

FRANCHISE AGREEMENT

**TOWN OF HOULTON, MAINE AND
PIONEER WIRELESS, INC. D/B/A PIONEER BROADBAND**

MONTH July DAY 5th YEAR 2016

**FRANCHISE GRANTED BY THE TOWN OF HOULTON, MAINE TO
PIONEER WIRELESS, INC. D/B/A PIONEER BROADBAND**

THIS AGREEMENT entered into this day July 5, 2016 by and between the **Town of Houlton, Maine**, a municipal corporation organized and existing under the laws of the State of Maine (hereinafter referred to as "Town"), and Pioneer Wireless, Inc. D/B/A Pioneer Broadband, a Maine corporation, with a place of business at 37 North Street, Houlton, Maine (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:

Where used within this contract, unless the context clearly indicates otherwise, the following words and terms shall have the meaning indicated below:

- a. "Community Antenna Television System", hereinafter referred to as "CATV 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 radio signals directly or indirectly off-the-air and other communications services and transmit them to subscribers for a fee.
- b. "Person" is any person, firm, partnership, association, corporation, company, organization of any kind.
- c. "Potential Subscriber Residence" is any year-round single-family dwelling unit including dwelling units within multi-family buildings.
- d. "Town Councilors" shall mean the Town Councilors of HOULTON 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, statues, codes, ordinances, rules or regulations applicable to its business including those of the Federal Commission (FCC) and will comply with the Equal Opportunity Act.

3. EFFECTIVE DATE AND TERM:

- a. Term and Extension. This Franchise Agreement supersedes and replaces any previous franchise agreement between the Town and the Company. This Franchise shall commence on the date it is last signed by the Town or the Company,

_____ Said 2016 Franchise shall continue in full force and effect and terminate on June 30, 2025 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 three (3) 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.

- b. The Town hereby grants the Company, 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 a 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, trenches, conductors, amplifying equipment, manholes, fittings, and any and all 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 CITY BOUNDARIES:

- a. Extension to the initial cable television system will be provided to contiguous 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 services 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 Company, the Company will prepare a cost estimate by the density per mile in the contiguous area of the town 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 Company 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 of nature, labor strikes or other circumstances beyond the reasonable control of the Company.

- b. In the event the Company constructs such an extension where subscribers pay a special installation fee calculated as outlined in paragraph (a) above, the Company shall maintain separate records on each such extension for a period of three (3) years after its completion.
- c. 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 Company 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 Company 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 Company chooses.

5. LIABILITY AND INDEMNIFICATION:

- a. The Company shall pay all damages and penalties, which the Town may legally be required to pay as a result of granting this franchise. These damages or penalties shall include, but not be limited to, damages arising out of the installation, operation or maintenance of the cable television system, whether or not any act or omission complained of is authorized, allowed or prohibited by this chapter. This provision includes, but is not limited to, actions brought by subscribers against the Town regarding the cable television system.
- b. Company shall provide and pay for any legal defense of the town with regard to all actions mentioned above and shall have the right to defend, settle or compromise any such actions and the Town shall fully cooperate therein.
- c. Company 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 Company. General liability insurance shall be supplied in the following amount: combined single limit for bodily injury, personal injury, death or property damage in the amount of at least \$2,000,000 per occurrence. Company shall furnish to the Town a certificate evidencing that a satisfactory insurance policy has been obtained, within 30 days of execution of this Franchise

Agreement. The Company shall further deposit with the Town evidence of the renewal of said policies on or before each anniversary date of the execution of this Franchise Agreement during the term of the franchise.

- d. Company will be responsible for the action of its employees in connection with the conduct of its business. The town will be held safe and harmless as stipulated in the insurance policies provided by the applicant.
- e. The Company shall construct, operate, and maintain the cable television system in strict compliance with all laws, ordinances, rules and regulations affecting the system.

6. EDUCATIONAL SERVICES AND PUBLIC SERVICES:

Company shall offer cable programming service connections at one outlet in 100% of the public schools (Grade K-12), recreation building, fire department, police department, library, municipal buildings and Houlton Town Hall office within the franchise territory and passed by its cable systems. Such connections will be made free of charge provided such locations are within 150 feet of the distribution system and capable of an aerial drop. If any internal wiring installation is requested to serve additional outlets in such buildings, it will be provided at Company's cost of materials and labor at the applicable Hourly Service Charge; provided, however that such internal wiring will be provided without charge if Company is able to coordinate with other comparable electrical wiring installation in cases of new construction or substantial rehabilitation of existing schools. Basic Service will be provided to each such outlet free of any charges. Town will be responsible for equipment charges, if any.

7. CONDITIONS ON 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 Town 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 may 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 Town Councilors 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 (2 weeks) 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 generally applicable local ordinances, codes, laws and regulations that 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. SUBSCRIBER 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 services 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 classification 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 an opportunity to effectively, efficiently, or economically serve its customers.

13. RESOLUTION OF COMPLAINTS

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

14. MODIFICATION BY REASON OF STATUTES 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 of 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 assignees. The Company shall notify the town 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 an 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's, or assignee's, background that 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 town:

Town Manager
Town of Houlton
21 Water Street
Houlton, ME 04730

If to the Company:

Pioneer Wireless, Inc. D/B/A Pioneer Broadband

37 North Street
Houlton, ME 04730
Attn: CEO

19. LOCAL PAYMENT LOCATION:

Company shall maintain a local payment option in the Town of Houlton.

20. ACCESS CHANNELS, FACILITIES AND EQUIPMENT:

- a. Channels: The cable system shall provide two access channels, for graphics and video, one at the Town Hall and one at the Town High School. At least one of which shall be on the basic tier, for the exclusive non-commercial public, educational and governmental ("PEG") access use by Town or its designee(s).
- b. Use: Town, or its designee(s), shall have the exclusive use of Town's access channels;
- c. Use of government, public and educational access channels shall be for non-commercial purposes only. Use of public access channels shall be subject to such rules as Town, or its designee(s), may adopt; and
- d. Charges: There shall be no charge by Company for the use of the access channels.
- e. Access Equipment: Monitoring of PEG Access Channels: Company shall monitor the PEG access channels for technical quality and shall ensure that they are maintained at standards commensurate with those which apply to the Cable System's commercial channels.
- f. Quality of Signal: To keep the lines of responsibility clear, the Town's access provider(s) will be responsible for the quality of the audio/video signal up to the cable system insertion equipment.

21. MAINTENANCE AND REPAIR:

- a. Maintenance Policy: Company shall promulgate and adhere to a preventative maintenance policy directed toward maximizing the reliability (mean-time-between-malfunctions) and maintainability (mean-time-to-repair) of the cable system with respect to its delivery of service to subscribers at or above the performance standard set forth herein. Whenever it is necessary to interrupt service for the purpose of making repairs, adjustments, installations or other maintenance activities, Company shall do so at such time as will cause the least inconvenience to subscribers
- b. Repair: Company shall maintain a repair department comprising qualified technicians, service vehicles and equipment to provide prompt and efficient repair service within the parameters set forth below.

- c. Notice: Except in an emergency, Company shall give subscribers at least twenty-four (24) hours' notice of any interruption of service for purposes of maintenance or repair. In an emergency, Company shall give such notice as is reasonable in the circumstances. Notice given on the alphanumeric channels on basic service shall be considered sufficient.
- d. Repair Procedure: Company shall have a toll free, local listed telephone so requests for repairs can be received at any time, twenty-four (24) hours per day, seven (7) days per week.
- e. Rebate for Service Loss: For every loss of service in excess of twelve (12) continuous hours, Company will, upon request, provide a pro rata rebate consistent with the provisions of 30-A M.R.S.A. section 3010, subsystem 1. For purposes of this paragraph, loss of basic service shall be considered a subscriber's receipt of less than two-thirds of the respective available channels, and loss of pay cable service shall be considered the loss of signal on any pay channel. It is understood that, if the cable system is functioning, a subscriber's inability to receive service due to failure of the utility to deliver power to a subscriber's location shall not be deemed loss of service.
- f. Records: Company shall maintain records of written complaints regarding quality of service, equipment malfunctions, billing procedure, and similar matters. Such records shall be maintained for two (2) years. Consistent with subscriber privacy provisions contained in the Cable Act, the Company shall make the logs or records of complaints available to any authorized agent of any franchising authority having a franchise with that Company.

22. FRANCHISE FEE:

- a. Fee: As compensation for the rights and privileges granted by this Franchise Agreement, Company shall pay to Town a franchise fee of up to five percent (5%) of Company's subscriber revenues actually received from the operation of Company Cable System to provide Cable Services within the Franchise Area. This fee will be reviewed on an annual basis by the Town Manager. The Town Manager will consult with the Company as part of the review process by December 1 each year. The Town Manager shall then make a recommendation to the Houlton Town Council on the amount of the fee for the following year.
- b. Payment: Payment of the franchise fee shall be computed annually for the preceding twelve (12) month period, and payment shall be due and payable no later than March 31st of each year.

23. RATE AND PROGRAM CHANGES:

- a. Company shall follow the applicable FCC notice requirements and notify the affected Customers, which notice may be by any means permitted under applicable law

- b. **Written Notice of Change in Rates:** Company shall give Town and each subscriber at least thirty (30) days' individual written notice of any change in subscriber rates or charges, and, before any rate increase is made, Company has the option to appear before the Town Council to advise the Council of the proposed rate increase and the reasons for the such proposed rate increase.
- c. **Written Notice of Change in Programming:** Company shall give Town and each subscriber at least thirty (30) days' individual written notice of any change, including additions and deletions, or change in channel position, in the programming carried on the cable television system, as well as any retying of such programming, and any other changes in the services offered by Company.

24. REVOCATION:

The Town reserves the right to revoke this franchise and all rights and privileges thereto, in the event the Company violates any of the material provisions, or is found to have practiced any fraud or deceit upon the Town. Prior to any revocation proceedings under this section, the Company shall be given 60 days' notice in writing by certified mail, which notice shall state in detail the grounds upon which the town seeks revocation. If the material violation has not been remedied within said 60-day period (provided there is no delay caused by acts of God, force majeure, labor strike or other circumstances beyond reasonable control of Company) to the satisfaction of the Town, the Town Council shall have the right to revoke said franchise, and all rights, privileges and license derived therefrom, forthwith by Council resolution taken at a public hearing (at which hearing the Company shall be afforded due process of law).

25. 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 any other party or by any agent, employee or representative of either party.

IN WITNESS THEREOF, the Town of Houlton has caused this Franchise to be duly executed in its name by its Town Manager, and its corporate seal is hereunto duly affixed, and the Company, has caused this Franchise to be duly executed in its name by its CEO, all being duly authorized to act in their respective capacities, on the 21st day of Sept. 2016.

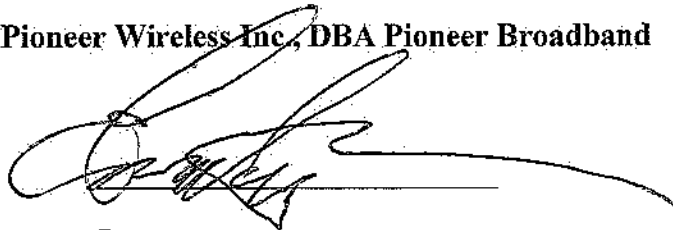
Town of Houlton



By:

Its Town Manager

Pioneer Wireless Inc., DBA Pioneer Broadband



By:

Its CEO