FRANCHISE AGREEMENT

BETWEEN

THE CITY OF SANFORD, MAINE

AND

METROCAST CABLEVISION OF NEW HAMPSHIRE, LLC

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FRANCHISE AGREEMENT BETWEEN THE CITY OF SANFORD, MAINE AND METROCAST CABLEVISION OF NEW HAMPSHIRE, LLC

WHEREAS, MetroCast Cablevision of New Hampshire, LLC (hereinafter "MetroCast" or "Franchisee") is the duly authorized current holder of a cable television franchise authorizing the construction and operation of a cable communications system in the City of Sanford, Maine (hereinafter "City"), said franchise having commenced on December 1, 2000 (the "2000 Franchise"); and

WHEREAS, MetroCast filed a timely request for a renewal of its 2000 Franchise by letter dated July 20, 2009 in conformity with Applicable Law (as defined below); and

WHEREAS, there has been an opportunity for public comment on MetroCast's franchise renewal proposal, as required by Section 626 of the Communications Act (as defined below); and

WHEREAS, MetroCast has upgraded its hybrid fiber optic and coaxial cable network to 860 MHz through which a variety of video and communications services are being provided to the City's residents and commercial businesses; and

WHEREAS, the City Council has determined that the communications services and programming provided by MetroCast contribute significantly to the communications needs and interests of the City and its residents and institutions; and

WHEREAS, the City Council, as the Franchising Authority, finds that it is in the public interest to renew the 2000 Franchise in light of MetroCast's past performance, compliance with the terms of the 2000 Franchise, and based on the City Council's finding that the terms contained in MetroCast's request for renewal of the 2000 Franchise reasonably meet the future cable television related needs of the City.

NOW THEREFORE, after due and full consideration of MetroCast's franchise renewal proposal and the mutual promises contained herein, the City Council and MetroCast intending to be legally bound hereby agree as follows:

ARTICLE 1 DEFINITIONS

SECTION 1.1 – DEFINITIONS

The following terms used in this Franchise shall have the following meanings; however, any term not included in the following definitions, which is otherwise defined in FCC rules and/or regulations, or by federal or state law as of the effective date of this Franchise Renewal, shall be incorporated herein by reference:

- (a) Access Channel. A channel which Franchisee shall make available to the City for the purpose of transmitting Access Programming.
- (b) Access Programming. (i) "Governmental": Non-Commercial Programming produced by City departments or agencies and other Non-Commercial Programming offered by them or a duly authorized designee which is not ordinarily offered by operators of cable television systems; (ii) "Educational": Non-Commercial Programming produced by the City's public schools, or other educational organizations as designated by the Franchising Authority, and other non-commercial educational programming offered by them which is not ordinarily offered by operators of cable television systems; and (iii) "Public": Non-Commercial Programming produced by the residents of the City, or produced by an access corporation or non-profit corporation operating within the City, and other programming not ordinarily offered by operators of cable systems, all to the extent such programming is offered or made available by the City in its sole discretion. For avoidance of doubt, the inclusion of "Public" programming in this definition of Access Programming shall not alter or affect in any way the City's exclusion of Public programming from its Access Channels.
- (c) Affiliate or Affiliated Person. Any Person who or which directly or indirectly controls or owns an interest in Franchisee; any Person which Franchisee directly or indirectly controls and in which Franchisee 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 Franchisee.
- (d) Applicable Law. Shall have the meaning given in Section 8.10 of this Agreement.
- (e) Basic Service. The category of Cable Service that includes at a minimum the retransmission of local television broadcast signals, public, educational and governmental Access

Channels and any other signals and programming services required by the Communications Act and FCC regulations, if any.

- **(f) Broadcast**. Over-the-air transmission by a radio or television station.
- (g) Cable Service. The one-way transmission to Subscribers of video programming, or other programming service, and Subscriber interaction, if any, which is required for the selection or use of such video programming or other programming service. For the purposes of this definition, "video programming" is programming provided by, or generally considered comparable to programming provided by, a television broadcast station, and "other programming service" is information that a cable operator makes available to all Subscribers generally.
- (h) Cable Television System or Cable System. A facility consisting of a set of closed transmission paths and associated signal generation, reception, and control equipment that is designed to provide Cable Service which includes video programming and which is provided to multiple Subscribers within a community, but such term does not include:
 - (i) A facility that serves only to retransmit the television signals of one or more television broadcast stations:
 - (ii) A facility that services Subscribers without using any public right-of-way;
 - (iii) A facility of a common carrier which is subject, in whole or in part to the provisions of Title II of the Communications Act, except that such facility shall be considered a cable system to the extent such facility is used in the transmission of video programming directly to Subscribers, unless the extent of such use is solely to provide interactive on demand services;
 - (iv) An open video system that complies with 47 U.S.C. § 573; or
 - (v) Any facilities of any electric utility used solely for operating its electric utility systems.
- (i) Channel. Sufficient frequency capacity to carry one standard video signal. See 47 U.S.C. §522(4).
- (j) Communications Act. The Communications Act of 1934, as amended, including the Cable Communications Policy Act of 1984, the Cable Consumer Protection and Competition Act of 1992, and the Telecommunications Act of 1996, codified at 47 U.S.C. §151 et seq. and as may be further amended.
- (k) Converter. An electronic device which converts signals delivered on the Cable System to a frequency not normally susceptible to interference within the television receiver of a

Subscriber and any Channel selector which permits a Subscriber to view all signals delivered at designated converter channel locations at the set or by remote control.

- (l) **Drop**. The coaxial or fiber optic cable that connects a home or municipal building to the Residential System.
 - (m) Effective Date. August 1, 2016.
- (n) FCC. Federal Communications Commission, or successor governmental entity thereto.
- (o) Feeder Cable. The cable, connected to the trunk cable, from which Cable Service is distributed to multiple Subscribers, as distinguished from trunk cable (which distributes Cable Service throughout the franchise area).
 - (p) Franchise, Franchise Agreement or Agreement. The Franchise granted herein.
- (q) Franchising Authority or Franchise Authority. The City, or its lawful designee, in accordance with Applicable Law.
- (r) Franchise Fee. The payments to be made to the Franchise Authority or other governmental entity under Section 2.5 of this Agreement as consideration for the Franchise granted herein. The Franchise Fee requirements and payments shall comply with the requirements set forth in Section 622 of the Communications Act, 47 U.S.C. §542.
- **(s) Gross Revenues.** Any and all consideration of any form or kind or compensation received by the Franchisee, its members, Affiliates, subsidiaries and parent entities, which is derived, directly or indirectly, from the operation of the Cable System to provide Cable Service within the City. Gross Revenues shall include, without limitation, all Subscriber Cable Service monthly fees, installation and reconnection fees, monthly pay, pay-per-view and on demand services, leased access fees and all other Cable Service fees including downgrade, upgrade and any similar fees; any fees paid for Channels designated for commercial use; and revenues received by the Franchisee which are derived from the sale of products in any way advertised or promoted on the Cable System. In the event that an Affiliate is responsible for advertising, advertising revenue shall be deemed the pro-rata portion of advertising revenues, less expenses, paid to the Cable System by the Affiliate for said Affiliate's use of the Cable System in the City for the carriage of advertising. Gross Revenues shall not include: (1) taxes or fees imposed by law or regulation on Subscribers or other Persons or other fees which are passed through or which Franchisee is obligated to collect, (2) bad debt expense, (3) late fees, (4) Franchise Fee and (5) fees from non-Cable Services.

- (t) Institutional Network or I-NET. A dedicated network constructed and maintained by the Franchisee in accordance with Section 3.11 which is made exclusively available to City facilities. The purpose and intent of this provision is to maintain the current form of I-Net for the City's now existing or hereafter arising municipal and school facilities.
- (u) Leased Channel or Leased Access. Any Channel that Franchisee makes available pursuant to Section 612 of the Communications Act, 47 U.S.C. §532.
- (v) Non-Commercial Programming. Programming not produced for profit and not containing advertising on behalf of for-profit entitles. However, underwriting and acknowledgement of contributions consistent with the enhanced underwriting guidelines of the FCC for educational broadcasting are allowed on Non-Commercial Programming as described in Exhibit A.
- (w) Outlet. An interior receptacle that connects a Subscriber's television set to the Cable System.
- (x) **Person**. Any corporation, partnership, limited partnership, association, trust, organization, other business or governmental entity, individual or group of individuals acting in concert.
- (y) Private Roads. Private rights of way or non-public roadways not classified as highways by Applicable Law.
- (z) **Programming**. Any video, audio, text, data or other signal carried over the Cable System.
- (aa) Public Way. The surface of, and the space above and below, any public street, highway, freeway, lane, bridge, land path, alley, court, or other public right of way, including, but not limited to public utility easements, dedicated utility strips or rights of way dedicated for compatible uses and any temporary or permanent fixtures or improvements located thereon now or thereafter held by the Franchising Authority within Franchisee's service area for the purpose of public travel, or for compatible uses, and shall include other easements or rights of way and shall, within their proper use and meaning, entitle the Franchising Authority and Franchisee to the use thereof for the purpose of the installing, transmitting, operating and maintaining of Franchisee's Cable Services or other services over poles, wires, cables, conductors, ducts, conduits, vaults, manholes, amplifiers, appliances, attachments and other property as may be ordinarily necessary and pertinent to the Cable System.

- **(bb)** Residential System. The trunk and feeder signal distribution network with bidirectional capability to be operated by Franchisee over which Cable Service can be transmitted to Subscribers, as is described in Section 3.3.
- (cc) Scrambling. The electronic distortion or digital encoding/encryption of a signal to render it unintelligible or not receivable without the use of a Converter or other decoding device.
- (dd) Service Interruption. The loss of any Signal, video picture or sound on one or more Channels carried over the Cable System for distribution to a Subscriber.
- (ee) Signal. Any transmission of electromagnetic or optical energy which carries information from one location to one or more other locations.
- (ff) Standard Service Package. A combination of Franchisee's Basic Service and expanded Basic Service tier, as provided by Franchisee as of the Effective Date, and including any individual broadcast Channels or cable networks added to or removed from these tiers in Franchisee's sole discretion or as is otherwise required by Applicable Law.
- (gg) Street. The surface of and the space above and below any public street, road, highway, freeway, lane, path, Public Way, alley, court, sidewalk, boulevard, parkway, drive or any easement or right-of-way now or hereafter held by City, and dedicated for use by the City, use by the general public, or use compatible with the Cable System operations.
- **(hh)** Subscriber. Any Person lawfully subscribing to and receiving Cable Services from Franchisee.
- (ii) Transfer. The disposal by Franchisee, directly or indirectly, by gift, assignment, sale, merger, consolidation, foreclosure, assignment for the benefit of creditors, receivership, or otherwise of the ownership and control of the Cable System or the Franchise granted herein to a Person or a group of Persons acting in concert, as described in Section 2.6.
- (jj) Upstream Transmissions. Signals traveling from Subscribers or other originating points on the Cable System to a head-end or sub-head-end.

ARTICLE 2 GRANT OF FRANCHISE

SECTION 2.1 – GRANT OF FRANCHISE

- (a) Pursuant to the authority of the Communications Act and the laws of Maine, as amended from time to time, the City's Council, in its capacity as the Franchising Authority, hereby grants a non-exclusive Franchise to MetroCast authorizing and permitting said Franchisee to construct, upgrade, operate and maintain a Cable System to provide Programming within the municipal limits of the City.
- (b) The Franchise is subject to the requirements of Applicable Law, including the Communications Act, in force and effect during the term of the Franchise. To the extent permitted by Applicable Law, the Franchising Authority specifically reserves all authority granted it under applicable Maine law to manage, regulate and control the public right-of-way, as such authority relates to the provisions of telecommunications services. To the extent permitted by Applicable Law, Franchisee may use the Cable System to deliver non-Cable Services.
- (c) Subject to the terms and conditions herein, the Franchising Authority hereby grants to Franchisee the right to construct, operate and maintain the Cable System, which may include poles, wires, optical fibers, amplifiers and other property and equipment as are necessary in, under, over, along, across and upon the Public Ways and other public places and public property under the jurisdiction of the City, including other property over which the City has a sufficient compatible easement or right-of-way, for the purpose of reception, transmission, amplification, origination, distribution or redistribution of Programming in accordance with and subject to the provisions and requirements of Applicable Law.
- (d) If Applicable Law provides authority for the Franchising Authority to assess real and/or personal property taxes on Franchisee, to the Franchising Authority, the Franchising Authority shall be authorized to impose such taxes and Franchisee shall be obligated to pay such properly assessed taxes. However, Franchisee reserves all rights to appeal any assessment of personal or real property taxes. This is a material term of the Franchise and failure to pay duly assessed personal and real property taxes when due shall be cause for Franchising Authority to

provide a written notice to Franchisee to show cause by a date certain specified in the notice as to why this Franchise should not be revoked pursuant to Section 7.5 of the Franchise.

(e) Nothing in this Franchise shall be deemed a waiver or relinquishment of any rights, defenses or claims that Franchisee may have with respect to the application of any law referenced in this Section 2.1 to Franchisee's services or the operation of its Cable System. Franchisee shall have the right to pass through to Subscribers and to itemize separately on Subscribers' monthly bills any tax imposed on Franchisee by the Franchising Authority, if Franchisee itemizes separately other taxes or regulatory fees on Subscribers' monthly bills.

SECTION 2.2 – NON-EXCLUSIVITY

The right to use and occupy the Streets, Public Ways and public places shall not be exclusive, and the City reserves the right to grant similar or other uses of the said Streets, Public Ways and public places to any Persons for a similar Cable System or otherwise at any time during the term of the Franchise. Franchisee hereby acknowledges the City's right to make such grants and permit such uses, subject to the requirements of Applicable Law and Section 2.8(a) of this Agreement.

SECTION 2.3 – DURATION OF FRANCHISE

The term of this non-exclusive Franchise shall be for a period of ten (10) years commencing on the Effective Date and shall terminate at midnight on July 31, 2026.

SECTION 2.4 – RENEWAL OF FRANCHISE

The renewal of this Franchise shall be governed by the requirements of Applicable Law. After the end of the ninth year of this Franchise Agreement and in connection with its consideration of the renewal of this Franchise, the City shall have the right to inspect, at Franchisee's local office on not less than five (5) business days' written notice, Franchisee's or, if prepared on a consolidated basis, Harron Communications, L.P.'s most recently available: (i) audited financial statements; (ii) internal quarterly financial statements for the most recently concluded quarter; (iii) internal annual financial statements for the preceding fiscal year; (iv) borrowing base or covenant compliance certificates provided to any lender in the preceding twelve (12) months; and a calculation of total indebtedness to earnings before interest, taxes,

depreciation and amortization (EBITDA), EBITDA to total debt service (principal and interest) and a schedule demonstrating compliance with applicable debt covenants. All such information shall be kept confidential by the representatives of the City who review such information, and shall only be used for purposes of evaluating renewal of this Franchise.

SECTION 2.5 – FRANCHISE FEE

- (a) Franchisee shall pay to the City as a Franchise Fee a sum equal to five percent (5%) of Franchisee's Gross Revenues, as defined herein, derived during each year of the Franchise. Said payment shall be made semiannually within thirty (30) days after the end of Franchise's semiannual periods of January 1st through June 30th and July 1st to December 31st. Should Franchisee change its fiscal year, it shall notify the City in writing of such change ninety (90) days prior to the effective date of such change and the payment schedule stated above shall be adjusted accordingly. Each payment shall be accompanied by a statement certifying the factual basis for payment, including a break-down by category and source of Franchisee's Gross Revenues upon which such payment is based. The Franchising Authority may designate in writing one or more particular City account(s) or fund(s), including any non-capital reserve fund duly established, to which Franchisee shall direct Franchise Fees due hereunder.
- (b) At any time during the Term of this Franchise, the Franchising Authority may, as needed to verify the information provided hereunder, upon reasonable belief and after notice and an opportunity by the Franchisee to be heard, inspect and subject to independent audit, at the Franchising Authorities expense, the financial records and books of Franchisee insofar as they apply to the calculation of Gross Revenues and Franchisee Fees paid to the Franchising Authority; provided however, the Franchising Authority must exercise its right to inspect and audit within three (3) years of receipt of the applicable Franchisee Fee payment. If an audit the City conducts of Franchisee's Gross Revenues or Franchise Fee calculations and payments reveals an overpayment of Franchise Fees to the City, the City shall credit Franchisee for any such overpayments during the relevant time period being audited. If such audit reveals an underpayment of Franchise Fees to the Franchising Authority, Franchisee shall pay such Franchise Fees due within thirty (30) days of notice from the Franchising Authority of the underpayment, plus interest thereon at any annual rate equal to the prime rate plus one percent (1%) of the Bank of America on the date the payment was due. If Franchisee's underpayment is

more than three percent (3%) of the amount owed to the Franchising Authority, then Franchisee shall reimburse the Franchising Authority for the entire cost of the audit, up to a maximum of One Thousand Dollars (\$1,000).

- (c) No acceptance of any payment shall be construed as an accord that the payment is, in fact, the correct amount, nor shall such acceptance of payment be construed as a release of (i) any claim the City may have for further or additional sums payable under provisions of this Franchise or (ii) any other claim whatsoever; provided, however, the City must challenge such payment within three (3) years of receipt of the applicable Franchise Fee payment.
- (d) Franchisee shall cooperate with the Franchising Authority and/or its delegee in providing all information reasonably necessary for the audit. This is a material term of the Franchise Agreement. Failure to so cooperate shall be considered a breach of this Agreement, pursuant to Section 7.5. The City agrees to protect any proprietary information supplied to it from disclosure by treating such information as confidential to the extent permitted by Applicable Law. The City shall notify Franchisee immediately of any request for disclosure of Franchisee's proprietary or confidential information and, before releasing such information, shall provide Franchisee five (5) days from its receipt of the City's notice to challenge any disclosure of such proprietary or confidential information.

SECTION 2.6 – TRANSFER OR ASSIGNMENT

- (a) This Franchise or any part of this Franchise, or control thereof, shall not be transferred or assigned to any Person who is not an Affiliate without the prior written consent of the Franchising Authority, which consent shall not be arbitrarily or unreasonably withheld, conditioned or delayed and shall be governed by applicable provisions of the Communications Act. Notice of any proposed transfer or assignment shall be made in writing by Franchisee to the Franchising Authority not less than 120 days prior to such proposed transfer.
- (b) For purposes of this section, any sale, assignment or any other disposition of a majority ownership interest of Harron Communications, L.P., the parent company of Franchisee, to any unaffiliated Person or group of Persons acting in concert, in one transaction or a series of related transactions shall be deemed to be a transfer within the meaning of this section.

- If there shall be filed against Franchisee in any Court, pursuant to any statute (c) either of the United States or of any State, a Petition at Bankruptcy or insolvency or for reorganization or for the appointment of the receiver or trustee of all or a portion of Franchisee's property, and if, within sixty (60) days thereof, Franchisee fails to secure a discharge thereof, or Franchisee shall voluntarily file any such petition or make an assignment for the benefit of creditors, Franchisee shall notify the City of such fact within five (5) days of its occurrence. Any subsequent proposed sale of the Cable System, or any part thereof, or cable property or facilities, or the Franchise shall be treated as a transfer or assignment and the provisions of this section requiring approval of the City shall apply, provided, however, that the City shall not unreasonably delay, condition or withhold the grant of approval. Nothing in this Section 2.6 is intended to or shall circumscribe or limit any way the rights of the City under Section 365 of the United States Bankruptcy Code or any State law equivalent provision with respect to both the terms of any proposed assumption and/or assignment of this Franchise Agreement, or the ability of any proposed successor franchisee to adequately perform the obligations of Franchisee in accordance with the terms of this Franchise Agreement and all Applicable Law. The term "bankruptcy" as used herein shall include an assignment for the benefit of creditors.
- (d) In reviewing any request to transfer or assign control or ownership of the Franchise, the City shall analyze such factors as whether the proposed assignee has the appropriate technical, legal, managerial and financial capacity to operate the Cable System.
- (e) Unless the parties otherwise agree, in consenting to any transfer, the City does not waive its right to pursue Franchisee for violation of the provisions of this Agreement and Franchisee does not waive its rights or any defense it may have to the City's claims. All terms of this Agreement shall be binding on transferees except as otherwise agreed to. The City, as part of its review process, may impose reasonable conditions on the transferee before granting consent. Such conditions shall be calculated to insure performance of this Franchise. Such conditions may include, but are not limited to, the requirements that all terms of the current franchise be upheld by the transferee or that the Franchising Authority is entitled to compensation of the net present value of any Franchise terms not met by the transferee.

SECTION 2.7 – EFFECT OF UNAUTHORIZED ACTION

The unauthorized assignment of the Franchise or transfer of control of Franchisee in violation of Section 2.6 shall be null and void and shall be deemed a material breach of this Franchise, and the provisions of Sections 7.6 and 7.7 shall apply.

SECTION 2.8 – EQUAL PROTECTION PROVISION

- (a) The City shall not grant any additional franchises to provide Cable Service within its jurisdiction on terms or conditions more favorable or less burdensome than those in any existing franchise within the City.
 - (b) Intentionally omitted.
- (c) Any such additional franchise(s) shall be granted on the condition that such franchisee(s) shall indemnify and hold harmless the City and Franchisee from and against all costs and expenses incurred in strengthening poles, rearranging attachments, placing underground facilities and all other costs (including those of the City and Franchisee) incident to inspections, make-ready and construction of an additional cable system within the City.
 - (d) Intentionally omitted.

SECTION 2.9 – POLE AND CONDUIT ATTACHMENT RIGHTS

(a) Permission is hereby granted to Franchisee, to the extent that the Franchising Authority has authority to grant such permission, to attach or otherwise affix cables, wires, optical fiber cables and related equipment comprising the Cable System to the existing poles and conduits on public streets and ways, provided Franchisee secures permission and consent of the public utility companies to affix its cables and/or wires to their pole and conduit facilities and provided further that the City shall determine the location of all such poles or conduit consistent with Applicable Law. All such attachments shall comply with the requirements of Applicable Law and Section 2.1(e) above. All poles and conduit installed within the service area, as defined herein at Section 3.1, shall be made available for attachment or use by Franchisee at just and reasonable rates applied to public utilities under the formula presently established by Applicable Law. Franchisee may erect its own poles and install its own conduit, with approval of the location of such installation by the City, pursuant to Applicable Law and Section 2.1(e), which approval shall not be unreasonably withheld or conditioned. The City grants Franchisee equal

standing with the power and telephone utilities in the matter of placement of facilities on Public Ways subject to the ultimate authority of the City to determine the location of all installations.

(b) Where the cable or wire facilities of the public utilities are installed underground, Franchisee shall install its Cable System underground. Vaults and pedestals shall be suitably landscaped, and located as close as practicable to other utility facilities. In all areas where power and telephone lines are aerially placed, if subsequently during the term of this Franchise Agreement both such utility lines are relocated underground, Franchisee shall similar relocate its Cable System underground at its sole expense. In the event that the City subsidizes power and/or telephone companies to move their lines underground, the City shall subsidize Franchisee to the same extent.

SECTION 2.10 – POLICE AND REGULATORY POWERS

Franchisee's rights are subject to the Police powers of the City generally, as well as the powers of the City to adopt and enforce general ordinances necessary for the safety and welfare of the public, provided that such ordinances are of general applicability and not specific to the Cable System, Franchisee, or this Franchise, including ordinances and regulations pertaining to management, control and regulation of public rights-of-way but only to the extent authorized or allowed by State law and Federal law. Any conflict between the terms of this Franchise and any present or future exercise of the Franchising Authority's police and regulatory powers shall be resolved by a court or governmental agency with appropriate jurisdiction. Nothing in this Section 2.10 shall be deemed a waiver of any rights or defenses that Franchisee or the City may have under Applicable Law.

ARTICLE 3 SYSTEM SPECIFICATIONS AND CONSTRUCTION

SECTION 3.1 – SERVICE AREA; LINE EXTENSIONS

(a) Present Service Area. As of the Effective Date of this Franchise Agreement, MetroCast provides Cable Service in the present service area as indicated on the map highlighted in green of Exhibit B. Cable Service shall be provided to every existing dwelling unit requesting Cable Service and located on Streets and Public Ways as marked in green on Exhibit B, provided Franchisee is able to obtain from property owners any necessary easements at no cost and/or any applicable permits.

(b) Line Extension Requirements for New Dwelling Units.

- (1) Whenever Franchisee shall receive a request for service from at least five (5) year-round subscribers per half mile contiguous to the existing Cable System, which have agreed to pay in advance for service for twelve (12) consecutive months, it shall extend its Cable System to such Subscribers at no cost to said Subscribers for system extension, other than the usual connection fees for all Subscribers, provided that such extension is technically feasible and will not adversely affect the operation, financial condition, or market development of the Cable System. Whenever Franchisee receives one or more requests for Cable Service that does not meet the density of five (5) Subscribers per half mile as described above, Cable Service may be made available provided the total out of pocket cost for such line extensions, (including cost of material, labor, permits, easements, customary connection fees, and other special circumstances), shall be paid on a pro rata basis in advance by the Subscribers, less a deduction of one thousand dollars, (\$1,000.00) per Subscriber, and provided that (x) such extension is technically feasible and will not adversely affect the operation, financial condition, or market development of the Cable System; and (y) each Subscriber agrees to pay in advance for one year of Basic Service at the rate in effect at the time the requests are submitted. In addition, Subscribers shall be responsible for paying the usual connection fees that are applicable for all such Subscriber services and any other fees for special circumstances as otherwise set forth in this Franchise Agreement (such as burial of lines, underground highway crossings, or the existence of more than three hundred (300) feet of distance from distribution cable to connection of service to Subscribers) upon completion of the work.
- (2) No Subscriber shall be refused service arbitrarily, however, for special circumstances (such as a Subscriber's request to locate the cable drop underground, or the need for under highway crossings, or the existence of more than three hundred (300) feet of distance from distribution cable to connection of service to Subscribers, or a density of less than five (5) year-round subscribers per half mile). Cable Service may be made available on the basis of a capital contribution in aid of construction, including cost of material, labor, and easements.
- (3) For the purpose of determining the amount of capital contribution in aid of construction to be borne by Franchisee and Subscribers in the area in which Cable Service may be extended that does not meet the minimum requirements defined above, Franchisee will be

entitled to recover from the Subscriber requesting service extensions the direct, total cost of that portion of the extension that exceeds the three hundred (300) feet, not including the length of the service drops. Potential subscribers will bear the remainder of the construction and other costs on a pro rata basis. Franchisee may require that the payment of the capital contribution in aid of construction borne by such potential subscribers be paid in advance.

- (4) Neither Franchisee nor any of its employees, agents, representatives, contractors, subcontractors, or consultants, nor any other Person, shall discriminate or permit discrimination between or among any Persons in the availability of Cable Services provided in connection with the Cable System in the Franchise Area. It shall be the right of all Persons to receive all available Cable Service provided on the Cable System so long as such Person's financial or other obligations to Franchisee are satisfied.
- (5) Notwithstanding anything to the contrary contained herein, the City shall have the right to request that Franchisee extend its Cable System to subscribers under circumstances where the density requirements of this Section 3.1(b) are not met if the City agrees to pay the cost of construction, including cost of material, labor and easements, to extend the Cable System, in advance, through the use of a credit against Franchise Fees owed to the City by Franchisee for the applicable calendar year.

SECTION 3.2 – SUBSCRIBER CONNECTION

- (a) Franchisee shall, within fifteen (15) days of written request by the occupant of a dwelling, connect the Cable System to a dwelling at standard installation charges if the dwelling is within three hundred (300) aerial feet of the nearest Feeder Cable, if no special trenching or boring, easements or completion of any required utility make ready are required, and only if the dwelling is properly internally wired to meet Franchisee's specifications to prevent signal leakage.
- (b) Residences located over three hundred (300) aerial feet from Feeder Cable or requiring special trenching or boring shall be considered non-standard installations and charged an additional one-time installation fee equal to the actual costs for materials and labor required to complete installation of service, except that the distance for the cable drop from the end of the

extended Feeder Cable to the residence, if less than three hundred (300) aerial feet, shall be considered a standard installation.

(c) Franchisee shall complete construction of any such Subscriber connections within ninety (90) days of either a written request by the owner of the dwelling or within ninety (90) days of the date any necessary easements are obtained, whichever occurs later, taking into account and subject to weather, force majeure, completion of any required make-ready work, availability of construction crews and materials. If requested by the Franchising Authority, Franchisee shall provide a written report to the City explaining its failure to meet the time frame stated herein.

SECTION 3.3 – RESIDENTIAL SYSTEM

- (a) The Franchisee shall maintain a two-way capable, Residential System utilizing Addressable Technology, and cable and electronics capable of transmitting a bandwidth of at least 860 MHz. The need for additional system upgrades shall be the subject of the technology review pursuant to Section 3.4. The term "Addressable Technology" shall mean the capability of a Cable System to electronically add, change, or delete certain Programming or services from a remote location.
- (b) The Cable System shall be designed and constructed so that television station broadcast signals received by Franchisee in stereo can be received in stereo by Subscribers without the necessity of subscribing to any other Cable System service, providing Subscriber has video and audio equipment capable of receiving stereo signals.
- (c) Subject to the applicable requirements of FCC regulations, currently 47 C.F.R. part 76, at Sections 76.1602, 76.1603 and 76.1619, Franchisee shall provide the Franchising Authority and all Subscribers with any notice required by Applicable Law, and in all events not less than 30 days' notice, before making deletions, additions or relocations of programming or stations or any other change to its video program channel lineup offerings. The Franchising Authority may, at its sole discretion, hold a public hearing to (i) solicit comments regarding the proposed changes; and (ii) provide comments to the Franchisee on both the proposed changes and the provision of services by Franchisee under the franchise granted by this Agreement. Upon provision of fifteen (15) days' notice, the Franchisee shall attend such public hearing. Nothing

in this Agreement shall be construed to give the Franchising Authority any authority over Franchisee's Programming decisions or Channel line ups, or to waive any rights or defenses that Franchisee may have under Applicable Law with respect to additions or modifications of Programming and Channel line ups. With respect to the deletion by Franchisee of any channel from its programming lineup, including, without limitation, the French language channel currently offered by Franchisee, or any French language substitute or replacement therefor, Franchisee shall provide Subscribers with written notice of such deletion, including an explanation for the reason for such deletion, in accordance with Applicable Law.

SECTION 3.4 – FUTURE TECHNOLOGY

- (a) No more frequently than one (1) time during each year during the term of the Franchise Agreement starting in the third (3rd) year of this Agreement, if requested in writing by the Franchising Authority, Franchisee shall review with the Franchising Authority changes in relevant cable television technology that might benefit City Subscribers. Relevant cable technology is that technology necessary to give the Cable System the capability of providing Cable Services substantially equal to those technologies and services available to at least thirty percent (30%) of subscribers of American cable systems that are (1) comparable in size to Franchisee's Cable System serving the communities in the Sanford area and (2) owned by companies of comparable size to the Company (the "Benchmark Municipalities"). Such technology shall include but not be limited to Converters, cable ready television sets, high definition television, digital compressions, remote control devices, scrambling technology, additional interactive capability, the use of fiber optics, on-demand Programming, and digital video recording technologies.
- (b) To the extent consistent with Applicable Law, the City shall have the option of requiring Franchisee to provide relevant cable technology in a commercially reasonable timeframe after the following requirements have been met: (i) the City must meet with the Franchisee and negotiate in good faith to identify the cable technologies provided in the Benchmark Municipalities that are not currently provided in the City; and (ii) such cable technology must be technically and economically feasible to deploy. For purposes of this Agreement, "economic feasibility" means that Franchisee has prospects for earning a reasonable rate of return.

SECTION 3.5 – PARENTAL CONTROL CAPABILITY

Franchisee shall make available to any Subscriber at their request, consistent with Applicable Law, a parental control device or appropriate technology which will permit a Subscriber, at his or her option, to control the reception or to eliminate comprehensive reception of any Channels on the Cable System. Such device shall be installed within 20 days of an installation request by a Subscriber, and the fee for such device shall not exceed the Franchisee's actual out-of-pocket purchase cost.

SECTION 3.6 – PEG ACCESS CHANNELS

- (a) Franchisee shall continue throughout the term to provide two (2) Channels for Access Programming in the City and an origination point at each existing location for connection to the cable network for insertion of Access Programming on the network. Franchisee shall continue to provide and maintain all necessary processing equipment at its headend in order to switch Upstream Transmissions from each origination point to the applicable Access Channel for distribution on the Cable System. Franchisee shall not be obligated to move or replace equipment if the City changes origination point locations during the term of this Franchise, which the City may do on not less than one hundred and twenty (120) days' prior written notice to Franchisee. The City shall reimburse Franchisee for any costs it incurs as a result of such new origination point request, or using equipment that is not compatible with the technology being used by Franchisee during the term of this Franchise. Except as required by Applicable Law, Franchisee shall not exercise editorial control over the content of any Access Channel.
- (b) At its sole expense, Franchisee shall, within ten (10) business days after receiving a copy of the Franchise Agreement executed by the City, provide the City with a one-time cash payment in an amount equal to the amount of (x) ten multiplied by (y) \$0.75 per Subscriber in the City, as measured by Franchisee's June 2016 subscriber reports, to be used as a technology grant in support of PEG Access Programming. None of the costs associated with the requirements of this Section 3.6(b) shall be passed through to Subscribers, line-itemed on Subscribers' bills or externalized in any way by Franchisee.

- (c) Use of channel capacity for PEG access, to the extent applicable, shall be provided in accordance with federal law, 47 U.S.C. § 531, and as further set forth below. Franchisee shall provide to the City upon request technical advice on equipment the City or school district may consider for Access Channel production and transmission of Programming.
- (d) The Franchisee shall not move or otherwise relocate the Channel position of any Access Channel once established, without thirty (30) days' advance, written notice to the Franchising Authority and to Subscribers. The Franchisee shall use its commercially reasonable efforts, in good faith, to minimize any such Channel relocation.
- (e) Throughout the term, the Franchising Authority shall continue to be responsible for the picture quality of all Access Programming at the demarcation point. To provide for adequate picture quality, the Franchise Authority's video Signal shall continue to meet current federal standards and/or the minimum operating input parameters of the transceivers in use. The Franchisee shall continue to monitor the Access Channels to ensure that they are maintained at standards commensurate with those that apply to the Cable System's commercial Channels pursuant to FCC technical standards; provided that the video signal and picture quality delivered to the Franchisee at the demarcation point meet FCC minimum standards. The City shall continue throughout the term to provide all routine maintenance for the transceivers used for Access Channels. Before purchasing a replacement transceiver, the Franchising Authority shall first obtain the Franchisee's prior approval that such transceiver meets the Franchisee's compatibility requirements. The Franchising Authority shall also continue to be responsible throughout the term for any replacement and/or upgrades of any transceivers used for Access Programming as necessary to keep them compatible with any future equipment the Franchising Authority may acquire.
- (f) The Franchising Authority shall continue to have exclusive use of the Access Channels. Franchisee shall provide digital or analog Basic Service channel capacity for such Access Channels.
- (g) The Franchisee shall not charge the Franchising Authority any fee for the use of the Access Channels.

SECTION 3.7 – EMERGENCY OVERRIDE

The Cable System shall incorporate audio override capabilities for use in the event of an emergency consistent with FCC and State regulations. The emergency override capability may be operated from a standard touch-tone telephone and/or a computer only by officials authorized by the Franchising Authority. Activation of this emergency override capability shall give authorized official(s) control of all Channels allowed by law for a limited period of time for the purpose of transmitting instructions to viewers. The Franchising Authority shall provide Franchisee with the name(s) of each individual authorized to activate the emergency override capability prior to granting such authorization. Authorization shall be limited to the City's Emergency Management Director and Assistant Director, Fire Chief, Police Chief, and the City Manager, and any additions provided to Franchisee on reasonable advance notice.

SECTION 3.8 – DELIVERY OF SIGNALS

Franchisee shall abide by the applicable provisions of the Consumer Electronics Equipment Compatibility provision Section 624A of the Communications Act (47 U.S.C. §544(a)).

SECTION 3.9 – LEASED ACCESS CHANNELS

Franchisee shall make Channel capacity available as required by Section 612 of the Communications Act (47 U.S.C. §532) for leased access use to a person, group, organization or entity upon reaching an appropriate agreement.

SECTION 3.10 – GOVERNMENTAL CABLE DROPS TO RESIDENTIAL NETWORK

(a) Franchisee shall provide, as directed by the City and at no cost to the City, (i) one (1) cable service Drop connected to the residential network, (ii) one (1) outlet, and (iii) Basic and Expanded Basic Service to all now existing or hereafter arising municipal and school buildings which are within three hundred (300) feet of Feeder Cable, including those listed in Exhibit C. Franchisee shall also donate coaxial cable for each classroom of the public schools in the City existing as of the date of, and thereafter during the term of, this Franchise Agreement. The obligation of Franchisee to donate coaxial cable for such Drops and outlets and to provide such service shall pertain throughout the life of this Franchise and shall apply specifically to municipal and school buildings constructed or located within the service area as defined by

Section 3.1 subsequent to the commencement of this Franchise. This coaxial cable shall be provided at no cost to the City. The Franchising Authority or its designee shall consult with the appropriate individuals to determine the appropriate location of each drop and outlet prior to the installation of the free service. Such free services shall not be externalized, passed through by the Franchisee to Subscribers, and/or line itemized on any bill or invoice submitted to Subscribers.

SECTION 3.11 – CONNECTIVITY FOR INSTITUTIONAL NETWORK

- (a) As part of Franchisee's service obligation under the Franchise, Franchisee shall continue to maintain, at its sole cost and expense, without externalizing or line itemizing in any way on Subscribers' bills, the fiber network presently used for the hybrid fiber coaxial (HFC) Institutional Network (the "HFC I-Net") connecting the City's municipal facilities listed on Exhibit D (the "I-Net Municipal Buildings") and the separate fiber Institutional Network (the "Fiber I-Net" and, together with the HFC I-Net, the "I-Nets") connecting the City's public school facilities listed on Exhibit D-1 (the "I-Net Public School Buildings" and, together with the I-Net Municipal Buildings, the "I-Net Buildings"). As of the Effective Date, the City's existing obligations to pay monthly recurring charges for point-to-point connections, including the point-to-point connections for I-Net Public School Buildings, shall cease.
- (b) Within six (6) months of a written request by the City, Franchisee shall, at the City's sole cost and expense, re-terminate the fibers presently used for the HFC I-Net at the Headend and at each I-Net Municipal Building end point/sub-Headend into fiber patch panels, and to take such other and related measures as are necessary to allow the City to use, the HFC I-Net backbone fibers as dark fibers. The City and public schools shall have the right to use the I-Nets provided by Franchisee for non-competitive, non-commercial communications between the I-Net Buildings. The City and public schools shall not sell, lease, or offer to provide bandwidth from the I-Nets or connectivity to the I-Nets to any non-municipal or non-public school owned or maintained facility or third party. The Franchisee shall be responsible for the termination of the I-Nets at each location. The City and public schools shall be responsible for any and all equipment, including but not limited to optical transceivers, computers, switches, routers, servers, Internet Protocol (IP) addresses, software and acceptable use policies required for video, audio and data transmission and reception between facilities using the I-Nets. The City and

public schools shall be responsible for the security of all transmissions or signals transmitted on the I-Nets.

- (c) Franchisee shall be responsible for the maintenance of the I-Nets up to the termination points; <u>provided</u>, <u>however</u>, that the City and public schools shall reimburse Franchisee for the full cost in material and labor to repair or replace any damaged cable or termination points on the City's property or located within the I-Net Buildings.
- (d) During the term of this Agreement and upon request, Franchisee will extend the I-Net to existing and new municipal and public school facilities located within the City and not included on Exhibit D or Exhibit D-1, provided the City pays Franchisee for the material and labor costs required to complete any requested extension of the I-Nets in advance, including, at the City's option, through the use of a credit against Franchise Fees owed to the City by Franchisee or some other mutually acceptable arrangement. Notwithstanding the foregoing, Franchisee will extend the I-Net to the City's new high school at no cost to the City, provided that the City lays the conduit for such extension.
- (e) Upon request and under separate contract for such service to include capital costs and monthly fees, Franchisee shall provide the City with a direct fiber connection to Franchisee's uplink switch for Internet bandwidth for municipal and school facilities on the I-Nets. Franchisee agrees to provide Internet bandwidth at a fair market value rate mutually agreed upon by the City and Franchisee. The City agrees to use this bandwidth for internal, non-commercial use only and will not resell or otherwise provide this bandwidth to any third party.

ARTICLE 4 TECHNOLOGICAL AND SAFETY STANDARDS

SECTION 4.1 – SYSTEM MAINTENANCE

(a) In installing, operating and maintaining equipment, cable and wires, Franchisee shall use commercially reasonable efforts to avoid damage and injury to trees, structures and improvements in and along the routes authorized by the Franchising Authority except as may be approved by the Franchising Authority if required for the proper installation, operation and maintenance of such equipment, cable and wires.

- (b) The construction, maintenance and operation of the Cable System for which this Franchise is granted shall be done in conformance with OSHA, the National Electrical Safety Code, and the rules and regulations of the FCC and applicable State and local laws and ordinances.
- (c) The signal of any television station carried on the Cable System shall be carried without material degradation in quality at all Subscriber locations within the limits imposed by the technical specifications of the Cable System and as set forth by the FCC. The Cable System shall be operated and maintained so as to comply with the technical standards set forth in the FCC's rules and regulations as they apply to Cable Systems. Upon written request by the Franchising Authority or its designee, Franchisee shall provide proof of compliance of FCC signal requirements.
- (d) Operating and maintenance personnel shall be thoroughly trained in the use of all safety equipment and the safe operation of vehicles and equipment. All areas of the Cable System shall be routinely inspected and maintained so that conditions that could develop into safety hazards for the public and/or operating and maintenance personnel can be corrected before they become a hazard. Franchisee shall install and maintain its wire, cable, fixtures, and other equipment in such a manner as shall not interfere with any installations of the City.
- (e) All structures and all lines, equipment and connections in, over, under, and upon Streets, sidewalks, alleys, and Private Roads and places of the City, wherever situated or located, shall at all times be kept and maintained in a safe and suitable condition and in good order and repair.
- (f) The City reserves the right to reasonably inspect all construction and installation work for compliance with applicable laws, codes, ordinances and regulations and with provisions of the Franchise and the City through its code enforcement office. All inspections shall be at the expense of the City.
- (g) All lines, cables and distribution structures and equipment, including poles and towers, erected by Franchisee within the City shall be located so as not to obstruct or interfere with the proper use of Streets, as defined herein, and to cause minimum interference with the rights of property owners who abut any of the said Streets, and not to interfere with the existing

public utility installation. Except as otherwise permitted by Applicable Law, Franchisee shall have no vested right in a location except as granted herein by the Franchise, and such construction shall be removed by Franchisee at its own cost and expense whenever the same restricts or obstructs or interferes with the operation or location of said Streets, provided, however, that this standard shall apply to all persons and entities owning lines, cables, distribution structures, and equipment, and provided further that Franchisee shall not be required to remove any such construction solely to accommodate needs of competing Cable Systems.

(h) Upon written notice from the City, Franchisee shall remedy a general deficiency with respect to the technical standards described herein within fourteen (14) days of receipt of notice and a safety deficiency within forty-eight (48) hours of receipt of notice and shall notify the City when the deficiency has been corrected.

SECTION 4.2 – REPAIRS AND RESTORATION

- (a) Franchisee shall promulgate and adhere to a preventive maintenance policy at or above the performance standard set by the FCC. Whenever it is necessary to interrupt service for the purpose of making repairs, adjustments, installation or other maintenance activities, Franchisee shall do so at such time as will cause the least inconvenience to Subscribers.
- (b) Whenever Franchisee takes up or disturbs any pavement, sidewalk or other improvement of any public Street or Private Road or places, the same shall be replaced and the surface restored in as good condition as before entry as soon as practicable. In no event shall such restoration be made later than ten (10) business days, weather permitting or due to events beyond the reasonable control of Franchisee, after Franchisee's receipt of written notification from the property owner so damaged unless otherwise agreed by Franchisee and the property owner. Upon failure of Franchisee to comply within the time specified (unless the Franchising Authority sets an extended time period for such restoration and repairs) or if such damage presents an emergency situation presenting a threat to public safety, the Franchising Authority may cause proper restoration and repairs to be made and the expense of such work shall be paid by Franchisee upon demand by the Franchising Authority.
- (c) In addition, upon the failure, refusal or neglect of Franchisee to cause any work or other act required by law or by this Franchise to be properly completed in, on, over or under any

Street within any time prescribed, the City may cause such work or other act to be performed or completed in whole or in part, and upon so doing shall submit to Franchisee an itemized statement of prevailing rates and the cost thereof. Franchisee shall, within thirty (30) days after receipt of such statement, pay to the City the entire amount thereof. The City, at its option, and in its sole discretion, may draw upon the bond described herein to recover any cost incurred pursuant to this section, should Franchisee fail to pay such costs within sixty (60) days of receipt of the statement of those costs.

(d) Franchisee shall be subject to all laws of general applicability regarding private property in the course of constructing, installing, operating and maintaining the Cable System in the City. Franchisee shall, at its sole cost and expense, promptly repair or replace all private property, real and personal, damaged or destroyed as a result of the construction, installation, operation or maintenance of the Cable System.

SECTION 4.3 – CABLE LOCATIONS

- (a) In all areas of the City where the cable or wire facilities of the public utilities are installed underground, Franchisee shall install its Cable System underground. Vaults and pedestals shall be suitably restored to a similar condition prior to underground work.
- (b) The rights and privileges granted hereby shall not be in preference or hindrance to the right of the City, or other governmental agency, improvement district or other authority having jurisdiction, to perform or carry on any public works or public improvements, and should the Cable System in any way interfere with the construction, maintenance or repair of such public works or improvements, Franchisee shall, at its own expense, protect or relocate its Cable System or portion thereof, as directed by the City or other authority having jurisdiction; provided, however, if the City reimburses other third parties for their expenses and costs incurred in protecting or relocating facilities, then Franchisee shall be entitled to recover its expenses and costs; and provided further that nothing herein shall been deemed or construed as a waiver or relinquishment by Franchisee of any right to reimbursement of costs and expenses under Applicable Law.

SECTION 4.4 – TREE TRIMMING

Franchisee shall have the authority to trim trees upon and overhanging Streets, alleys, sidewalks and Public Ways and places of the City so as to prevent the branches of such trees from coming in contact with the wires, cables and equipment of Franchisee, in accordance with applicable State law and any City ordinances and regulations. Notwithstanding the foregoing, the authority granted herein to trim trees is subject to state law.

SECTION 4.5 – STRAND MAPS

Within sixty (60) days from a request in writing from the Franchise Authority, Franchisee shall provide to the City a complete set of strand maps of the service area, and on which will show Franchisee's cable and equipment in those areas in which its facilities exist and the location of all Streets. Upon reasonable request by the Franchise Authority, Franchisee shall provide updated maps.

SECTION 4.6 – BUILDING MOVES

In accordance with Applicable Law, Franchisee shall, upon the request of any Person holding a valid building moving permit issued by the City, temporarily raise or lower its wires to permit the moving of the building(s). Franchisee shall be given not less than forty-five (45) days advance notice to arrange for such temporary wire changes. The cost to raise or lower wires, including any refunds to subscribers for interruption of services, shall be borne exclusively by the Person(s) holding the building move permit. Franchisee may require full or partial payment in advance.

SECTION 4.7 – EMERGENCY POWER

The Cable System shall incorporate equipment capable of providing standby powering of the head-end for a minimum of seventy-two (72) hours upon failure of the power furnished by the electric utility company unless for reasons of force majeure as defined in Section 8.2 hereof.

SECTION 4.8 – RESIDENTIAL EXTERIOR WIRING

Franchisee shall adhere to Subscriber's reasonable request for location of the cable Drop entry and shall in other respects observe standard specifications for drop connections into the residence. Installation of new exterior wiring on a residence after the Effective Date of this Agreement shall be installed in a professional manner consistent with the homeowner's requests at the time of installation. Each Drop shall be grounded at each Subscriber's residence at the time of initial installation of Cable Service or during the next scheduled in-house servicing that is performed.

SECTION 4.9 – DIG SAFE

Franchisee shall comply with all applicable "dig safe" provisions, pursuant to Applicable Law.

ARTICLE 5 CUSTOMER SERVICE, MARKETING OF SERVICES AND CONSUMER PROTECTION

SECTION 5.1 – CUSTOMER SERVICE

- (a) Franchisee shall comply with the FCC's Customer Service Obligations, required by Federal Law and currently codified at 47 CFR §76.309, as may be amended from time to time.
- (b) Unless otherwise approved by the City, which approval shall not be unreasonably withheld, conditioned or delayed, Franchisee shall maintain a regional customer service office for the transaction of in-person business (i.e., returns of equipment, payments, questions, reports, orders, customer service) with Subscribers. Franchisee shall provide and maintain twenty-four (24) hour, toll-free answering lines which Subscribers may call without incurring added message units or toll charges so that prompt maintenance and service is available.
- (c) At the time of initial subscription and annually thereafter, Franchisee shall give each subscribing household a written notice, which shall include full disclosure of (i) products and services offered, (ii) prices and options for programming services and conditions of subscription to programming and other services, (iii) installation equipment and service maintenance charges and policies, (iv) instructions on how to use the Cable Service and Channel positions of Programming carried on the Cable System; (v) billing and complaint procedures for reporting and resolving Subscriber complaints, including the address and telephone number of the local Franchise Authority; (vi) information regarding availability of parental control devices;

and (vii) a list of monthly and non-recurring fees and charges. Franchisee shall provide notice of any changes to Subscribers as required by Section 3.3(c) above.

- (d) Franchisee shall provide technical support available twenty-four (24) hours per day, seven (7) days per week, and make all reasonable efforts to respond to all service calls within twenty-four (24) hours and correct malfunctions as promptly as possible. A serious system malfunction will be serviced as soon as possible after its discovery.
- (e) Except as limited by federal law or FCC regulations concerning privacy and otherwise in accordance with Applicable Law, Franchisee shall maintain a record of all written complaints and such records shall be available at Franchisee's local offices for at least two (2) years for inspection by the City as it may from time to time request, during regular business hours and upon reasonable notice. Nothing herein shall be deemed to require Franchisee to maintain records of oral complaints which can be handled to the customer's satisfaction in the course of the initial conversation in which the complaint is made or which does not require technical field response. Upon request and in accordance with Applicable Law, Franchisee shall provide to the City an accounting of the number and nature of such written complaints.
- (f) Franchisee shall maintain its records as required by and in a manner not inconsistent with Applicable Law.

SECTION 5.2 – TERMINATION OF SERVICE

- (a) In the event a Subscriber's Cable Service is terminated, monthly charges for service shall be pro-rated on a daily basis and, where advance payment has been made by a Subscriber, the appropriate refund shall be made by Franchisee to the Subscriber within forty-five (45) days of such termination provided, in the instance when the subscriber is relocating, subscriber has provided Franchisee a forwarding address.
- (b) Subject to compliance with Applicable Law, Franchisee shall have the right to disconnect a Subscriber for failure to pay an overdue account, for theft of services, or other violation of cable-related laws; provided that:
 - (i) Franchisee's billing practices and policy statement set forth the conditions under which an account will be considered overdue;
 - (ii) The Subscriber's account is at least thirty (30) days delinquent.

SECTION 5.3 – SERVICE INTERRUPTIONS

In the event of a Cable System failure resulting in a Subscriber experiencing a Service Interruption for twenty-four (24) or more consecutive hours, Franchisee shall, upon request by such Subscribers, grant such Subscribers a pro rata credit or rebate, on a daily basis, of that portion of the service charge during the next consecutive billing cycle or, at its option, apply such credit to any outstanding balance then currently due. Credits shall be applied as described above upon request if Franchisee knew of the interruption or after due notice to Franchisee from the Subscriber.

Franchisee shall consider a similar credit for any Service Interruptions lasting less than twenty-four (24) hours, excluding interruptions which are beyond the control of Franchisee, such as, but not limited to, electrical outages, acts of God, or for any reason of force majeure.

SECTION 5.4 – IDENTIFICATION

Franchisee shall ensure that all of its vehicles, employees, agents, contractors and subcontractors are reasonably identified to the general public. Agents, contractors and subcontractors hired by or at the behest of Franchisee to perform any substantial work on the Cable System in the City shall reasonably inform the City's Police Department of the general work location within the City and provide relevant vehicle identification prior to commencing such work.

SECTION 5.5 – SUBSCRIBER PRIVACY AND RIGHTS TO INFORMATION

(a) Except as otherwise permitted by Applicable Law, Franchisee shall not collect, store, use or make available to any third party data relating to individual Subscriber households by name, phone number, mailing address or e-mail address, and Cable System or Channel usage history, whether the data are for providing Cable Service or other services which are not considered a Cable Service, without first giving the Subscriber an opportunity to remove his or her name from Franchisee's list of Subscribers, unless such disclosure is necessary to provide Cable Service or other service or to conduct cable related business activities (for example, disclosure to the company that addresses and mails out monthly bills and guides, the Programming services or a collections service for past due accounts). The conduct of Franchisee under this section shall be consistent with and governed by Section 631 of the Communications Act, "Protection of Subscriber Privacy" (47 U.S.C. §551) and the regulations of the FCC on

subscriber privacy and any other applicable federal or state laws. Any Subscriber may, upon written request and during normal business hours, examine all records maintained by Franchisee relating to the Subscriber's account. Franchisee shall ensure that all information related to billing and service requests is accurate and up-to-date and shall promptly correct any errors upon discovery.

(b) Franchisee shall not record or retain any information transmitted between a Subscriber or user and any third party, expect as required for lawful business purposes or as permitted by Applicable Law. Pursuant to Section 631(e) of the Communications Act (47 U.S.C. § 551(e)), Franchisee shall destroy personally identifiable information if the information is no longer necessary for the purpose for which it was collected and there are no pending requests or orders for access to such information pursuant to a request from a Subscriber or pursuant to a court order.

ARTICLE 6 RATES AND CHARGES

SECTION 6.1 – RATES AND CHARGES

- (a) A price schedule for service and installation in effect on the Effective Date is attached hereto as Exhibit E. Any changes in price for Cable Service, equipment and installation will be in conformance with Applicable Law including, but not limited to, FCC regulations currently codified at 47 C.F.R. §§ 76.1602, 76.1603 and 76.1619.
- (b) The Franchising Authority shall have the right to the extent granted under Applicable Law, to regulate Basic Service rates and related equipment, installation and service charges to Subscribers.
- (c) Franchisee may require a deposit or refuse service to any applicant for a bona fide credit reason. Franchisee may require that the account of any Subscriber requesting work be current before such work is performed.
- (d) Franchisee shall notify the Franchising Authority and all Subscribers in writing at least thirty (30) days prior to any adjustment in price for Cable Service provided by the Cable System. The notice shall state the date on which the adjustment in price is to occur.

- (e) Franchisee may levy collection charges in a manner consistent with Applicable Law.
- (f) Franchisee's monthly subscriber statements may be itemized in a manner consistent with Applicable Law.

ARTICLE 7 REGULATORY OVERSIGHT

SECTION 7.1 – INDEMNIFICATION

- (a) Franchisee shall, at its sole cost and expense, indemnify and hold the City harmless at all times during the term of this Franchise Agreement, and subsequent renewals, if any, from any and all claims for injury and damage to persons or property, both real and personal, caused by the installation, operation or maintenance by Franchisee of any structure, equipment, wire or cable within the Franchise area. Upon receipt of notice of any such claim in writing from the City Council, Franchisee shall at its own expense defend any action or proceeding against the City in which it is claimed that personal injury or property damage was caused by activities of Franchisee, its employees and/or agents in the installation, operation or maintenance of its Cable System.
- (b) In the event of any claim, demand or litigation specified in Section 7.1(a), the City shall give prompt written notice to Franchisee of such claim, demand or litigation. Franchisee, at its sole cost and expense, shall resist and defend such claim, demand or litigation with legal counsel selected by Franchisee or Franchisee's applicable insurer and shall have sole control of the defense or settlement of any claim, demand or litigation and all negotiations for the settlement or compromise of the same. The City and its representatives shall cooperate with Franchisee and its representatives in the defense and/or settlement of any claim, demand or litigation. Nothing herein shall be deemed to prevent the City from participating in the defense and/or settlement of any claim, demand or litigation by the City's own counsel at the City's own expense; however, Franchisee shall have sole control of the defense and/or settlement of any claim, demand or litigations for the settlement or compromise of the same. To the extent Franchisee makes payment pursuant to this section, it may require from the City an assignment of all right of recovery against any party.

SECTION 7.2 – INSURANCE; PERFORMANCE BOND

- Franchisee shall carry insurance with the City as named insured with an insurance (a) company satisfactory to the Franchising Authority indemnifying the City and Franchisee from and against any and all claims for injury or damage to persons or property, both real and personal, caused by construction, installation, operation, maintenance or removal of its Cable System. The amount of such insurance against liability for damage to property shall be no less than Six Million Dollars (\$6,000,000) as to any one occurrence. The amount of such insurance for liability for injury or death to any person shall be no less than One Million Dollars (\$1,000,000) and Two Million Dollars (\$2,000,000) on account of injury to or death of any number of persons in any occurrence. Such liability insurance shall include products and completed operations, independent contractors, personal and advertising injury, and automobile; and Franchisee's liability insurance shall be endorsed to include the full indemnity for the City. This Section 7.2, including the provision by Franchisee of the insurance required hereunder, and the inclusion of the City as a named insured on such policies, is not intended to, and shall not, constitute or effect a waiver of any sovereign immunity or other immunities available to the City by law.
- (b) Worker's Compensation, including liability benefits and any other legally required employee benefits, shall be supplied in statutory amounts.
- (c) All insurance coverage, including Worker's Compensation, shall be maintained throughout the period of this Franchise Agreement. All expenses incurred for said insurance shall be at the sole expense of Franchisee. No later than thirty (30) days after the execution of this Franchise, Franchisee shall furnish to the City certificates of insurance. Any certificates for new or replacement insurance coverage shall be provided to the City within thirty (30) days of when they become effective.
- (d) In the event that the insurer does not provide such notice directly to the City as an additional insured, Franchisee agrees to provide the City with as much advance written notice as is reasonably practicable in the event that any such insurer provides Franchisee with notice that it intends to cancel the policy or fail to renew the policy for any reason.

(e) In addition to providing the insurance noted above, the Franchisee shall obtain and maintain during the entire Term of this Franchise and for a period of 30 days following the termination of this Franchise Agreement, at its sole cost and expense, and file with the City, an irrevocable performance bond or irrevocable letter of credit in the amount of One Hundred Thousand Dollars (\$100,000), to guarantee performance of the following terms and conditions: (i) the satisfactory completion of cable installations in the time schedule provided herein and satisfactory compliance with the provisions of this Agreement; (ii) the satisfactory restoration of pavement, sidewalks, and other improvements in accordance with this Franchise Agreement; (iii) the satisfactory operation of the Cable System in compliance with the terms and conditions of this Franchise Agreement; and (iv) the installation of technology upgrades in accordance with Section 3.4. Thereafter, the City may draw upon the bond for the purpose of curing any deficiency or breach by the Franchisee of the terms stated in this Section 7.2. The right to draw upon the bond shall not impede any right of the Franchisee to appeal or seek review of the basis for such action. In addition to the foregoing, the total amount of the bond shall be immediately forfeited in favor of the City if: (i) Franchisee abandons the Cable System or any part thereof; (ii) there is a change of ownership or control of the Franchisee, the Franchise, or the Cable System in non-compliance with the provisions hereof; (iii) Franchisee fails to purchase and maintain insurance as required by this Agreement; or (iv) Franchisee fails to perform its obligations under this Agreement or in any way violates the terms of this Agreement. The City may draw upon this bond and may further recover any and all penalties due to the City, and any and all damages, losses, costs and expenses suffered or incurred by the City resulting from the failure of Franchisee to comply with one or more provisions of this Section 7.2. Such losses, costs, and expense shall include, but not be limited to, reasonable attorneys' fees and other consulting and auditing expenses.

SECTION 7.3 – ANNUAL REPORTING BY FRANCHISEE

Upon request from the City not more than thirty (30) days after the end of each year of the Franchise term, Franchisee shall provide annual report to the City within one hundred eighty (180) days after the end of such year, in writing, in substantially the forms attached hereto as Exhibit E (Rates and Charges) and Exhibit F (Annual System Report), such annual reports to include, at a minimum, the information described in those Exhibits.

At the City's request and with reasonable advance notice, Franchisee shall attend annual meetings with authorized City official(s) to review compliance with the terms of this Franchise and matters of interest to either party. No later than thirty (30) days prior to such meeting either party may submit a list of items to be reviewed.

SECTION 7.4 – NOTICE AND OPPORTUNITY TO CURE

- (a) Prior to instituting any action against Franchisee under Section 7.5 (Revocation of Franchise), the Franchising Authority shall notify Franchisee in writing of the specific failure and shall give Franchisee sixty (60) days, or such longer time as may be granted by the Franchising Authority in its reasonable discretion, in which to demonstrate that a failure does not exist or to rectify such failure, and shall not proceed further if the matter is resolved to the reasonable satisfaction of the City within the specified time period.
- (b) In the event that Franchisee fails to cure, or to take reasonable steps to cure, the default within sixty (60) days, (or such other time period reasonably established by the Franchising Authority, at the written request of Franchisee) the Franchise Authority shall schedule a public hearing with fifteen (15) days written notice to Franchisee. Franchisee shall be provided the opportunity to offer evidence and to be heard at such public hearing.
- (c) Within thirty (30) days following any such public hearing, the Franchising Authority shall determine if Franchisee is in default and, if so, the Franchising Authority may then pursue any and all lawful remedies, including revocation of this Franchise.

SECTION 7.5 – REVOCATION OF FRANCHISE; DEFAULT

The Franchise issued hereunder may, after due notice and hearing as defined herein, be revoked by the Franchising Authority for any of the following reasons:

- (i) For failure to comply with any of the material terms and conditions of the Franchise after any applicable cure period under Section 7.4 has elapsed; or
- (ii) For any transfer or assignment of the Franchise Agreement or control thereof without consent of the Franchising Authority;

SECTION 7.6 – REMOVAL OF SYSTEM

Upon termination of the Franchise Agreement or of any renewal hereof by passage of time or otherwise, Franchisee shall remove its supporting structures, poles, transmission and distribution systems and other appurtenances from the Streets, ways, lanes, alleys, parkways, bridges, highways, and other public places in, over, under, or along which they are installed and shall restore the areas to their original condition. If such removal is not completed within six (6) months of such termination, the Franchising Authority may deem any property not removed as having been abandoned and title thereto shall immediately vest in the Franchising Authority, or the Franchising Authority, at Franchisee's expense, may remove or cause to be removed any components of the Cable System and restore the areas to their original, pre-Cable System installation condition.

SECTION 7.7 – INCORPORATION BY REFERENCE

All presently and hereafter applicable conditions and requirements of Federal and State law and the rules and regulations of the FCC, as they may be amended from time to time are incorporated herein by reference and shall control the interpretation and performance of this Franchise, to the extent that any provision of this Franchise conflicts with or is inconsistent with such laws, rules or regulations.

ARTICLE 8 MISCELLANEOUS

SECTION 8.1 – SEVERABILITY

If any section, 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 any other section, paragraph, term or provision hereof, all of which will remain in full force and effect for the term of this Agreement or any renewal or renewals hereof.

SECTION 8.2 – FORCE MAJEURE

If for any reason of force majeure Franchisee is unable in whole or in part to carry out its obligations hereunder, Franchisee shall not be deemed in violation or default during the continuance of such inability. Unless further limited elsewhere in this Franchise Agreement, the term force majeure as used herein shall have the following meaning: strikes; acts of God; acts of public enemies, orders of any kind of the government of the United States of America or of the State of Maine or any of their departments, agencies, political subdivisions, or officials, or any

civil or military authority; insurrections; riots; epidemics; landslides; lightning; earthquakes; fires; hurricanes; volcanic activity; storms; floods; washouts; droughts; arrests; civil disturbances; explosions; partial or entire failure of utilities; or any cause or event not reasonably within Franchisee's control.

SECTION 8.3 – NOTICES

Every notice to be served upon the Franchising Authority shall be delivered or sent by certified mail (postage prepaid) to Attn. City Manager, City of Sanford, 919 Main Street, Sanford, ME 04073-3589, or such other address as the Franchise Authority may specify in writing to Franchisee. Every notice served upon Franchisee shall be delivered or sent certified mail (postage prepaid) to Attn: General Manager, MetroCast Cablevision of New Hampshire, LLC, 9 Apple Road, Belmont, NH 03220, with a copy to Attn: General Counsel, Harron Communications, L.P., 70 E. Lancaster Avenue, Frazer, PA 19355 or such other address as Franchisee may specify in writing to the Franchise Authority. The delivery shall be equivalent to direct personal notice, direction or order, and shall be deemed to have been given at the time of receipt.

SECTION 8.4 – AMENDMENT OR MODIFICATION

This Franchise shall not be amended or modified except by written agreement following compliance with Applicable Law.

SECTION 8.5 – ANNUAL CITY REVIEW

At the City's request and with reasonable advance notice, Franchisee shall attend annual meetings with authorized City official(s) to review compliance with the terms of this Franchise and matters of interest to either party. No later than five (5) days prior to such meeting either party may submit a list of items to be reviewed.

SECTION 8.6 – DELEGATION

The City may delegate to any City official, employee, agency or commission the authority to exercise any of the City's rights hereunder which may lawfully be so delegated. The City shall notify Franchisee in writing of any delegation of authority to exercise the City's rights hereunder.

SECTION 8.7 – REPRESENTATIONS AND WARRANTIES

The Franchisee represents, warrants, covenants and agrees, as of the effective date of this Agreement, that:

- 1. It is in good standing and duly authorized to conduct business in accordance with the laws of the State of Maine;
- 2. It is fully authorized to enter into this Agreement, and to be legally bound pursuant to the terms hereof;
- 3. This Agreement is enforceable against the Franchisee in accordance with its terms; and
- 4. There is no action or proceeding pending or threatened against the Franchisee that would interfere or impede with the Franchisee's performance under this Agreement.

SECTION 8.8 – FINAL AGREEMENT

The Agreement stated herein, in writing, constitutes the final agreement between the parties.

SECTION 8.9 – PROPRIETARY AND CONFIDENTIAL INFORMATION

If Franchisee reasonably believes that any documentation to be provided to the Franchising Authority in accordance with the provisions of this Agreement contains proprietary or confidential information, then Franchisee shall provide the Franchising Authority with written notice thereof, and thereafter the Franchising Authority will safeguard the information against disclosure.

SECTION 8.10 – STANDARD OF REASONABLENESS

Whenever a party to this Agreement is required, or has the right or discretion, to take an action or to refrain from taking an action with respect to a particular matter, then, in the exercise of any of its contractual obligations or rights, such party shall take such action or refrain from taking such action as is reasonable under the circumstances that exist at the time the action or non-action occurs.

SECTION 8.11 – GOVERNING LAW

This Agreement is governed by and construed in accordance with the Communications Act and the FCC regulations and policies adopted pursuant thereto, except

where the law of the State of Maine may control, in which case the law of the State of Maine will govern (collectively, "Applicable Law"). All rights, requirements and obligations under this Agreement are subject to the requirements and limitations of Applicable Law. To the extent that any right, requirement or obligation under this Agreement is contrary to Applicable Law, then such provision shall be invalid to the extent that such provision is inconsistent with Applicable Law.

IN WITNESS WHEREOF, the parties hereto have caused this Franchise to be executed by their duly authorized representatives.

THE CITY OF SANFORD, MAINE

Name: Steven R. Buck

Title: City Manager
Date: 7/27/2016

METROCAST CABLEVISION OF NEW HAMPSHIRE, LLC

Name: Steven Murdough

Title: Senior Vice President of Operations

Date: July 27, 2016