

**COPY**

CABLE TELEVISION FRANCHISE AGREEMENT

By and Between

THE TOWN OF BOWDOINHAM, MAINE

and

CASCO CABLE COMPANY

July 22, 1998

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## CABLE TELEVISION FRANCHISE

This CABLE TELEVISION FRANCHISE AGREEMENT is made as of July 22, 1998, by and between the Town of Bowdoinham, Maine, as franchise authority for the renewal of a cable television franchise (the "Town"), and Casco Cable Television, Inc., (the "Company").

### RECITALS

WHEREAS, Casco Cable Television, Inc. entered into a non-exclusive Franchise agreement with the Town of Bowdoinham, Maine, dated July 27, 1988; and

WHEREAS, the Company has given written notice of its desire to extend the term of this Franchise for an additional ten years, subject to the terms as set forth herein; and,

WHEREAS, the Town of Bowdoinham wishes to award a non-exclusive Franchise to the Company to operate and maintain a cable television system (the "System") in the Town as provided under Title 30-A M.R.S.A. §§ 3008, 3010; and,

WHEREAS, the Company is prepared and desirous of continuing to provide cable television service to the Town;

NOW THEREFORE, in consideration whereof, as set forth in this Franchise, and the mutual covenants and agreements contained herein, the Town and Company agree and contract as follows:

#### 1.0 DEFINITIONS

1.1 Meanings. For the purposes of this Franchise, 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.

1.1.1 "Access" or "Access Cablecasting". Cablecasting on the cable system's access channels for the following purposes; (i) non-commercial and non-discriminatory use by the public, (ii) carriage of non-commercial educational programs; and (iii) use by Town for governmental purposes.

1.1.2 "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.

1.1.3 "Area Outage". An area outage occurs when cable or equipment is damaged, fails or otherwise malfunctions (collectively called "malfunctions"), and

twelve or more subscribers receiving services from that section of cable or that equipment receive unusable or no service as a result of that malfunction.

1.1.4 "Basic Service". The minimum service transmitted to all subscribers, which includes, without limitation, all public, educational and governmental access channels and all broadcast signals, if any, required to be carried on Basic Service pursuant to federal law or this Franchise Agreement to the extent it is not inconsistent with federal law.

1.1.5 "Broadcast". Over-the-air transmission by a radio or television station.

1.1.6 "Cable Act". The Cable Communications Policy Act of 1984 as amended by the Cable Television Consumer Protection and Competition Act of 1992, the Telecommunications Act of 1996 and as it may be further amended.

1.1.7 "Cablecast". Programming (exclusive of broadcast signals) carried on the cable system.

1.1.8 "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 Franchise area.

1.1.9 "Company". Casco Cable Television, Inc.

1.1.10 "Completion of Construction". The time at which cable television service is available throughout any area in which construction is required hereunder, on a regular daily basis, without the addition of any trunk or feeder cable to the cable system.

1.1.11 "Converter". A special tuner attached to the subscriber's television set which permits the subscriber to receive all television broadcast and all cablecast transmissions on the cable system upon payment of the applicable charges.

1.1.12 "Downstream Transmissions". Signals traveling from the headend to the subscriber's location.

1.1.13 "FCC". The Federal Communications Commission.



1.1.14 "Feeder Cable". The cable, connected to trunk cable, from which cable television signal service is distributed to subscribers, as distinguished from trunk cable (which distributes cable television service throughout the franchise area) and drop cable.

1.1.15 "Gross Annual Receipts". Any and all payments made to or compensation 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 cable television subscribers and advertisers in connection with the operation of the cable system within the franchise area, including, without limitation and to the extent permitted by law, any franchise fee imposed by the Town pursuant to Section 14.1; excluding any taxes or 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. Gross Annual Receipts shall not include security deposits paid to Company by subscribers.

1.1.16 "Headend". The electronic center through which broadcast and cablecast signals are electronically translated or modified for distribution over the cable system.

1.1.17 "Interactive Services". Services based on the transmission of information on the cable system from the subscriber's location to the headend.

1.1.18 "Parent". (When used in reference to Company) Any person holding direct ownership or control of twenty percent or more of the rights of control of Company; and any person holding such ownership or control of a Parent to Company.

1.1.19 "Pay Cable". Optional additional video program services, provided to subscribers at a monthly charge in addition to the charge for basic service.

1.1.20 "Person". Any person, firm, partnership, association, corporation, company or other entity of any kind.

1.1.21 "Street". Streets, roadways, highways, freeways, avenues, lanes, alleys, courts, places, squares, curbs, sidewalks, rights-of-way and other dedicated public ways within the franchise area, including those hereafter dedicated to public use when such dedication occurs.

1.1.22 "Subscriber". Any person lawfully receiving, at a minimum, Basic Service from the cable system.

1.1.23 “Upstream Transmissions”. Signals traveling from subscriber or other originating points on the cable system to a headend or sub-headend.

1.1.24 “Town”. The Town of Bowdoinham.

1.1.25 “Two-way Capability”. The ability to transmit, audio, video and digital signals upstream and downstream on the cable system.

1.2 Other Definitions. Any term defined in FCC rules and/or regulations as of the effective date of this Franchise, 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 rules and/or regulations.

## 2.0 GENERAL CONDITIONS

2.1 Representation by Company. Company represents to Town 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, 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. A breach of the representations contained herein shall constitute a substantial violation of this Franchise, and shall entitle the Town to terminate the Franchise for cause.

2.2 Grant of Authority. Subject to the terms and conditions herein and to the extent to which the Town has the power to authorize, the Town hereby grants to the Company, the non-exclusive right and privilege to construct, operate and maintain in the Town of Bowdoinham (the “Franchise Area”), in, along, across, above, over and under the streets, public ways 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 maintenance and operation of a cable system for the interception, sale and distribution of audio, video, digital and other forms of electronic and electric signals. The Town expressly reserves the right to grant other such Franchises to any person, firm, company, corporation or association at any time.

2.3 Exercise of Police Power. All rights and privileges granted hereby are subject to the police power of the Town to adopt and enforce local laws, rules and regulations necessary for the health, safety and general welfare of the public. Expressly reserved for the Town is the right to adopt, in addition to the provisions of the Franchise and existing laws, ordinances and regulations as it may find necessary in the exercise of its police power; it being understood that: (i) the Town may not, in exercising its police power, discriminate against the Company, and; (ii) the exercise of police power by the

Town that affects only the Company is not, in and of itself, an indication of discrimination by the Town.

2.3.1 Conflict With Public Works. The rights and privileges granted hereby shall not be in preference or hindrance to the right of Town, or other governmental agency, improvement district or other authority having jurisdiction, to perform or carry on any public works or public improvement, and should the 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 Town or other authority having jurisdiction.

2.3.2 Use of System by Town. Subject to Company's contractual commitments with respect thereto, Town shall have the right, without cost, to make attachments to poles owned by Company and the cable system's strand and tower(s), for Town'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 Town'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. Town shall indemnify Company against any losses incurred by Company in connection with Town's use of Company facilities pursuant hereto which losses result from the negligence or willful misconduct of the Town or any of its employees, officials or agents.

### 3.0 LINE EXTENSION

3.1 Provision of Service. Beginning with the effective date of this Franchise, and continuing throughout the term thereof, Company shall make available upon request of the owner, tenant or lessee of any improved "required to be served" property in the franchise area the full range of cable services available to other subscribers or users of like class, subject to payment of subscriber rates therefor. "Required to be served property" is any property that is served by the cable system on the date of execution of this Franchise and any property that should be served by the cable system pursuant to Section 3.2.2 herein.

#### 3.2 Extension Policy

3.2.1 Minimum Density. In addition to the foregoing, Company shall make service available in areas where there is a dwelling unit and/or potential subscriber (collectively called "units") "minimum" density, measured from the then-nearest point on the cable system, prorated for areas less than one mile in length. "Minimum" density shall mean 20 units per Mile in areas served by aerial feeder cable and 30 units per mile in areas served by underground feeder cable.

3.2.2 Ridge Road Extension. Notwithstanding the minimum density requirements above, the Company shall make cable service available along the entire length of Ridge Road.

3.2.3 Low Density Extension Areas. Company shall also make service available in areas with less than the minimum density ("low density extension areas") if each household requesting service in such low density extension area agrees to reimburse Company for the "household's share" of the construction costs. Company will pay the first \$1,000 for each household agreeing to subscribe. The household share shall be the difference between the total cost to construct less the Company contribution of \$1,000 per household.

Services to households to be served shall commence by no later than six (6) months after Company has received necessary pole use approvals from the appropriate utilities, it being understood that the Company shall exert its best efforts, as described below, to obtain such approvals at the earliest possible date.

3.2.4 Roads Not Maintained by Town. Except in the areas specified above, nothing in this section shall be deemed to require Company to offer service to locations to which, in accordance with Company's standard plant extension procedures, service would otherwise be brought by extending trunk and/or feeder cable along a previously unserved road, if such road is not maintained by the Town.

3.3 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.

#### 4.0 DURATION OF FRANCHISE

##### 4.1 Term.

- a. The term of this Franchise shall be for a period of ten (10) years, commencing as of July 22, 1998 unless sooner terminated as provided hereunder or surrendered.
- b. Renewal. Company shall have the option to request renewal of this Franchise for an additional period not to exceed ten (10) years. Should the Company desire to exercise this option, it shall so notify the Town, in writing, not earlier than thirty-six (36) months, and not less than thirty (30) months, prior to expiration of the term of the Franchise, subject to approval by the municipal officers and a determination that Company's performance of its obligations

hereunder, taken as whole has been satisfactory during the initial term. Upon notification by the Company of its request for renewal, the Town may request franchise proposals from other cable television providers. The Town shall hold a public hearing to consider the performance of the Company under this Franchise and any other factors deemed relevant to determining whether to review this Franchise. Such renewal hearing shall be held on not less than 14 days' notice to Company; and shall afford all interested parties, including Company, an opportunity to be heard. Company shall be notified in writing of any determination of unsatisfactory performance and the reasons therefor.

4.2 Extension of Term by Town. Notwithstanding any other provision of this Franchise, in the event of expiration, termination or revocation of this Franchise, Town may nevertheless extend the term hereof beyond such revocation, termination or expiration date for such period of time, not to exceed three (3) years, as Town may specify, by giving Company such notice as is reasonable in the circumstances and during any such extension of the term Town may terminate the Franchise, effective at any time not less than thirty (30) days from date of such notice. During such extension, Company shall make diligent efforts to secure a qualified buyer for the system at its then fair market value as a going concern. Alternatively, Town shall have the option to purchase the system in its entirety at its then fair market value as a going concern, but such value shall not take into account any benefits or rights conferred by the Town under this or any subsequent Franchise.

## 5.0 SIGNAL LEAKAGE

5.1 No Interference. The cable system shall be constructed, operated and maintained so that there will be no objectionable interference as determined by FCC with television reception, radio reception, telephone communications or other electronic installations in the Town. Should any such interference occur, Company shall have a reasonable period of time within which to eliminate it.

## 6.0 EMPLOYMENT PRACTICES

6.1 Equal Opportunity. Company shall comply with the requirements of the rules of the FCC and Company's Affirmative Action Program.

## 7.0 INSURANCE

7.1 Company Insurance. Company shall maintain during the full term of the Franchise such insurance as will protect it and Town from any claims which may arise directly or indirectly or result from its acceptance of the Franchise or Company's

activities under this Franchise, whether such activities are performed by Company, or by anyone for whose acts Company may be liable, including, but not limited to, the following:

- i. Worker's Compensation and any other legally required insurance, shall be supplied in statutory amounts;
- ii. Property insurance, all risk, replacement cost basis, on all Company assets;
- 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 \$6,000,000 per occurrence and Company's liability insurance shall be endorsed to include the full indemnity specified in 6.1.1. below, except that part of the indemnity which covers claims arising out of the award of the Franchise and processes leading thereto, and except that part of the indemnity which covers "any suit or claim for royalties, license fees, or infringement of copyright or patent rights".

7.1.1 Indemnification. Company hereby indemnifies and holds Town, its officers, agents, employees, members of boards and commissions and any other parties to the Franchise 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, including reasonable attorney's fees, resulting from claims arising out of the award of this Franchise, 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 in the Franchise area, 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. In the event of the commencement of any action against Town, or its officers, agents or employees, which is within the scope of this indemnification, Town will give notice to the Company within the five (5) business days after Town is formally served in any such action, provided that any failure by the Town to give timely notice to the Company of any such action, claim, suit or demand against the Town shall only release the Company from its obligations to indemnify the Town as provided herein if and to the extent that Company suffers actual prejudice as a result of such failure to notify. Company will have the right to select and furnish counsel for the defense of any such action, at no cost or expense to Town. Company shall have complete control of any action and the sole authority to settle the matter. Town will cooperate with Company as reasonably required for the defense of any such action,

provided that any reasonable expenses incurred by the Town in connection therewith will be reimbursed by the Company.

7.1.2 Named Insured. The liability insurance policy shall bear the name of Company and the Town shall be named as an additional insured.

7.1.3 Cancellation Notice. All such Company insurance policies and certificates of insurance shall stipulate that the coverages afforded by the policies will not be canceled until at least thirty (30) days' prior notice has been given to Town.

7.1.4 Evidence of Insurance. By not later than thirty (30) days after the Franchise is granted to Company, and thereafter throughout the duration of the Franchise, at Town's request, Company shall furnish to Town current certificates of insurance, which shall include the indemnity set forth in 7.1.1. above. Failure to furnish and maintain said insurance shall constitute a substantial violation within the meaning of 11.2 below.

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

## 8.0 PERFORMANCE BOND

8.1 Performance Bond. Company shall obtain and maintain during the entire term of the Franchise, at its sole cost and expense, and file with Town, an irrevocable performance bond, to guarantee the faithful performance by Company of all of its obligations under this Franchise. Such performance bond shall be in the amount of \$25,000 prior to reconstruction of the System as described in Section 20.0 herein, \$50,000 during the period of reconstruction of the System, and reduced again to \$25,000 after reconstruction of the System is complete.

8.1.1 Conditions. The performance bond shall provide, but not be limited to, the following conditions:

- a. There shall be recoverable by Town, jointly and severally from the principal and surety, any and all damages, losses, costs, penalties due to Town and any and all damages, losses, costs and expenses suffered or incurred by Town resulting from the failure of Company to comply with one or more provisions of the Franchise. Such losses, costs and expenses shall include, but not be limited to, reasonable attorney's fees and other legal, consulting and auditing expenses.

- b. Not less than thirty (30) days' prior notice to Town shall be provided of Company's intention to cancel materially change, or not to renew the performance bond.

8.2 Forfeiture. The total amount of the bond shall be forfeited in favor of Town in the event

- i. Company abandons the cable system or any part thereof at any time during the term of the Franchise; or
- ii. Company fails to purchase and maintain insurance as required by 7.0 hereof; or
- iii. the Franchise is revoked as provided in 13.2 hereof.

## 9.0 FORCE MAJEURE

9.1 Force Majeure. Company shall not be responsible for any delay or failure to perform its obligations under the Franchise 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 either Federal, State or municipal government, or any other cause beyond Company's control.

## 10.0 OWNERSHIP OF CABLE SYSTEM

10.1 Company Ownership. Company shall at all times during the term of the Franchise be the full and complete owner of, and have complete possessory rights to, all facilities and property, real and personal, of the cable system. Nothing herein shall be construed to prevent Company from entering into a lease of or for such property, provided that the terms of such lease shall provide for continuity of possession by Company throughout the term of the lease.

10.2 Restriction on Transfer. Company shall not transfer, assign, lease or dispose of this Franchise and shall not enter into any transaction concerning the control of the cable system or the Franchise without thirty (30) days' prior notice to Town and prior written approval of Town, which approval Town shall not be unreasonably withheld. Any pledge or collateralization of any assets of the cable system shall be excluded from the provisions of this paragraph, but the exercise of any right to foreclose upon or seize such assets shall be included. The Company shall reimburse the Town for all reasonable charges and fees incidental to reviewing a transfer of this Franchise, including but not limited to reimbursement to the Town for reasonable attorney's fees.



10.3 Foreclosure. Upon the foreclosure, other judicial sale or reversion of all or a substantial part of the cable system, Company shall notify Town 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 10.2 above governing Town approval of such change, shall apply.

## 11.0 CONTROL OF COMPANY OR PARENT

### 11.1 Change of Control.

- a. Thirty (30) days' prior notice to Town and prior written approval by Town of continuation of the Franchise shall be required for any transfer which changes effective majority control of Company, or in which direct or indirect ownership or control of twenty percent or more of the right of control of Company or a Parent is acquired by one or more persons who, upon the effective date of the Franchise, did not already control or own thirty percent or more of such right of control, singularly or collectively, or when ownership or control of twenty percent or more of the right of control of Company is sold by any person. Town shall not unreasonably withhold its approval of any change of control.
- b. If, in Town's opinion, information furnished to it in connection with a request for approval of a transfer pursuant to this 11.1 is not sufficient to enable Town to make a fully informed decision with respect thereto, it may request such additional information concerning the proposed transfer and transferee as Town may determine, such request to be made within forty-five (45) days after receipt by Town of notice of such proposed transfer. All such requested information shall be furnished to Town within forty-five (45) days after receipt by Company of such a request from Town. Notwithstanding any other provision of this Franchise, specifically including 11.1 above, Town shall be under no obligation to act on any request for approval of any such transfer unless and until it receives all of the information requested.
- c. If the Town fails to act on a request for approval of a transfer (i.e. approve or disapprove) within forty-five (45) days of receipt by it of a request for such approval, such request shall be deemed approved unless Town requests additional information as provided in (b) above, in which latter case such request for approval of a transfer shall be deemed approved only if Town fails to act on the

request within forty-five (45) days after receipt of all of the information requested.

11.2 Receivership. In the event of the appointment of a receiver or trustee, or debtor in possession, to take over and conduct the business of Company, or a Parent, whether in receivership, reorganization, bankruptcy, or other action or proceeding, Company shall notify Town 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 Company has taken place, and the provisions of 10.1 hereof governing Town 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.

## 12.0 REGULATORY CHANGES

12.1 Application. All applicable laws, and the rules and regulations of the FCC as of the effective date hereof, are deemed to be part of this Franchise. 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 television service after the effective date of this Franchise, which preempts a provision of this Franchise, then such provision shall take effect on a date not later than thirty (30) days after the effective date of such law, rule or regulation.

## 13.0 TERMINATION OF FRANCHISE

13.1 Town Option. Upon expiration, termination or revocation of the term of the Franchise, Town shall have the option to purchase the cable system at a price determined in accordance with the Cable Act. Alternatively, the Company may sell the system so long as it diligently pursues such an option.

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

- i. Violates any material provision of this Franchise or any rule, order or determination of Town made pursuant hereto or defaults in the performance of any of its obligations under this Franchise, or such other documents, contracts and other terms and provisions entered into by and between the Company on the one hand and the Town, cable television customers, and subscribers, on the other hand, and

fails to cure the default to the Town's reasonable satisfaction within thirty (30) days after the Company's receipt of written notice of the default from the Town.

- ii. Attempts to evade any material provision of the Franchise or to practice any fraud or deceit upon the Town.

13.3 Hearing. Town may not revoke this Franchise pursuant to 13.2 above unless it shall first have considered the matter at a public hearing, held on not less than thirty (30) days' notice to Company, at which all interested parties, including Company, are afforded an opportunity to be heard.

13.4 Removal or Abandonment. Upon termination of this Franchise by passage of time or otherwise, and unless (1) this Franchise is renewed for another term or (2) Company transfers the Cable System to a transferee approved by the Town, Company shall remove its supporting structures, poles, transmission and distribution systems, and all other appurtenances from the public way and places and shall restore all areas to their original condition. If such removal is not completed within six (6) months after such termination, the Town may deem any property not removed as having been abandoned and may, at its election, remove said abandoned plant at the sole cost of Company or dispose of or use any such property in any way or manner it deems appropriate.

#### 14.0 FRANCHISE FEE

14.1 Fee. As compensation for the rights and privileges granted by this Franchise, Company shall pay to Town three (3%) percent of the Company's Gross Annual Receipts for the first four (4) years after the effective date of this Franchise.

The Town reserves the right to increase its franchise fee upon 60 days notice to Company to up to 5% of the Company's gross annual receipts derived in such period from the operation of the cable system to provide cable services, as defined by the Cable Act, for the remainder of the term of this Franchise beginning after the expiration of the initial four-year period (beginning of year five) referenced above.

14.2 Computation. In computing amounts due Town, the Town shall be furnished at the time the fee is paid, with a financial statement from Company's Controller reflecting the total Gross Annual Receipts for the payment period. Subject to the limitations in Section 28.1, Company shall pay for a Certified Public Accountant to review Company's financial statement if the Town reasonably believes there is a material error or discrepancy in said statement and Town shall have the right to inspect and/or audit all gross receipts records and the right to reimbursement by Company for the expense of inspection/audit. With respect to advertising revenue which is not specifically attributable to resident subscribers of Bowdoinham, such revenue shall be

attributed to Town on the basis of the number of cable system subscribers in Bowdoinham as a percentage of the total number of subscribers served by the cable system which serves Bowdoinham and other communities, using, for Town subscribers and total system subscribers, respectively, the average numbers of subscribers for the six month period for which payment is made.

14.3 Payment. Payment of the franchise fee shall be computed semi-annually for the preceding six months as of June 30 and December 31 of each calendar year, and payment shall be due and payable no later than thirty (30) days after the end of the period for which payment is made. Each payment shall be accompanied by a statement 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 Receipts for the period for which payment is intended.

14.3.1 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 Town may have for further or additional sums payable under the provisions of this Franchise or (ii) any other claim whatsoever.

## 15.0 PARENTAL CONTROL

15.1 Lockout Key. Company shall make available to any subscriber so requesting, at Company's out-of-pocket purchase cost, a "parental control device" or "lock-out key" which will permit the subscriber, at his or her option, to eliminate comprehensible reception of any or all of the pay cable channels.

## 16.0 SEVERABILITY

All terms and conditions of the Franchise are subject to the rules and regulations of the FCC. If any provision of this Franchise 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, and such holding shall not affect the validity and enforceability of all other provisions hereof.

Notwithstanding the foregoing, if any part of this Franchise is declared or found to be invalid by the FCC or any court of competent jurisdiction, such part shall, at the option of Town 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 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.

## 17.0 OPERATIONS

17.1 Availability. The cable system shall be so designed and constructed as to provide service pursuant to 3.0 hereof.

17.2 Non-Discrimination. 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 Town, the State of Maine or the United States. Nothing herein shall be deemed to require Company to offer cable service in any area which it is not otherwise required to serve hereunder.

17.3 Privacy. Company shall maintain due vigilance with regard to possible abuses of the right of privacy of any subscriber resulting from any device or signal associated with the cable system, and shall take reasonable steps necessary to prevent and terminate any such abuses should they occur.

17.3.1 Installation of Equipment. 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, the written permission of the holder of any easement for utility lines or similar purposes except as otherwise provided by the Cable Act.

17.3.2 Monitoring. Neither Company nor any of its officers, employees or agents shall 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.

17.3.3 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 consent of the subscriber; provided, that Company may make such lists available (i) to persons offering pay cable services (e.g. "Showtime") on the cable system in order that such persons may market such services to subscribers; (ii) 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 and; (iii) as permitted by Cable Act; on condition, in any case, that the persons receiving such lists will not permit them to be made available to any other party.

## 18.0 DELEGATION

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

## 19.0 GOVERNING LAW

19.1 Maine Law. This Franchise shall be governed by, and be subject to, the Cable Act, and, to the extent not inconsistent therewith, all applicable FCC Rules and Regulations and the laws of the State of Maine. Company shall be subject to the jurisdiction of the federal courts in any suit arising out of this Franchise.

## 20.0 CONSTRUCTION

20.1 Design. Subject to the standards of any Federal and State regulatory agencies having jurisdiction and subject to the system's capability of providing the services and facilities prescribed herein, the technical design of the cable system shall be at the option of the Company. The system shall in any event be designed and built for technical quality (only) in conformance with the highest state or the art in the cable television industry, using fiber optic to coax technology, with fiber optic super trunk, and trunk, feeder and house drop coaxial cable, with accompanying optical transmitters, receivers and amplifiers; it being understood that this provision is not intended to require Company to provide technical capability greater than what is herein elsewhere specified, nor to provide equipment which is not generally available to the cable television industry.

20.1.1 Channel Capacity. The cable system shall be designed and built (including spacing and cascade) for operation at a minimum of 550 MHZ provided that Company may, if it so elects, use 450 MHZ amplifiers. Town shall have the right, exercisable by giving Company at least nine months' notice thereof, to require Company to install 550 MHZ amplifiers throughout the cable system, effective not earlier than the end of the fifth year of the term hereof. Not less than 62 downstream channels, and three upstream channels, shall be activated during such periods as 450 MHZ amplifiers are in use. All downstream channels, and three upstream channels, shall be activated upon installation of the 550 MHZ amplifiers. "Activated" does not mean programmed.

20.1.2 Construction Schedule. Reconstruction of the System presently serving the Town of Bowdoinham, including the Ridge Road extension referenced in

Section 3.2.2, shall commence no later than six (6) months and be completed no later than eighteen (18) months after the commencement of this Franchise.

20.1.3 Business Office. Company's principal business office for the cable system shall be located in the Brunswick franchise area. All Town communications to Company relating to this Franchise or operations hereunder shall be addressed or delivered to Company at such office.

20.1.4 Subscriber Antennae. Notwithstanding a required disconnection of subscribers' existing antennae and downloads to receivers connected to the cable system, Company shall not remove 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. Company may require payment of an installation charge by each subscriber, in addition to the, purchase cost, for switch installations made after initial installation of service to that subscriber. Company may require that the antenna connected to any such switch be grounded.

20.1.5 Switching. The headend shall have the capability of accepting programming on the upstream channels of the cable system and simultaneously transmitting such programming on the downstream channels of the cable system.

20.2 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.

20.2.1 Upstream Channels. The cable system shall be capable of upstream channel origination from all municipal, school and public library buildings.

20.2.2 Compliance with Regulations. All work, including all working conditions and facilities, associated with the construction, operation, maintenance and repair of the cable system shall comply with:

- a. All applicable Federal and State laws, rules and regulations;  
and
- b. All applicable laws, codes, ordinances, rules and regulations of Town.

20.2.3 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. 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.

20.2.4 Identification. Company shall ensure that all of its vehicles, employees, and the employees of any of its agents and contractors who enter upon private property are clearly identified to the general public as being associated with Company.

20.2.5 Public Way 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.

20.3 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 the Franchise such utility lines are relocated underground, Company shall similarly relocate its cable distribution system 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 Town, which approval shall not be unreasonably withheld, pursuant to Town's law, ordinances, rules and regulations.

20.3.1 Location of Construction. All lines, cables and distribution structures, and equipment,, including poles and towers, erected by Company within the franchise area shall be located so as not to obstruct or interfere with the proper use of streets and to cause minimum interference with the rights of property owners who abut



said streets, and not to interfere with existing public utility installations. 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.

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

20.3.3 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 Town or other applicable authority, and fully comply with local regulations, including the zoning codes.

20.3.4 Temporary Relocation. Company shall, on request of any person holding a permit issued by Town or other appropriate authority, temporarily move its fixtures to permit the moving 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 not less than 14 days' advance notice to arrange for such temporary relocation.

20.3.5 Tree Trimming. Company shall have the authority to trim any trees upon and overhanging Town's streets or public easements to prevent the branches of such trees from coming in contact with the wires and cables of Company. Tree trimming done by Company shall be subject, in all respects, to Town's prior approval.

20.3.6 Drops. In areas where the cable distribution 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.

- a. Insofar as practicable, Company shall adhere to the subscriber's desire with regard to point of entry of the drop connection into the structure.
- b. Within the subscriber's structure, drop or cable runs shall be made as unobtrusively as possible.

- c. Each drop shall be 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.

20.3.7 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 laws of Town.

## 21.0 SERVICES AND PROGRAMMING

21.1 Basic Service. The Company shall provide a basic service which shall include at least: (1) all broadcast television signals in the Bowdoinham, Maine area which are required to be carried by a Cable Television System serving the Town pursuant to state or federal statute or regulation; and (2) PEG access channel capability for public, educational and governmental use; and (3) additional programming which is available to Cable Television Systems for distribution as part of a Basic Service which the Company may determine to provide.

21.2 Programming. Company shall provide a wide array of programming services in an effort to fill the majority of viewing requests of its customers and will do so in full conformity of all applicable federal laws and rules. The Company shall use its best efforts to provide a wide diversity of alternative programming options to its subscribers, including, but not limited to, sports programming, public affairs programming, news programming, programming devoted to the elderly and children and optional premium movie programming, provided that these services are available to Company at reasonable cost.

21.3 Continuity of Service. It shall be the right of all subscribers to receive service insofar as their financial and other obligations to Company are honored. In the event that Company rebuilds, modifies or upgrades the Cable Television System, Company shall ensure that all subscribers receive continuous, uninterrupted service, except for necessary service interruptions. When necessary service interruptions can be anticipated, Company shall notify subscribers forty eight (48) hours in advance. Such notice may be made via a character generated notice on the System. In the event that a new Company acquires the Cable System, Company shall cooperate with the Town and such new Company to assure continuity of service(s) to all subscribers.

21.4 Free Connections and Basic Service to Public Buildings. Within 30 days of the execution of this Franchise, and thereafter for the term of this Franchise Agreement, the Company shall provide one (1) Subscriber Network Drop, Outlet, Converter (if necessary) and the monthly Basic Service, without charge, to all public schools, the fire station, the public works facility, and two (2) such drops/outlets without

charge to the Municipal Building (one (1) drop in the public library and one (1) drop in the Town office), and to all other municipal buildings, present and future, passed by the cable system (future municipal buildings will be connected within 30 days of a request by the Town). The Town shall verify the location of each connection, with the proper officials of each of the institutions entitled to such free Drop, Outlet, Converter, and Basic Service prior to installation.

21.5 Internet Service to Town Office. Within eighteen (18) months from the date of the execution of this Franchise Agreement, Company shall provide one (1) Internet access account without charge, to the Town office, located in the municipal building, for the duration of this Franchise, or for so long as Company is in the business of providing Internet service, whichever occurs sooner. The Company shall also provide for such additional accounts at all other municipal buildings at a commercial discount as specified on a schedule attached hereto as Attachment A .

## 22.0 PUBLIC ACCESS CHANNEL COMMITMENTS AND POLICIES.

22.1 General. Pursuant to the Cable Act, and Section 21.1 above, Company shall provide one (1) channel, to be initially shared with two other towns under the conditions set forth in Section 22.4, for the exclusive non-commercial Public, Educational and Government (PEG) Access use, on the Basic Tier of the Subscriber Network.

### 22.2 Studio and Equipment.

(a) Within 45 days from the date of the execution of this Franchise, Company shall purchase for the Town, at no cost, a commercial quality video camera for producing programming to be aired on the PEG access channel during the full term of this Franchise. At the beginning of the fifth year of the Franchise or earlier if necessary, Company and the Town shall meet to discuss the need for an upgrade or replacement video camera to ensure that programming of broadcast quality can continue to be produced throughout the Franchise period. Company shall provide such video camera to the Town within 45 days upon a reasonable request by the Town.

(b) Training. Commencing with activation of the access channel, Company shall provide technical assistance concerning the proper use and care of the Town's studio equipment described above in subsection (a). Upon request by the Town, the Company shall schedule training classes at a minimum of twice yearly, open to any Town resident, employee, official, agency or commission, or any non-profit group or organization, or associate of the Town school system. Such classes shall provide a minimum of three (3) hours of instruction, with a minimum of two (2) weeks prior public notice of the availability and scheduled time for such classes.

(c) In addition to the foregoing, during the term of the Franchise, Company shall make its studio and production equipment available for government, education and public access use when not being used by Company; provided, that (i) Company may require that persons using such equipment be trained by Company personnel in the use and care of such equipment to the extent necessary for proper use and care; and (ii) users shall be responsible for the return of such equipment in the same condition as received, reasonable wear and tear excepted; and (iii) if any use of studio or equipment outside of normal office hours results in additional cost to Company, the user shall reimburse Company for all such additional costs.

22.3 Change in PEG Access Channel Assignment. Company shall not change the channel designation of the PEG Access Channel without prior written authorization from the Town. Such authorization by the Town shall not be unreasonably withheld.

22.4 Consideration of Exclusive PEG Access Channel. The PEG access channel shall initially be designated for use by the Town of Bowdoinham and, if the Company so chooses, the Towns of Bowdoin and Topsham, provided that Company shall make available to the Town of Bowdoinham, at its option, a PEG access channel for the Town of Bowdoinham's exclusive use in the event that either of the other towns chooses to have a PEG access channel for their exclusive use pursuant to their franchise agreements with Company.

At the beginning of the fifth year of the Franchise or thereafter during the Franchise period at the Town's option, Company and the Town shall meet to discuss the need for an exclusive PEG access channel for the Town, assuming the Town has not yet chosen to do so. If the Town determines that an exclusive PEG access channel is in the best interest of the Town, then Company shall be prepared to provide the necessary technology for such channel, including a character generator.

## 23.0 PERFORMANCE STANDARDS

23.1 Technical Standards. Subject to 9.1 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 to the contrary notwithstanding, the technical specifications, operation and performance of the 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 hereto, whichever is of the higher quality. Should there be any occasion during the term of this Franchise 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, then and in such event Town may establish such standards. Any such standards established by Town may be adopted only after being considered in a public hearing, with due notice and an opportunity for all interested parties to be heard, and shall bear some reasonable relation to Federal standards previously in force.

#### 24.0 MAINTENANCE AND REPAIR

24.1 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 standard set forth herein.

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

24.2.1 Repair Procedure. Company shall have a toll free, local listed telephone so operated that requests for repairs or adjustments can be received at any time, 24 hours per day, seven (7) days per week. A recording device or answering service may be used during non-business hours.

24.2.2 Receivers Excluded. The requirements for maintenance and repair shall not apply to subscriber television or radio receivers or other subscriber-owned equipment.

24.3 Rebate for Service Loss. For every loss of service in excess of six continuous hours, Company shall grant a pro rata rebate of the regular monthly charge to each subscriber so affected as required by law. The credit shall be pro-rated by multiplying the applicable monthly service rate by a fraction whose numerator equals the number of days (or portion thereof) of the outage and whose denominator equals the number of days in the month of the outage. In no case shall the credit be less than 24 hours' credit. For purposes of this paragraph, loss of basic service shall be considered a subscriber's receipt of less than two-thirds of the respective available channels, and loss of pay cable service shall be considered the loss of signal on any pay channel. Such rebate shall be made by Company following notification of Company by the subscriber, identifying the loss of service by channel description and date and time; provided, that Company may, if it so elects, make such rebate by way of a credit on the affected subscriber's next bill.

24.4 Records. Company shall maintain records of all oral and written complaints regarding quality of service, equipment malfunctions and billing procedure. 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. Such records shall be available at Company's local office for at least two years, for inspection by Town as it may from time to time request, during regular business hours and upon reasonable notice.

## 25.0 SUBSCRIBER RATES AND CHARGES

25.1 Regulation. Town shall have the right to regulate rates charged to subscribers to the extent permitted by the Cable Act.

25.2 Rate or Service Discrimination; Special Classifications. Company shall not subject any person to any prejudice or disadvantage, preference or advantage in connection with rates, charges, service facilities, rules or regulations. 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 Rate and Program Changes. Company shall give Town and each subscriber at least thirty (30) days' written notice of any change in subscriber rates, and, at Town's request, exercised by Town giving Company at least seven (7) days' notice thereof, shall attend, and respond to questions, at any public hearing held by Town concerning the rate increase. Company shall give Town and each subscriber at least thirty (30) days' notice of the deletion of any program service. In addition to the required notice above, before it alters services or service terms or conditions, Company must provide a reasonably simple and clear written notice explaining the substance and full effect of the alteration, including the effect on rates and service options and the effect of the change on the use of other consumer electronic equipment. Such written notice shall be provided to the Town and to subscribers at least thirty (30) days before the change. Any change made without the required thirty (30) days' notice shall be of no force or effect.

25.4 Billing Practices. Company shall set forth, in writing, its billing practices and policies, and shall furnish a copy thereof to each new subscriber and to Town, and thereafter to Town and all subscribers at least thirty (30) days before there is a change in such policies.

25.4.1 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 (30) days of such termination; provided, that if the amount of refund due a subscriber is less than \$5.00. Company may require that such subscriber collect any such refund at such regional office, and the subscriber shall have a year within which to collect such refund.

25.4.2 Rebate for Service Loss. Rebates due subscribers as a result of loss of service, pursuant to 24.3 hereof, shall be made to the affected subscribers by Company either by direct payment or by appropriate credit entry on the next subsequent billing.

25.4.3 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 over due; and
- b. Company mails at least fifteen (15) days prior to the proposed disconnection written notice of intent to disconnect for delinquency in payment; and
- c. The subscriber's account is at least thirty (30) days delinquent.

## 26.0 PUBLIC COMMUNICATIONS

26.1 Business office. The business office shall be staffed during normal business hours by at least one person in responsible charge of Company's operation hereunder.

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 Town and the police, fire and public works departments.

## 27.0 SUBSCRIBER COMPLAINTS

27.1 Billing Complaints. In the case of a billing complaint, Company shall respond to the complaint by no later than five (5) business days following receipt of the complaint.

27.2 Service Complaints. In the case of a service complaint not requesting repair or adjustment, Company shall respond to the complainant within five (5) business days following receipt of the complaint.

## 28.0 RECORDS AND REPORTS

28.1 Maintenance and Access. 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, shall allow Town to inspect and/or audit all gross receipts records upon not less than seven working days' notice, and shall allow Town to inspect such other records as are required to be maintained. Town may inspect all of Company's accounting and financial records in connection with any proposed extension or renewal of the Franchise. Any audit by Town hereunder shall be at its expense unless such audit shall disclose an underpayment of more than three percent of the total franchise fees payable for the period of the audit, in which event Company shall reimburse Town for the expense of such audit. Town's right to examine Company's records shall be limited to records covering the two year period immediately preceding the date of any such examination, and provided, that if any such examination discloses a material discrepancy in information supplied to Town pursuant to any of the provisions of this Franchise, Town may inspect such records without regard to such two year inspection restriction.

28.1.1 Location. Any records not maintained at Town's local business office shall be made available to Town at such location upon request affording reasonable notice thereof.

28.2 Other Reports. In addition to the reports herein elsewhere required, Town 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.

28.3 Financial Reports.

- a. Company shall file semi-annually with Town, no later than forty-five (45) days after the end of each six-month period, a statement certified as correct by a Company officer, showing, by category (e.g. basic service, pay cable (by service), etc.), Company's Gross Annual Receipts, from the Town cable system only, for the year for which payment is made. Company shall keep financial information and records in accordance with generally accepted accounting principles and generally accepted auditing standards in the cable television industry.
- b. Information furnished pursuant to this 28.3 shall be prepared in accordance with generally accepted accounting practices and, at Town's option, shall be subject to audit by an outside firm of certified public accountants selected by Town. Any such audit shall be at Town's expense except as provided in 28.1 above.

28.4 Examination. Upon reasonable notice to Company, Town 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.



## 29.0 ARBITRATION

29.1 Decision. Decisions as to any matters referred to arbitration hereunder shall be made by a board of three arbitrators, appointed as provided in 29.2.

### 29.2 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 thirty (30) days after receipt of the notice requesting arbitration;
- iii. Within thirty (30) 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 thirty (30) day period, either Town or Company may request the American Arbitration Association to appoint the third arbitrator;
- v. Within thirty (30) days after appointment of the third arbitrator the three arbitrators so appointed shall conduct a hearing(s) in the franchise area, 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 thirty (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;
- ix. The arbitrators shall have no authority to amend, modify, nullify, ignore, add to, or subtract from the specific provisions of the

Franchise. 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.

### 30.0 NEW TECHNOLOGY

30.1 Changes in Cable Television Technology. From time to time and at least on the fourth anniversary (beginning of year five) of this Franchise at the Town's request, Company shall review with the Town changes in relevant cable technology that might benefit the subscribers. Such review may take into account the state of the art in relevant cable technology, the characteristics of the existing system, the benefits to subscribers of any upgrade in relevant cable technology, the cost to subscribers of any such upgrade, the technical feasibility of upgrading the existing system, the demand for such upgrade or change in technology, the remaining life of the Franchise over which the cost of such upgrade would have to be amortized, Company's unamortized investment in the existing system, and additional factors that the Company or the Town deem relevant.

30.2 Town Options. Town shall have the right ("option"), effective at any time after the end of the fourth (4<sup>th</sup>) year of the term hereof, to require Company to provide technological improvements necessary to give the cable system the capability of offering services then being offered by at least 30% of American cable systems comparable in size (number of subscribers; plus or minus 50%) to the Town cable system.

30.3 Requirements. In order for Town to exercise any of the options, the following requirements must be met:

- i. Town must first conduct a public hearing to consider the technological improvements which are the subject of the option, on at least sixty (60) 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. Town may exercise its option by giving Company at least nine (9) months' notice thereof, such notice to be given not later than six (6) months after the date of the above-required hearing held to consider exercise of such option.

30.4 Arbitration. In the event that Town exercises a new technology option pursuant to this section on the basis of a determination, pursuant to 30.3, that Company will be able to make a reasonable rate of return, and Company disagrees with such determination of reasonable return, Company, may, by giving Town notice thereof within fourteen (14) days after Town notifies Company of its determination of reasonable return, require that the issue of reasonable return be settled by arbitration. Company may also require that the nine months' notice period specified in 30.2 (iii) above be the subject of arbitration if, in Company's opinion, such nine months does not give Company sufficient time to satisfy its obligations with respect to the specific equipment 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 Town notifies Company of its 30.3 determination and the date upon which the arbitrators announce their decision.

30.5 Discretionary Upgrading. Nothing in this section shall be deemed to prohibit Company from upgrading its system with any cable television technology at its own discretion.

### 31.0 OWNERSHIP INFORMATION

31.1 Information Required. Upon grant of the Franchise, Company shall immediately file with Town an affidavit (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 (ii) stating the exact relationship between Company and the principals and any other person who could affect, directly or indirectly, Company's performance hereunder. Such affidavit shall be updated upon request by Town not more often than once each year, or upon any change in information last submitted.

### 32.0 MISCELLANEOUS

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

32.2 Notices. Notices required to be sent to Town shall be in writing and shall be delivered by hand, or shall be sent by certified mail, return receipt requested, in either case to Town Manager, Town of Bowdoinham,

13 School St., Bowdoinham, or such other address as may be designated by Town 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 at 336 Bath Road, Brunswick, Me. 04011.

33.0 FINAL RESOLUTION

33.1 General. The agreement expressed herein, in writing, constitutes the entire agreement between the parties and no oral statement shall add to or supersede any of its provisions.

In witness whereof, the parties hereto have caused this Franchise to be executed by their duly authorized representatives this 22<sup>nd</sup> day of July, 1998.

Witness

Carla J. Haggerty  
Carla J. Haggerty  
Carla J. Haggerty

Frank O'Connor  
Brian D. Hobart  
William T. Berry  
Bowdoinham Board of Selectmen

Witness

[Signature]

CASCO CABLE TELEVISION, INC.

By Walter M. Norton  
Walter M. Norton, President  
Casco Cable Television