

**FRANCHISE AGREEMENT
BY AND BETWEEN THE
TOWN OF STACYVILLE, MAINE
AND
PIONEER BROADBAND**

FRANCHISE GRANTED BY THE TOWN OF STACYVILLE, MAINE TO PIONEER BROADBAND

THIS AGREEMENT entered into on ____/____/____ by and between the Town of Stacyville, a municipal corporation organized and existing under the laws of the State of Maine (hereinafter referred to as "Town"), and Pioneer Broadband, a corporation duly organized under the laws of the State of Maine, with a place of business at 37 North St. Houlton, ME 04730 (hereinafter referred to as the "Company").

WITNESSETH WHEREAS the Town is desirous of entering into an agreement for the purpose of granting a cable television franchise within the Town and establishing procedures governing cable television systems;

and NOW THEREFORE, the parties agree in consideration of the promises, mutual covenants and other good and valuable consideration as follows:

1. DEFINITIONS

- a. "Community Antenna Television System" hereinafter referred to as "CATV System" or "system" means a system of coaxial and/or fiber optic cable or other electrical conductors and transmission equipment used or to be used primarily to receive television or radio signals directly or indirectly off-the-air and other communications services and transmit them to subscribers for a fee.
- b. "Company" is the said Pioneer Broadband having its principal office at 37 North St Houlton, ME 04730 or any person who succeeds it in accordance with the provisions of this Franchise.
- c. "Person" is any person, firm, partnership, association, corporation, company, or organization of any kind.
- d. "Potential Subscriber Residence" is any year-round single-family dwelling unit including dwelling units within multi-family buildings.
- e. "Board of Select Persons" shall mean the Board of councilors of Stacyville or an official authorized to administer the terms, provisions and regulations of this Franchise.

2. COMPLIANCE WITH APPLICABLE LAWS AND ORDINANCES

The Company shall comply with all laws, statutes, codes, ordinances, rules, or regulations applicable to its business including those of the Federal Communication Commission (FCC) and will comply with the Equal Employment Opportunity Act.

3. EFFECTIVE DATE AND TERM

- a. Initial Term and Extension. This Franchise shall take effect and be in full force from and after the first day immediately following the expiration of the current agreement, and said Franchise shall continue in full force and effect for a term of fifteen (15) years upon the terms and conditions as herein set forth. An option for renewal for an additional ten (10) year period may be exercised by the Company by giving the Town notice in writing of its election to exercise this option which

notice shall be given not less than one (1) year nor more than two (2) years prior to the expiration of the term of this Franchise, provided that any such renewal shall be upon conditions mutually acceptable to both parties after public proceedings affording due process. This Franchise, when accepted by the Company, shall be and become a valid and binding contract between the Town and the Company, but this Franchise shall be void unless the Company shall, within sixty (60) days after execution of the same by the Town, file with the Town of Stacyville a fully executed original copy of this Franchise.

b. The Town hereby renews the Company's franchise right, privilege, authority and easement to acquire, construct, erect, suspend, install, renew, maintain, repair, replace, extend, enlarge, and operate throughout the Town, in, upon, along, across, above, over and under the streets, alleys, easements, public ways and public places as now laid out and additions thereto in the Town, a system of poles, wires, cables, underground conduits, trenches, conductors, amplifying equipment, manholes, fittings, and any and all other fixtures, appliances and appurtenances necessary for the installation, maintenance and operation in the Town of the cable television (CATV) system and to make connections to subscribers to the system, either separately or in conjunction with any public utility maintaining the same in the Town. This Franchise shall further include the right, privilege, easement, and authority to construct, erect, suspend, install, lay, renew, repair, maintain and operate such poles, wires, cables, underground conduits, manholes, ducts, trenches, fixtures, appliances and appurtenances for the purpose of distribution to inhabitants within the limits of the Town. The said rights are granted herein by the Town after due consideration and approval of the legal, character, financial, technical, and other qualifications of the Company.

c. The Town reserves the right to grant franchises to other telecommunications Companies at its discretion

4. EXTENSION OF SYSTEM WITHIN TOWN BOUNDARIES

a. Extension to the initial cable television system will be provided to continuous areas whenever the average density of such additional contiguous areas is either forty (40) residential units per mile or twenty (20) subscribers per mile who sign two-year irrevocable service agreements. In any event, if a group of residents, who would be served by an extension, whose density in the contiguous area is less than forty (40) residential dwelling units per mile, or twenty (20) subscribers per mile, desire service and present a request for service to the Franchisee, the Franchisee will prepare a cost estimate by the destiny per mile in the contiguous area of the requesting service to establish the actual unit extension cost. The difference between the actual unit extension costs and the normal unit extension costs shall become a special installation fee.

The Franchise shall construct such extension if persons requesting the service agree to pay such special installation fee and sign irrevocable service agreements for a two-year period. The Franchise shall construct such extension within one (1) year provided there is no delay caused by acts of God, force majeure, labor strikes or other circumstances beyond the reasonable control of the Franchisee.

In the event the Franchisee constructs such an extension where subscribers pay a special installation fee calculated as outlined in paragraph (a) above, the Franchisee shall maintain separate records on each such extension for a period of three (3) years after its completion. During such three (3) year period, as additional subscribers caused by any such extension request cable service, they shall pay a special installation fee equal to one-half of the original special installation fee charged to the original subscribers. The amount as received by the Franchisee shall be returned to the original subscribers received on a cumulative amount equal to one-half of the original special installation fee charged to the original subscribers. The amount as received by the Franchisee shall be returned to the original subscribers received on a cumulative amount equal to one-half the original special installation fee. The refund to original subscribers may be made in the form of a credit against their normal service charges or direct payment to subscribers, whichever option the Franchisee chooses.

5. LIABILITY AND INDEMNIFICATION

- a. Franchisee specifically agrees to protect, indemnify, and save franchisor harmless from and against any loss, damage, liability or expense, including attorneys' fees, because of any damage to person or property caused or alleged to have been caused by franchisee, its agents, employees, guests, or any other persons in connection with the operation of the franchise unit.
- b. Franchisor agrees to hold franchisee harmless and to indemnify franchisee for any liability that may occur as the result of franchisor's acts or omissions under this agreement or otherwise.
- c. Franchisee shall maintain, throughout the terms of its franchise, liability insurance in companies acceptable to the Town sufficient to cover such indemnification, and naming as insured the Town and the Franchisee with minimum limits of \$500,000 on account of bodily injuries to or death of one person, \$1,000,000 on account of bodily injuries to or death of more than one person as a result of any accident or disaster.

6. SERVICE STANDARDS AND REQUIREMENTS

The Franchisee shall construct, operate, and maintain the cable television system in strict compliance with all laws, ordinances, rules and regulations affecting the system.

7. CONDITIONS OF CONSTRUCTION

Any extensions of the System and any relocation of any portion of the System within the limits of any public ways of public lands of the Town, shall conform with the following requirements:

- a. All transmission and distribution structures, lines, and equipment erected by the Company within the Board shall be located as to cause minimum interference with the proper use of streets, alleys, and other public ways and places, and to cause no interference with the rights and reasonable convenience of property owners whose land my adjoin any of the said streets, alleys, or other public ways and places.
- b. Poles or other wire holding structures may be located by the Company on public land only upon approval by the board of Select persons with regard to location, height, type, and other pertinent aspects.
- c. In case of disturbance of any streets, sidewalks, alley public way, or paved area, the Company shall, at its own cost and expense and in a manner approved by the Town's appropriate authority, replace and restore such street, sidewalk, alley, public way, or paved area in as good condition as before the work involving such disturbance was done.

8. CONDITIONS ON STREET OCCUPANCY

- a. If at any time during the period of this Franchise the Town shall lawfully elect to alter or change the grade, alignment or rerouting of any street, sidewalk, alley, or other public way, the Company, upon reasonable (2weeks) notice by the Town shall remove, relay, and relocate its poles, wires, cable, underground conduits, manholes, and other fixtures at its own expense.
- b. The Company shall have the authority, under the supervision of the Town's appropriate authority, to trim trees upon and overhanging of streets, alleys, sidewalks, and public ways and places of the Town so as to prevent the branches of such trees from coming in contact with the wires and cable of the Company.
- c. The Company shall, at the request of any person holding a building-moving permit issued by the Town, temporarily raise or lower its wires to permit the moving of building. The expense of

such temporary removal, raising or lowering of wires shall be paid by the person requesting the same and the Company shall be given not less than seventy-two (72) hours advance notice to arrange for such temporary wire change.

9. SAFETY REQUIREMENTS

- a. The Company shall at all times employ ordinary care and shall install and maintain in use commonly accepted methods and devices for preventing failure and accidents which are likely to cause damage, injuries, or nuisances to the public.
- b. The Company shall install and maintain its wires, cables, fixtures, and other equipment in accordance with the requirements of all federal, state and local ordinances, codes, laws and regulations, which are applicable.
- c. All structures and all lines, equipment, and connections in or over, under and/or upon the streets, sidewalks, alleys, and public ways or places of the Town wherever situated or located, shall be kept and maintained at all times in a safe, suitable, substantial condition, and in good order and repair.

10. SUSCRIBER FACILITIES

The Company's conduct with respect to installation fees and other subscriber facilities shall be consistent with applicable regulation of the FCC, as the same may be amended from time to time.

11. PREFERENTIAL OR DISCRIMINATORY PRACTICES PROHIBITED

The Company shall have the right to establish different classification of service for residential and commercial users. In its rates, charges, service, service facilities, rules, regulations, and other respect, the Company shall not make or grant any preference or advantage to any person, nor subject any person to any prejudice or disadvantage, within the same classifications of service.

12. NEW DEVELOPMENTS

It shall be the policy of the Town to amend this Agreement liberally upon application of the Company, when necessary to enable the Company to take advantage of any technological developments in the field of transmission of telecommunications signals and related services which will afford it any opportunity to effectively, efficiently, or economically serve its customers.

13. COMPLAINTS

Upon reasonable notice, the Company shall expeditiously investigate and resolve complaints regarding the quality of service, equipment malfunctions and similar matters. Subscriber shall be notified on an annual basis of the procedure for reporting and resolving complaints related to the operations of the cable system.

14. MODIFICATIONS BY REASON OF STATUES AND GOVERNMENT REGULATIONS:

If, at any time, any sections of this agreement conflict with operation under or compliance with any federal or state statutes or with regulations of the Federal Communications Commission, or any other State Federal agency with regulatory power over the Company as it is operated, said sections shall, at that time, be altered so as to conform with said statute or regulations. The remainder of the agreement shall not be changed except as necessary to comply with the above.

15. ASSIGNMENT: CHANGE OF CONTROL

This agreement is binding upon the Company, its successors and assigns. The Company shall notify the city of any substantial change in its ownership or financial condition.

16. SEPARABILITY

If any section, subdivision, sentence, clause, phrase or portion of this Franchise is for any reason held invalid or unconstitutional by any court of competent jurisdiction such portion shall be deemed a separate, distinct, and independent provision and such holding shall not affect the validity of the remaining portions hereof.

17. TRANSFER OF AGREEMENT

The Company shall not transfer or assign any rights under this Agreement to any other person without prior written approval of the Town, which approval shall not be unreasonably withheld. Any such transfer or assignment shall be in writing, which shall include and express acceptance of all terms and conditions of this Agreement. In addition, a duly executed copy of the acceptance shall be filed with the Town prior to the effective date of such transfer or assignment. Any assignment or transfer without prior written consent shall constitute a material breach of this Agreement, which may result in the revocation of the Franchise. In making such a determination of whether to approve or reject a transfer or assignment, the Town may consider the following:

- a. The experience of the proposed transferee or assignee;
- b. The financial, technical and legal qualifications of the proposed transferee or assignee;
- c. If requested by the Town, submittals from the proposed transferee or assignee, on what, if any, changes it intends to make in the operations and maintenance of the present cable company;
- d. The corporate connection, if any, between the Company and the proposed transferee or assignee; and
- e. Any other aspect of the proposed transferee or assignee's background, which could affect the health, safety, and welfare of the citizenry of the Town as it relates to the operation of the cable system.

Upon written request by the Town, the transferor shall provide an attested statement that a transfer of the franchise has been effectuated.

18. NOTICES

All notices, reports or demands required to be given under this Agreement shall be deemed to be given when delivered personally to the person(s) designated below, or delivered by the United States mail in a sealed envelope, with registered or certified mail postage prepaid thereon, addressed to the party to which notice is being given as follows:

If to the City:

**Town Manager
Town of Stacyville
Stacyville, ME 04777**

If to the Company:

**Pioneer Broadband
37 North St.
Houlton, ME 04730**

19. INTEGRATED FRANCHISE

This Agreement contains the full and complete understanding between the parties and supersedes all prior agreements and understandings whether written or oral pertaining thereto, and cannot be modified except by written instruments signed by the appropriate officers or official of the parties. Each of the parties acknowledges that no representation or promise not expressly contained in this Agreement has been made by other party or by any agent, employees or representative thereof.

IN WITNESS WHEREOF, THE TOWN OF Stacyville has caused this Franchise to be duly executed in its name by its Board of Selectpersons, and its corporate seal is hereunto duly affixed, and Pioneer Broadband has caused this Franchise to be duly executed in its name and behalf by Timothy R. McAfee, CEO, all being duly authorized to act in their respective capacities, as of the day first above written.

TOWN OF STACYVILLE

Paul L. Pruitt
Elvin G. Heuvel

WITNESS

Carey Splan

PIONEER BROADBAND

Timothy R. McAfee, CEO