

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

**FRANCHISE GRANTED BY THE TOWN OF SHERMAN, MAINE TO PIONEER BROADBAND**

THIS AGREEMENT entered into on \_\_\_\_/\_\_\_\_/\_\_\_\_ by and between the Town of Sherman, 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 Sherman 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 Sherman 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, extent, 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 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 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