

TOWN OF STANDISH

CABLE TELEVISION
FRANCHISE AGREEMENT

GRANTED TO

FRONTIERVISION OPERATING PARTNERS, L.P.

June 22, 1998

TOWN COUNCIL
TOWN OF STANDISH,
MAINE

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LICENSE

This Franchise Agreement entered into this 22nd day of June, 1998, by and between FrontierVision Operating Partners, L.P., a Delaware Limited Partnership, and the Town Council of the Town of Standish , Maine, as Issuing Authority for the renewal of the cable television license(s):

WITNESSETH:

WHEREAS, the Issuing Authority of the Town of Standish, 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 Standish; and

WHEREAS, FrontierVision Operating Partners, L.P. submitted a Renewal Proposal to the Town, dated October 21, 1997, for a Franchise Agreement to construct, upgrade, operate and maintain a Cable Television System in the Town of Standish; and

WHEREAS, the Issuing 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 Issuing 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 Issuing Authority has determined that it is in the best interest of the Town of Standish 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 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 Issuing Authority to provide PEG access to the residents of the Town of Standish.

- (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: June 22, 1998.
- (k) FCC: The acronym for the Federal Communications Commission or any successor agency.
- (l) Franchise Agreement: The non-exclusive Cable Television License to be granted to Licensee by this instrument.
- (m) Government Channel: Any channel, or portion thereof, which has been allocated for use by the Town, the Issuing Authority or its designee(s).
- (n) Gross Annual Revenue: Consideration of any form or kind derived by the Licensee 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; advertising revenues; and any revenues derived from the provision of high-speed data access (i.e. InterNet Access) services to subscribers over the Cable Television System. 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 License 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) Issuing Authority: The Town Council of Standish, Maine, or its successor.
- (r) Leased Channel or Leased Access: A video channel which the Licensee shall make available pursuant to Section 612 of the Cable Act.
- (s) Licensee: FrontierVision Operating Partners, L.P. or any successor or transferee in accordance with the terms and conditions of this Franchise Agreement.
- (t) 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.
- (u) Other Programming Service: Services which Licensee may make available to all Subscribers generally.
- (v) 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.
- (w) 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.
- (x) PEG: The acronym for Public, Educational, and Governmental; used in conjunction with Access Channels, support and facilities.
- (y) PEG Access Channels: Any Channel(s) made available for the presentation of PEG Access programming.
- (z) Person: Any corporation, partnership, limited partnership, association, trust, organization, other business entity, individual or group of individuals acting in concert.
- (aa) Private Way: A way shown on a plan which has been approved and endorsed in accordance with the Subdivision Control Law or a way which, with the approval of the Town Council, 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.

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

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

(dd) 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 licensee shall gain or be permitted to exercise and rights to use property in the Town greater than those already possessed by the Town.

(ee) Public Works Department (DPW): The Public Works Department of the Town of Standish, Maine.

(ff) Saco River Area: The Towns of Buxton, Hollis, Limerick, Limington, Standish and Waterboro, Maine.

(gg) Service: Any Basic Service or Standard (Cable) Service, and Pay (Cable) Service, or any other Cable Service, whether or not originated by the Licensee, which is offered to any Subscriber in conjunction with, or which is distributed over, the Cable System.

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

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

(jj) Subscriber Network: The five hundred and fifty megahertz (550 MHz) bi-directional-capable network to be owned and operated by the Licensee, over which Cable Service(s) can be transmitted to Subscribers.

(kk) System Completion: That point when the Licensee has provided written documentation to the Issuing Authority that its existing system has been fully upgraded to a 550 MHz (minimum) 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 Licensee.

(ll) Town: The Town of Standish, Maine.

(mm) Transfer: The disposal by the Licensee, 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.

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

SECTION 2 GRANT OF FRANCHISE AGREEMENT

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 Standish, as the Issuing 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 Licensee to construct, upgrade, install, operate and maintain a Cable Television System within the corporate limits of the Town of Standish.

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 Issuing Authority has the power to authorize, the Issuing Authority hereby grants to FrontierVision Operating Partners, L.P., a Licensee, the right to construct, upgrade, install, operate and maintain a Cable System in, under, over, along, across or upon the streets, lanes, avenues, alleys, sidewalks, bridges, highways and other public places under the jurisdiction of the Town of Standish 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 license, Licensee 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 Licensee 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 June 22, 1998 and shall expire on June 21, 2008, 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 License to any other Person, or leased or sublet, mortgaged or pledged in trust, without the prior written consent of the Issuing 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 Licensee 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 Licensee 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 Licensee. 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 Licensee.

(c) The consent or approval of the issuing authority to any transfer, assignment, lease sublease or mortgage of the Franchise Agreement granted to the Licensee 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 Town's prior consent; except that no such arrangement may be made which would in any respect, under any condition, prevent the Licensee 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 Licensee without the prior consent of the Town.

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

(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. Licensee agrees that funds provided under this subsection are not license fees as defined by Federal law, pursuant to §622(g)(2)(C) of the Cable Act of 1984.

Section 2.4 NON-EXCLUSIVITY OF FRANCHISE AGREEMENT

This Franchise Agreement shall not affect the right of the Issuing Authority to grant to any other Person a license 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 Standish; or the right of the Issuing Authority to permit the use of the public ways and places of the Town for any purpose whatever. Licensee hereby acknowledges the Issuing Authority's right to make such grants and permit such uses.

Section 2.5 POLICE AND REGULATORY POWERS

By executing this Franchise Agreement, Licensee acknowledges that its rights are subject to the powers of the Town to adopt and enforce general bylaws necessary to the safety and welfare of the public. Licensee shall comply with all applicable regulations, and any bylaws 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) Licensee renews its license for another term or 2) Licensee transfers the Cable System to a transferee approved by the Issuing Authority, Licensee 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 Issuing 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 Licensee 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, Licensee: 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 Standish 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 DESIGN

All provisions of this Section 3 shall be considered to apply to all six Towns of the Saco River Area as a whole.

Section 3.1 UPGRADED SUBSCRIBER NETWORK

(a) Licensee shall maintain its current cable system in the Saco River Area pending a system rebuild as specified in Section 3.1 (b) below.

(b) Within twenty-six (26) months of the Effective Date of this License, Licensee shall complete the rebuild of its Saco River Area Subscriber network with a hybrid fiber/coax addressable system to a minimum of 550 MHz, with a minimum capacity of seventy-nine (79) NTSC video channels in the downstream direction and four (4) NTSC video channels in the upstream direction. The system shall be equipped to utilize stand-by power supplies throughout the entire Saco River Area Subscriber network.

(c) Before Licensee rebuilds the Cable Television System, it shall notify the Issuing 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 Licensee, has agreed that it will provide, at minimum, a fiber-optic backbone for the upgraded Saco River Area Cable System.

Section 3.2 INSTITUTIONAL NETWORKS

(a) Upon System Completion, Licensee shall provide and maintain capacity on an I-NET capable of distributing video, audio, and data signals to, at a minimum, all SAD #57 schools within the Saco River area of Waterboro and Limerick and the SAD #6 High School and Middle School in Standish. Licensee shall make available to SAD #57 and SAD #6 a minimum of six (6) channels in the upstream direction and six (6) channels in the downstream direction on this I-Net. At minimum four of the downstream channels on this portion of the I-Net must be receivable by a standard cable-ready television receiver. Licensee shall also make available equipment for the Schools to utilize three of the upstream and three of the downstream channels on the I-Net for video distribution. At minimum this shall include three (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.

(b) Upon System Completion, Licensee shall provide, at minimum, one (1) upstream and one (1) downstream channel (which may be on the subscriber system) intended for linking all present and future municipal buildings and libraries within the six towns of the Saco River Area into a single data network, additionally this network is to connect to the SAD #6 High School in Standish to allow the Municipal Data Network to interconnect with the existing SAD #6 data network.

(c) Upon System Completion, Licensee shall provide, for one (1) upstream and one (1) downstream channel for linking the two municipal buildings in the town of Limerick on a data network.

(d) Upon System Completion, Licensee shall provide, for one (1) upstream and one (1) downstream channel linking the existing town offices to the new public safety building, to be constructed in Standish, on a data network.

(e) Upon System Completion, and thereafter for the term of this Franchise Agreement, Licensee shall provide, free of any charges, an activated I-Net Drop to all Saco River Area buildings listed in Schedule 1, attached hereto and made a part hereof.

(f) Licensee shall provide, free of any charges, an activated I-Net Drop to any newly constructed or newly designated Town owned, or occupied, building or school.

(g) The Issuing 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, free of any charges.

(h) All I-Net Drops, designated under Sections 3.2(e), 3.2(f) & 3.2(g), within three hundred feet (300') of the I-Net shall be installed and activated free of any charges. 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').

(i) The Issuing Authority may request additional I-Net Drops for public institutions and/or nonprofit agencies, which Licensee shall install at cost as listed in Schedule 2. After installation these additional I-Net Drops shall be provided and activated free of any charges.

(j) Other than those buildings listed in Schedule 1 all other connections to the I-Net shall be completed within thirty (30) days after receiving any necessary third party permits required for such connection. Application for such permits shall be made by the Licensee no later than fourteen (14) days after receipt of the written request for connection from the Issuing Authority.

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

(l) Licensee 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 throughout.

(m) The Licensee shall provide at no cost to Towns or Schools, upon written request, within thirty (30) days, all necessary wire, connectors, amplifiers, splitters and wall plates to enable the Towns and/or the Schools to wire any and all School or municipal buildings in the Saco River Area to receive I-Net Service. The Licensee shall advise the Towns and/or the Schools and provide assistance for the proper wiring and installation of said wiring and service to the locations in the Town or School buildings and shall terminate all wire ends at no cost to the Towns or Schools.

(n) Licensee shall provide company personnel, from time to time upon reasonable request and free of charge, for technical consulting services to interested Town departments concerning operation and use of the I-Net.

(o) The Licensee shall make its best efforts, to the extent technically feasible, to reach agreements with neighboring cable operators to interconnect the Saco River Area I-Net with similar networks in neighboring communities as soon as possible.

(p) At the beginning of the fifth year of the franchise the Licensee and the Towns shall meet to discuss the need to extend or enhance the I-Net system to link all schools in SAD #6 and SAD #57 and/or all municipal buildings and libraries within the six towns to an expanded I-Net with a maximum of five (5) additional upstream and five (5) additional downstream channels. If the franchising authorities determine that the need for such an expanded I-Net is justified then the Licensee shall be given a maximum of one year to implement such expanded I-Net capability.

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 Licensee 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 3.4 PASS THROUGH OF CLOSED CAPTIONING INFORMATION

The Subscriber Network shall provide that all Closed Captioning or Descriptive Video Service information in the original transmission is passed through to the subscribers in the Saco River Area.

Section 3.5 PASS THROUGH OF STEREO AUDIO

The Subscriber Network shall provide that all original transmissions with stereo audio are passed through to the subscribers in the Saco River Area with stereo audio as headend equipment is upgraded and/or replaced.

Section 3.6 PASS THROUGH OF DIGITAL VIDEO

The Subscriber Network shall have the capability to pass through all original transmissions encoded as digital video television (HDTV). The implementation, by the Licensee, of Digital Video (HDTV) Technology on the Saco River Area subscriber network shall be a consideration of any review of changes in cable technology as per Section 6.6.

Section 3.7 DIGITAL COMPRESSION TECHNOLOGY

The Licensee shall implement Digital Compression Technology on the Saco River Area subscriber network at such time as this technology has been proven to be both technologically and economically feasible.

Section 3.8 EMERGENCY OVERRIDE CAPABILITY

The Subscriber Network shall incorporate, subject to FCC requirements, emergency audio override capabilities, for use in the event of an emergency or vital public information situation, which can be operated from a standard touch-tone telephone by an authorized agent of the Issuing Authority. Activation of this emergency override capability shall give the agent control of all channels for a period of time sufficient for the purpose of transmitting audio information and instructions to viewers, or instructing viewers to turn to the appropriate access channel for detailed information as to the emergency. The PEG access channel(s) will be available for transmission of an alphanumeric signal from an alphanumeric character generator under the control of Issuing Authority, or for live video/audio transmission, at Issuing Authority's option.

**SECTION 4 CONSTRUCTION, INSTALLATION AND MAINTENANCE
STANDARDS**

Section 4.1 CONSTRUCTION TIMETABLE - SYSTEM COMPLETION

(a) Licensee shall complete construction and activate its five hundred and fifty megahertz (550 MHz) cable system no later than twenty-six (26) months from the Effective Date of this license subject to the provisions of Sections 3.1(a), 3.1(b) & 3.1(c).

(b) Licensee shall complete construction and activate its I-Net systems as provided in Sections 3.2(a), 3.2(b), 3.2(c), 3.2(d) & 3.2(e) no later than twenty-six (26) months from the Effective Date of this license subject to the provisions of Sections 3.1(a), 3.1(b) & 3.1(c).

Section 4.2 LOCATION OF CABLE TELEVISION SYSTEM

Licensee shall construct, upgrade, operate and maintain the Cable Television System within the Town of Standish. 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 Licensee'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 Licensee 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, Licensee 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. Licensee shall comply with all the rules established by the Issuing 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. Licensee 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.

Section 4.5 RESTORATION TO PRIOR CONDITION

Whenever Licensee 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 Licensee fails to make such restoration within a reasonable time, the Issuing Authority may fix a reasonable time for such restoration and repairs and shall notify the Licensee in writing of the restoration and repairs required and time fixed for performance thereof. Upon failure of Licensee to comply within the specified time period, the Issuing Authority may cause proper restoration and repairs to be made and the reasonable expense of such work shall be paid by Licensee upon demand by the Issuing Authority.

Section 4.6 TEMPORARY RELOCATION

Licensee 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 Licensee shall have the authority to require such payment in advance. Licensee shall be given reasonable notice necessary to maintain continuity of service.

Section 4.7 DISCONNECTION AND RELOCATION

Licensee 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 Issuing 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 Licensee 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 Issuing Authority, the Issuing Authority may, at its option, cause such work to be done with reasonable expenditures therefor and Licensee shall pay to the Town the cost thereof in the itemized amounts reported by the Issuing Authority to the Licensee 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 Licensee at least seven (7) days in advance and shall endeavor to have such work performed at the lowest possible cost.

Section 4.9 EQUIPMENT

Licensee shall purchase and install only new equipment, except for existing equipment, including converters, in the construction and/or upgrade of the Cable System. The Licensee 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 Licensee for one (1) year after System Completion and shall be subject to inspection and copying by the Issuing Authority or its designee during the Licensees regular business hours, upon reasonable request.

Section 4.10 SAFETY STANDARDS

Licensee 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

Licensee shall be subject to all laws, bylaws or regulations regarding private property in the course of constructing, upgrading, installing, operating or maintaining the Cable System in the Town. Licensee 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 Licensee and to place in any of Licensee'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 Licensee and shall not interfere with the routine operation by Licensee 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 Licensee reasonable notice of any such inspection, and such inspection shall not interfere with Licensee's operations except in emergency situations. Licensee has the right to be present at any such inspection.

Section 4.14 CONSTRUCTION MAPS

Licensee shall file with the Issuing Authority or its designee accurate maps of all existing and proposed installations. Licensee 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

Licensee 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 Licensee for one (1) additional year and shall be subject to inspection and copying by the Issuing Authority or its designee during Licensee's regular business hours upon reasonable request.

Section 4.16 SERVICE INTERRUPTION

Except where there exists an emergency situation necessitating a more expeditious procedure, Licensee 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 Licensee 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 Licensee 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**

Licensee, 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 Licensee fails to protect such property, the Town may do so and the Licensee shall compensate the Town for all reasonable expenses incurred thereby. Licensee, 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 Licensee or its agents. The Town may elect to repair or replace damaged public property, such as sewage lines, and bill Licensee for the reasonable cost of repair.

SECTION 5 LINE EXTENSION

Section 5.1 **GENERAL POLICY**

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

Section 5.2 **LINE EXTENSION**

(a) Within thirty (30) days of the signing of this agreement the Licensee shall perform a full and accurate ride-out of the Town to determine what Public Ways, or portions thereof, are not currently cabled and to determine an accurate and up-to-date accounting of the density of dwelling units on such Public Ways. The Town shall have the right to assign a Town representative to accompany the Licensee's personnel during said ride-out and the Town and the Licensee shall agree to the results of said ride-out.

(b) No later than June 30, 1998 the Licensee shall provide cable service to all Public Ways which meet the density requirements of the previous Franchise Agreement between the Town and the Licensee. The Town and the Licensee mutually agree that the density requirements of the previous Franchise Agreement shall be based solely on dwelling units per mile and that the Cable Television System shall be extended automatically and without charge, exclusive of the usual customer installation charge(s), to any and all areas in the Town containing twenty-five (25) dwelling units per mile of cable plant or fractional proportion thereof, measured from the feeder lines of the existing or extended Cable System. This shall additionally include any and all roads listed on the "1998 Budgeted Extensions - Buxton System", attached hereto and made a part hereof as Schedule 4.

(c) Subject to the further provisions of this Section 5.2, but no later than System Completion the Licensee shall make its Cable Service(s) available to all businesses and residents of the Town, located on Public Ways, regardless of the type of dwelling , or its geographical location in the Town, unless the Licensee is legally prevented from providing such Service(s).

(d) Subject to the further provisions of this Section 5.2, after System Completion and throughout the term of this Franchise Agreement the Licensee shall make its Cable Service(s) available to all businesses and residents of the Town, located on Public Ways, regardless of the type of dwelling , or its geographical location in the Town, unless the Licensee is legally prevented from providing such Service(s). Licensee shall also make its Cable Service(s) available to all businesses and residents of the Town, located on Private Ways containing fifteen (15) dwelling units per mile of cable plant or fractional proportion thereof, unless the Licensee is legally prevented from providing such Service(s).

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

(f) 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 Licensee 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 Licensees 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.

(g) The Cable Television System shall be extended to all areas within the Town that do not meet the requirements of Section 5.2(d) above upon request of the prospective subscribers and based upon the following cost calculation: The cost of wiring such areas shall be calculated by taking the capital cost of extending service divided by the number of prospective subscribers in the area minus the costs of extending service to the subscriber in an area that meets the density requirement specified in Section 5.2(d) above. The resulting cost shall equal the per subscriber contribution relating to line extension of the cable service in that particular area, or

$$\frac{C}{LE} \text{ minus } \frac{CA}{P} = SC$$

- C equals the cost of construction of new plant from the termination of existing cable plant and any rebuilding of existing cable which must take place;
- CA equals the average cost of construction per mile in the primary service area;
- P equals 15 subscribers per linear mile of plant;
- LE equals the number of dwelling units requesting service in the line extension area;
- SC equals the per subscriber contribution in aid of construction in the line extension area.

The average cost of construction per mile of plant will be revised yearly based on actual material and labor cost estimates provided by Licensee's Construction Division.

(h) During the three (3) year period commencing with the completion of a particular line extension, a pro-rata refund shall be paid to previous subscribers who made a contribution in aid of construction, and pay their subscriber contribution, as new subscribers are added to that particular line extension; provided, however, that Licensee need only make good faith efforts to locate such previous subscribers. The amount of the refund shall be determined by application of the line extension formula, contained in Section 5.2(g) above, reducing the per capita contribution in aid of construction each time a new subscriber is added. Any refunds due shall be paid annually to subscribers, or former subscribers, entitled to receive such a refund. Licensee shall file with the Issuing Authority or its designee, on an annual basis, the names, addresses and exact contributions in aid of construction of each new subscriber in a line extension area. An annual list of all refunds shall also be filed with the Issuing Authority.

Section 5.3 LINE EXTENSION PROCEDURES

(a) Any potential subscriber located in an area of the Town currently without service may request service from Licensee. In areas meeting the requirements of Section 5.2 above, Licensee shall extend service to the area immediately, but in no case later than sixty (60) days after all necessary permits are obtained. Licensee shall expeditiously seek all necessary permits.

(b) Licensee shall provide a standard installation for Cable Service(s) to those residents, on roads with existing cable plant, who have requested such Service(s) within seven (7) business days of said request. The conditions of Section 5.2 above shall apply.

(c) Failure to install within said seven (7) day period without just cause (Force Majeure) or Subscriber fault shall require Licensee 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 Issuing Authority or its designee for appropriate relief.

(d) In arranging appointments for said cable installation work, Licensee shall give the prospective Subscriber a choice as to whether said installation will occur in the morning hours or the afternoon hours. Licensee shall make reasonable efforts to perform installations at times convenient to Subscribers, including evening hours and Saturdays.

SECTION 6 SERVICES AND PROGRAMMING

Section 6.1 BASIC SERVICE

(a) The Licensee shall provide a basic or "Antenna" service which shall include at least: 1) all broadcast television signals in the Saco River 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) four (4) 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 Licensee may determine to provide.

(b) The Access Channel provisions of Section 6.1(a) above shall be considered to apply to all six Towns of the Saco River Area as a whole.

Section 6.2 ADDRESSABILITY

In order to preserve the security of Licensee's cable services, Licensee 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

(a) Licensee 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 Licensee 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, educational, higher educational and optional premium movie programming, provided that these services are available to Licensee at reasonable cost.

(b) If the University of Maine, or other valid educational entity in Maine, should resume, or begin, the video distribution of educational courses the Licensee will consider providing this service to the Saco River Area subscribers.

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

Section 6.6 CHANGES IN CABLE TELEVISION TECHNOLOGY

(a) From time to time, Licensee shall review with the Issuing Authority changes in relevant cable technology that might benefit Licensee'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 license over which the cost of such upgrade would have to be amortized, Licensee's unamortized investment in the existing system, and additional factors that the Licensee or the Issuing Authority deem relevant.

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

this license to establish the terms and conditions for an upgrade or change in relevant cable technology.

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

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 licensee shall provide one (1) Subscriber Network Drop, Outlet, Converter (if necessary) and the monthly Basic Service, without charge, to all public school classrooms (subject to the provision of Section 6.7(b) below), police and fire stations, public libraries, and to all other buildings specified in Schedule 1. The Licensee 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 Licensee.

(b) The Licensee shall provide at no cost, upon written request, within thirty (30) days, all necessary wire, connectors, amplifiers, splitters and wall plates to enable the Town or School District(s) to wire any and all classrooms or municipal buildings in the Saco River Area to receive Subscriber Service. The Licensee shall advise the Town and/or the School District(s) and provide assistance for the proper wiring and installation of said wiring and service to the school classrooms and shall terminate all wire ends at no cost to the Town or to the School District(s).

Section 6.8 INTERNET SERVICE TO PUBLIC BUILDINGS

(a) When Licensee offers InterNet access to its subscribers Licensee shall provide one (1) InterNet access account at no cost to each of the public schools, police and fire stations, public libraries, and to all other buildings specified in Schedule 1.

(b) If more than one account is needed to provide adequate InterNet access at any of these locations then the licensee shall provide for such additional accounts also at a no-cost basis.

(c) The Licensee 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

All provisions of this Section 7 shall be considered to apply to all six Towns of the Saco River Area as a whole.

Section 7.1 GENERAL

(a) Pursuant to the Cable Act, Section 611 (a), (b) and (c) and Section 6.1 above, Licensee shall provide three (3) channels, for the exclusive non-commercial Public, Educational and Government (PEG) Access use, on the Basic Tier of the Saco River Area Subscriber Network. This shall be increased to four (4) PEG channels upon System Completion.

(b) At the beginning of the fifth year of the franchise the Licensee and the Towns shall meet to discuss the need for additional PEG access channels. If the franchising authorities determine that the need for additional channels is justified then Frontier shall be prepared to provide up to two (2) additional 6-MHz channels on the lowest programming tier for such additional PEG access channels.

(c) Licensee 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) Licensee shall provide, for PEG Access in the Saco River Area, capital funding for equipment and leasehold improvements in the amounts of 1) one hundred forty thousand dollars (\$140,000) upon the Effective Date of this license agreement for Public Access equipment and leasehold improvements; 2) thirty thousand dollars (\$30,000) upon the Effective Date of this license agreement for a Government Access Capital fund; 3) twenty thousand dollars (\$20,000) upon the Effective Date of this license agreement for an Educational Access Capital fund; and 4) ten thousand dollars (\$10,000) upon the Effective Date of this license agreement for an I-Net Capital Seed Fund. Thereafter Licensee shall provide capital grants for PEG equipment upgrade and replacement in the amounts of fifteen thousand dollars (\$15,000) each on the second, fourth, sixth and eighth anniversaries of the Effective Date of this license agreement.

(b) Capital funds provided under this section shall be used exclusively for PEG Access and I-Net related purposes. All equipment and capital items purchased by the Towns or their designee(s)

from such funds shall be the property of the Towns but shall be used exclusively for PEG Access and I-Net related purposes.

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

Section 7.3 ACCESS PAYMENTS

Unless directed to do otherwise in writing by the Issuing Authority, all payments required in this Section 7 shall be made by Licensee, on a percentage basis, to each Issuing Authority in the Saco River Area, which amount to be determined based on the percentage of subscribers in each of the Saco River Area Towns at time of disbursement. These funds are to be deposited by the Issuing Authorities or their designee(s) in interest bearing accounts, designated for Public, Educational and Governmental Access Capital uses, which accounts shall be under the control of the Issuing Authorities or their designee(s).

Section 7.4 GOVERNMENT ACCESS CHANNEL OVERRIDE

The subscriber system is to be designed and constructed in the rebuild such that government access signals originating within any of the Saco River Area towns shall be capable of automatically overriding the primary government access feed and being seen by all subscribers within that town without altering or disrupting the primary government access feed going to the other towns within the Saco River Area system.

Section 7.5 ACCESS CHANNEL(S) MAINTENANCE

(a) Licensee 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, Licensee 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(s) will be responsible for the quality of the audio/video Signal up to the cable system insertion equipment. Licensee 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) one (1) modulator for each of the town offices for use in connection with cablecasting on the town-

wide government access sub-channels as described in Section 7.4 above; c) two (2) frequency agile modulators for use in remote field operations; and d) one (1) frequency agile demodulator for use in connection with the above remote field operations.

(c) Licensee 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 7.6 ACCESS INFORMATION FOR SUBSCRIBERS

(a) Licensee 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 Licensee in a format that is acceptable to the Licensee and the billing service utilized by the Licensee 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 Licensee 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 Licensee 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 Licensee or its billing service; and 2) the insertion of those items in subscriber statements will cause the Licensee 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) The Licensee shall permit the Towns or their designee(s) to insert non-commercial PEG Access program or service promotional spots on those channels on which the Licensee sells local advertising within the Saco River Area, according to the following stipulations:

- (1) The Towns 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 Licensee is utilizing equipment that provides the capability of doing specific day-part advertising. If the Licensee 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 Towns, or their designee(s), shall provide said spots in a format determined and required by the Licensee which will be consistent with the Licensees commercial announcements being used at that time.
- (3) If Towns, or their designee(s), desire to utilize local advertising avails in excess of fifty two (52) minutes per year the Towns, or designee(s), shall pay to the Licensee the standard rate being charged to commercial users at that time.

Section 7.7 EMERGENCY PROCEDURES

Licensee 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 6, attached hereto and made a part hereof.

Section 7.8 CHANGE IN DESIGNATED ACCESS PROVIDER LOCATION OR PRIMARY CABLECASTING LOCATIONS

In the event that (a) the Designated Access Provider(s) moves from its current location or (b) any PEG access channel's primary cablecasting site is established at or moves to a new location, Licensee 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 7.9 CHANGE IN PEG ACCESS CHANNEL ASSIGNMENT

Licensee shall not change the channel designation of any of the PEG Access Channels without prior written authorization from the Issuing Authority. If Licensee elects to change the channel designation of any Access channel the Licensee 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 7.10 LIVE PROGRAMMING ORIGINATION POINTS

(a) To facilitate live programming within the Saco River Area the Licensee shall install Origination Points, at no cost, at each of the Saco River Area school buildings as well as at the sites listed in Schedule 7, attached hereto and made a part hereof.

(b) Licensee shall install origination points, at no cost to the municipality, at any newly constructed or designated school or municipal buildings.

(c) The Licensee shall install up to four (4) additional origination points within the Saco River Area, at no cost to the municipality, during the term of this agreement, at the written request of the Saco River Cable Committee.

(d) All origination points, designated under Section 7.10(b) & 7.10(c), within three hundred feet (300') of the Cable System shall be installed and activated free of charge. Any such connections to the Cable System that are greater than three hundred feet (300') from the Cable System 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').

SECTION 8 LICENSE FEES

Section 8.1 FRANCHISE FEE

(a) Licensee shall provide to each of the Towns in the Saco River Area a franchise fee equal to five percent (5%) of Licensee's annual Gross Annual Revenues derived from that town. Any system-wide revenues, not directly attributable to an individual town shall be payable to each of the six towns based on a ratio of the percentage of subscribers in each town.

(b) With respect to said franchise fee, Licensee shall make quarterly payments on the first 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 license shall be due and payable ninety (90) 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 Standish 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 Standish. If after such audit and recomputation an additional fee is owed to the Town of Standish then the Licensee shall bear the reasonable cost, if any, of such audit and recomputation.

Section 8.4 TAXES

Payment of the License Fee made by Licensee 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 Standish, 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 Licensee'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 License Renewal.

Section 9.2 ELIGIBLE SENIOR CITIZEN DISCOUNT

Licensee agrees to provide a discount of 5 percent (5%) on its basic level of service to those Saco River Area residents who are heads of households and are 65 years of age or older. Notice of the availability of this limited discount shall be provided to all current and prospective subscribers as part of the Licensee's general packet of rate information.

Section 9.3 NOTIFICATION

Attached hereto and made a part hereof, as Schedule 8, is a listing which describes all Services currently offered by the Licensee, all current rates, discounts and charges of any kind, and all terms or conditions relating thereto. Licensee shall file with the Issuing 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. Licensee 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, Licensee 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, Licensee shall commence billing said Subscriber at the new rate from the date of the request for a change in Service, regardless of whether Licensee 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 Licensee'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 Licensee's service, or any part thereof, to any Subscriber(s) is interrupted for six (6) or more consecutive hours, Licensee shall grant, either by direct payment within thirty (30) days or by appropriate credit entry on the next subsequent billing, such Subscriber(s) a pro-rata credit if the interruption was not caused by the Subscriber(s) and the Licensee knew or should have known of the Service interruption.

SECTION 10 INSURANCE AND BONDS

Section 10.1 INSURANCE

(a) Licensee shall purchase and maintain such insurance as will protect the Licensee 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

license, whether caused by Licensee 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. Licensee's insurance policies shall protect the Town against the following:

- (1) Claims under Worker's Compensation, disability benefit and other similar employee benefit 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. The above insurance policies shall also be subject to the following requirements:

- (1) Insurance coverage for the Licensee'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 and certificates of insurance shall name the Town as an additional insured as its interests may appear.

- (6) The Licensee'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) Licensee shall maintain at its sole cost and expense throughout the term of this Franchise Agreement a faithful performance bond running to the six Towns comprising the Saco River Area as defined in Section 1(ff) herein, with good and sufficient corporate surety licensed to do business in the State of Maine and approved in advance in writing by the Issuing Authority of each of the six towns, in the sum of five hundred thousand dollars (\$500,000.00). 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 one hundred thousand dollars (\$100,000.00).

(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 Licensee 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 to any of the six Towns which arise by reason of the construction, upgrade, maintenance, operation and/or removal of the Cable Television System, the any of the Issuing Authorities shall, recover from the surety of such bond all damages suffered by that Town as a result thereof, pursuant to the provisions of Section 12.1 below. Said condition shall be a continuing obligation of this Franchise Agreement, and thereafter until Licensee has liquidated all of its obligations to all six of the Saco River Area Towns that may have arisen from the grant of this Franchise Agreement or from the exercise of any privilege therein granted. In the event that any of the Towns recovers from said surety, Licensee 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 any of the Saco River Area Towns, Licensee shall replace such bond by a bond of like amount and similarity conditioned, issued by a surety satisfactory to the all six of the Saco River Area Towns.

(c) Licensee shall submit to the Issuing 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 Licensee further agrees to indemnify, defend, and hold harmless the Town and the Issuing Authority, including the Town's Selectmen, agents, employees and representatives of either, from and against all claims, damages, losses, expenses, demands, payments suits, actions, recoveries and judgments, including attorney's fees of any kind, arising out of or resulting from 1) the award of this Franchise Agreement, or the procedures leading thereto, or is caused in whole or in part by any negligent or other wrongful act or omission of the Licensee, any Subcontractors, or anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, regardless of whether the act or omission is caused in part by a party indemnified hereunder, in or related to the construction, upgrade, installation, operation, maintenance, repair or removal of the Cable Television System under this Franchise Agreement, 2) any failure of the Licensee or any of its agents or employees to comply with any law, ordinance, order or regulation, or 3) by any reason of any suit or claim for royalties, license fees, or infringement of copyright or patent rights arising from Licensee's performance under this Franchise Agreement.

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

- (1) Promptly notify Licensee of any claim or legal proceeding which gives rise to such right, except that any failure by the Town to give timely notice to Licensee of any such claim or legal proceeding against the Town shall only release Licensee from its obligation to indemnify the Town as provided herein if Licensee suffers actual prejudice as a result of such failure to notify.
- (2) Afford Licensee 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 Licensee; and
- (3) Fully cooperate with the reasonable requests of Licensee 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 Licensee 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 Licensee, 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 Licensee or any Subcontractor under Workmen's Compensation Acts, disability benefit acts or other employee benefit acts.

(e) The obligations of the Licensee 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, 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) To the extent permitted by law, the Town shall, at its sole cost and expense, indemnify and hold harmless Licensee against any tort claims made against Licensee arising solely out of the Town's negligent or wrongful act or omission with respect to the Town's use of the Cable System, provided that the Town's obligation to indemnify and hold harmless Licensee shall only apply to tort claims as defined in the Maine Tort Claims Act for which no immunity is provided thereunder, and provided further that such indemnity and hold harmless shall be limited in amount to the limits of liability established under the Mine Tort Claims Act. 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 Licensee 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 counsel of the Town of Standish, 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 Licensee fails to maintain the insurance policies required herein, the Issuing 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 Licensee for any damages or loss which the Licensee 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 Issuing Authority and/or its designee(s) shall be responsible for the day to day regulation of the Cable Television System. The Issuing Authority or its designee(s) shall monitor and enforce Licensee's compliance with the terms and conditions of this Franchise Agreement. The Issuing Authority shall notify Licensee in writing of any instance of non-compliance pursuant to Section 12.2 below.

Section 11.2 PERFORMANCE EVALUATION HEARINGS

(a) The Issuing 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 Licensee'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 Issuing Authority shall have the right to question Licensee on any aspect concerning the construction, upgrade, installation, operation or maintenance of the Cable Television System. During review and evaluation by the Issuing Authority, Licensee shall fully cooperate with the Issuing 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 Issuing 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 Licensee shall be informed of same pursuant to Section 12.2 below.

Section 11.3 NONDISCRIMINATION

Licensee 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. Licensee 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

Licensee 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 Issuing Authority or its designee(s) shall have the right to examine, review and copy said information at its own expense during Licensee's business hours upon reasonable notice. Licensee shall also submit said information for each Performance Evaluation hearing, at the request of the Issuing 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 Issuing 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 Licensee.

Section 11.6 REMOVAL AND RELOCATION

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

Section 11.7 INSPECTION

The Issuing Authority or its designee(s) shall have the right to inspect, inventory or appraise the plant, equipment or other property of Licensee as is reasonably related to establishing compliance with this License. Licensee 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 DETERMINATION OF BREACH - LIQUIDATED DAMAGES --
LICENSE REVOCATION**

Section 12.1 DETERMINATION OF BREACH

In the event that the Issuing Authority has reason to believe that the Licensee has defaulted in the performance of any or several provisions of this Franchise Agreement, except as excused by Force Majeure, the Issuing Authority shall notify the Licensee in writing, by certified mail, of the provision or provisions which the Issuing Authority believes may have been in default and the details relating thereto. The Licensee shall have thirty (30) days from the receipt of such notice to:

- i) respond to the Issuing Authority in writing, contesting the Issuing Authority's assertion of default and providing such information or documentation as may be necessary to support the Licensee's position; or
- ii) cure any such default (and provide written evidence of the same), or, in the event that by nature of the default, such default cannot be cured within such thirty (30) day period, to take reasonable steps to cure said default and diligently continue such efforts until said default is cured. The Licensee shall report to the Issuing Authority, in writing, by certified mail, at fourteen (14) day intervals as to the Licensee's efforts, indicating the

steps taken by the Licensee to cure said default and reporting the Licensee's progress until such default is cured.

In the event that the Licensee fails to respond to such notice of default and to cure the default or to take reasonable steps to cure the default within the required thirty (30) day period or the Issuing Authority is not satisfied with the Licensee's explanation or efforts to cure, the Issuing Authority or its designee shall promptly schedule a public hearing no sooner than fourteen (14) days after written notice, by certified mail, to the Licensee. The Licensee shall be provided reasonable opportunity to offer evidence, question through the Chair, and be heard at such public hearing. Within thirty (30) days after said public hearing, the Issuing Authority shall provide written determination whether or not the Licensee is in default of any provision of the Franchise Agreement. In the event that the Issuing Authority, after such hearings, determines that the Licensee is in such default, the Issuing Authority may determine to pursue any of the following remedies:

- (1) assess liquidated damages in accordance with the schedule set forth in Section 12.2 below;
- (2) seek specific performance of any provision in this Franchise Agreement which reasonably lends itself to such remedy as an alternative to damages;
- (3) commence an action at law for monetary damages;
- (4) foreclose on all or any appropriate part of the Performance Bond pursuant to Section 10.2 herein;
- (5) declare the Franchise Agreement to be revoked subject to Section 12.3 below and applicable law;
- (6) invoke any other lawful remedy available to the Town.

Section 12.2 LIQUIDATED DAMAGES

(a) For the violation of any of the following provisions of this Franchise Agreement, liquidated damages shall be paid by the Licensee to the Issuing Authority, subject to Section 12.1 above. Any such liquidated damages shall be assessed as of the date that the Licensee receives written notice, by certified mail, of the provision or provisions which the Issuing Authority believes are in default.

- (1) For failure, subject to the provisions of Sections 3.1 and 3.2 hereof, to construct, upgrade, install, fully activate, operate, program and/or maintain the Cable Television

System and I-Net the sum of three hundred dollars (\$300.00) per day for each calendar day that such System rebuild and I-Net has not been fully constructed, installed, activated, energized, and maintained. Said damages to be effective as of the first day after the end of the construction period or such extension as provided for under Section 3.1 above.

- (2) For failure to provide, install and/or fully activate the Subscriber Network and/or I-Net and/or InterNet Drops and/or Outlets in accordance with Sections 3.2, 6.7 and 6.8 herein: fifty dollars (\$50.00) per day that any of such Drops and/or Outlets are not provided, installed and/or activated as required.
- (3) For failure to extend service in accordance with Section 5 above: four hundred dollars (\$400.00) per day for each day the violation continues.
- (4) For violation of any of the customer service standards as specified in Section 13 below: one hundred dollars (\$100.00) per violation per day.
- (5) For failure to operate and maintain the subscriber system or the I-Net system in accordance with applicable FCC technical standards: two hundred dollars (\$200.00) per violation per day.
- (6) For failure to comply with the transfer provisions, detailed in Section 2.3 above: three hundred dollars (\$300.00) per day from the date of any such transfer.
- (7) For failure to comply with the public, educational and governmental access provisions in accordance with Section 7 herein: two hundred dollars (\$200.00) per day, for each day that any such noncompliance continues.
- (8) For failure to maintain the required insurance coverage as specified in Section 10.1 above: one hundred dollars (\$100.00) per day for each day the violation continues.
- (9) For failure to maintain the performance bond as specified in Section 10.2 above: three hundred dollars (\$300.00) per day for each day the violation continues.
- (10) For failure to open and/or operate the customer payment center in the Saco River Area in accordance with Section 13.1 herein: one hundred fifty dollars (\$150.00) per day, for each day that such payment center is not open and/or operating as required.
- (11) For repeated, willful or continuing failure to submit reports, maintain records, provide documents of information: one hundred dollars (\$100.00) per day for each day the violation continues.

(12) For failure to file schedules and notice of any changes thereto describing the rates and charges and terms and conditions of services offered by the Licensee, at least thirty (30) days prior to the effective date of any such schedule change or other change thereto, pursuant to Section 9.3 herein, fifty dollars (\$50.00) per day that such non-compliance continues.

(b) In addition to and without limiting the damages specified in 12.2(a), the Issuing Authority reserves the right to seek any actual damages, or two hundred fifty dollars (\$250.00) per violation per day, in the event that the Licensee violates any material provisions of this Franchise Agreement other than those referred to in 12.2(a).

(c) Such liquidated damages shall be in addition to, and not a limitation upon, any other provisions of this Franchise Agreement and applicable law, including revocation, or any other statutorily or judicially imposed penalties or remedies.

(d) Each of the above-mentioned cases of non-compliance shall result in damage to the Town, its residents, businesses and institutions, compensation for which will be difficult to ascertain. The Licensee agrees that the liquidated damages in the amounts set forth above are fair and reasonable compensation for such damage. The Licensee agrees that said foregoing amounts are liquidated damages, not a penalty or forfeiture, and are within one or more exclusions to the term "franchise fee" provided by Section 622(g)(2)(A)-(D) of the Cable Act.

Section 12.3 REVOCATION OF THE FRANCHISE AGREEMENT

In the event that the Licensee fails to comply with any material provision of this Franchise Agreement, the Issuing Authority may revoke the Franchise Agreement granted herein, subject to the procedures of Section 12.1 above.

Section 12.4 TERMINATION

The termination of this Franchise Agreement and the Licensee's rights herein shall become effective upon the earliest to occur of: 1) the revocation of the Franchise Agreement by action of the Issuing 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 Licensee without the express, prior approval of the Issuing 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 NOTICE TO TOWN OF LEGAL ACTION

In the event that the Licensee has reason to believe that the Town has acted, or has failed to act, in such a manner as to give rise to a claim, in law or equity, against the Town and the Licensee intends to take legal action, the Licensee shall, unless extraordinary events do not allow for such a period, 1) give the Town Counsel at least forty-five (45) days notice that an action will be filed, 2) meet with the Town Counsel before it files any such action, and 3) negotiate the issue, which is the subject of any proposed legal action, in good faith with the Town Counsel and/or other Town official(s).

Section 12.6 NON-EXCLUSIVITY OF REMEDY

No decision by the Issuing 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 12.7 NO WAIVER-CUMULATIVE REMEDIES

(a) No failure on the part of the Town to exercise, and no delay in exercising, any right in this Franchise Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any such right preclude any other right, all subject to the conditions and limitations contained in this Franchise Agreement.

(b) The rights and remedies provided herein are not exclusive of any remedies provided by law, and nothing contained in this Franchise Agreement shall impair any of the rights of the Town under applicable law, subject in each case to the terms and conditions in this Franchise Agreement.

(c) A waiver of any right or remedy by the Town at any one time shall not affect the exercise of such right or remedy or any other right or remedy by the Town at any other time. In order for any waiver of the Town to be effective, it shall be in writing. The failure of the Town to take any action in the event of any breach by the Licensee shall not be deemed or construed to constitute a waiver of or otherwise affect the right of the Town to take any action permitted by this Franchise Agreement at any other time in the event that such breach has not been cured, or with respect to any other breach by the Licensee.

SECTION 13 SUBSCRIBER RIGHTS AND CONSUMER PROTECTION

Section 13.1 LOCAL CUSTOMER PAYMENT CENTER

Licensee shall maintain a payment center, in one of the Saco River area Towns, 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 payment 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 the Saco River Area subscribers. This location shall be handicapped accessible. Said payment center shall be a continuing obligation of Licensee during the term of this Franchise Agreement.

Section 13.2 CUSTOMER SERVICE TELEPHONE

Licensee shall provide Saco River Area subscribers with a toll-free number to access company employees or answering service 24 hours per day and seven days per week. Licensee's telephone response system shall be usable with state-of-the-art telecommunications devices for the hearing impaired.

Section 13.3 CUSTOMER SERVICE

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

(b) Licensee 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.

(c) Licensee shall have technical staff on-duty 24 hours per day seven days per week to address system and/or customer problems.

Section 13.4 SUBSCRIBER SOLICITATION PROCEDURES

Licensee 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 (VCRs) with cable service(s), and, if requested, information concerning the cost for installation of said VCRs and the different methods of installation, if applicable.
- (4) Complete written information concerning Licensee's privacy policies, pursuant to State and Federal Law.

Section 13.5 CONSUMER SALES STANDARDS

Licensee 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 13.6 CUSTOMER SERVICE PROCEDURES AND NOTICE

(a) Licensee 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. Licensee 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 Licensee and said Subscriber. Licensee's policies are to give service calls priority over installation calls.

Section 13.7 BILLING DISPUTE PROCEDURES

In the event that a billing dispute arises, Licensee 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.

Section 13.8 DISCONNECTION AND TERMINATION OF CABLE SERVICE

(a) License shall only disconnect and/or terminate a Subscriber's cable service(s) upon a showing of good and just cause. In no event shall Licensee disconnect said cable service for nonpayment without the prior written notification to the affected Subscriber at least ten (10) business days prior to such disconnection or termination.

(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 ten (10) business day disconnection or termination notice above, Licensee shall meet, at the request of the Issuing Authority or its designee, with the Issuing Authority or designee and the said Subscriber to negotiate, in good faith, a resolution to the billing dispute.

Section 13.9 LOSS OF SERVICE -- SIGNAL QUALITY

Licensee 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 Issuing Authority and Licensee shall enter into good faith discussions concerning possible remedies for consistent Signal degradation.

Section 13.10 EMPLOYEE IDENTIFICATION CARDS

All of Licensee's employees entering upon private property, including repair and sales personnel, shall be required to wear an employee identification card issued by Licensee 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 13.11 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 Licensee to the Subscriber within forty-five (45) days of such termination.

Section 13.12 PRIVACY PROVISIONS

(a) Licensee 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) Licensee 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 13.13 MONITORING

Neither Licensee 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 Licensee 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. Licensee 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 Licensee. Licensee 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. Licensee 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 13.14 DISTRIBUTION OF SUBSCRIBER INFORMATION

Licensee 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 Licensee. Licensee 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 13.15 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. Licensee or its agents shall release the results of upstream responses only in the aggregate and without individual references.

Section 13.16 INFORMATION WITH RESPECT TO VIEWING HABITS AND SUBSCRIPTION DECISIONS

Licensee 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, Licensee shall make reasonable attempts to notify the Subscriber within a reasonable time prior to such disclosure. Licensee 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 Licensee of such information.

Section 13.17 SUBSCRIBER ACCESS TO INFORMATION

Subscribers shall be entitled to examine and copy any information developed by Licensee pertaining to them at Licensee's premises upon reasonable notice and during regular business hours. Copying costs shall be borne by said Subscriber(s). Licensee shall promptly correct such

records upon a reasonable showing by the Subscriber that information contained therein is inaccurate.

Section 13.18 ALTERNATE SUBSCRIBER IDENTIFICATION

The Licensee shall provide for an alternative method of customer identification for those customer's who do not wish to have their social security number used for identification purposes. The Licensee shall make all customers and prospective customers aware, on at least a yearly basis, of the availability of this alternative customer identification method.

Section 13.19 SUBSCRIBER SURVEYS

On the behalf of the Issuing Authority the Licensee shall distribute written subscriber surveys to assess among other things subscriber satisfaction with the cable services and determination of what new programming services subscribers desire at least once every twenty-four (24) months. The Issuing Authority shall prepare the survey instrument pursuant to the specifications of Schedule 5 and provided it to the Licensee at least thirty (30) days prior to the desired distribution date. The Licensee shall be responsible for duplication and stuffing the insert into the Licensee's regular billing. The return address on the survey form shall be the Issuing Authority or its designee who shall be responsible for compilation of the survey responses.

Section 13.20 PRIVACY STANDARDS REVIEW

The Issuing Authority and Licensee 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 Issuing Authority and Licensee.

SECTION 14 REPORTS AND PERFORMANCE TESTS

Section 14.1 GENERAL

Upon request of the Issuing Authority, the Licensee shall promptly submit to the Town any information regarding the Licensee, 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 Licensee's compliance with its obligations pursuant to this Franchise Agreement.

Section 14.2 CONSTRUCTION REPORTS

Licensee shall furnish the Issuing Authorities and/or their 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 Issuing Authorities on a quarterly basis during any rebuild, starting with the Effective Date of this license.

Section 14.3 FINANCIAL REPORTS

(a) Licensee shall furnish the Issuing Authority, no later than one hundred twenty (120) days after the end of Licensee's Fiscal Year a sworn statement of its Gross Annual Revenues (as defined in Section 1(n) above) pertaining to the Saco River Area Cable Television System only provided, however, that said information shall be for official use only. Licensee shall also provide a financial balance sheet and statement of ownership for the Saco River Area only, which shall be open for public inspection. Said statements and balance sheet shall be sworn to by the person preparing same and by Licensee or an officer of Licensee.

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

Section 14.4 NUMBER OF SUBSCRIBERS

Licensee shall file with the Issuing Authorities a report containing the number of Subscribers, as of December 31st, and the number of connections and disconnection. Said report shall be filed annually with the Financial Reports required pursuant to Section 14.3 above.

Section 14.5 LINE EXTENSION REPORT

(a) During the first year after the commencement of this Franchise Agreement, Licensee shall file with the Issuing Authorities, quarterly reports detailing the areas in the Towns 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, Licensee shall file said report on an annual basis.

(b) The above line extension report shall also contain details of any and all line extension requests that have been made during the reporting period, the status of any such line extension requests, and all pending line extensions not yet completed.

Section 14.6 SUBSCRIBER COMPLAINT REPORT

Every three (3) months, beginning from the Effective Date of this Franchise Agreement, Licensee shall notify the Issuing Authorities, on forms approved by the Towns 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

Licensee 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

Licensee shall, within ten (10) days after receiving a written request therefor, send a written report to the Issuing 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 PERFORMANCE TEST

Licensee shall perform a complete Proof-of-Performance Test of the entire Subscriber System and I-Net System on a quarterly basis to ensure compliance with FCC standards for the systems technical operation. If the Licensee should install and activate status monitoring equipment system wide this requirement shall be reduced to bi-annually as per FCC requirements. The results of all such test shall be available in the Licensee's Public Files. Licensee shall provide copies of the results of these tests to the Issuing Authority within 30 days of the completion of such test. The Licensee shall inform the Issuing Authority, in writing at least thirty (30) days in advance, of the schedule for such tests, and the Issuing Authority shall have the right to have a Town representative present during such tests.

Section 14.10 QUALITY OF SERVICE

Where there exists other evidence which in the reasonable judgment of the Issuing Authorities casts doubt upon the reliability or technical quality of cable service(s), the Issuing Authorities shall have the right and authority to require Licensee to test, analyze and report on the performance of the Cable System. Licensee shall fully cooperate with the Issuing 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 Issuing Authorities may require that said tests be supervised by a professional engineer, knowledgeable in cable systems, who is not an employee or agent of Licensee.

Section 14.11 DUAL FILINGS

(a) Licensee shall make available to the Towns at the Licensee'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

Licensee 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 Saco River Area Cable System, Licensee, or any affiliate of Licensee to the extent that same may directly affect or bear upon operations in Standish

Section 14.13 BANKRUPTCY

Licensee shall forward to the Towns any request for protection under Bankruptcy laws, or any judgment related to a declaration of bankruptcy by Licensee or any Affiliate.

Section 14.14 ADDITIONAL INFORMATION

At any time, upon the reasonable request of the Issuing Authorities, Licensee shall make available any further information which may be required to establish Licensee'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 Licensee for inspection by the Issuing Authorities, including without limitation Reports required by

Section 14, shall be kept confidential and utilized by the Issuing Authorities only for the purposes set forth in this Franchise Agreement. Licensee 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

Licensee 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 LICENSE AS CONTRACT UNDER SEAL

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

Section 16.2 TIMELY PAYMENTS

Any provision within this Franchise Agreement where payment or assessment is due, or may be due, from the Licensee, and where a specific time for payment is not stated within such provision, shall be due and payable within sixty (60) days of receipt of notice of such payment due.

Section 16.3 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 16.4 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 16.5 TIME OF ESSENCE, MAINTENANCE OF RECORDS OF ESSENCE

In determining whether Licensee, has substantially complied with this Franchise Agreement, the parties agree that time is of essence to the agreement. As a result, Licensee'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 16.6 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 16.7 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 16.8 REMOVAL OF ANTENNAS

Licensee 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 16.9 SUBSCRIBER TELEVISION SETS

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

Section 16.10 COST OF PUBLICATION

Licensee shall assume all costs for the publication, printing and distribution of this Franchise Agreement, to a limit of ten (10) copies.

Section 16.11 TERM

All obligations of Licensee and the Issuing Authority as set forth in this Franchise Agreement shall commence upon the effective date of this Franchise Agreement and shall continue for the term of this Franchise Agreement except as expressly provided for herein.

Section 16.12 ISSUING AUTHORITY'S DESIGNEE

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

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

Educational I-Net - as per Section 3.2(a)

Bonny Eagle High School - SAD 6 - (Proposed I-Net Hub location)	Massabesic Middle School - SAD 57 Massabesic High School - SAD 57
Line School - SAD 57	Waterboro Elementary School - SAD 57

Municipal I-Net - as per Sections 3.2(b), 3.2(c) & 3.2(d)

Municipal Buildings

Buxton - Old Town Hall	Limerick Town Hall
Buxton Municipal Complex	Standish - Proposed Safety Building
Hollis Municipal Complex	Standish Town Hall
Limington Town Hall	Waterboro Town Hall
Limerick Municipal Offices	

Libraries

Steep Falls Library	Hollis Center Library
Richville Library	Davis Memorial Library
West Buxton Public Library	Limerick Library
Berry Memorial Library	Waterboro Public Library
Salmon Falls Village Library	

Other

Bonny Eagle High School - SAD 6 - (Proposed I-Net Hub location)	School House Arts Center
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SCHEDULE 2 LICENSEE 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-ciphers 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. f ,
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

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.

SCHEDULE 4 1998 BUDGETED EXTENSIONS - BUXTON SYSTEM

1998 Budgeted Extensions - Buxton System

<u>Town</u>	<u>Road</u>	<u>Mileage</u>	<u>Homes Passed</u>
Buxton	West Wind Drive	0.20	12
Buxton	Tar Box Lane	0.25	9
Buxton	Warren Road	0.70	17
Buxton	Waterman Mill Road	0.20	5
Buxton	Bradbury Road	0.20	5
Buxton	Pease Road	0.20	5
Buxton	Waterman Road	0.20	6
Hollis	Demote Road	0.20	5
Hollis	Old Alfred Road	0.15	4
Hollis	New Road	0.10	2
Hollis	Hanscom Lane	0.10	3
Hollis	White House Road	0.30	7
Hollis	Deerwander Road	0.90	20
Standish	Easy Street	0.30	7
Standish	Basin Harbor Road	0.10	6
Standish	Boundary Road	0.05	1
Standish	Middle Road	0.10	3
Standish	Harmony Woods	0.30	6
Standish	Whitney Pines Drive	0.47	11
Standish	Deer Hill South	0.14	4
Standish	Deer Acres, Lower Job Road, and McGill Fern Road	0.90	21
Standish	Milt Brown & Libby Pines	2.04	38
Waterboro	Ridge Road	1.60	30
Waterboro	Deering Ridge Road	1.00	20
Waterboro	East Shore Road	0.40	15
Waterboro	Bradbury Road	0.20	4
Waterboro	Ross Corner Road	1.40	50

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SCHEDULE 5 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 submittor's responsibility to pay the late charge if levied against the submittor's 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 Standish 30 days notice of any change of specifications.

SCHEDULE 6 PEG ACCESS PICTURE QUALITY RESOLUTION PROCEDURES

Summary

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

1. SRCTV 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, SRCTV 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.	Gary Crosby	989-3937	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 Saco River Area 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 "SRCTV 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 SRCTV is located in rack #3

If it is determined that the quality of the SRCTV signal is poor at the "SRCTV 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 SRCTV 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 7 LIVE INSERTION POINTS

School Buildings

Steep Falls Elementary School	SAD 6 Central Office
Edna Libby Elementary School	Hollis Consolidated School
George E. Jack Elementary School	Hollis Elementary School
Bonny Eagle High School	H.B. Emery Elementary School
Bonny Eagle Middle School	Limington Academy
Jack Memorial Elementary School	Line School
Frank Jewett Elementary School	Massabesic Middle School
S.D. Hansen Elementary School	Massabesic High School
Eliza Libby Elementary School	Waterboro Elementary School

Town Buildings

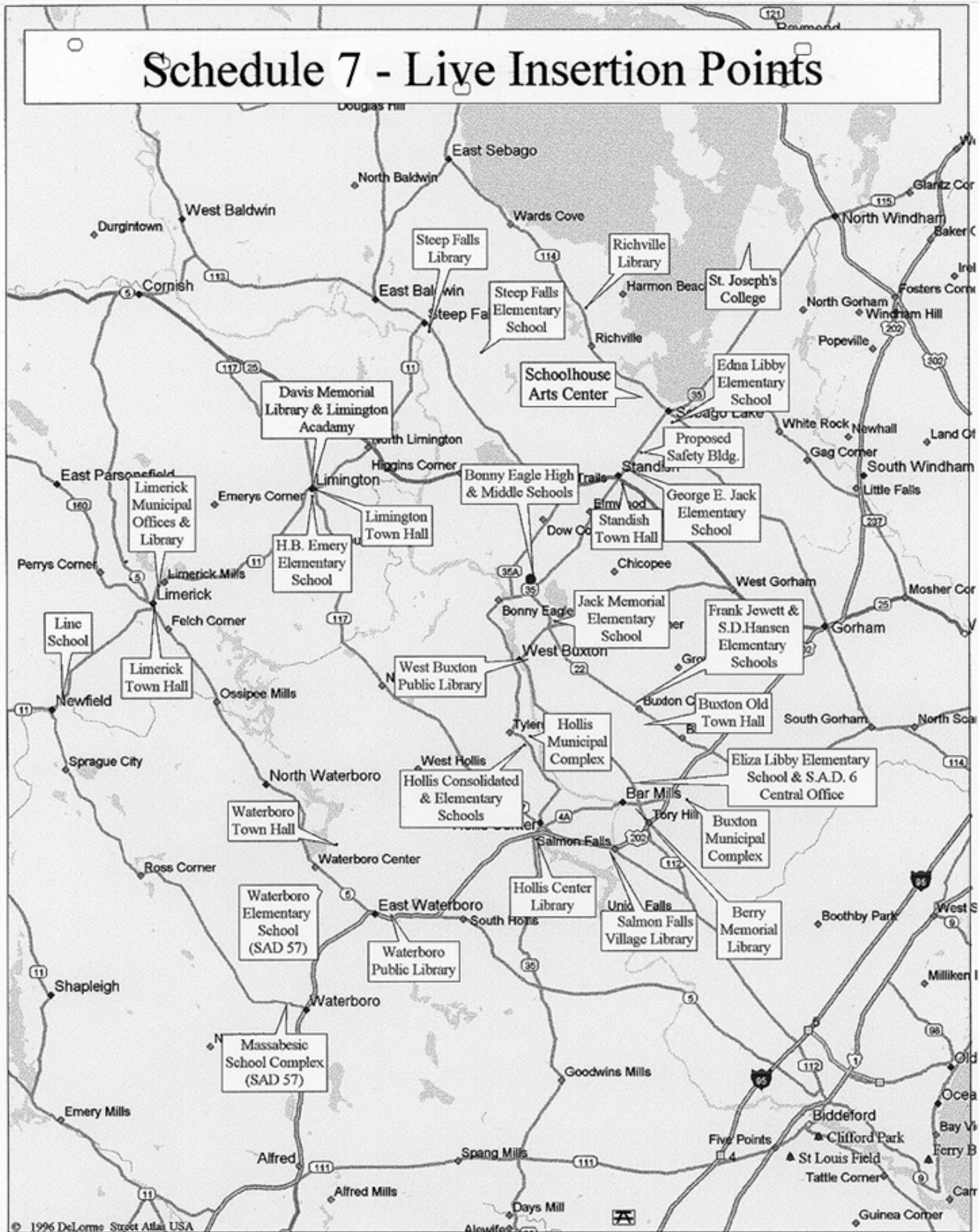
Standish - Proposed Safety Building	Limington Town Hall
Standish Town Hall	Limerick Municipal Offices
Buxton - Old Town Hall	Limerick Town Hall
Buxton Municipal Complex	Waterboro Town Hall
Hollis Municipal Complex	

Libraries

Steep Falls Library	Hollis Center Library
Richville Library	Davis Memorial Library
West Buxton Public Library	Limerick Library
Berry Memorial Library	Waterboro Public Library
Salmon Falls Village Library	

Other

School House Arts Center
St. Joseph's College



SCHEDULE 8 RATES & SERVICES CURRENTLY OFFERED BY THE LICENSEE



FrontierVision

Proudly Serving the Communities of Buxton, Hollis
Limerick, Limington, Standish & Waterboro

	Standish	Buxton, Hollis & Waterboro	Limerick & Limington
SERVICE	MONTHLY	MONTHLY	MONTHLY
Antenna Service	\$ 9.15	\$ 9.15	\$ 9.15
& Satellite Service	<u>\$18.67</u>	<u>\$18.67</u>	<u>\$19.38</u>
Family Cable Package	\$27.82	\$27.82	\$28.53
PREMIUM CHANNELS			
(Available with Family Cable Package)			
HBO	\$12.95		
Cinemax	\$ 8.99		
Showtime	\$10.95		
The Movie Channel	\$10.95		
The Disney Channel	\$ 5.95		
PREMIUM CHANNEL PACKAGES			
The Ultimate TV Mini	\$12.95		
Showtime & TMC			
ADDITIONAL SERVICES			
Additional Outlet	\$.49		
Standard Remote Converter	\$ 1.53		
FM Service	\$.49		
The Cable Guide	\$ 1.50		
FCC User Fee	\$.55/yr		
CONNECTION CHARGES			
New Installation (not wired)	\$35.71		
Reconnection (Pre-wired)	\$28.57		
Additional Outlet- Initial Install	\$14.29		
Service Upgrade	\$15.00		
A/B Switch	\$ 5.95		
Hourly Service Charge for Non-standard Installs or Service	\$28.57/hr		

Subject to change with 30 days notice.

5/97



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CHANNEL GUIDE

2	*	WMEA	PBS - Biddeford 26
3	*	SRCTV	Community Channel
4	*	TBS	Atlanta Superstation
5	*	C-SPAN	U.S. House of Representatives
6	*	WCSH	NBC - Portland 6
7	*	WPXT	Fox - Portland 51
8	*	WMTW	ABC - Poland Springs 8
9	*	BETV	Community Channel
10	*	WCBB	PBS - Lewiston 10
11	*	WENH	PBS - Durham 11
12	*	WPME	UPN - Portland 35
13	*	WGME	CBS - Portland 13
14		HBO	Premium Channel
15		NESN	New England Sports Network
16		Cinemax	Premium Channel
17		ESPN	Sports
18		Disney	Premium Channel
19		QVC	Shopping Network
20		Family	Series, Films, Variety
21		Weather	Weather
22		CNN	News
23		TNN	Country Music, Sports, Variety
24		TNT	Variety, Sports
25		VH-1	Contemporary Music Videos
26		Discovery	Science, Nature
27		Lifetime	Lifestyle & Variety
28		Nickelodeon	Children's Programming
29		SCNE	New England Sports
30		USA	Movies, Sports
31		CNN Headline	News Updates
32		A&E	Documentary, Drama
33		AMC	American Movie Classics
34		CMT	Country Music Videos
35		MTV	Music Videos
36		Prevue	Program Guide
37		C-SPAN II	U.S. Senate
38		Sci-Fi	Science, Series
39		INSP	Inspirational
40		CNBC	Business & Financial News
41		TLC	Educational
98		TMC	Premium Channel
99		Showtime	Premium Channel

* Antenna Service

Premium Channels available with Family Cable Service.

SIGNATURE PAGE

In witness whereof, this Franchise Agreement is hereby issued by the Town Council of the Town of Standish, Maine, as Issuing Authority, and all terms and conditions are hereby agreed to by the Licensee.

Town of Standish

FrontierVision Operating Partners, L.P.

Town Council, Town of Standish, Maine

Date: June ____, 1998