

TOWN OF FREEPORT

CABLE TELEVISION FRANCHISE AGREEMENT

GRANTED TO

FRONTIERVISION OPERATING PARTNERS, L.P.

Original Effective Date:-

September 9, 1997

With Amendments (shown in blackline) made

November 10, 1998

TOWN COUNCIL

TOWN OF FREEPORT

MAINE

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FRANCHISEFRANCHISE

This Franchise Agreement entered into this 9th day of September, 1997, by and between FrontierVision Operating Partners, L.P., a Delaware Limited Partnership, and the Town Council of the Town of Freeport, Maine, as Franchise Authority for the renewal of the cable television Franchise(s):

WITNESSETH:

WHEREAS, the Franchise Authority of the Town of Freeport, Maine, pursuant to 30-A M.R.S.A. €3008, is authorized to grant one or more non-exclusive revocable Franchise Agreements to construct, upgrade, operate and maintain a Cable Television System within the Town of Freeport; and

WHEREAS, FrontierVision Operating Partners, L.P. submitted a Renewal Proposal to the Town, dated May 30, 1996, for a Franchise Agreement to construct, upgrade, operate and maintain a Cable Television System in the Town of Freeport; and

WHEREAS, the Franchise Authority and FrontierVision Operating Partners, L.P., did engage in good-faith negotiations to further clarify said Renewal Proposal and did agree on proposals to upgrade the Cable Television System; and

WHEREAS, the Franchise Authority and FrontierVision Operating Partners, L.P., do agree that Freeport is a unique situation based on its current use of networking technologies, its position as a retail center and its proven commitment to the support of community video and that the breadth of the provisions of this Franchise Agreement reflect the unique needs of this community; and

WHEREAS, the Franchise Authority after consideration, analysis and deliberation, approved the technical ability, financial qualifications, upgrade provisions, Cable Television System design and other proposals of FrontierVision Operating Partners, L.P.; and

WHEREAS, the Franchise Authority has determined that it is in the best interest of the Town of Freeport to grant a Franchise Agreement to FrontierVision Operating Partners. L.P. ;

NOW THEREFORE, in consideration of the mutual covenants herein contained and intending to be legally bound, the parties agree as follows:

SECTION 1 - DEFINITIONS

For the purpose of this Franchise Agreement, the following words, terms, phrases, and their derivations shall have the meanings given herein, unless the context clearly requires a different meaning. When not inconsistent with the context, the masculine pronoun includes the feminine pronoun, words used in the present tense included the future tense, words in the plural number include the singular number, and words in the singular number include the plural number. The word shall is always mandatory and not merely directory, except where noted. Where the following definitions are in conflict with definitions in law, it is the express intent that the definition in applicable federal law shall take precedence.

(a) Affiliate of Affiliated Person: Any person who or which directly or indirectly controls and owns an interest in FrontierVision Operating Partners, L.P.; any person which FrontierVision Operating Partners, L.P. directly or indirectly controls and in which FrontierVision Operating Partners, L.P. owns an interest; and any Person directly or indirectly subject to control and owned in whole or in part by a Person who or which directly or indirectly controls and owns an interest in FrontierVision Operating Partners, L.P.

(b) Basic Service or Basic Level of Service: The lowest service tier, other than a Pay Cable Service, distributed over the Cable System, 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.

(c) Cable Act: Cable Communications Policy Act of 1984 (the "1984 Cable Act"), Public Law No. 98-549, 98 Stat. 2779 (1984), as amended by the Cable Television Consumer Protection and Competition Act of 1992 (the "1992 Cable Act"), Public Law No. 102-385, 106 Stat. 1460 (1992) and the Telecommunications Act of 1996, Public Law No. 104-104, 110 Stat. 56 (1996).

(d) Cable Service: The one-way or two-way transmission to Subscribers of video programming or Other Programming Services, together with Subscriber interaction, if any, which is required for the selection or use of such video programming or Other Programming Service.

(e) Cable Television System or Cable System: A facility consisting of a set of closed transmission paths and associated Signal generation, reception and control equipment designed to provide Cable Service (including video programming) to multiple Subscribers within a service area unless such system does not use any public rights of way.

(f) 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 and I-Net channel requirements, the definition of channel shall also mean a minimum allocation of 6 MHz of bandwidth.

(g) Designated Access Provider: The entity or entities designated from time to time by the Franchise Authority to provide PEG access to the residents of the Town of Freeport.

(h) Downstream Channel: A channel over which Signals travel to an authorized recipient of programming.

(i) Drop or Cable Drop: The interconnection between each home or building and the Cable System.

(j) Effective Date: September 9, 1997.

(k) FCC: The acronym for the Federal Communications Commission or any successor agency.

(l) Franchise Authority: The Town Council of Freeport, Maine, or its successor.

(m) Government Channel: Any channel, or portion thereof, which has been allocated for use by the Town, the Franchise Authority or its designee(s).

(n) Gross Annual Revenue: Consideration of any form or kind derived by the Franchisee and/or its Affiliates from the carriage of Signals over the Cable Television System including, without limitation: the distribution of any Service over the System; the provision of any Service related activity in connection with operation of the Cable System; Basic Service monthly fees; all other Service fees; fees paid for pay and/or pay-per-view Services, installation, reconnection, downgrade, upgrade and any other similar fees; fees paid for channels designated for commercial use; converter, remote control and other equipment rentals, and/or leases and/or sales; all home-shopping service(s) revenues; and advertising revenues. 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. Gross Annual Revenues shall also include the Gross Revenue of any other Person which is derived directly or indirectly from or in connection with the operation of the System to the extent that said revenue is derived, through a means which has the effect of avoiding payment of Franchise Fees to the Town that would otherwise be paid herein. It is the intention of the parties hereto that Gross Annual Revenues shall only include such consideration of Affiliates and/or Persons relating to Signal carriage over the Cable System and not the gross revenues of any such Affiliate(s) and/or Person(s) itself, where unrelated to Signal carriage.

(o) Interactive Service: Any service that offers to Subscribers the capability of both transmitting and receiving Signals of any kind.

(p) Institutional Network or I-Net: A communication network which is constructed and operated by the cable

operator and which is generally available only to Subscribers who are not residential Subscribers.

(q) Leased Channel or Leased Access: A video channel which the Franchisee shall make available pursuant to Section 612 of the Cable Act.

(r) Franchisee: FrontierVision Operating Partners, L.P. or any successor or transferee in accordance with the terms and conditions of this Franchise Agreement.

(s) Origination Point: A connection to the cable system which is provided to allow for live programming to be transmitted from that location Upstream to the Headend and from there Downstream to the Subscribers over one or more access channels.

(t) Other Programming Service: Services which Franchisee may make available to all Subscribers generally.

(u) Pay Cable or Premium Service: Programming delivered for a fee or charge to Subscribers on a per-channel basis, or as a package of services, in addition to the fee or charge for the Basic Cable Services, or for such other service tier required by applicable law.

(v) 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 Cable Service, or for such other service tier required by applicable law.

(w) PEG: The acronym for Public, Educational, and Governmental; used in conjunction with Access Channels, support and facilities.

(x) PEG Access Channels: Any Channel(s) made available for the presentation of PEG Access programming.

(y) Person: Any corporation, partnership, limited partnership, association, trust, organization, other business entity, individual or group of individuals acting in concert.

(z) Private Way: A way shown on an approved subdivision plan, recorded in the Cumberland County Registry of Deeds, or a way which, with the approval of the Town, has sufficient width, suitable grades, and adequate construction to provide for the needs of vehicular traffic in relation to the proposed use of the land abutting on the way.

(aa) Programming or Video Programming: Programming provided by, or generally considered comparable to programming provided by, a television broadcast station.

(bb) Public Building: All public schools, police and fire stations, public libraries, Town Hall, and other public buildings owned or leased by the town.

(cc) Public Way or Street: The surface of, as well as the spaces above and below, any and all public streets, avenues, highways, boulevards, concourses, driveways, bridges, land paths, sidewalks, public ways, circles, lanes, tunnels, parks, parkways, waterways, piers, bulkheads, dedicated public utility easements and public grounds or waters and all other publicly owned real property 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 Franchisee shall gain or be permitted to exercise and rights to use property in the Town greater than those already possessed by the Town.

(dd) Public Works Department (DPW): The Public Works Department of the Town of Freeport, Maine.

(ee) Franchise Agreement: The non-exclusive Cable Television Franchise to be granted to Franchisee by this instrument.

(ff) Service: Any Basic Service or Standard (Cable) Service, and Pay (Cable) Service, or any other Cable Service, whether or not originated by the Franchisee, which is offered to any Subscriber in conjunction with, or which is

distributed over, the Cable System.

(gg) Signal: Any transmission of electromagnetic or optical energy which carries Video Programming from one location to another.

(hh) Subscriber: Any person, firm, corporation or other entity who or which elects to subscribe to for any purpose, a Cable Service provided by the Franchisee by means of, or in connection with, the Cable Television System.

(ii) Subscriber Network: The bi-directional-capable network to be owned and operated by the Franchisee, over which Cable Service(s) can be transmitted to Subscribers.

(jj) System Completion: That point when the Franchisee has provided written documentation to the Franchise Authority that its existing system has been fully upgraded to a minimum of 550 MHz trunk and distribution system and service has been made available to one hundred percent (100%) of Subscribers and potential Subscribers pursuant to this Franchise Agreement; provided, however, that "System Completion" 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 Franchisee.

(kk) Town: The Town of Freeport, Maine.

(ll) Transfer: The disposal by the Franchisee, directly or indirectly, by gift, assignment, sale, merger, consolidation or otherwise, of the ownership or control of the System or of the Franchise Agreement to a Person, or a group of Persons acting in concert.

(mm) Upstream Channel: A channel over which Signals travel from an authorized location to a system distribution point.

SECTION 2 - GRANT OF FRANCHISE AGREEMENTSECTION

Section 2.1 --- GRANT OF FRANCHISE AGREEMENT

Pursuant to the authority of 30-A M.R.S.A. €3008 & €3010, and subject to the terms and conditions set forth herein, the Town Council of Freeport, as the Franchise Authority of the Town, hereby grants a non-exclusive, revocable cable television Franchise Agreement to FrontierVision Operating Partners, L.P., a Delaware Limited Partnership established for such purpose, authorizing and permitting the Franchisee to construct, upgrade, install, operate and maintain a Cable Television System within the corporate limits of the Town of Freeport.

This Franchise Agreement is granted under and in compliance with 30-A M.R.S.A. €3008 & €3010 of the Laws of Maine, as amended, and in compliance with all Federal laws, and FCC rules and regulations and all other applicable rules and regulations in force and effect during the period for which this Franchise Agreement is granted.

Subject to the terms and conditions herein and to the extent to which the Franchise Authority has the power to authorize, the Franchise Authority hereby grants to FrontierVision Operating Partners, L.P., a Franchisee, the right to construct, upgrade, install, operate and maintain a Cable System in, under, over, along, across or upon the public ways, streets, lanes, avenues, alleys, sidewalks, bridges, highways and other public places under the jurisdiction of the Town of Freeport within the municipal boundaries and subsequent additions thereto, including property over which the Town has an easement or right-of-way, for the purpose of reception, transmission, collection, amplification, origination, distribution, or redistribution of Signals in accordance with the laws of the United States of America and the State of Maine. In exercising rights pursuant to this Franchise, Franchisee shall not endanger or interfere with the lives of persons, interfere with any installations of the town, any public utility serving the town or any other person permitted to use public ways and places, nor unnecessarily hinder or obstruct the free use of public ways and places. Grant of this Franchise Agreement does not establish priority for use over other present or future permit holders or the Town's own use of public ways and places. Disputes between Franchisee and other parties regarding use of public ways and places shall be resolved in accordance with the Town's Department of Public Works (DPW) regulations and any special laws or Town bylaws or ordinances enacted hereafter.

Section 2.2 --- TERM OF FRANCHISE AGREEMENT

The term of this Franchise Agreement shall be ten (10) years and shall commence upon September 9, 1997 and expire on September 8, 2007, unless sooner terminated as provided herein or surrendered.

Section 2.3 --- TRANSFER AND ASSIGNMENT OF FRANCHISE AGREEMENT

(a) This Franchise Agreement or control thereof shall not be transferred, assigned, or disposed of in any manner, voluntarily or involuntarily, in part or as a whole, directly or indirectly, or by transfer of control of any Person holding such Franchise to any other Person, or leased or sublet, mortgaged or pledged in trust, without the prior written consent of the Franchise Authority, which consent shall not be unreasonably or arbitrarily withheld. Such consent shall be given only after a public hearing upon a written application therefor. The application for transfer consent shall be signed by Franchisee and by the proposed transferee or assignee.

(b) For purpose of this Section, any sale, assignment or any other disposition of a majority ownership interest of the parent company of the Franchisee to any one Person or group of Persons acting in concert, in one transaction or a series of related transactions, shall be deemed to be a change of control of the Franchisee. The word "control" as used in this Section is not limited to major stockholders but includes actual working control in whatever manner exercised and includes control of the parent company of the Franchisee.

(c) The consent or approval of the Franchise Authority to any transfer, assignment, lease sublease or mortgage of the Franchise Agreement granted to the Franchisee shall not constitute a waiver or release of the rights of the Town in and to the streets and Public Ways or any other rights of the Town under this Franchise Agreement, and any such transfer shall, by its terms be expressly subordinate to the terms and conditions of this Franchise Agreement.

(d) Any proposed controlling or owning Person or transferee approved by the Town shall be subject to all of the terms and conditions contained in this Franchise Agreement.

(e) Notwithstanding the forgoing, pledges in trust or mortgages of the assets of the System to secure an indebtedness may be made without the Towns prior consent; except that no such arrangement may be made which would in any respect, under any condition, prevent the Franchisee or any successor from complying with all its obligations under the Franchise Agreement, nor may any such arrangement permit a third party to succeed to the interest of Franchisee without the prior consent of the Town. Franchisee shall provide the Franchise Authority with written notice within 30 days of entering into any pledges in trust or mortgages of the assets of the System, and with such notice shall provide the Franchise Authority a copy of any such pledges in trust or mortgages.

(f) Every transfer assignment or change of control made in violation of this Section shall make the Franchise Agreement subject to revocation cancellation.

(g) ~~(g)~~ Any Person who desires the Town to consider an application for transfer or assignment of the Franchise Agreement to it shall compensate the Town for all costs (including reasonable consultant and attorneys fees) associated with considering the application for transfer or assignment.

(h) In making a determination of whether to approve or reject a transfer or assignment, the Franchise Authority may consider the following, among other things:

i. The experience of the proposed transferee or assignee (including conducting an investigation of its service record in other communities);

ii. The financial, technical and legal qualifications of the proposed transferee or assignee and its financial and technical capacity to comply with the terms of this Franchise Agreement;

iii. If requested by the Franchise Authority, 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;

iv. The corporate connection, if any, between the Franchisee and the proposed transferee or assignee; and

v. Any other aspect of the proposed transferee's or assignee's background which could affect the health, safety, and welfare of the citizenry of the Town as it relates to the operation of the cable system.

If the Franchise Authority determines that Franchisee's application does not meet any of the foregoing criteria, the Franchise Authority may deny the application. The Franchise Authority shall have 120 days from receipt of a completed application for transfer or assignment to act upon any such request."

Section 2.4 --- NON-EXCLUSIVITY OF FRANCHISE AGREEMENT

This Franchise Agreement shall not affect the right of the Franchise Authority to grant to any other Person a Franchise or right to occupy or use the streets, or portions thereof, for the construction, installation, operation or maintenance of a Cable Television System within the Town of Freeport; or the right of the Franchise Authority to permit the use of the public ways and places of the Town for any purpose whatever. Franchisee hereby acknowledges the Franchise Authority's right to make such grants and permit such uses.

Section 2.5 --- POLICE AND REGULATORY POWERS

By executing this Franchise Agreement, Franchisee acknowledges that its rights are subject to the powers of the Town to adopt and enforce general ordinances and regulations necessary to the safety and welfare of the public. Franchisee shall comply with all applicable ordinances and regulations enacted by the Town. Any conflict between the terms of this Franchise Agreement and any present or future lawful exercise of the Town's police and regulatory powers shall be resolved in favor of the latter.

Section 2.6 --- REMOVAL OR ABANDONMENT

Upon termination of this Franchise Agreement by passage of time or otherwise, and unless 1) Franchisee renews its Franchise for another term or 2) Franchisee transfers the Cable System to a transferee approved by the Franchise Authority, Franchisee 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 Franchise Authority may deem any property not removed as having been abandoned and may, at its election, remove said abandoned plant at the sole cost of Franchisee or dispose of or use any such property in any way or manner it deems appropriate.

Section 2.7 --- EFFECT OF ACCEPTANCE

By accepting the Franchise Agreement, Franchisee: a) acknowledges and accepts the Town's legal right to issue and enforce the Franchise Agreement; b) agrees it will not oppose intervention by the Town in any proceeding affecting the Freeport System; c) accepts and agrees to each and every provision contained herein; and d) agrees that the Franchise Agreement was granted pursuant to process and procedures consistent with applicable law, and agrees it will not raise any claim or defense to the contrary.

SECTION 3 - SYSTEM DESIGNSECTION 3 - SYSTEM DESIGN

Section 3.1 --- UPGRADED SUBSCRIBER NETWORK

(a) Franchisee shall maintain its 400 MHz, 54 channel cable system in Freeport pending a system rebuild as specified in Section 3.1 (b) below.

~~(b) Within one (1) year of the Effective Date of this Franchise, Franchisee shall complete the rebuild of its Freeport Subscriber network with a hybrid fiber/coax system to a minimum of 550 MHz, with a minimum capacity of 79 downstream video channels.~~

~~(c) The Franchise Authority acknowledges that System Completion may be delayed due to availability of System components. The Franchisee shall promptly notify the Franchise Authority, in writing, of any such possible delay~~

~~with full explanation of the nature of the delay, the date of original order of such component(s), expected delivery date of such component(s) and the effect of such delay on System Completion. Such notice may request that the Franchise Authority extend the due date for System Completion. The Franchise Authority may upon its own discretion and judgment choose to allow up to, but not more than, four (4) additional months for System Completion.~~

~~(b) Not later than nine (9) months after Franchisee's receipt of utility company make ready approvals, Franchisee shall complete the rebuild of its Freeport Subscriber network with a hybrid fiber/coax system to a minimum of 750 MHz, with bi-directional capability with a maximum of eleven (11) amplifiers in cascade, a minimum of six (6) fibers per node and a maximum of 800 subscribers per fiber node. All downstream and upstream channels shall be activated by such date.~~

~~(c) Franchisee agrees to act with the utmost diligence to obtain utility make ready permits as soon as possible, and to proceed with the design, mapping, ordering of materials and equipment, and construction and activation of the rebuilt cable system in the most expeditious possible manner. Franchisee agrees to report in writing at least weekly to the Franchise Authority on its progress in obtaining utility make ready permits and to report in writing at least biweekly on its progress with the rebuild, and to meet in person with the Franchise Authority at least monthly, or more frequently if requested, at times to be established by the Franchise Authority. In the event that Franchisee encounters any conditions or events that it believes may impair its ability to meet the nine-month schedule, it shall immediately notify the Franchise Authority and provide a written explanation of the condition or event, the impact it will have on the rebuild schedule, and the steps Franchisee is taking to minimize any such impact. In the event the Franchise Authority finds, after notice to Casco and on opportunity to be heard, that Casco has failed to meet its obligations under this paragraph 3.1(c) to obtain utility make ready permits as soon as possible, the Franchise Authority may declare Casco to be in default of the Franchise Agreement with no further right to cure."~~

(d) Before Franchisee rebuilds the Cable Television System, it shall notify the Franchise Authority in writing of the proposed method of performing such rebuild and provide copies of the proposed system architecture. FrontierVision Operating Partners, L.P., the Franchisee, has agreed that it will provide, at minimum, a fiber-optic backbone for the upgraded Freeport Cable System.

Section 3.2 --- INSTITUTIONAL NETWORK

~~(a) Upon System CompletionNot later than twelve (12) months after Franchisee's receipt of utility company make ready approvals, Franchisee shall provide to the Town, on a bi-directional mid-split I-Net system, bandwidth capacity equivalent of ten (10) 6 MHz channels in the upstream and ten (10) 6 MHz channels in the downstream direction for the exclusive use by the Town and by such nonprofit Town entities that the Town so designates. Said I-Net shall be capable of video, audio, text and data transmission and shall be capable of transmitting among other things electronic mail, energy management monitoring, building security information, fire detection and government training.~~

(a) ~~Franchisee~~Casco will construct, operate and maintain an Institutional Network in the form of a Private Virtual Network (PVN) for the purpose of creating a Wide Area Network (WAN) for the Town of Freeport. Service will be provided to municipal and school locations. ~~Said PVN shall be capable of video, audio, text and data transmission~~ Said I-Net shall be capable of video, audio, text and data transmission and shall be capable of transmitting among other things electronic mail, energy management monitoring, building security information, fire detection and government training via any 802.3 standard Ethernet traffic. PVN will support an aggregate of ~~4~~10 MBPS full duplex symmetrical bandwidth supporting standard Ethernet protocols. The PVN will be designed and operated by ~~Franchisee~~Casco to be consistent with the ~~Franchisee~~Casco's description of its PVN services attached hereto as Exhibit. ~~The Franchise AuthorityTown may request additional drops which Franchisee~~Casco shall install at cost for other buildings owned and operated by the Town of Freeport or those public buildings where connection is necessary or convenient to the conduct of Franchise AuthorityTown business. Connections to the PVN shall be completed within thirty (30) days after a written request from Franchise AuthorityTown.

~~The WAN may, at the Franchise Authority's election consist of two separate PVN's, the first for all municipal related locations and the second for all Freeport school locations. The Freeport Town Hall building will have access to both PVN systems providing a control point for interaction between the municipal and school networks.~~

~~FranchiseeCaseø~~ will supply, install, monitor and maintain the broadband network bridge devices at each of the PVN locations up the Ethernet port on the supplied device, including installing any software version upgrades ~~that control said bridges~~. Bandwidth allocations for each site on the network will be determined by the ~~Franchise AuthorityTown~~. ~~FranchiseeTown~~ will assist the ~~Franchise AuthorityTown's~~ network personnel in determining the bandwidth requirements of each site by monitoring bandwidth utilization as a function of the PVN.

~~FranchiseeCaseø~~ will provide the symmetrical bandwidth to each location as determined by ~~Franchise AuthorityTown~~ and will provide usage reports for each location upon the ~~Franchise AuthorityTown's~~ request. Adjustments to site bandwidth allocations will be performed within seventy-two hours of receiving a written request from ~~Franchise AuthorityTown~~. ~~FranchiseeCaseø~~ will perform status monitoring of each site on the network and maintain the operation of the broadband network bridge device. ~~FranchiseeCaseø~~ will maintain network security on the ~~FranchiseeCaseø's~~ side of the network demarcation point. ~~FranchiseeCaseø~~ will provide all necessary network system monitoring and configuration, PVN hardware maintenance, hardware, firmware and software upgrades, system troubleshooting and technical support.

~~FranchiseeCaseø~~ shall maintain the PVN to all FCC technical specifications. In addition, the PVN will utilize standby power supplies.

In the event of a renovation or construction of any Town owned building that is on the PVN, ~~FranchiseeCaseø~~ will supply the material for the internal wiring and external wiring in any open conduits.

~~FranchiseeCaseø~~ shall provide from time to time and free of charge technical consulting service to interested Town departments concerning operation and use of the PVN.

Franchisee and Franchise Authority will perform a technology review in the event the Town's WAN bandwidth needs exceed an aggregate bandwidth of 10 MBPS. The function of the technology review is to evaluate the projected bandwidth requirements of the Town of Freeport network and complete a technology study to develop a plan to meet the continued growth of network utilization. On or after the 5th anniversary of the effective date of this Agreement, if it is determined that the Town's bandwidth needs exceed 10 MBPS. Franchisee and Franchise Authority agree to split the cost to Franchisee of providing and installing any new or upgraded electronic components at individual I Net sites necessary to provide the additional bandwidth."

(b) ~~Upon System Completion Not later than twelve (12) months after Franchisee's receipt of utility company make ready approvals.~~ Franchisee shall provide, free of charge, an activated I-Net Drop to all Town buildings listed in Schedule 1, attached hereto and made a part hereof.

(c) Franchisee shall provide an activated I-Net Drop to any newly constructed or newly designated Town owned, or occupied, building or school.

(d) The Franchise Authority may additionally designate, from time-to-time, in writing, up to five (5) other public institutions and/or nonprofit agencies to be provided with an activated I-Net Drop.

(e) All I-Net Drops, designated under Section 3.2(c) & 3.2(d), within three hundred feet (300') of the I-Net shall be installed and activated free of charge. Any such connections to the I-Net that are greater than three hundred feet (300') from the I-Net shall be installed and activated at cost as listed in Schedule 2, attached hereto and made a part hereof, for that portion of the installation which exceeds three hundred feet (300').

(f) The Franchise Authority may request additional I-Net Drops for public institutions and/or nonprofit agencies, which Franchisee shall install at cost as listed in Schedule 2.

(g) Other than those buildings listed in Schedule 1 all other connections to the I-Net shall be completed within thirty (30) days after a written request from the Franchise Authority.

(h) The internal locations of all such I-Net Drops shall be determined by the Franchise Authority or its designee.

(i) Franchisee shall maintain the I-Net to all FCC technical specifications and at standards applicable to the Subscriber Network. In addition, the I-Net will utilize stand-by power supplies.

(j) In the event of a renovation or construction of any Town, or School owned building Franchisee shall supply the materials required for the internal wiring and/or external wiring and will provide an activated I-Net Drop if none already exists.

(k) Franchisee shall provide from time to time and free of charge technical consulting services to interested Town departments concerning operation and use of the I-Net.

(l) The Franchisee shall provide and install equipment for the Town to utilize three of the upstream and three of the downstream channels on the I-Net for video distribution. At minimum this shall include (3) field modulators, one for each channel, a demodulator/ modulator pair for each channel at the I-Net hub location and at least one frequency agile demodulator for field operations. The downstream video channel(s) on the I-Net shall be receivable by a standard cable-ready television receiver. These three (3) channel pairs shall be activated upon System Completion.

(m) The Franchisee shall reserve one (1) upstream and one (1) downstream channel on the I-Net for the creation of a town-wide municipal data network capable of a minimum of 4 Mbps symmetrical (4 Mbps upstream/ 4 Mbps downstream) data transfer speeds. No later than the first anniversary of the Effective Date of this Franchise Agreement the Franchisee shall provide a one time capital grant, to the Town, of fifteen thousand dollars (\$15,000) for the Town to purchase equipment, such as cable modems, EtherNet routers and data translators, for the Town to utilize these I-Net channels as a data network. The Town shall provide, out of this fund, the data translator, or similar equipment, needed at the I-Net hub site for the creation of this data network, which the Franchisee shall install at the I-Net hub site at no charge to the Town.

(n) The Franchisee shall make its best efforts to reach agreements with neighboring cable operators to interconnect the Freeport I-Net with similar networks in neighboring communities as soon as possible.

Section 3.3 --- PARENTAL CONTROL CAPABILITY

In order to restrict the viewing of programming which the viewer may find objectionable, upon the request of a Subscriber Franchisee shall make available for sale or lease a device by which the Subscriber can prohibit viewing of a particular Cable Service during periods selected by that Subscriber.

SECTION 4 - CONSTRUCTION, INSTALLATION AND MAINTENANCE STANDARDS

Section 4.1 --- CONSTRUCTION TIMETABLE - SYSTEM COMPLETION

(a) Franchisee shall complete construction and activate its five hundred and fifty megahertz (550 MHz) cable system no later than one (1) year from the Effective Date of this Franchise subject to the provisions of Section 3.1(a), 3.1(b)

& 3.1(c).

(b) Franchisee shall complete construction and activate its I-Net as provided in Section 3.2(a)

Section 4.2 --- LOCATION OF CABLE TELEVISION SYSTEM

Franchisee shall construct, upgrade, operate and maintain the Cable Television System within the Town of Freeport. Poles, towers and other obstructions shall be erected so as not to interfere with vehicular or pedestrian traffic over public ways and places. The erection and location of all poles, towers and other obstructions shall be in accordance with any applicable Town or State laws and regulations and shall be fixed with the prior written approval of the Town Council and under the supervision of the Public Works Department, which approval shall not be unreasonably withheld.

Section 4.3 --- UNDERGROUND FACILITIES

In the areas of the Town having telephone lines and electric utility lines underground, whether required by law or not, all of Franchisee's lines, cables and wires shall be underground. At such time as these facilities are placed underground by the telephone and electric utility companies or are required to be placed underground by the Town the Franchisee shall likewise place its facilities underground at its sole cost and expense. All underground cable lines shall be placed beneath the pavement subgrade. It is the policy of the town that existing poles for electric and communication purposes be utilized wherever possible and that underground installation is preferable to the placement of additional poles.

Section 4.4 --- TREE TRIMMING

In the installation and maintenance of amplifiers, poles, other appliances or equipment and in stringing or repair of cables and/or wires as herein authorized, Franchisee shall avoid all unnecessary damage and/or injury to any and all shade trees in and along the streets, alleys, public ways and places and private property in the Town. Franchisee shall comply with all the rules established by the Franchise Authority or its designee during the term of this Franchise Agreement. All tree and/or root trimming and/or pruning shall be done pursuant to any applicable regulations of the Town. Franchisee shall use its best efforts to obtain the prior written permission of the owner of any privately owned tree or other vegetation before it trims or prunes the same. In the event Franchisee is unable to locate the owner of any such privately owned tree or other vegetation, Franchisee shall request prior approval of the Town Manager, or his/her designee, before proceeding with any such trimming.

Section 4.5 --- RESTORATION TO PRIOR CONDITION

Whenever Franchisee takes up or disturbs any pavement, sidewalk or other improvement of any public way, public place or private property, the same shall be replaced and the surface restored in as good condition as before entry as soon as practicable. If Franchisee fails to make such restoration within a reasonable time, the Franchise Authority may fix a reasonable time for such restoration and repairs and shall notify the Franchisee in writing of the restoration and repairs required and time fixed for performance thereof. Upon failure of Franchisee to comply within the specified time period, the Franchise Authority may cause proper restoration and repairs to be made and the reasonable expense of such work shall be paid by Franchisee upon demand by the Franchise Authority.

Section 4.6 --- TEMPORARY RELOCATION

Franchisee shall temporarily raise or lower its wires or other equipment upon the reasonable request of any Person, including without limitation, a Person holding a building moving permit issued by the Town. The expense of such raising or lowering shall be paid by the Person requesting the same, and Franchisee shall have the authority to require such payment in advance. Franchisee shall be given reasonable notice necessary to maintain continuity of service.

Section 4.7 --- DISCONNECTION AND RELOCATION

Franchisee shall, at its sole cost and expense, protect, support, temporarily disconnect, relocate in the same street, or other public ways and places, or remove from any street or any other public ways and places, any of its property as

required by the Franchise Authority or its designee by reason of traffic conditions, public safety, street construction, change or establishment of street grade, or the construction of any public improvement or structure by any Town department acting in a governmental capacity.

Section 4.8 --- COMPLETION OF WORK BY TOWN

Upon failure of Franchisee 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 Franchise Authority, the Franchise Authority may, at its option, cause such work to be done with reasonable expenditures therefor and Franchisee shall pay to the Town the cost thereof in the itemized amounts reported by the Franchise Authority to the Franchisee within thirty (30) days after receipt of such itemized report. In the event that the Town implements the provisions of this Section 4.8, it shall notify Franchisee at least seven (7) days in advance and shall endeavor to have such work performed at a reasonable cost consistent with the attainment of a quality product at the lowest possible cost.

Section 4.9 --- EQUIPMENT

Franchisee shall purchase and install only new equipment, except for existing equipment, including converters, in the construction and/or upgrade of the Cable System. The Franchisee shall keep a record of equipment invoices or material transfers to assure compliance with this Section 4.9. Such records shall be retained by the Franchisee for one (1) year after System Completion and shall be subject to inspection and copying by the Franchise Authority or its designee during the Franchisees regular business hours, upon reasonable request.

Section 4.10 --- SAFETY STANDARDS

Franchisee shall construct, upgrade, install, operate, maintain and remove the Cable Television System in conformance with Occupational Safety and Health Administration regulations, the Maine Electrical Code, the National Electric Code, the NCTA Safety Manual, the National Electric Safety Code, the Bell Telephone System Code of Pole Line Construction, the rules and regulations of the FCC, all building and zoning codes, and all land use restrictions as they may now exist or amended or adopted hereafter.

Section 4.11 --- PRIVATE PROPERTY

Franchisee shall be subject to all laws, ordinances, bylaws or regulations regarding private property in the course of constructing, upgrading, installing, operating or maintaining the Cable System in the Town. Franchisee shall promptly protect, repair or replace all private property, real and personal, damaged or destroyed as a result of any construction, upgrade, installation, operation, maintenance or repair of the Cable System at its sole cost and expense.

Section 4.12 --- USE OF COMPANY FACILITIES

The Town shall have the right to attach to any pole erected by Franchisee and to place in any of Franchisee's conduits, its own facilities to be used for fire, police or other non-commercial governmental communications purposes where space permits. All such placements by the Town shall be in conformity with all applicable rules and regulations, shall cause no additional expense to Franchisee and shall not interfere with the routine operation by Franchisee of its Cable Television System.

Section 4.13 --- RIGHT TO INSPECTION OF CONSTRUCTION

The Town or its designee shall have the right to inspect all construction, installation and/or upgrade work performed subject to the provisions of this Franchise Agreement and to make such tests as it shall deem necessary to ensure compliance with the terms and conditions of this Franchise Agreement and all other applicable law. The Town shall give Franchisee reasonable notice of any such inspection, and such inspection shall not interfere with Franchisee's operations except in emergency situations. Franchisee has the right to be present at any such inspection.

Section 4.14 --- CONSTRUCTION MAPS

Franchisee shall file with the Franchise Authority or its designee accurate maps of all existing and proposed installations. Franchisee shall file said maps relating to any plant changes or additions not later than ninety (90) days after such changes or additions are made.

Section 4.15 --- MAINTENANCE LOG

Franchisee shall maintain an annual log, showing the date, approximate time and duration, type and probable cause of all Cable Television System outages, whole or partial. All entries in such log shall be retained by Franchisee for one (1) additional year and shall be subject to inspection and copying by the Franchise Authority or its designee during Franchisee's regular business hours upon reasonable request.

Section 4.16 --- SERVICE INTERRUPTION

Except where there exists an emergency situation necessitating a more expeditious procedure, Franchisee may interrupt service for the purpose of repairing, upgrading or testing the Cable Television System, only during periods of minimum use, and only after a minimum of forty-eight (48) hours notice to affected Subscribers. Such notice may be made via a character generated notice on the System.

Section 4.17 --- SYSTEM MONITORING

The Franchisee shall monitor the Cable System on a daily basis, the headend on a weekly basis and conform to the maintenance and monitoring procedures contained in Schedule 3, attached hereto and made a part hereof. Any troubles reported shall be analyzed on a daily basis and rectified as soon as reasonably possible.

Section 4.18 --- PEDESTALS

In any cases in which pedestals housing passive devices are to be utilized, in Town Public Ways or within the Town public lay-out, such equipment must be in accordance with procedures applicable to all utility companies; provided that the franchisee may place active devices (amplifiers, power supplies, line extenders, etc.) in a low-profile electronic control box, at Town approved locations to be determined when the Franchisee applies for an underground permit, which shall not be unreasonably denied. All such equipment shall be shown on the construction maps, submitted to the Town in accordance with Section 4.14.

Section 4.19 --- DAMAGE TO PUBLIC OR PRIVATE PROPERTY

Franchisee, at its sole cost and expense, shall protect or support public or private property to prevent damage caused by construction, installation, upgrade, maintenance, repair or operation of its Cable System. If the Franchisee fails to protect such property, the Town may do so and the Franchisee shall compensate the Town for all reasonable expenses incurred thereby. Franchisee, within ten (10) days, of completion of work and at its own expense, shall repair, replace or compensate property owners for damage to public or private property caused by Franchisee or its agents. The Town may elect to repair or replace damaged public property, such as sewage lines, and bill Franchisee for the reasonable cost of repair.

SECTION 5 - LINE EXTENSION

Section 5.1 --- GENERAL POLICY

Franchisee shall make Cable Television Service(s) available to all residents of the Town, subject to the provisions of this Section.

Section 5.2 --- LINE EXTENSION

~~(a) Subject to the further provisions of this Section 5.2, no later than System Completion and thereafter for the term of this Franchise Agreement the Franchisee shall make its Cable Service(s) available to all businesses and residents of the Town regardless of the type of dwelling, or its geographical location in the Town, unless the Franchisee is legally prevented from providing such Service(s).~~

(a) Subject to the further provisions of this Section 5.2, no later than February 28, 1999, and thereafter for the term of this Franchise Agreement, the Franchisee shall make its Cable Service(s) available to all businesses and residents of the Town regardless of the type of dwelling, or its geographical location in the Town, unless the Franchisee is legally prevented from providing such Service(s). As an exception to the foregoing, no later than completion of the system rebuild, Franchise shall make its Cable Service(s) available to those residences in southwestern Freeport currently served by Time Warner Cable of Maine.

(b) Cable television service line extensions shall meet the specifications for aerial or underground installation of the areas in which they are being installed.

(c) Cable Television Service(s) shall be provided at the standard Subscriber installation charge, which charge shall be applied in a non-discriminatory manner except when Franchisee is engaged in marketing promotions, to any Subscriber who requests Cable Service(s) whose residence or other building in which Cable Service is requested is: 1) located within three hundred (300) feet of the Cable System; or 2) for an additional charge if the residence or other building is located greater than three hundred (300) feet from the Cable System, such charge shall be at maximum the Franchisees actual cost for labor and materials for that portion of the installation which is beyond the first three hundred (300) feet from the Cable System as listed in Schedule 2.

Section 5.3 --- LINE EXTENSION PROCEDURES

(a) Franchisee shall provide Cable Service(s) to those residents who have requested such Service(s) and whose residence or other building to which Cable Service is requested is located within three hundred (300) feet of the Cable System within seven (7) business days of said request. In the case of requests for Cable Service requiring a service Drop to serve a single residence, which Drop is in excess of three hundred (300) feet but less than one thousand (1,000) feet from the Cable System, Franchisee shall provide the requested Cable Service within thirty (30) days of receipt of any necessary pole attachment or make-ready requirements. In the case of requests for Cable Service requiring a service Drop or line extension of over one thousand (1,000) feet from the Cable System, Franchisee shall complete the service Drop or line extension within sixty (60) days of receipt of any necessary pole attachment or make-ready requirements. Franchisee shall seek any necessary pole attachment permits or make-ready requirements with due diligence. The conditions of Section 5.2 above shall apply.

(b) Failure to install within said seven (7) day period to residents whose residence or other building in which Cable Service is requested is located within three hundred (300) feet of the Cable System without just cause (Force Majeure) or Subscriber fault shall require Franchisee to automatically provide the cable installation to the affected Subscriber without charge and at its sole cost and expense, no later than seven (7) days of the initial installation date. Subscribers who have not received said free installation work as a result of missed appointments shall have reason to petition the Franchise Authority or its designee for appropriate relief. Franchisee shall provide all Freeport subscribers with written notice of this 7 day installation deadline and the subscriber's right to a free installation if the deadline is not met.

(c) In arranging for appointments for cable installation and repair work, Franchisee shall give the subscriber or prospective subscriber a choice as to whether said installation or repair will occur in the morning hours, between 8:00 a.m. and noon, or in the afternoon hours, between noon and 7:00 p.m., or on Saturdays between 8:00 a.m. and 5:00 p.m. In the event that Franchisee 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 Franchisee shall make no charge to the subscriber for any make-up or late installation. The Franchisee shall apply a \$20.00 credit to the subscribers' account for any late service call as defined above.

SECTION 6 - SERVICES AND PROGRAMMING

Section 6.1 --- BASIC SERVICE

The Franchisee shall provide a basic or "Antenna" service which shall include at least: 1) all broadcast television signals in the Freeport, 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) three (3) PEG Access Channels 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 Franchisee may determine to provide.

Section 6.2 --- ADDRESSABILITY

In order to preserve the security of Franchisee's cable services, Franchisee reserves its right to continue to make Video Services other than Basic Service available either by addressability or by encryption, for which a converter would be required in order to receive said video services.

Section 6.3 --- PROGRAMMING

Franchisee 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 Franchisee 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 Franchisee at reasonable cost.~~ Franchisee shall annually send surveys to at least 50% of its subscribers as to programming preferences, and shall respond to the results of such polling to the greatest extent reasonable in making changes in programming; and shall provide the Franchise Authority with a written report of the results of such polling.

Section 6.4 --- VCR/CABLE COMPATIBILITY

In order that Subscribers to the Cable Television System have the capability to simultaneously view and tape any channel and set their equipment to record multiple channels remotely, Franchisee shall provide to any Subscriber, upon request, an A/B switch which will allow VCR owners to tape and view any channel capable of being tuned by such owner's television set and/or VCR, except scrambled to scrambled Signals. The subscriber may install such switch themselves or may request that the Franchisee perform the installation for an additional charge.

Section 6.5 --- CONTINUITY OF SERVICE

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

Section 6.6 --- CHANGES IN CABLE TELEVISION TECHNOLOGY

~~(a) From time to time, Franchisee shall review with the Franchise Authority changes in relevant cable technology that might benefit Franchisee's 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, Franchisee's unamortized investment in the existing system, and additional factors that the Franchisee or the Franchise Authority deem relevant.~~

~~(b) If, based on such review, and to the extent allowed by applicable law, the Franchise Authority requests a change in relevant cable technology, the parties shall negotiate in good faith to amend this Franchise to establish the terms~~

~~and conditions for an upgrade or change in relevant cable technology.~~

~~(e) Nothing in this Section shall be deemed to prohibit Franchisee from upgrading its system with any cable television technology at its own discretion.~~

~~(a) Franchise Authority Option. The Franchise Authority shall have the right, effective at any time after the end of the first year of the term hereof, to require Franchisee 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 Franchisee's cable system serving the communities in the Bath, Brunswick, Freeport and Topsham area. Nothing in this Section shall be deemed to prohibit Franchisee from upgrading its system with any cable television technology at its own discretion.~~

~~(b) Requirements. In order for the Franchise Authority to exercise its option, the following requirements must be met:~~

~~(i) Franchise Authority 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 Franchisee, and all interested parties, including Franchisee, are given an opportunity to be heard.~~

~~(ii) Such technological improvements are technically and economically feasible. Economically feasible shall mean that Franchisee 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) If the Franchise Authority elects to require Franchisee to provide technological improvements in accordance with this Section 6.6, the Franchise Authority shall give Franchisee 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. Franchisee shall install or incorporate the new technology as soon as reasonably possible, but not to exceed within nine months.~~

~~(c) Arbitration. In the event that Franchise Authority exercises a new technology option pursuant to section 31.1 on the basis of a determination, pursuant to section 31.2, that Franchisee will be able to make a reasonable rate of return and Franchisee disagrees with such determination of reasonable return based on economic feasibility, Franchisee, may, by giving Franchise Authority notice thereof within 14 days after Franchise Authority notifies Franchisee of its determination of reasonable return, require that the issue of reasonable return be settled by arbitration pursuant to section 31.3 below. Franchisee may also require that the time period specified by Franchise Authority pursuant to section 31.2(iii) above be the subject of arbitration if, in Franchisee's opinion, such time period does not give Franchisee 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 Franchisee 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 Franchise Authority notifies Franchisee of its section 31.1 determination and the date upon which the arbitrators announce their decision.~~

(d) 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 31.4.

(e) 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 Franchise Authority 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 Freeport, 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.”

Section 6.7 --- FREE CONNECTIONS AND BASIC SERVICE TO PUBLIC BUILDINGS

(a) Upon System Completion, and thereafter for the term of this Franchise Agreement, the Franchisee shall provide one (1) Subscriber Network Drop, Outlet, Converter (if necessary) and the monthly Basic Service, without charge, to all public schools, police and fire stations, public libraries, and to all other buildings specified in Schedule 1. The Franchisee shall verify the location of each connection, specified in this Section 6.7(a), with the proper officials of each of the institutions entitled to such free Drop, Outlet, Converter, and Basic Service prior to installation. All

such single Drops may be converted to multiple Drops with no additional charge for Basic Service provision by the Franchisee.

(b) The Franchisee shall provide, upon written request, within thirty (30) days, all necessary wire, connectors, amplifiers, splitters and wall plates to enable the Town to wire any and all classrooms in the Freeport Public Schools to receive Subscriber Service. The Franchisee shall advise the Town and provide assistance to ensure the proper wiring and installation of said wiring and service to the school classrooms.

Section 6.8 --- INTERNET SERVICE TO PUBLIC BUILDINGS

(a) If Franchisee offers InterNet access to its subscribers Franchisee shall provide one (1) InterNet access account, on an at-cost basis, to each of the public schools, police and fire stations, public libraries, and to all other buildings specified in Schedule 1. If more than one account is needed to provide adequate InterNet access at any of these locations then the Franchisee shall also provide for such additional accounts also at an at-cost basis.

(b) Franchisee shall make its best efforts to secure the above specified InterNet accounts for the public schools and libraries on a no-cost rather than at-cost basis.

(c) The Franchisee shall verify the location of each connection, specified in Sections 6.8(a) and 6.8(b) with the proper officials of each of the institutions entitled to such an InterNet connection prior to installation.

SECTION 7 - PEG ACCESS COMMITMENTS AND POLICIES

Section 7.1 --- GENERAL

(a) Pursuant to the Cable Act, Section 611 (a), (b) and (c) and Section 6.1 above, Franchisee shall provide three (3) channels, for the exclusive non-commercial Public, Educational and Government (PEG) Access use, on the Basic Tier of the Subscriber Network.

(b) Franchisee may submit, from time-to-time, notices of importance to subscribers, such as notices of System outages, change of channel lineup, etc., to be displayed on the PEG Access channel(s) Community Bulletin Board system(s) in accordance with the PEG Access Rules and Procedures that apply to use of this service by the community.

Section 7.2 --- CAPITAL FUNDING FOR PEG ACCESS

(a) Franchisee shall provide capital funding for equipment and leasehold improvements in the amounts of seventy-five thousand dollars (\$75,000) within thirty (30) days of the Effective Date of this Franchise agreement. Thereafter Franchisee shall provide capital grants for equipment upgrade and replacement in the amounts of fifteen thousand dollars (\$15,000) each on the second, fourth, sixth and eighth anniversary of the Effective Date of this Franchise agreement.

(b) Capital funds provided under this section shall be used exclusively for PEG Access purposes. All equipment and capital items purchased by the Town or its designee(s) from such funds shall be the property of the Town but shall be used exclusively for PEG Access purposes.

(c) Franchisee agrees that funds provided under this Section are not Franchise fees as defined by Federal law, pursuant to ~~€~~622(g)(2)(C) of the Cable Act of 1984.

Section 7.3 --- ACCESS PAYMENTS

All payments required hereunder shall be made by Franchisee to an interest bearing account, designated for PEG Access use, under the control of the Franchise Authority or its designee(s), unless directed to do otherwise in writing by the Franchise Authority.

Section 7.4 --- ACCESS CHANNEL(S) MAINTENANCE

(a) Franchisee shall monitor the PEG access channels for technical quality and shall ensure that they are maintained at standards commensurate with those which apply to the Cable System's commercial channels. Upon request, Franchisee shall make available a copy of its most recent annual performance tests required by the FCC.

(b) To keep the lines of responsibility clear, the Designated Access Provider will be responsible for the quality of the audio/video Signal up to the cable system insertion equipment. Franchisee 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 I-Net, including but not limited to a) one (1) modulator for each of the designated public, educational and governmental access channels, for use in connection with cablecasting on those channels; b) two (2) frequency agile modulators for use in remote field operations; and c) one (1) frequency agile demodulators for use in connection with the above remote field operations.

(c) Franchisee shall provide for automatic switching on each of the PEG channels so that, if desired, live field productions can supersede the primary cablecasting Signals without personnel having to be present at the primary PEG cablecasting site(s) or at the cable system headend.

Section 7.5 --- ACCESS INFORMATION FOR SUBSCRIBERS

(a) Franchisee shall insert in its monthly billing mailing a non-commercial promotional public, educational and/or government Access announcement, up to four (4) times per calendar year; provided, however, that said inserts are delivered to Franchisee in a format that is acceptable to the Franchisee and the billing service utilized by the Franchisee and is of acceptable weight as further detailed in Schedule 5, attached hereto and made a part hereof, which may be changed from time-to-time as necessary to meet the standards required. The Franchisee shall attempt to give a minimum of sixty (60) days written notice prior to any such change of standards but in no case shall it give less than a minimum of thirty (30) days written notice prior to any such change of standards. The Franchisee 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 Franchisee or its billing service; and 2) the insertion of those items in subscriber statements will cause the Franchisee 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 various access entities at their sole cost and expense.

(b) In the event that the Franchisee implements local advertising sales on channels received by Subscribers within the Town of Freeport the Franchisee shall permit the Town or its designee(s) to insert non-commercial PEG Access program or service promotional spots on those channels according to the following stipulations:

(1) The Town shall be entitled to a total of fifty two (52) minutes of local advertising avails per calendar year between the hours of 6:00 p.m. and 12:00 midnight for this purpose, provided that the Franchisee is utilizing equipment that provides the capability of doing specific day-part advertising. If the Franchisee 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.

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

(3) If Town or its designee(s) desires to utilize local advertising avails in excess of fifty two (52) minutes per year the Town, or designee(s), shall pay to the Franchisee the standard rate being charged to commercial users at that time.

Section 7.6 --- EMERGENCY PROCEDURES

Franchisee shall provide and keep current emergency after hours picture quality problem resolution procedures for the Designated Access Provider(s). The current procedures are attached as Schedule 5, attached hereto and made a part hereof.

Section 7.7 --- CHANGE IN DESIGNATED ACCESS PROVIDER LOCATION OR PRIMARY CABLECASTING LOCATIONS

In the event that (a) the Designated Access Provider moves from its current location in the Town Office building to a new location or (b) any PEG access channel's primary cablecasting site is established at or moves to a new location, Franchisee shall provide necessary wiring to up to three (3) locations to enable the cablecasting Signals for any such channel to be transferred to the headend and from there onto the Subscriber Network.

Section 7.8 --- CHANGE IN PEG ACCESS CHANNEL ASSIGNMENT

Franchisee shall not change the channel designation of any of the PEG Access Channels without prior written authorization from the Franchise Authority. If Franchisee elects to change the channel designation of any Access channel the Franchisee shall reimburse the Town 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.

Section 7.9 --- LIVE PROGRAMMING ORIGINATION POINTS

To facilitate live programming within the Town of Freeport the Franchisee shall install Origination Points at each of the school buildings as well as at the sites listed in Schedule 6, attached hereto and made a part hereof. All such Origination Points shall be installed no later than the deadline for the system rebuild.

SECTION 8 - FRANCHISE FEES

Section 8.1 --- FRANCHISE FEE

(a) Franchisee shall provide a franchise fee equal to five percent (5%) of Franchisee's annual Gross Annual Revenues. Said annual payment shall be used by the Town for expenses connected with support for PEG Access programming and operations.

(b) With respect to said franchise fee, Franchisee shall make quarterly payments on or before the fifteenth day of January, April, July and October equal to five percent (5%) of the previous quarter's gross revenues.

(c) The payment for the last quarter of the last year of the term of this Franchise shall be due and payable fifteen (15) days after the end of that quarter.

Section 8.2 --- LATE PAYMENT

In the event that the fees herein required are not tendered on or before the dates fixed in Section 8.1 above, interest due on such fee shall accrue from the date due at one and one-half percent (1.5%) per month.

Section 8.3 --- RECOMPUTATION

(a) Tender or acceptance of any payment shall not be construed as an accord that the amount paid is correct, nor shall such acceptance of payment be construed as a release of any claim that the Town of Freeport may have for additional sums including interest payable under this Section 8.3. All amounts paid shall be subject to audit and recomputation by the Town at any time during the term of this Franchise Agreement. If, after audit and recomputation, an additional fee is owed to the Town, such fee shall be paid within thirty (30) days after audit and recomputation. The interest on such additional fee shall be charged from the due date at one and one-half percent (1.5%) per month during the period that such additional amount is owed.

(b) If after such audit and recomputation no additional fee is owed then the cost, if any, of such audit and recomputation shall be the responsibility of the Town of Freeport. If after such audit and recomputation an additional fee is owed to the Town of Freeport then the Franchisee shall bear the reasonable cost, if any, of such audit and recomputation.

Section 8.4 --- TAXES

Payment of the Franchise Fee made by Franchisee to the Town pursuant to the provisions of this Franchise Agreement shall not be considered in the nature of a tax, but shall be in addition to any and all taxes which are now

or may be required hereafter to be paid by any law of the State of Maine, the Town of Freeport, or the United States.

SECTION 9 - RATES AND CHARGES

Section 9.1 --- MONTHLY RATES AND INSTALLATION CHARGES

The Town hereby reserves the right to regulate the Franchisee's subscriber rates and charges to the extent allowable under federal and state law, as amended from time to time, now in existence or hereafter adopted during the term of this Franchise Renewal.

Section 9.2 -- ELIGIBLE LOW INCOME DISCOUNT

Franchisee agrees to provide a discount of 5 percent (5%) on its basic level of service to those Freeport residents who are heads of households and are eligible for Medicaid, SSI, AFDC or Veteran's benefits assistance, and present evidence of same to Franchisee. Notice of the availability of this limited discount shall be provided to all current and prospective subscribers as part of the Franchisee's general packet of rate information.

Section 9.3 --- NOTIFICATION

Attached hereto and made a part hereof, as Schedule 7, is a listing which describes all Services currently offered by the Franchisee, all current rates, discounts and charges of any kind, and all terms or conditions relating thereto. Franchisee shall file with the Franchise Authority all changes in services, all rates and charges of any kind, and all terms and conditions relating thereto thirty (30) days prior to all such changes unless otherwise provided by law. Franchisee shall notify all Subscribers of any impending rate increases no later than thirty (30) days prior to such increase and provide each Subscriber with a schedule describing existing and proposed rates for each service offered. No rates or charges shall be effective except as they appear on a schedule so filed.

At the time of initial solicitation of service, Franchisee 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 service altogether without any charge. Once a Subscriber has requested a change in service, within said thirty (30) day period, Franchisee shall commence billing said Subscriber at the new rate from the date of the request for a change in Service, regardless of whether Franchisee actually changes the level of service within that time period.

Section 9.4 --- PUBLICATION

All rates for Subscriber services and leasing of channels shall be published and non-discriminatory. A written schedule of all rates shall be available upon request during business hours at Franchisee's business office. Nothing in this Franchise Agreement shall be construed to prohibit the reduction or waiver of charges in conjunction with promotional campaigns for the purpose of attracting Subscribers, or the establishment of charges and rate schedules that may vary with volume or nature of usage or programs.

Section 9.5 --- CREDIT FOR SERVICE INTERRUPTION

In the event that Franchisee's service to any Subscriber(s) is interrupted for twenty-four (24) or more consecutive hours, Franchisee shall grant expeditiously such Subscriber(s) a pro-rata credit if the interruption was not caused by the Subscriber(s) and the Franchisee knew or should have known of the Service interruption.

SECTION 10 - INSURANCE AND BONDS

Section 10.1 --- INSURANCE

(a) Franchisee shall purchase and maintain such insurance as will protect the Franchisee and the Town from claims set forth below caused by the construction, installation, operation, or maintenance of any structure, equipment, wires or cables authorized or used pursuant to this Franchise, whether caused by Franchisee or by any Subcontractor

or by anyone directly or indirectly employed by any of them or by anyone for whose acts any of them may be liable. Franchisee's insurance policies shall protect the Town against the following:

- (1) Claims ~~by under-Casco Workers Under~~ Worker's Compensation, ~~d~~Disability ~~b~~Benefit and ~~e~~Other ~~s~~Similar ~~e~~Employee ~~b~~Benefit ~~a~~Acts;
- (2) Claims for damages because of bodily injury, occupational sickness or disease, or death of its employees, and claims insured by usual personal injury liability coverage;
- (3) Claims for damage because of bodily injury, sickness or disease, or death of any person other than its employees, and claims insured by usual personal injury liability coverage; and
- (4) Claims for damages because of injury to or destruction of tangible property, including loss of use resulting therefrom.

(b) The Insurance required by the above shall be written for not less than (1) the minimum limits of liability required by the Worker's Compensation Act, ~~and~~ (2) five million dollars (\$5,000,000.00) for general liability coverage ~~and (3) \$1 million (\$1,00,000) for property damage coverage~~. The above insurance policies shall also be subject to the following requirements:

- (1) Insurance coverage for the Franchisee's Comprehensive General Liability shall be written by one and the same insurance company to avoid the expense of duplicate and/or overlapping coverage and to facilitate and expedite the settlement of claims.
- (2) Certificates of Insurance reasonably acceptable to the Town shall be addressed to and filed with the Town prior to the Effective Date of this Franchise Agreement. New and renewal certificates shall be addressed to and filed with the Town at least ten (10) days prior to the expiration date of required policies.
- (3) No insurance coverage shall be subject to cancellation without at least sixty (60) days prior written notice forwarded by registered or certified mail to the Town. The Town shall also be notified of the attachment of any restrictive amendments to the policies.
- (4) Such insurance shall be obtained from brokers or carriers authorized to transact insurance business in the State of Maine.
- (5) The above policies shall name the Town as an additional insured as its interests may appear.
- (6) The Franchisee's failure to obtain or procure or maintain the required insurance shall constitute a material breach of this Franchise Agreement under which the Town may immediately suspend operations under this Franchise Agreement.

Section 10.2 --- PERFORMANCE BOND

(a) Franchisee shall maintain at its sole cost and expense throughout the term of this Franchise Agreement a faithful performance bond running to the Town, with good and sufficient corporate surety Franchised to do business in the State of Maine and approved in advance in writing by the Franchise Authority, in the sum of ~~twoseven~~ hundred fifty thousand dollars (~~\$27~~50,000.00). Said bond shall be conditioned upon the faithful performance and discharge of all of the obligations imposed by this Franchise Agreement. Upon completion of the system rebuild, the amount of said bond shall be reduced to the sum of ~~fiftyseventy-five~~ thousand dollars (~~\$5075~~,000.00).

(b) The performance bond, as per Section 10.2(a) above, shall be effective throughout the term of this Franchise Agreement including the time for removal of facilities provided for herein, and shall be conditioned that in the event that Franchisee shall fail to comply with any one or more provisions of this Franchise Agreement, or to comply with any order, permit or direction of any department, agency, commission, board, division or office of the Town having jurisdiction over its acts, or to pay any claims, liens or taxes due the Town which arise by reason of the construction, upgrade, maintenance, operation and/or removal of the cable Television System, the Franchise Authority shall absolutely and without objection of Franchisee, recover from the surety of such bond all damages

suffered by the Town as a result thereof, within thirty (30) days after a written request for same. Said condition shall be a continuing obligation of this Franchise Agreement, and thereafter until Franchisee has liquidated all of its obligations to the Town that may have arisen from the grant of this Franchise Agreement or from the exercise of any privilege therein granted. In the event that the Town recovers from said surety, Franchisee shall take immediate steps to reinstate the performance bond to the appropriate amount as per Section 10.2(a). If, at any time during the term of this Franchise Agreement, the condition of the surety shall change in such manner as to render the bond unsatisfactory to the Town Counsel, Franchisee shall replace such bond by a bond of like amount and similarity conditioned, issued by a surety satisfactory to the Town Counsel.

(c) Franchisee shall submit to the Franchise Authority, on an annual basis, copies of all up-to-date certificates concerning a) insurance policies as required herein b) performance bonds as required herein.

Section 10.3 --- INDEMNIFICATION

(a) The Franchisee further agrees to indemnify and hold harmless the Town and the Franchise Authority, including the agents, employees and representatives of either, from and against all claims, damages, losses and expenses, including attorney's fees, arising out of or resulting from the construction, upgrade, installation, maintenance or removal of the Cable Television System under this Franchise Agreement, provided that any such claim, damage, loss or expense (a) is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property including the loss of use resulting therefrom and (b) is caused in whole or in part by any negligent act or omission of the Franchisee, any Subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, regardless of whether or not it is caused in part by a party indemnified hereunder.

(b) In order for the Town to assert its rights to be indemnified, defended, or held harmless, the Town must:

- (1) Promptly notify Franchisee of any claim or legal proceeding which gives rise to such right;
- (2) Afford Franchisee the opportunity to participate in and fully control any compromise, settlement or other resolution or disposition of such claim or proceeding, unless, however, the Town, in its sole discretion, determines that its interests cannot be represented in good faith by Franchisee; and
- (3) Fully cooperate with the reasonable requests of Franchisee in its participation in, and control, compromise, settlement or resolution or other disposition of such claim or proceeding subject to subparagraph 2 above.

(c) The Franchisee shall be responsible for all damage or injury to property of any character resulting from any act, omission, neglect, or misconduct in the manner or method of executing this Franchise Agreement or due to the non-execution of its obligations or at any time due to defective work or materials.

(d) Except for claims covered by the insurance referred to in Section 10.1(a)(2) in any and all claims against the Town or any of their agents or employees by any employee of the Franchisee, any Subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, the indemnification obligation under this paragraph shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for the Franchisee or any Subcontractor under Workmen's Compensation Acts, disability benefit acts or other employee benefit acts.

(e) The obligations of the Franchisee under this provision shall not extend to the liability of the Town, its agents or employees, arising out of (a) the preparation or approval of maps, drawings, opinions, reports, surveys, designs or specifications prepared by or under the direction of the Town of Freeport, or (b) the giving of or the failure to give directions or instructions by the Town, its agents or employees provided such giving or failure to give directions or instructions is the primary cause of the injury or damage.

(f) The Town shall, at its sole cost and expense, but only to the extent lawful for local governments, indemnify and hold harmless Franchisee against any claims arising out of the Town's use of the Cable System. Indemnified expenses shall include all out-of-pocket expenses such as attorney's fees, ~~and shall also include the reasonable value of any services rendered by the Town.~~

Section 10.4 --- NOTICE OF CANCELLATION OR REDUCTION OF COVERAGE

The insurance policies and performance bond required herein shall each contain an endorsement stating that such policies and bond are intended to cover the liability assumed by Franchisee under the terms of this Franchise Agreement and shall contain the following endorsement:

It is hereby understood and agreed that this policy (bond) shall not be canceled, materially changed or the amount of coverage thereof reduced until sixty (60) days after receipt by the Town ~~council~~ Council of the Town of Freeport, Maine, by certified mail of one (1) copy of a written notice of such intent to cancel, materially change or reduce the coverage required herein.

If Franchisee fails to maintain the insurance policies required herein, the Franchise Authority shall have the option to obtain said policies and pay for same from the performance bond.

Section 10.5 --- NO LIABILITY

The Town shall not be liable to the Franchisee for any damages or loss which the Franchisee may suffer as the result of the Town's lawful exercise of the authority granted under the Franchise Agreement.

SECTION 11 - ADMINISTRATION AND REGULATION

Section 11.1 --- REGULATORY AUTHORITY

The Franchise Authority and/or its designee(s) shall be responsible for the day to day regulation of the Cable Television System. The Franchise Authority or its designee(s) shall monitor and enforce Franchisee's compliance with the terms and conditions of this Franchise Agreement. The Franchise Authority shall notify Franchisee in writing of any instance of non-compliance pursuant to Section 12.2 below.

Section 11.2 --- PERFORMANCE EVALUATION HEARINGS

(a) The Franchise Authority may, at its discretion, hold a performance evaluation hearing within thirty (30) days of each anniversary of the Effective Date of this Franchise Agreement. All such evaluation hearings shall be open to the public. The purpose of said evaluation hearing shall be to, among other things, review Franchisee's compliance with the terms and conditions of this Franchise Agreement, review current technological developments in the cable television field and hear comments, suggestions or complaints from the public. The Franchise Authority shall have the right to question Franchisee on any aspect concerning the construction, upgrade, installation, operation or maintenance of the Cable Television System. During review and evaluation by the Franchise Authority, Franchisee shall fully cooperate with the Franchise Authority or its designee(s), and produce such documents or other materials as are reasonably requested by the Town.

(b) Within thirty (30) days after the conclusion of such review hearing(s), the Franchise Authority may issue a written report with respect to the adequacy of Cable System performance, quality of service and compliance with provisions of this Franchise Agreement. If inadequacies are found which result in a violation of any of the provisions of this Franchise Agreement, the Franchisee shall be informed of same pursuant to Section 12.2 below.

Section 11.3 --- NONDISCRIMINATION

Franchisee shall not discriminate against any Person in its solicitation, services or access activities, if applicable, on the basis of race, color, creed, religion, ancestry, national origin, geographical location within the Town (subject to the provisions of Section 5 herein), sex, affectional preference, disability, age, marital status, or status with regard to public assistance. Franchisee shall be subject to all other requirements of federal, state or existing local laws, regulations, and all executive and administrative orders relating to nondiscrimination through the term of this Franchise Agreement.

Section 11.4 --- SUBSCRIBER AND USER COMPLAINTS

Franchisee shall keep a record of all Subscriber and user complaints on file in its local business office for a

minimum of three (3) years. Records of complaint shall indicate: date complaint received; nature of complaint; resolution of complaint; and date of resolution. The Franchise Authority or its designee(s) shall have the right to examine, review and copy said information at its own expense during Franchisee's business hours upon reasonable notice. Franchisee shall also submit said information for each Performance Evaluation hearing, at the request of the Franchise Authority.

Section 11.5 --- EMERGENCY REMOVAL OF PLANT

If, at any time, in case of fire, disaster, or other emergency in the Town, it shall become necessary in the reasonable judgment of the Franchise Authority or any designee, to cut or move any of the wires, cables, amplifiers, appliances or appurtenances of the Cable Television System, the Town shall have the right to do so at the sole cost and expense of Franchisee.

Section 11.6 --- REMOVAL AND RELOCATION

The Franchise Authority shall have the power at any time to order and require Franchisee to remove or relocate any pole, wire, cable or other structure that is unnecessarily dangerous to life or property. In the event that Franchisee, after notice, fails or refuses to act within a reasonable time, the Franchise Authority shall have the power to remove or relocate the same at the sole cost and expense of Franchisee.

Section 11.7 --- INSPECTION

The Franchise Authority or its designee(s) shall have the right to inspect, inventory or appraise the plant, equipment or other property of Franchisee as is reasonably related to establishing compliance with this Franchise. Franchisee shall fully cooperate and otherwise assist in these activities.

Section 11.8 --- JURISDICTION

Jurisdiction and venue over any dispute, action or suit shall be in any court of appropriate venue and subject matter jurisdiction located in the State of Maine and the parties by this instrument subject themselves to the personal jurisdiction of said court for the entry of any such judgment and for the resolution of any, dispute, action, or suit.

Section 11.9 --- RIGHT TO PURCHASE

In the event of revocation of the Franchise Agreement, or non-renewal, or foreclosure, or other judicial sale of the Cable System, the Town shall have the right of first refusal to purchase the Cable Television System.

~~SECTION 12--LIQUIDATED DAMAGES--FRANCHISE REVOCATION~~ ~~SECTION 12--LIQUIDATED DAMAGES--FRANCHISE REVOCATION~~

~~Section 12.1---LIQUIDATED DAMAGES~~ ~~Section 12.1---LIQUIDATED DAMAGES~~

~~(a) Subject to the provisions of Sections 3.1 and 3.2 hereof it is agreed that the Town may draw against the performance bond, as liquidated damages, representing an estimate of delay damages, not as a penalty, the sum of three hundred dollars (\$300.00) per day for each calendar day that such rebuild and I-Net has not been fully constructed, installed, activated and energized, said damages to be effective as of the first day after the first anniversary of the Effective Date of the Franchise or such extension as provided for under Section 3.1 above.~~

~~(b) In addition to and without limiting the damages for delays as specified in subsection (a), the Franchise Authority reserves the right to seek any actual damages in the event that the Franchisee violates any material provisions of this Franchise Agreement other than those referred to in subsection (a).~~

~~(c) Any assessment of liquidated damages shall not constitute a waiver by the Franchise Authority 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 Franchisee such additional damages, losses, costs and expenses including actual attorneys' or consultants' fees as may have been suffered or incurred by the Franchise Authority by reason of or arising out of~~

~~such breach of the franchise.~~

SECTION 12 - FINES, DAMAGES AND LICENSE REVOCATION

Section 12.1 – FINES

(a) Subject to the provisions of Section 3.1 and 3.2 hereof, it is agreed that the Town may draw against the performance bond, as a fine, the sum of three hundred dollars (\$300.00) per day for each calendar day that such rebuild and I-Net have not been fully constructed, installed, activated and energized within the deadline set forth in Section 3.1 and 3.2 hereof. In the event the rebuild is not completed within 12 months of the Franchisee's receipt of utility make ready approval, the amount of the fine for a failure to complete the rebuild of the cable system shall increase to one thousand dollars (\$1,000) per day.

(b) In addition to and without limiting the fines for delays as specified in subsection (a), the Franchise Authority reserves the right to seek any actual damages in the event that the Franchisee violates any material provisions of this renewal Franchisee.

(c) Any assessment of fines shall not constitute a waiver by the Franchise Authority 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 Franchisee such additional damages, losses, costs and expenses including actual attorneys' or consultants' fees as may have been suffered or incurred by the Franchise Authority by reason of or arising out of such breach of the franchise and its right to declare a default."

Section 12.2 --- DEFAULT PROCEDURES

(a) In the event that the Franchise Authority has reason to believe that the Franchisee has defaulted in the performance of any or several material provisions of this Franchise Agreement, except as excused by Force Majeure, the Franchise Authority shall notify the Franchisee in writing, by certified mail, of the provision of provisions which the Franchise Authority believes may have been or is in default and the details relating thereto.

(b) The Franchisee shall have thirty (30) days to cure such default, except that any failures by Franchisee to complete the system rebuild, to complete line extensions, or to complete the I-Net within the time period required by this Franchise Agreement, are not subject to a thirty (30) day cure period. Upon failure to cure such default within thirty (30) days or such longer period as the Franchise Authority and Franchisee reasonably agree upon, the Franchise Authority shall issue public notice of a hearing on the matter to be held by the Franchise Authority prior to any assessment of damages. At such hearing the Franchisee may present evidence and be heard as to why it is not in default. Within thirty (30) days of the conclusion of such hearing, the Franchise Authority shall issue a written statement as to its decision and the grounds therefor. In the event that the Franchise Authority, after such hearings, determines that the Franchisee is in such default, the Franchise Authority may determine to pursue any one or more of the following remedies:

- (1) seek specific performance of any provision in the Franchise Agreement which reasonably lends itself to such remedy as an alternative to damages;
- (2) collect liquidated damages pursuant to Section 12.1 above.
- (2) foreclose on all or any appropriate part of the security provided pursuant to Section 10.2 herein;
- (3) commence an action at law for monetary damages;
- (4) declare the Franchise Agreement to be revoked subject to Section 12.3 below and applicable law;
- (5) invoke any other lawful remedy available to the Town.

Section 12.3 --- REVOCATION OF FRANCHISE AGREEMENT

In the event that the Franchisee fails to comply with any material provision of this Franchise Agreement the Franchise Authority may revoke the Franchise Agreement granted herein, subject to the procedures of Section 12.2 above.

Section 12.4 --- TERMINATION

The termination of this Franchise Agreement and the Franchisee's rights herein shall become effective upon the earliest to occur of: 1) the revocation of the Franchise Agreement by action of the Franchise Authority, pursuant to Section 12.2 and Section 12.3 above; 2) the abandonment of the Cable System, in whole or material part, by the Franchisee without the express, prior approval of the Franchise Authority; or 3) the expiration of the term of this Franchise Agreement. In the event of any termination, the Town shall have all of the rights provided in this Franchise Agreement.

Section 12.5 --- NON-EXCLUSIVITY OF REMEDY

No decision by the Franchise Authority or the Town to involve any remedy under this Franchise Agreement or under any statute, law or ordinance shall preclude the availability of any other such remedy.

SECTION 13 - SUBSCRIBER RIGHTS AND CONSUMER PROTECTION

Section 13.1 --- LOCAL CUSTOMER SERVICE CENTER

Franchisee shall maintain a full-time customer service center, in the Town, at a location convenient to Subscribers where subscribers can, at minimum, pay their cable bills and drop-off equipment such as, but not limited to, converters. Such center shall be open, at a minimum, three (3) evenings, until 9:00 pm, per week and at least 6 hours on a weekend day to accommodate the work schedules of Freeport subscribers. This location shall be handicapped accessible. Said customer service center shall be a continuing obligation of this Franchise Agreement.

Section 13.2 --- CUSTOMER SERVICE TELEPHONE

Franchisee shall have a live telephone operator after normal business hours to respond to customer calls. Franchisee's telephone response system shall be usable with state-of-the-art telecommunications devices for the hearing impaired.

Section 13.3 --- CUSTOMER SERVICE

(a) Franchisee shall comply with the FCC Customer Service Regulations (47 CFR 76.309) in all respects.

(b) Franchisee shall ensure that flexible hours are available to customers for service and installation visits. Time periods offered for such visits shall include morning (8:00 am to Noon) afternoon (Noon to 7:00 pm), and Saturday (8:00 am to 5:00 pm) hours.

Section 13.3 --- SUBSCRIBER SOLICITATION PROCEDURES

Franchisee shall provide all prospective Subscribers with complete, clear and concise information, in writing and prior to or at the time of installation of cable service(s), information concerning the following:

- (1) All services and rates, deposits if applicable, installation costs, service upgrade or downgrade charges (if any), stolen or lost converter charges and relocation of cable outlet charges.
- (2) Complete information concerning billing and collection procedures, procedures for ordering changes in or termination of service(s), and refund policies.
- (3) Written notification concerning the potential incompatibility of video cassette recorders (VCR's) with cable service(s), and, if requested, information concerning the cost for installation of said VCR's and the different methods of installation, if applicable.

- (4) Complete written information concerning Franchisee's privacy policies, pursuant to State and Federal Law.

Section 13.4 --- CONSUMER SALES STANDARDS

Franchisee shall, in soliciting prospective customers for cable service(s), provide full and complete information concerning its available cable services and shall, upon request, provide the following:

- (1) A description of each level of service in detail.
- (2) A description of the benefits offered by each level of service, such as the number of channels, programming and exact price.
- (3) A description of all premium services and prices therefor.
- (4) A description of the lowest cost service in an objective manner.
- (5) A description of billing procedures and policies.
- (6) A summary for the prospective customer what the total bill could be expected to be.

Section 13.5 --- CUSTOMER SERVICE PROCEDURES AND NOTICE

(a) Franchisee shall respond to all requests for service by making a service call at the subscriber's residence within two (2) business days of receiving such request. Franchisee shall respond to all requests for installation and disconnection within seven (7) business days of such requests, or at such other time as is mutually agreed upon by Franchisee and said Subscriber. Franchisee's policies are to give service calls priority over installation calls.

Section 13.6 --- BILLING DISPUTE PROCEDURES

In the event that a billing dispute arises, Franchisee shall resolve said dispute within fourteen (14) days of receiving either verbal or written notification of said dispute from the subscriber. said subscriber shall be responsible for paying only that portion of the bill that is not in dispute during said fourteen (14) day period. In the event that Franchisee is unable to resolve a billing dispute with a subscriber within said 14 day period, the subscriber can request that the dispute be referred to the Town of Freeport Cable T.V. Regulatory Board for resolution.

Section 13.7 --- DISCONNECTION AND TERMINATION OF CABLE SERVICE

(a) Franchise shall only disconnect and/or terminate a Subscriber's cable service(s) upon a showing of good and just cause. In no event shall Franchisee disconnect said cable service for nonpayment without the prior written notification to the affected Subscriber at least eight (8) business days prior to such disconnection or termination. Any dispute between the Franchisee and a subscriber concerning a disconnection or potential disconnection of cable service may be referred by the subscriber to the Town of Freeport Cable T.V. Regulatory Board for resolution.

(b) Pursuant to Section 13.6 above, said period shall in no case commence during the billing-dispute resolution period.

(c) Upon the issuance of said eight (8) business day disconnection or termination notice above, Franchisee shall meet, at the request of the Franchise Authority or its designee, with the Franchise Authority or designee and the said Subscriber to negotiate, in good faith, a resolution to the billing dispute.

(d) The Franchisee agrees to advise all subscribers, at least annually, of their rights to refer billing and disconnection disputes to the Town of Freeport Cable T.V. Regulatory Board as set forth in this Section 13.7.

Section 13.8 --- LOSS OF SERVICE -- SIGNAL QUALITY

Franchisee shall comply with all applicable FCC regulations and standards relating to quality of the Signals transmitted over the Cable Television System. Upon a showing of a significant number of complaints from

Subscribers concerning consistently poor or substandard Signal quality, the Franchise Authority and Franchisee shall enter into good faith discussions concerning possible remedies for consistent Signal degradation.

Section 13.9 --- EMPLOYEE IDENTIFICATION CARDS

All of Franchisee's employees entering upon private property, including repair and sales personnel, shall be required to wear an employee identification card issued by Franchisee and bearing a picture of said employee. Employees entering upon private property shall be required to wear said identification card in a conspicuous place easily seen by Subscribers.

Section 13.10 --- PRO-RATED SERVICE

In the event that a Subscriber service is terminated, monthly charges for service shall be pro-rated on a daily basis and, where advance payment has been made by Subscriber, the appropriate refund, if exceeding one dollar (\$1.00) shall be made by Franchisee to the Subscriber within forty-five (45) days of such termination.

Section 13.11 --- PRIVACY PROVISIONS

(a) Franchisee shall respect the rights of privacy of every Subscriber and/or commercial user of the Cable Television System and shall not violate such rights through the use of any device or Signal associated with the Cable System, and as hereafter provided.

(b) Franchisee shall comply with all applicable Federal, State and local laws and regulations respecting Subscriber and commercial user privacy and shall adhere to applicable industry codes of conduct which promote or enhance Subscriber privacy.

Section 13.12 --- MONITORING

Neither Franchisee or its agents nor the Town or its agents shall tap or monitor, arrange for the tapping or monitoring, or permit any other person to tap or monitor, any cable, line, Signal, input device, or Subscriber outlet or receiver for any purpose, without the prior written authorization of the affected Subscriber or commercial user; provided, however, that Franchisee may conduct system wide or individually addressed "sweeps" solely for the purpose of verifying system integrity, checking for illegal taps, controlling return-path transmission, or billing for pay services. Franchisee shall report to the affected parties and all appropriate authorities any instances of monitoring or tapping of the Cable Television System, or any part thereof, of which it has knowledge, whether or not such activity has been authorized by Franchisee. Franchisee shall not record or retain any information transmitted between any Subscriber or commercial user and any third party, except as required for lawful business purposes. Franchisee 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.

Section 13.13 --- DISTRIBUTION OF SUBSCRIBER INFORMATION

Franchisee and its agents or employees shall not, without the prior written authorization of the affected Subscriber or commercial user, provide to any third party, including the Town, data identifying or designating any Subscriber either by name or address. Said authorization may be withdrawn at any time by the Subscriber or commercial user by providing written notice to the Franchisee. Franchisee 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.

Section 13.14 --- POLLING BY CABLE

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 the poll or upstream response, unless the program has an informational, entertainment or educational function which is self-evident. Franchisee or its agents shall release the results of upstream responses only in the aggregate and without individual references.

Section 13.15 --- INFORMATION WITH RESPECT TO VIEWING HABITS AND SUBSCRIPTION DECISIONS

Franchisee or its agents or its employees shall not make available to any third party, including the Town, information concerning the viewing habits or subscription package decisions of any individual Subscriber without obtaining the Subscriber's prior written consent. If a court authorizes or orders such disclosure, Franchisee shall make reasonable attempts to notify the Subscriber within a reasonable time prior to such disclosure. Franchisee shall provide written notice to each Subscriber when equipment is to be installed on the Cable Television System which would permit the recording or monitoring of individual viewing habits of such Subscriber. Such equipment shall be installed only after prior written permission has been granted by the Subscriber. In no event shall such permission be obtained as a condition of service or continuation thereof. For any sort of transmission concerning the viewing habits or subscription package decisions of any individual Subscriber to emanate from a Subscriber's residence, the subscriber must take some positive action to activate such transmission. In the event the service requested by the Subscriber by its nature involves the transfer of information or data from the Subscriber, including without limitation, security services or data transference, the ordering of the service shall be deemed to include the grant of permission by the Subscriber for the making available of such information to such parties as is necessary for the provision of the service. Written permission shall be obtained from the Subscriber prior to further dissemination or distribution by Franchisee of such information.

Section 13.16 --- SUBSCRIBER ACCESS TO INFORMATION

Subscribers shall be entitled to examine and copy any information developed by Franchisee pertaining to them at Franchisee's premises upon reasonable notice and during regular business hours. Copying costs shall be borne by said Subscriber(s). Franchisee shall promptly correct such records upon a reasonable showing by the Subscriber that information contained therein is inaccurate.

Section 13.17 --- PRIVACY STANDARDS REVIEW

The Franchise Authority and Franchisee will continually review this Section 13 to determine that it effectively addresses appropriate concerns about privacy. This Section may be amended periodically by agreement of the Franchise Authority and Franchisee.

SECTION 14 - REPORTS AND PERFORMANCE TESTS

Section 14.1 --- GENERAL

Upon request of the Franchise Authority, the Franchisee shall promptly submit to the Town any information regarding the Franchisee, its business and operations, and/or any Affiliated Person, with respect to the Cable System, any Service, or any Service related activity, in such form and containing such detail as may be specified by the Town pertaining to the subject matter of this Franchise Agreement which may be reasonably required to establish the Franchisee's compliance with its obligations pursuant to this Franchise Agreement

Section 14.2--- CONSTRUCTION REPORTS

Franchisee shall furnish the Franchise Authority and/or its designee(s) with progress reports indicating in detail the progress in, and areas of, construction and upgrade of the Cable Television System. Said reports shall be furnished to the Franchise Authority on a quarterly basis during any rebuild, starting with the Effective Date of this Franchise.

Section 14.3 ---FINANCIAL REPORTS

~~(a) Franchisee shall furnish the Franchise Authority, no later than ninety (90) days after the end of Franchisee's Fiscal Year a sworn statement of its Gross Annual Revenues (as defined in Section 1(m) above) pertaining to the Freeport Cable Television System only provided, however, that said information shall be for official use only. Franchisee shall also provide a financial balance sheet and statement of ownership for Freeport only, which shall be open for public inspection. Said statements and balance sheet shall be sworn to by the person preparing same and by Franchisee or an officer of Franchisee.~~

(a) Franchisee shall furnish the Franchise Authority no later than ninety (90) days after the end of Franchisee's Fiscal Year a sworn statement of its Gross Annual Revenues (as defined in Section 1(m) above) pertaining to the Freeport Cable System only provided, however, that said information shall be for official use only. Said statement of Gross Annual Revenues shall be prepared by a Certified Public Accountant in accordance with Generally Accepted Accounting Principles. Franchisee shall also provide a financial balance sheet and statement of ownership for Franchisee, which shall be open for public inspection. In addition, Franchisee shall also provide a complete audited financial statement, as soon as available to Franchisee, of that parent or affiliate of Franchisee providing the Unconditional Guaranty pursuant to the Transfer Agreement, provided that the Town will maintain said audited financial statements at the Town Office, and will not copy or release them to third parties, other than Town employees and members of the Town Council, the Town's Cable T.V. Regulatory Board, and the Town's attorney, except in accordance with the Maine Freedom of Access Act, 1 M.R.S.A. §401-410 (the "FAA"). In the event of a request for inspection or copying of the information by a member of the public pursuant to the FAA, the Town agrees to promptly notify Franchisee of the request, and not to release the information until the expiration of the five (5) day period under the FAA, in order to provide Franchisee with the opportunity to seek a determination as to whether the records are "public records" subject to disclosure. At the end of the Town's due diligence process, all copies of the audited financial statements will be returned to Franchisee, except that one (1) archival copy may be held by the Town's attorney."

(b) Any other reports required by State and/or federal law.

Section 14.4 --- NUMBER OF SUBSCRIBERS

Franchisee shall file with the Franchise Authority a report containing the number of Subscribers, as of December 31st, and the number of connections and disconnections. Said report shall be filed annually with the Financial Reports required pursuant to Section 14.3 above.

Section 14.5 --- LINE EXTENSION REPORT

During the first year after the commencement of this Franchise Agreement, Franchisee shall file with the Franchise Authority, quarterly reports detailing the areas in the Town in which the Cable System has been extended during said reporting period, the dates of said extensions and the number of households capable of receiving cable service(s). In succeeding years, Franchisee shall file said report on an annual basis.

Section 14.6 --- SUBSCRIBER COMPLAINT REPORT

Every three (3) months, beginning from the Effective Date of this Franchise Agreement, Franchisee shall notify the Franchise Authority, on forms approved by the Town a list of complaints of Subscribers received during the reporting period and the manner in which the complaints have been met, including the time required to make any necessary repairs or adjustments.

Section 14.7 --- SERVICE INTERRUPTION REPORT

Franchisee shall submit, every three (3) months, beginning from the Effective Date of the Franchise Agreement, a list of all significant service interruptions. Said report shall be submitted with the Subscriber Complaint Report required in Section 14.5 above.

Section 14.8 --- INDIVIDUAL COMPLAINT REPORTS

Franchisee shall, within ten (10) days after receiving a written request therefor, send a written report to the Franchise Authority with respect to any complaint. Such report shall provide a full explanation of the investigation, finding(s) and corrective steps taken.

Section 14.9 --- BI-ANNUAL PERFORMANCE TEST

Proof of performance tests made to ensure compliance with FCC standards for system technical operation shall be

available in the Franchisee's Public Files.

Section 14.10 --- QUALITY OF SERVICE

Where there exists other evidence which in the reasonable judgment of the Franchise Authority casts doubt upon the reliability or technical quality of cable service(s), the Franchise Authority shall have the right and authority to require Franchisee to test, analyze and report on the performance of the Cable System. Franchisee shall fully cooperate with the Franchise Authority in performing such testing and shall prepare the results and a report, if requested, in writing, within thirty (30) days after notice for the same. Such report shall include the following information:

- (1) the nature of the complaint or problem which precipitated the special tests;
- (2) the system component tested;
- (3) the equipment used and procedures employed in testing;
- (4) the method, if any, in which such complaint or problem was resolved;
- (5) any other information pertinent to said tests and analysis which may be required.

The Franchise Authority may require that said tests be supervised by a professional engineer, knowledgeable in cable systems, who is not an employee or agent of Franchisee.

Section 14.11 --- DUAL FILINGS

(a) Franchisee shall make available to the Town at the Franchisee's expense, a copy of any petitions or communications with any State or Federal agency or Commission pertaining to any aspect of the Cable System operation hereunder or the financial arrangement therefor, except for submissions which are proprietary and considered for "official use only."

(b) In the event that either party requests from any state or federal agency or commission a waiver or advisory petition, it shall immediately notify the other party in writing of said request, petition or waiver.

Section 14.12 --- NOTICE OF DEFICIENCY

Franchisee shall forward to the Town any notice of deficiency; forfeiture; or other document issued by any state or federal agency instituting any investigation or civil or criminal proceeding; regarding the Freeport Cable System, Franchisee, or any affiliate of Franchisee to the extent that same may directly affect or bear upon operations in Freeport

Section 14.13 --- BANKRUPTCY

Franchisee shall forward to the Town any request for protection under Bankruptcy laws, or any judgment related to a declaration of bankruptcy by Franchisee or any Affiliate. Franchisee shall also forward to the Town any petition in bankruptcy filed against Franchisee, and notice of any assignment for the benefit of creditors made by Franchisee, and any notice of any bulk sale made by the Franchisee. Franchisee's parent or affiliate providing the Unconditional Guaranty under the terms of the Transfer Agreement shall also provide the notifications required by this Section 14.13.

Section 14.14 --- ADDITIONAL INFORMATION

At any time, upon the reasonable request of the Franchise Authority, Franchisee shall make available any further information which may be required to establish Franchisee's compliance with its obligations pursuant to this Franchise Agreement. To the extent consistent with applicable laws and the express requirements of this Franchise Agreement, all documents submitted by Franchisee for inspection by the Franchise Authority, including without limitation Reports required by Section 14, shall be kept confidential and utilized by the Franchise Authority only

for the purposes set forth in this Franchise Agreement. Franchisee shall have the right to require that examination of its records be conducted on its premises.

SECTION 15 - EMPLOYMENT

Section 15.1 --- EQUAL EMPLOYMENT OPPORTUNITY

Franchisee shall be an Equal Opportunity/Affirmative Action Employer adhering to all Federal, State and/or local laws and regulations.

SECTION 16 - MISCELLANEOUS PROVISIONS

Section 16.1 --- FRANCHISE AS CONTRACT UNDER SEAL

Upon its execution by the Franchise Authority and Franchisee this Franchise Agreement shall be deemed to constitute a contract under seal by and between Franchisee, on the one hand, and the Town Council of the Town of Freeport, on the other hand.

Section 16.2 --- ENTIRE AGREEMENT

This instrument contains the entire agreement between the parties, supersedes all prior agreements or proposals except as specifically incorporated herein, and cannot be changed orally but only by an instrument in writing executed and agreed to by both parties.

Section 16.3 --- CAPTIONS

The captions to Sections throughout this Franchise Agreement are intended solely to facilitate reading and reference to the Sections and provisions of this Franchise Agreement. Such captions shall not affect the meaning or interpretation of this Franchise Agreement.

Section 16.4 --- TIME OF ESSENCE, MAINTENANCE OF RECORDS OF ESSENCE

In determining whether Franchisee, has substantially complied with this Franchise Agreement, the parties agree that time is of essence to the agreement. As a result, Franchisee's failure to complete construction, extend service, seek approval of transfers, or provide information in a timely manner shall constitute substantial breaches. The maintenance of records and provision of reports in accordance with this Franchise Agreement is also of essence to the agreement.

Section 16.5 --- SEVERABILITY

If any Section, sentence, paragraph, term or provision of this Franchise Agreement is determined to be illegal, invalid or unconstitutional, by any court of competent jurisdiction or by any state or federal regulatory agency having jurisdiction thereof, such determination shall have no effect on the validity of any other Section, sentence, paragraph, term or provision hereof, all of which shall remain in full force and effect for the term of this Franchise Agreement.

Section 16.6 --- FORCE MAJEURE

If by reason of force majeure either party is unable in whole or in part to carry out its obligations hereunder, said party shall not be deemed in violation or default during the continuance of such inability. The term "force majeure" as used herein shall be any cause or event not reasonably within the control of the disabled party.

Section 16.7 --- REMOVAL OF ANTENNAS

Franchisee shall not remove any television antenna of any Subscriber but shall, at cost, offer to said Subscriber and maintain an adequate switching device to allow said Subscriber to choose between cable and non-cable television reception.

Section 16.8 --- SUBSCRIBER TELEVISION SETS

Franchisee shall not engage directly or indirectly in the business of selling or repairing television or radio sets; provided, however, that Franchisee may make adjustments to television sets in the course of normal maintenance.

Section 16.9 --- COST OF PUBLICATION

Franchisee shall assume all costs for the publication, printing and distribution of this Franchise Agreement, to a limit of fifty (50) copies.

Section 16.10 --- TERM

All obligations of Franchisee and the Franchise Authority as set forth in this Franchise Agreement shall commence upon the expiration of the existing Franchise and shall continue for the term of this Franchise Agreement except as expressly provided for herein.

Section 16.11 --- FRANCHISE AUTHORITY'S DESIGNEE

In the event that the Franchise Authority's designee is other than the Town Manager, the Franchise Authority shall notify Franchisee in writing of said designee.

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SCHEDULE 1 - PUBLIC AND OTHER BUILDINGS TO BE CONNECTED TO THE INSTITUTIONAL NETWORK

School Buildings

Freeport High School

Freeport Middle School

Mast Landing School

Morse Street School

West Street - School Office Building

Town Buildings

Freeport Town Hall

Public Safety Building

Freeport Department of Public Works

Freeport Recycling Center

Soule School

Libraries

Freeport Public Library

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SCHEDULE 2 - FRANCHISEE INSTALLATION COSTS

Aerial Cable:

The first 300 ft. are provided at no additional charge for customers pre-wiring homes..

300 ft. to 600 ft is charged at \$0.55/foot for customers pre-wiring homes.

600 ft and greater is charged \$1.05/foot for customers pre-wiring homes.

Underground Cable:

The first 300' are provided at no additional charge.

300 ft. to 600 ft is charged at \$0.68/foot for customers pre-wiring homes.

600 ft and greater is charged \$3.07/foot for customers pre-wiring homes.

Prices are subject to change pending material costs, labor costs, and install rates.

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SCHEDULE 3 - FRONTIERVISION PLANT MAINTENANCE PROCEDURES

I. HEADEND

A. Video Modulation Level Check

1. All video modulation levels of system satellite receivers, video-cyphers and modulators are set for one (1) volt peak-to-peak, weekly.

B. Audio Deviation Level Check

1. All audio deviation Levels are set to match the level of off-air channel 2 (WLBZ, Bangor), weekly.

C. Video and Audio Carrier Level Check

1. All system video carrier levels are set for 12db (+ or - .2db) at the output of the combining network, weekly.
2. All system audio carrier levels are set 15db below the video carrier levels (+ or - .2db), weekly.

II. PLANT MAINTENANCE

A. Fiber Optics

1. All fiber optic transmitters are set for recommended signal level, weekly.
2. All fiber optic receivers are checked monthly for recommended output levels.

B. System Sweep

1. All system amplifiers are swept once annually to verify a $n/10$ plus 1 peak-to-valley system bandwidth response level.

C. Signal Leakage

1. All system plant will be driven quarterly (4 times annually) to comply with FCC Cumulative Leakage Index requirements.

~~D. System Test Point Check~~

~~1. There will be two (2) test points per fiber optic node established. Each test point will be checked monthly for the following vital signs:~~

- ~~a. Optical voltages~~
- ~~b. Video and audio signal levels~~
- ~~c. Picture quality~~
- ~~d. Carrier-to-noise distortions~~
- ~~e. Hum modulation distortions~~
- ~~f. Triple beat distortions~~

D. System Tests.

Operator shall be responsible for insuring that the system is designed, installed, and operated in a manner that fully complies with all applicable FCC rules and regulation. Operator shall be prepared to show, on request by an authorized representative of the franchise authority that the system does, in fact, comply with FCC rules.

Operator shall conduct complete performance tests of the system at least twice each calendar year (at intervals not to exceed seven months), and shall maintain the resulting test data on file at the operator's local business office for at least five (5) years. The test data shall be made available for inspection by the local franchise authority, upon request. The performance tests shall be directed at determining the extent to which the system complies with all FCC technical standards set forth in Part 76.605(a).

Proof-of-performance tests shall include measurements taken at the FCC specified quantity of widely separated points. The proof-of-performance test points chosen shall be balanced to represent all geographic areas served by the cable system. At least one-third of the test points shall be representative of subscriber terminals most distant from the system input in terms of cable length. Proof-of-performance tests shall include at minimum:

- a. Minimum visual carrier level
- b. Visual carrier level 24 hour variation
- c. Visual carrier-to-noise ratio
- d. Visual signal-to-coherent beats
- e. Terminal isolation
- f. Hum modulation”

III. DAILY PICTURE CHECK

A. All channels carried on the system will be checked daily for picture and sound quality at the following locations:

1. Headend, and;
2. A minimum of two field locations per day, at the end of amplifier cascades on an established rotating schedule designed to check the entire system each cycle. Copies of the reports of these daily checks will be forwarded to the Franchise Authority upon written request.

SCHEDULE 4 - BILLING INSERT SPECIFICATIONS

Inserting Requirements for FrontierVision Billing Statements

Request of Insert

To request that inserts be placed in statements a Letter Of Authorization must be sent to our billing company (CSG, Inc.) 10 business days prior to the date the town would like the insert to begin. A maximum of five inserts may be inserted per billing cycle. Inserts must be delivered five business days before the start date and should not be shipped 30 days before the first cycle date used. Failure to meet these lead-times may result in late fees of \$150.00 charged from CSG, Inc. It will be the Town of Freeport's responsibility to pay the late charge if levied against the towns insert piece.

Insert Identification and Specification

Inserts sent to CSG, Inc. must have the Insert ID number and System/Principal number or Business Unit or Customer ID number printed on the insert itself. This needs to be placed on the outside front or back of the insert in the lower corner. The size of an insert may vary but, the finished fold of the insert has a maximum size of 7 x 3 1/2 inches and a minimum size of 5 1/2 x 3 inches. Single folds and standard three folds are acceptable. Accordion folds, End folds or "Z" folds are not acceptable. Paper stock minimum weights are 50 lbs. uncoated and unfolded and 50 lbs. minimum coated and folded. Maximum weight is postcard stock and hard finished paper cannot be inserted.

Packaging and Shipping of the Insert

Banding is required and inserts need to be banded into 3-4 inch bundles; the quantity per bundle must be divisible by 50 and the quantity per bundle must be consistent. Paper and rubber bands may be used. Paper bands must be of heavy stock and no less than 3 inches wide and securely fasten. Rubber bands should be size # 64. The fold of the inserts must face the same direction in a bundle. Shrink wrapping is permissible. Ionization of shrink wrapped

bundles is preferred. All unbanded inserts will be banded at a cost to us of \$5.00 per 1,000. Boxes need to be packaged so that contents do not shift or move. All material should be shipped in securely taped, strong cartons and with reinforced sides. Conforming with existing safety standards and guide lines, total box weight cannot exceed 50 lbs. A shipping document must accompany each shipment, listing customer name, customer #, system #, business #, city, state, number of cartons quantity per box and quantity per bundle. The outside of each carton must be labeled with the insert #, company name, system #, quantity per box, quantity per bundle and box count. Attach a sample of the insert to the outside of the box. All insert deliveries should be mailed to:

CSG Systems, Inc.
14301 Chandler Road
Omaha, NE 68138

FrontierVision will provide the Town of Freeport 30 days notice of any change of specifications.

SCHEDULE 5 - PEG ACCESS PICTURE QUALITY RESOLUTION PROCEDURES

Summary

The following procedures will be followed to resolve after hours picture quality problems for the FCTV studio.

1. FCTV personnel should ensure that the problem is not related to equipment or cables at the point of origination (studio or live location). Necessary troubleshooting steps should be taken to check all cables, jumpers, fittings, equipment, switching, and Signal levels.
2. If troubleshooting steps do not correct the problem, FCTV personnel will use the following phone list to contact a FrontierVision Cable employee - contact will be made in the order of listing:

	Home #	Pager #	Cell #	
1.	Steve Newkirk	665-2885	758-8044	232-9323
2.	Mike Edgecomb	594-8305	851-2013	596-4815
3.	Doug Sanborn	354-8037	759-7522	596-3002
4.	Dave Winchenbach	236-6504	750-0952	596-3008
5.	Brian Gasser	236-6355	851-2014	596-3778

If no contact is made on the above list, the standby technician should be contacted through the answering service at 1-800-336-9988

3. The above FrontierVision staff will address any problems immediately by responding directly to the Freeport Headend or dispatching a technician to troubleshoot the problem. Response time should not exceed 45 minutes.

Troubleshooting Steps

At the headend, picture quality may be checked by-passing all headend equipment. This is accomplished by running a jumper cable from the test point on rack #3 marked "FCTV In" directly to the test set. If this procedure shows good picture quality, then check the normal combined output of the headend. If the picture quality is poor, then a problem exists within the headend. Normal checks of the headend gear with replacements, if necessary, should be

performed. All headend equipment associated with the processing of FCTV is located in rack #3

If it is determined that the quality of the FCTV signal is poor at the "FCTV In" test point, then a problem exists in the transmission from the origination site. Proceed to the origination site and check picture quality at the output of the return modulator. If the picture quality at the output of the return modulator is good, there is a problem in the trunk and distribution system of the return cable plant. Proceed to follow normal return plant troubleshooting to locate and solve the problem.

If the picture quality at the output of the return modulator is poor, check the output of the modulator for proper signal levels. If the levels are adequate, assist the FCTV technician to locate the problem at the origination point.

If it determined that the signal quality is good leaving the headend, there is a problem in the forward .subscriber trunk and distribution system. Use normal troubleshooting procedures to locate and correct the problem.

Note: These troubleshooting steps shall be updated as the system rebuild is undertaken, as PEG access operations expand, as other community uses of the cable system come on-line, and from time-to-time as other situations necessitate.

SCHEDULE 6 - LIVE INSERTION POINTS

Soule School	West Street School Office Building
Town Dock	Library
Town Hall	YMCA
Public Safety Building	Beans Park
Main Street	Winslow Park
One additional - location to be determined	

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SCHEDULE 7 - RATES & SERVICES CURRENTLY OFFERED BY THE FRANCHISEE

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SIGNATURE PAGE

In witness whereof, this Agreement is hereby signed and sealed by the parties, duly authorized, at Freeport, Maine.

For The Town of Freeport, Maine

_____ Date: ____

Dale Olmstead, Freeport Town Manager (Thereunto duly authorized)

For FrontierVision Operating Partners, L.P.

_____ Date: ____

William J. Mahone Jr.