service to residential Subscribers in multifamily dwellings. Specifically, Company shall not enter into contractual arrangements under which Company would be the exclusive provider of any Cable Service in any multiple dwelling unit building merely by virtue of the contract.

26.0 PUBLIC COMMUNICATIONS

26.1 **Business Office.** The business office, located pursuant to section 19.4 hereof, shall be open and adequately staffed during normal business hours by trained personnel in

responsible charge of Company's operation hereunder, and sufficient to 1) accept payments and answer billing inquiries, 2) exchange or accept return of equipment, 3) schedule and conduct installation service or technician calls, and 4) accept complaints and answer inquiries. Company shall maintain a locally listed toll free telephone number, which shall be available to Subscribers twenty-four (24) hours a day, seven (7) days a week, and shall be capable of receiving complaints, requests for installations and adjustments and service calls. A recording device or answering service may be used during non-business hours. Trained Company service representatives shall be available to respond to customer telephone inquiries during normal business hours, which shall include at least the hours of 8:30 a.m. to 5:00 p.m., Monday thru Friday and 8:30 a.m. to noon, Saturday.

26.2 Emergency Communication. At least one Person in responsible charge of Company's operation shall be available by local telephone during such hours as the business office is closed, and the telephone number of such Person shall be supplied in advance to Grantor and Grantor's police, fire and public works departments.

26.3 Telephone Response. Under normal operating conditions, telephone answer time by a live customer representative, including wait time, shall not exceed thirty (30) seconds when the connection is made. If the call needs to be transferred, transfer time shall not exceed thirty (30) seconds. These standards shall be met no less than ninety (90) percent of the time under normal operating conditions, measured on a quarterly basis. Company will not be required to acquire equipment or perform surveys to measure compliance with the telephone answering standards above unless an historical record of complaints indicates a clear failure to comply. Under normal operating conditions, the customer will receive a busy Signal less than three (3) percent of the time.

27.0 FRANCHISE AGREEMENT AWARD AND ENFORCEMENT EXPENSES

27.1 Reimbursement. Company shall reimburse Grantor in the amount of fifteen thousand dollars (\$15,000) for costs incurred by Grantor in connection with the award and negotiation of this Franchise Agreement and all activities and processes connected therewith. Payment shall be made within 30 days of the effective date of this Franchise Agreement. Company shall also reimburse the Grantor for the costs of any litigation brought by Grantor to enforce the provisions of this Franchise Agreement or of the Grantor's Cable Television Ordinance, provided that Grantor is the prevailing party or that the matter is resolved favorably to the Grantor, such costs to include filing fees, costs of depositions, discovery and expert witnesses and all other expenses, including attorneys fees.

28.0 SUBSCRIBER COMPLAINTS

28.1 **Complaint Policy.** Company shall promulgate within 120 days, subject to Grantor approval, a written policy statement setting forth the procedure for reporting and resolving Subscriber complaints and shall furnish a copy thereof to each new Subscriber and to Grantor, and thereafter, annually, to Grantor and all Subscribers. Such notice shall comply in all respects with the Cable Act, FCC Regulations, Maine law and this Franchise Agreement.

28.2 **Company Response.** Company shall receive all Subscriber complaints at its business office serving Grantor and shall handle all such complaints promptly. In the case of a billing complaint, Company shall respond to the complainant by no later than five business days following receipt of the complaint. In the case of a service complaint not requesting repair or adjustment, Company shall respond to the complainant within five business days following receipt of the complaint.

29.0 RECORDS AND REPORTS

29.1 **Financial Records.** Company shall at all times maintain complete and accurate books of account and records of its business and operations and all other records required by this Franchise Agreement, shall allow Grantor to inspect and/or audit all Gross Annual Revenues records upon not less than seven working days' notice, and shall allow Grantor to inspect such other records as are required to be maintained, provided that any audit of financial records shall be limited to the most recent two years. Grantor may inspect all of Company's accounting and financial records in connection with any proposed extension or renewal of this Franchise Agreement. Any audit by Grantor hereunder shall be at its expense unless such audit shall disclose an underpayment by at least two percent (2%) of any franchise fees payable for the period of the audit, in which event Company shall reimburse Grantor for the expense of such audit. Any records not maintained at Grantor's local business office shall be made available to Grantor at such location upon request affording reasonable notice therefor.

29.2 **Court and Regulatory Agency Reports and Filings.** Company shall submit simultaneously, to Grantor, copies of all pleadings, applications, reports, communications and documents of any kind except tax returns and Company's comments in FCC proposed rulemaking proceedings, submitted by Company or any Parent of Company to, as well as copies of all decisions, correspondence and actions by, any Federal, State and local courts, regulatory agencies and other government bodies relating specifically to Company's cable television operations in Brunswick.

29.3 **Other Reports.** In addition to the reports herein elsewhere required, Grantor shall have the right to require the submission of such other reports as it deems necessary to review Company compliance with the terms of the Franchise Agreement.

29.4 **Annual Report.** No later than April 1 of each year of this Franchise Agreement, Company shall submit an annual report to Grantor's Town Manager for the prior calendar year, which report shall include at a minimum the following information:

- a. Total number of Subscribers in the Town, including a breakdown of Subscribers taking Basic Service, Cable Programming Service and premium services as of December 31 of the prior calendar year.
- b. The increase or decrease in the number of Subscribers over the prior calendar year for the Town.
- c. Total miles of cable plant in the Town, including length of fiber optic cable.
- d. Miles of cable plant added in the Town in the prior calendar year.
- e. A specific description of any line extensions in the Town in the prior calendar year, including Street names, distances, and start/end points, as well as a description of any projected line extensions planned for the coming year (which projections shall not be binding on Company).
- f. Total homes passed in the Town and density measured in miles of plant divided by homes passed as of December 31 of the prior year.
- g. A brief general description of any new federal or State regulatory changes which Company believes will have a significant effect on the Cable System, and the actual effect on the system in the Town.
- h. A description of any technological upgrades or enhancements in Cable Service over the past year and any projected for the coming year (which projections shall not be binding on Company).
- i. The maximum number of amplifiers in cascade on the Company's Cable System in the Town as of December 31 of the prior year.
- j. A listing of any system outages in the Town over the prior year in excess of one hour, including the affected locations, the date, time, duration, cause of the outage, and steps taken to address the outage.

- k. A summary of customer complaint records for the prior year maintained pursuant to section 23.8, including an identification of any significant customer service issues raised in the Town in the prior year and any resolution or changes in service resulting.
- l. Any new programming or changes in programming in the prior year and projected for the coming year (which projections shall not be binding on Company), including, where known, specific programming offerings.
- m. Any new or different services offered or made available in the Town in prior year and projected for the coming year (which projections shall not be binding on Company).
- n. Any price changes in the prior year or projected for the coming year (which projections shall not be binding on Company).
- o. The Company's general outlook for the Cable System for the coming year.
- p. An update to the Ownership Information Statement required under Section 31.1 hereof if there have been any changes from the last filed statement or update.
- q. A copy of Company's certificate of insurance as required by Section 7.4 hereof.

Company's General Manager shall meet with Grantor's Town Council or their designee within sixty (60) days of Company's submission of the Annual Report in order to discuss the information in the Annual Report and answer any of the Grantor's questions.

29.5 Technical Audit. Within ninety (90) days of receipt of a written request of the Grantor, the Company shall provide the Grantor with a technical compliance audit of the Cable System serving the Town of Brunswick if Grantor, in the exercise of its sole discretion, reasonably believes that Company is failing to meet FCC technical standards or that Company's Cable System is otherwise not functioning reliably or in substantial compliance with the terms of this Franchise Agreement. The requested technical audit shall include, at a minimum:

- a. A complete description of the plant's design, age, components and condition and describing its capabilities and its limitations;
- b. System maps showing plant routing and coverage;
- c. A description of the Company's planned or active modernization plans;

- d. A summary of relevant developments in the legal and regulatory arenas that relate to the technical and/or operational aspects of the Cable System;
- e. Technical and customer service performance records;
- f. A review and description of the two most recent FCC proof of performance tests and measurement records interpreted in laymen's language demonstrating and describing the Cable System's compliance or lack of compliance with the FCC Technical Standards set forth in 76 C.F.R. §76.601 et seq. as the same may be modified in the future, identifying any instances of non-compliance and describing all measures taken or under way to achieve compliance;
- g. A list of any material violations by the Company of the technical rules of the FCC or of federal, or state governments and the Grantor, including but not limited to violations of rules and regulations regarding Signal quality and safety during the past 12 months;
- h. A summary of all service interruptions, and any other known technical problems in the operation of the Cable System not routine in nature, which service interruptions or technical problems existed during the prior 12 month period, together with a description of the specific cause of the interruptions and technical problems and the steps the Company has taken to address the problem;
- i. A summary of all significant and representative Subscriber and user complaints and the action taken by the Company in response thereto;
- j. Certification by the Person preparing the audit for the Company that they are legally qualified to represent the Company and that all information provided in the report is factually correct.

In the event the Grantor has concerns about the technical status of the Cable System serving the Town, the Grantor may retain an independent technical consulting firm to audit the Cable System serving the Town. The Company shall accommodate any reasonable requests for information and access to the cable plant necessary for such consultant to perform this investigation. In the event that the independent technical consultant finds that the Cable System serving the Town fails to comply in a material way with the requirements of applicable Federal or State or regulations or the requirements of this Franchise Agreement, the Company shall take immediate steps to remedy the noncompliance as promptly as is reasonably possible, using due diligence, and shall reimburse the Grantor for the reasonable expenses of said technical audit.

29.6 Examination. Upon reasonable notice to Company, Grantor shall have the right to examine any officer or management employee of Company or Company's Parent as to the correctness, completeness or accuracy of any record or report required hereunder.

30.0 NEW TECHNOLOGY

30.1 **Grantor Options.** Grantor shall have the right, effective at any time after the end of the second year of the term hereof, to require Company to provide technological improvements to the Cable System necessary to give the Cable System the capability of offering new or expanded services then being offered by at least 30% of American Cable Systems comparable in size to Company's Cable System serving the communities in the Brunswick, Brunswick, Topsham area. Nothing in this section shall be deemed to prohibit Company from upgrading its Cable System with any cable television technology at its own discretion.

30.2 **Requirements.** In order for Grantor to exercise any of the options, the following requirements must be met:

- (i) Grantor must first conduct a public hearing to consider the technological improvements which are the subject of the option, on at least thirty days' notice to Company, and all interested parties, including Company, are given an opportunity to be heard.
- (ii) Such technological improvements are technically and economically feasible. Economically feasible shall mean that Company will have reasonable prospects of earning a reasonable return on its net investment in the Cable System after installation of equipment necessary for the provision of such technological improvements.
- (iii) Grantor may exercise any of its options by giving Company at least nine months' notice thereof, such notice to be given not later than six months after the date of the above required hearing held to consider exercise of such option.

30.3 **Arbitration.** In the event that Grantor exercises a new technology option pursuant to section 30.1 on the basis of a determination, pursuant to section 30.2, that Company will be able to make a reasonable rate of return and Company disagrees with such determination of reasonable return based on economic feasibility, Company, may, by giving Grantor notice thereof within 14 days after Grantor notifies Company of its determination of reasonable return, require that the issue of reasonable return be settled by arbitration pursuant to section 30.5 below. Company may also require that the time period specified by Grantor pursuant to section 30.2(iii) above be the subject of arbitration if, in Company's opinion, such time period does not give Company sufficient time to satisfy its obligations with respect to the specific equipment and installation which it is required to furnish pursuant hereto. In any such event, the date upon which Company would otherwise be required to make such new technology available shall be extended for a period of time equal to the time running from the date upon which Grantor

notifies Company of its section 30.1 determination and the date upon which the arbitrators announce their decision.

30.4 Arbitration Decision. Decisions as to any matters referred to arbitration hereunder shall be made by a board of three arbitrators, appointed as provided in section 30.5.

30.5 Arbitration Procedure.

- (i) The party requesting arbitration shall send the other party written notice thereof, such notice to include the name of one arbitrator selected by the party requesting arbitration;
- (ii) The party to whom such notice is sent shall select one arbitrator, and shall notify the requesting party of that Person's name, within 14 days after receipt of the notice requesting arbitration;
- (iii) Within 14 days after the requesting party has been notified of the name of the second arbitrator, the two arbitrators thus selected shall select a third arbitrator who shall also act as chairman of the arbitrators;
- (iv) If the two arbitrators are unable to agree on, and obtain the services of, a third arbitrator by the end of the 14 day period, either Grantor or Company may request the American Arbitration Association to appoint the third arbitrator;
- (v) Within 14 days after appointment of the third arbitrator, the three arbitrators so appointed shall conduct a hearing(s) in the Town of Brunswick, at which each party may present evidence and be heard;
- (vi) The hearings shall be conducted, and evidence heard, in accordance with the rules and procedures of the American Arbitration Association;
- (vii) The arbitrators shall render and publish a decision, to be determined by majority vote, within 30 days after the hearing(s) is held;
- (viii) Any decision shall be final and binding on both parties, and shall be fully enforceable as if it were a part of this Franchise Agreement;
- (ix) The arbitrators shall have no authority to amend, modify, nullify, ignore, add to, or subtract from the specific provisions of the Franchise Agreement. The arbitrators shall only consider and make a decision with respect to the specific issue submitted by the parties, and shall have no authority to make a decision on any other issue not so submitted; and

(x) Each party shall pay the costs of the arbitrator appointed by it and one-half of all other costs of arbitration.

31.0 OWNERSHIP INFORMATION

31.1 **Information Required.** Upon grant of the Franchise Agreement, Company shall immediately file with Grantor a statement (i) listing all owners, directors, officers, stockholders and other principals (collectively called “principals”) who directly or indirectly own, operate, control or have an interest in Company and in each Parent of Company; and (ii) stating the exact relationship between Company and the principals and any other Person who could affect, directly or indirectly, Company’s performance hereunder. Upon any change in the ownership information last submitted, Company shall provide an updated statement of ownership information in its next annual report pursuant to Section 29.4 hereof.

32. MISCELLANEOUS

32.1 **Amendment or Modification.** This Franchise Agreement shall not be amended or modified except by written agreement executed in the same manner as this Franchise Agreement.

32.2 **Notices.** Notices required to be sent to Grantor shall be in writing and shall be delivered by hand, or shall be sent by certified mail, return receipt requested, in either case to the Town Manager, Town of Brunswick, 28 Federal Street, Brunswick, Maine 04011, or such other address as may be designated by Grantor in writing. Notices required to be sent to Company shall be in writing and shall be delivered by hand, or shall be sent by certified mail, return receipt requested, to Company at its office established pursuant to section 19.4 above.

32.3 **Performance Review.** Grantor may on its own initiative, but not more frequently than once every two years, or may at the request of the Company, schedule a public hearing for identifying the cable-related community needs and interests, reviewing and evaluating the Company’s performance of its obligations under this Franchise Agreement, receiving public input, considering new technologies and services applicable to Cable Service, and to hear from the Company. The Grantor shall notify the Company of the time and place of such hearing and provide the Company with an opportunity to be heard. The public shall be afforded appropriate notice and opportunity for comment. Within four (4) months of such meeting, the initiating party (Grantor or Company) shall provide the other with a written copy of the findings. Based on the findings, the Company and the Grantor may mutually agree to amend this Franchise Agreement.

32.4 **Effect on Prior Franchise Agreements.** This Franchise Agreement shall supersede any prior franchise agreements between the parties. Immediately upon the taking effect of this Franchise Agreement, all prior franchise agreements, including the Agreement dated May 28, 1992, and any and all extensions thereof, shall terminate and shall have no further force and effect; provided, however, that any vested rights relating to billings and the Grantor's rights to receive franchise fees shall not be affected thereby.

32.5 **Failure to Enforce Provisions: No Waiver of Rights.** The Company shall not be excused from complying with any of the terms and conditions of this Franchise Agreement by any failure of the Grantor upon one or more occasions to insist upon or to seek compliance with any such terms or conditions. No course of dealing between the Company and the Grantor, nor any delay on the part of the Grantor in exercising any rights hereunder, shall operate as a waiver of any such rights of the Grantor or acquiescence in the actions of the Company in contravention of such right, except to the extent expressly waived by the Grantor or expressly provided for in this Franchise Agreement. No decision by the Grantor to invoke any remedy under this Franchise Agreement or under any statute, law or ordinance shall preclude the availability of any other such remedy.

32.6 **Warranties.** Company warrants, represents and acknowledges that, as of the Execution Date of this Franchise Agreement:

- a. The Company is duly organized, validly existing and in good standing under the laws of the State;
- b. The Company has the requisite power and authority under applicable law and its bylaws and articles of incorporation and/or other organizational documents, is authorized by resolutions of its Board of Directors or other governing body, and has secured all consents which are required to be obtained as of the execution date of this Franchise Agreement, to enter into and legally bind Company to this Franchise Agreement and to take all actions necessary to perform all of its obligations pursuant to this Franchise Agreement;
- c. This Franchise Agreement is enforceable against Company in accordance with the provisions herein; and
- d. There is no action or proceedings pending or threatened against Company that would interfere with performance of this Franchise Agreement.

32.7 **Construction.** The provisions of this Franchise Agreement shall be liberally construed in favor of the Grantor in order to promote the public interest.

32.8 **Time of the Essence**. Whenever this Franchise shall set forth any time for an act to be performed by or on behalf of the Company, such time shall be deemed of the essence, and any failure of the company to perform within the time allotted, without good reason, shall be sufficient ground for the Grantor to invoke an appropriate remedy or penalty, including possible termination of the Franchise Agreement.

32.9 **Acts or Omissions of Employees, Agents and Affiliates**. During the term of this Franchise Agreement, Company shall be liable to the Grantor for the acts or omissions of its employees, agents or Affiliates while such employees, agents or Affiliates are involved directly or indirectly in the construction, reconstruction, installation, maintenance or operation of the Cable System, as if the acts or omissions of such employees, agents or Affiliates were the acts or omissions of Company.

32.10 **Pending Litigation or Regulatory Proceedings**. Pending litigation or administrative or regulatory proceedings, or any petition or appeal to any regulatory body or court having jurisdiction over Company, shall not excuse Company from the performance of its obligations under this Franchise Agreement and the Grantor's Cable Television Ordinance.

33.0 FINAL RESOLUTION

33.1 **General**. The agreement expressed herein in writing constitutes the entire agreement between the parties, and supersedes all prior agreements, proposals, oral statements of any kind, and no oral statement shall add to or supersede any of its provisions.

In witness whereof, the parties hereto have caused this Franchise Agreement to be executed by their duly authorized representatives this ____ day of November, 2004.

Witness

TOWN OF BRUNSWICK

By: Donald H. Gerrish
Its Town Manager
Thereunto Duly Authorized

CASCO CABLE TELEVISION,
INC.

By: James D. Munchel
Its Vice President

**EXHIBIT A – LOW-DENSITY ROAD SEGMENTS TO BE SERVED PURSUANT
TO SECTION 3.1**

Area	Footage	Homes	Homes per mile
Bunganuc Landing	847	3	18.70
Cameron Lane	1200	3	13.20
Capewoods	881	2	11.99
Caribou Dr	330	1	16.00
Cheerup Lane	1000	2	10.56
Easy Street	403	1	13.10
Goldenrod Place	500	1	10.56
Gundalo Gap Rd	740	2	14.27
Johnson Way	1613	4	13.09
Longreach Rd	295	1	17.90
Melodic Ln	800	2	13.20
Monarch Court	450	3	35.20
Mosswood Road	950	2	11.12
Patroit Dr	895	3	17.70
Pogy Lane	1555	3	10.19
Toastie Walk	325	2	32.49
Witts End	500	2	21.12
Bridge Rd	1200	3	13.20
Casco Rd	450	1	11.73
221 Casco Rd	298	1	17.72

83 Collinsbrook Rd	321	1	16.45
79 Collinsbrook	537	1	9.83
Hacker Rd	250	1	21.12
580 Harpswell Rd	225	1	23.47
565 Highland Rd	219	1	24.11
89 Highland Rd	345	1	15.30
? Highland Rd	225	1	23.47
Hillside Rd	450	1	11.73
347 Lunt Rd	252	1	20.95
85 Lunt Rd	450	1	11.73
41 Lunt Rd	500	1	10.56
70 Lunt Rd	500	1	10.56
Maquiot Rd	350	1	15.09
3066 Merepoint Rd	553	1	9.55
825 Merepoint Rd	496	1	10.65
4054 & 4053a Middlebay Rd	514	2	20.54
New Bath Rd	250	1	21.12
4043a Old Penneville Rd	355	1	14.87
314 Princess Point Rd	458	1	11.53
1024 River Rd	428	1	12.34
? River RD	194	1	27.22
981 River Rd	307	1	17.20

999 River Rd	538	1	9.81
506 River Rd	487	1	10.84
143 River Rd	480	1	11.00
Saywer Park Rd	450	1	11.73
Simpson Point Rd	400	1	13.20
Storer Rd	375	2	28.16
24 & 25 Wood Pond Rd	300	2	35.20
80 Woodside Rd	300	1	17.60
433 Woodside RD	250	1	21.12
216 Woodside	244	1	21.64
5343 Woodward Point Rd	197	1	26.80
Durham RD	450	1	11.73

EXHIBIT B TO FRANCHISE AGREEMENT

INFORMATION TO BE PROVIDED WITH ANY FUTURE REQUESTS FOR APPROVALS OF SALES, TRANSFERS, CHANGES IN CONTROL

1. Provide a schedule of all debt of Buyer/Transferee, including any debt anticipated to be incurred in the acquisition of the Seller/Transferor systems and all other current planned acquisitions and any capital improvements or upgrades to those systems, including the form or type of debt, identity of borrower, name and address of lender or lender's representatives, date of issuance, principal amount, interest rate, current principal balance, term, amount and date of any balloon payments, and anticipated debt service payments over the next ten years.
2. Describe in detail Buyer/Transferee's plans for future ownership of its systems in Maine, including any current plans Buyer/Transferee has to liquidate, sell, or change the ownership of any of the Maine systems over the next 5 year period, including any expected dates and types of anticipated sales or liquidations.
3. Does Buyer/Transferee or Seller/Transferor have any current negotiations underway with any other cable operators involving the possible sale, swap, transfer, change in control or change in management of any Cable Systems in Maine? If so, please describe the possible transactions and the systems that would be affected.
4. Identify any circumstances in the past ten years when Buyer/Transferee was unable to pay any of its debts when due including the date, creditor, matter at issue, amount and current status.
5. Describe in detail exactly what debts of any of the Seller/Transferor entities Buyer/Transferee will be assuming as part of this transaction.
6. Identify for the past 5 years Buyer/Transferee's operating income, EBITDA, Ratio of EBITDA to Revenue, and Ratio of Debt to EBITDA. Provide Buyer/Transferee's current projections of these figures for the next five years assuming Buyer/Transferee closes on all publicly announced planned acquisitions.

7. Describe in detail the extent to which the debt structure of Buyer/Transferee could affect its ability to (1) fund capital expenditures, (2) compete effectively, (3) comply with the obligations of the franchise agreements with Municipalities in Maine, and (4) operate under adverse economic conditions.
8. Identify in detail any other Cable System acquisitions, in addition to the Seller/Transferor systems, planned by Buyer/Transferee, including the name of the existing operator, location of Cable Systems to be acquired, number of Subscribers to be acquired, purchase price, expected closing date, and amount of debt to be incurred in connection with the acquisition.
9. Provide evidence of Buyer/Transferee's authority to conduct business in Maine, including a copy of all filings made to obtain such authority.
10. Describe in detail the ownership and management structure of the Seller/Transferor Maine Cable Systems upon completion of the transaction with Buyer/Transferee. Identify whether Seller/Transferor or some other entity Affiliated with Seller/Transferor will continue to own and operate the Maine systems? Provide an ownership flowchart that identifies the legal entities that will be in the chain of ownership of these systems upon completion of the transaction, including the nature of each entity and who will own each such entity.
11. Identify all Cable Systems currently owned, managed or operated by Buyer/Transferee, including the locations and numbers of Subscribers for each, and a list of the name and address of all municipal franchise authorities with a contact Person with each franchise authority.
12. Identify any past (within the past 10 years) or pending legal or administrative suits, actions, proceedings, claims or disputes with or against Buyer/Transferee, including disputes with private or governmental parties such as the FCC or any franchise authorities, and identify the nature of the dispute or claim, the parties involved, the court, forum or agency involved, the system or franchise involved, the status of the matter, any relevant docket number, the amount in dispute, and the name and address of a contact Person with any affected agency or franchise authority.
13. Describe in detail any rebuilds or upgrades of the Seller/Transferor's Maine Cable Systems that are currently underway, including (a) the specific time schedule for the rebuild or upgrade, (b) the specific systems to be affected by the rebuild or upgrade, (c) a detailed description of the nature of the rebuild or upgrade, and (d) a detailed description of the architecture of the rebuilt or

upgraded system, and (e) whether the nature or time of completion of the rebuild or upgrade will change as a result of the Buyer/Transferee acquisition.

14. Describe in detail Buyer/Transferee's plans for any rebuilds or upgrades of the Maine Cable Systems after the closing on the Seller/Transferor acquisition which are not described in question 1, above including (a) the specific time schedule for the rebuild or upgrade (b) the anticipated cost of the rebuild or upgrade, (c) a detailed description of the nature of the rebuild or upgrade, and (d) a detailed description of the architecture of the rebuilt system.
15. Provide a copy of the anticipated complete rate schedules to be offered to Subscribers in the Maine Cable Systems as well as programming offerings after acquisition of the systems, and after any rebuilds or upgrades are completed, including any new programming services, anticipated retiering or new tiers.
16. Provide a copy of any Buyer/Transferee customer service standards, repair or maintenance policies, complaint resolution policies, or other similar customer policies or protocols that will be in use in the Maine systems after acquisition by Buyer/Transferee.
17. Identify any community relations contact Persons for Buyer/Transferee and provide that Person's address, phone number, resume and job description.
18. Describe in detail any and all planned management changes, operational changes, technical changes, changes to customer service functions (including changes in the telephone, MIS and billing systems), and changes in engineering and technical support, for the Maine Cable System.
19. Describe in detail Buyer/Transferee's plans or expectations with regard to any consolidation, relocation, or construction of any Headend facilities in Maine.
20. Describe in detail Buyer/Transferee's current plans with respect to the construction or relocation of any customer service centers that will serve customers in Maine Cable Systems, including the specific location, size of the facility, staffing level, functions to be performed, days and hours of operation, and other franchises to be served out of the same facilities.
21. Describe in detail Buyer/Transferee's plans to offer internet access service, telephone service or any other telecommunications services to customers in the Maine, including the nature of services to be provided, the time schedule for

making the services available, and the anticipated charge to customers for these services.

22. Please provide a copy of the latest annual report to shareholders of Buyer/Transferee.

23. Please provide a copy of the latest SEC Form 8-Q, 10-K and 10-Q of Buyer/Transferee.

24. Please provide an organizational chart showing the current ownership and control structure of Buyer/Transferee, including its relation to any Parent company and all subsidiary and Affiliated entities.

25. Please provide any projections of revenues, expenses, income, capital spending requirements, and/or cash flow made for Buyer/Transferee for future years. The response should identify all relevant assumptions used in making these projections.

26. Please provide Buyer/Transferee 's capital spending forecast in the state of Maine by year for the next five years. The response should show the forecasted capital spending by year and should provide a brief description of the capital projects for that time frame.

27. Please provide a complete explanation of how Buyer/Transferee plans to finance capital spending programs over the next five years in the state of Maine. The response should indicate the extent to which Buyer/Transferee will rely on internally generated cash and the extent on which it will rely on external financing. For any external financing, provide a break out of the amounts of short-term debt, long-term debt, preferred stock, common equity, inter-company borrowing and any other sources of financing that Seller/Transferor intends to rely on.

28. Please indicate the rating(s) of the publicly traded debt outstanding of Buyer/Transferee or any of its subsidiaries as published by any of the rating agencies. The response should also provide the statements by each rating agency in determining its rating of the debt issue.

29. Please provide the accounting entries that Buyer/Transferee will use to record the purchase of Seller/Transferor.

30. Please provide a description of any changes to the channel line-up, to the rates for Cable Service, and/or the method of determining maximum permitted rates that Buyer/Transferee intends to implement for service to Subscribers in Maine.

31. Please provide the latest monthly financial statements of Buyer/Transferee.
32. Please provide copies of all exhibits and schedules to the Purchase Agreement.
33. Please provide a complete description of the funding of the purchase of Seller/Transferor by Buyer/Transferee. The response should include the following:
 - a. Provide the accounting entries that will be made to recognize the transfer of funds to Buyer/Transferee.
 - b. An explanation of how the funds will be transferred from Buyer/Transferee for the purpose of acquiring Seller/Transferor.
 - c. Will the funds be equity to Buyer/Transferee? If not, provide a complete description of the terms of the loan to Buyer/Transferee, including all existing and proposed term loan covenants relating to leverage, liquidity, profitability and cash flow levels, and the nature of the debt that Buyer/Transferee will incur in conjunction with the acquisition.
34. Please provide a complete explanation of how Buyer/Transferee will account for the acquisition of Seller/Transferor. The response should include the following:
 - a. How will any excess of the purchase price over the net equity be accounted for?
 - b. Will any excess of the purchase price over the net equity be treated as goodwill? If not, provide an explanation of how the excess purchase price would be treated.
 - c. Will any excess purchase price over book value be allocated to Seller/Transferor assets? If so, please provide a complete description of how this allocation will be made.
35. Please provide a pro forma balance sheet for Buyer/Transferee after the purchase of Seller/Transferor.
36. Please provide any forecasts of the operating results and financial condition of Buyer/Transferee that have been prepared. The response should show the forecasts for Buyer/Transferee without the acquisition of Seller/Transferor, and on a pro

forma basis with the acquisition of Seller/Transferor. The response should also provide a description of all relevant assumptions used in making the forecasts.

37. Please provide any forecasts of the operating results and financial condition of Buyer/Transferee on a pro forma basis reflecting all current proposed mergers, acquisitions and swaps. The response should also provide a description of all relevant assumptions used in making the forecasts.

38. Please provide any financial analysis prepared by or for Buyer/Transferee that would establish the reasonableness of this acquisition cost per Subscriber and/or that revenues will be generated (including any projected cable rate increases) that justify this cost per Subscriber.

39. Identify all of Buyer/Transferee's current lenders, the amount of each Buyer/Transferee debt issue outstanding, the type of loan or debt, and the name and telephone number of the principal contact at each lender.