



CABLE FRANCHISE AGREEMENT

TOWN OF HAMPDEN, MAINE

Adopted September 21, 1998

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Town of Hampden, Maine

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TOWN OF HAMPDEN

CABLE TELEVISION FRANCHISE AGREEMENT

THIS CABLE TELEVISION FRANCHISE AGREEMENT (the "Franchise Agreement") is entered into by and between the Town of Hampden, Maine ("Municipality"), a municipal corporation, and FRONTIERVISION OPERATING PARTNERS, L.P., a Delaware limited partnership qualified to do business in the State of Maine, with its principal office at 1777 South Harrison Street, Suite P-200, Denver, Colorado 80210 ("Grantee").

WHEREAS, Grantee has asked the Municipality to renew Grantee's nonexclusive franchise formerly held by A-R Cable Services, ME, Inc. (the "Prior Franchise") to provide cable television service to the Municipality; and

WHEREAS, the Municipality has identified the future cable-related needs and interests of the community, has considered the financial, technical and legal qualifications of Grantee, and has determined whether Grantee's plans for constructing, operating and maintaining its cable television system are adequate; and

WHEREAS, the Municipality has relied on Grantee's representations and has considered the information that Grantee has presented to it; and

WHEREAS, the Municipality and Grantee wish to reach a settlement of past known and unknown claims that either might have against the other with regard to the Prior Franchise; and

WHEREAS, based on Grantee's representations and information, and in response to Grantee's request for renewal, the Town of Hampden has determined that, subject to the provisions of the Town of Hampden Cable Television Ordinance (the "Cable Ordinance" or "Ordinance"), and the terms and conditions set forth herein, the grant of a new nonexclusive franchise to

Grantee, to supersede the Prior Franchise, is consistent with the public interest; and

WHEREAS, the Municipality and Grantee have reached agreement on the terms and conditions set forth herein,

NOW, THEREFORE, in consideration of the Municipality's grant of a new franchise to Grantee, Grantee's promise to provide Cable Service to residents of the Municipality pursuant to and consistent with the Cable Ordinance, the terms and conditions set forth herein, the promises and undertakings herein, and other good and valuable consideration, the receipt and the adequacy of which is hereby acknowledged, the Municipality and Grantee do hereby agree as follows:

AGREEMENT

1. **Definitions.**

Except as otherwise provided herein, the definitions and word usage set forth in Section 2 of the Cable Ordinance are incorporated herein and shall apply in this Franchise Agreement. In addition, the following definitions shall apply:

(a) Access Channel. Any channel on a Cable System set aside by a Grantee for public, educational, or governmental use.

(b) Cable Ordinance. Town of Hampden Cable TV Ordinance, as it may be amended from time to time. Provided that this Agreement shall be governed by and construed in accordance with the Cable Ordinance as in effect on the date of execution of this Agreement, subsequent amendments of the Cable Ordinance notwithstanding; except to the extent that such amendments of the Cable Ordinance are mandated by changes in applicable State or Federal regulations or laws.

(c) Educational Access Channel. Any channel on a Cable System set aside by a Grantee for educational use.

(d) Franchise Agreement or Agreement. This contract and any amendments, exhibits or appendices hereto.

(e) Governmental Access Channel. Any channel on a Cable System set aside by a Franchise for government use.

(f) Grantee. FrontierVision Operating Partners, L.P., a Delaware limited partnership, and its lawful and permitted successors, assigns, and transferees. The definition of "Grantee" herein as including lawful and permitted successors, assigns, and transferees shall not be deemed to supersede or impair the provisions of Section 9 of the Cable Ordinance, relating to franchise transfers.

(g) Public Access Channel. Any channel on a Cable System set aside by a Grantee for use by the general public residing in the Municipality, including groups and individuals, for non-commercial purposes and which is available for such use on a non-discriminatory basis.

2. Grant of Authority; Limits and Reservations.

(a) Grant of Authority. The Franchise issued to the Grantee is subject to the terms and conditions of this Franchise Agreement and to the provisions of the Cable Ordinance. The Franchise grants the Grantee the right to construct, operate and maintain a Cable System within the Public Rights-of-Way within all or a specified portion of the Municipality, for the sole purpose of providing Cable Service. No privilege or power of eminent domain is bestowed by this grant; nor is such a privilege or power bestowed by this Agreement. This Agreement does not confer any rights upon Grantee other than as expressly provided herein and no rights shall pass by implication.

(b) Franchise Area. This Franchise is issued for the entire present area of the Municipality, and any area annexed thereto during the term of the Franchise.

(c) Term. The Franchise and this Franchise Agreement shall expire fifteen (15) years from the effective date of this Agreement, unless the Franchise is earlier revoked as provided herein or in the Cable Ordinance.

(d) Grant Not Exclusive. This Franchise and the Grantee's right to use and occupy the Public Rights-of-Way shall not be exclusive and do not explicitly or implicitly preclude the issuance of other franchises to operate Cable Systems or other communications systems within the Municipality, nor affect the Municipality's right to authorize use of Public Rights-of-Way by other persons to operate Cable Systems or other communications systems or for other purposes as it determines appropriate, nor affect the Municipality's right to itself construct, operate or maintain a municipal Cable System or other communications system.

(e) Franchise Agreement Subject to Other Laws. This Franchise Agreement is subject to and shall be governed by all terms, conditions and provisions of the Cable Act and any other applicable provision of federal, state, and local law.

(f) Franchise Agreement Subject to Exercise of Police Powers. All rights and privileges granted herein are subject to the police powers of the Municipality and its rights under applicable laws, ordinances, codes and regulations to regulate the Grantee and the construction, operation and maintenance of the Grantee's Cable System. The Municipality reserves the right to adopt and enforce such additional ordinances and regulations as the Municipality shall find necessary in the exercise of its police powers, including generally applicable zoning ordinances; building codes; fire and life safety codes and related regulations; and ordinances and regulations pertaining to utility locations and use of the Public Rights-of-Way. Any provision of this Agreement to the contrary notwithstanding, this Agreement and Grantee's performance hereunder shall be subject to all such laws, ordinances, codes and regulations presently in force.

(g) Incorporation of Ordinance by Reference. By its acceptance of the Franchise, the Grantee agrees to meet all requirements of the Cable Ordinance, which Ordinance is hereby incorporated by reference in and made a part of this Franchise Agreement.

(h) Approval and Effective Date. This Franchise Agreement shall become effective upon its approval by the Town Council following public hearing as required in section 4.7 of the Cable Ordinance.

(i) Effect of Acceptance. By accepting the Franchise and executing this Franchise Agreement, the Grantee (1) acknowledges and accepts the Municipality's legal right to grant the Franchise, to enter this Franchise Agreement, and to enact and enforce ordinances and regulations related to the Franchise, (2) accepts and agrees to comply with each provision of this Agreement, and (3) agrees that the Franchise was granted pursuant to processes and procedures consistent with applicable law, and that it will not raise any claim to the contrary.

(j) Claims Related to Prior Franchise.

(1) In addition to satisfying all the provisions of this Franchise Agreement, the Grantee shall continue to be bound by its obligations under the Prior Franchise. The Grantee shall remain liable for payments of all franchise fees and other amounts owed, and for all actions that the Grantee was required to undertake under the Prior Franchise up to the effective date of this Franchise Agreement. The grant of the Franchise shall have no effect on the Grantee's duty under the Prior Franchise to indemnify or insure the Municipality against acts and omissions occurring during the period that the Prior Franchise was in effect. Provided, however, that the Municipality shall give written notice to the Grantee of all claims by the Municipality arising under the Prior Franchise, within one (1) year of the effective date of this Franchise Agreement. All claims of the Municipality under the Prior Franchise shall be deemed waived if written notice is not given within one (1) year as provided herein.

(2) Except as required to carry out the intent of the previous paragraph, as of the effective date of this Franchise Agreement, the Prior Franchise is superseded and is of no further force and effect, and the

Municipality and the Grantee mutually release each other from any claims each had, has or may have against the other under the Prior Franchise.

(3) The parties agree that any cash payments made pursuant to Sections 5(b)(11), 6(b), 9(a) or 9(b) of this Franchise Agreement do not constitute franchise fee payments within the meaning of 47 USC § 542, or franchise requirements within the meaning of 47 CFR § 76.925, and are not made as part of the resolution of pre-existing claims under the Prior Franchise, whether known or unknown.

(k) Grantee Bears Its Own Costs. Unless otherwise expressly provided in this Franchise Agreement, the Cable Ordinance, or applicable laws, all acts that the Grantee is required to perform under the Ordinance, this Agreement or applicable law shall be performed at the Grantee's sole expense. For purposes of this section, "applicable law" shall include, but not be limited to, those provisions of the Federal Communications Commission's rate regulations and rules that permit certain costs and expenses to be passed through to subscribers as part of the Grantee's rates for service and equipment.

(1) No Waiver.

(1) The failure of the Municipality on one or more occasions to exercise a right or to require compliance or performance under this Franchise Agreement, the Cable Ordinance or any other applicable law shall not be deemed to constitute a waiver of such right or a waiver of compliance or performance by the Franchise, unless such right or such compliance or performance has been specifically waived in writing.

(2) Waiver of a breach of this Agreement shall not be a waiver of any other breach, whether similar to or different from that waived. Neither the granting of the Franchise, nor any provision herein, nor any action by the Municipality hereunder shall constitute a waiver of or a bar to the exercise of any governmental right or power of the Municipality, including without limitation the right of eminent domain.

(m) No Recourse. The Grantee shall have no recourse against the Municipality for any loss, cost, expense, claim, liability or damage arising out of any action undertaken or not undertaken by Grantee pursuant to the Franchise, this Franchise Agreement or the Cable Ordinance, arising out of the enforcement or non-enforcement by the Municipality of any provision or requirement of this Agreement or the Ordinance, or otherwise arising out of the Franchise, the Agreement or the Ordinance.

(n) Construction of Franchise Agreement. The provisions of this Franchise Agreement shall be liberally construed in favor of the Municipality in order to promote the public interest. In the event of a clear conflict between the Cable Ordinance and this Agreement, the Ordinance shall prevail. References to applicable law or applicable requirements refer to applicable law or requirements as the same may be amended from time to time.

(o) Amendment of Franchise Agreement. The Municipality shall liberally amend this Franchise Agreement (1) upon the application of the Grantee whenever necessary to enable the Grantee to take advantage of new developments in the field of telecommunications which, in the Municipality's opinion, will afford the Grantee an opportunity to serve its subscribers more efficiently, effectively and economically; (2) as required to reflect any expansion of the scope of this Franchise by mutual agreement to such conditions as the Municipality determines are appropriate to protect the public interest.

(p) Periodic Review; New Technologies.

(1) During the Franchise term, to the extent technically and economically feasible, the Grantee shall incorporate in its Cable System new technologies that may be developed or become available after the effective date of this Franchise Agreement, in order to provide enhanced service to its Subscribers and to prevent Grantee's Cable System from becoming obsolete. For this purpose, any calculation of the economic feasibility of incorporating new technologies shall take into account the number of years remaining in the

Franchise Term; the cost of incorporating the technology concerned; the predicted impact of the new technology on Grantee's rate of return on its investment; and demonstrated Subscriber needs and interests.

(2) In order to assure Grantee's compliance with this paragraph, the Municipality may conduct a review of the Cable System, which review may not commence prior to the seventh (7th) or after the tenth (10th) anniversary of the effective date of this Franchise Agreement. Such review shall be conducted to enable the Municipality to determine: (i) whether the Cable System should be upgraded or rebuilt; (ii) whether the Cable System's technical standards should be revised or improved; (iii) whether additional channels, equipment, facilities or support are required for public, educational and governmental use of the Cable System; and (iv) in general, whether any other changes in Franchise requirements should be made. Each determination under this paragraph shall be based upon the reasonable cable-related needs and interests of the community, considering economic feasibility to the Grantee of meeting those needs and interests, taking into account the factors listed in subparagraph (1) above.

(3) To assist in the Municipality's review, ninety (90) days prior to the seventh (7th) anniversary of the effective date of this Agreement, the Grantee shall submit a report to the Municipality describing advances in cable technology nationwide, the potential benefits and disadvantages of those advances for consumers, and its plans and timetable for incorporating those changes in technology. If the Municipality chooses to commence its review of the Cable System at a date later than the seventh (7th) anniversary of this Agreement, the Grantee within forty-five (45) days of the Municipality's request, shall provide an update to its report to incorporate information on technological advances occurring after the seventh (7th) anniversary date of this Agreement.

(4) If, after conducting such a review, the Municipality finds that an upgrade or modification of the Cable System may be warranted, it

shall hold at least two (2) public hearings to enable the Grantee and the public to comment on the Municipality's findings.

(5) If, following such hearings, the Municipality confirms its findings that an upgrade or modification of the Cable System is economically feasible and is otherwise warranted, the Municipality and the Grantee shall negotiate in good faith for the purpose of adopting any necessary amendments to this Franchise Agreement. If the Municipality and the Grantee are unable to agree as to any such amendments, or if the Grantee contests the Municipality's findings of economic feasibility, the Grantee may, within ninety (90) days after the Municipality's determination, provide notice to the Municipality, pursuant to Section 626 of the Cable Act, 47 USC § 546, that it wishes to commence proceedings to renew the Franchise. Such notice shall be deemed effective to initiate renewal proceedings under section 626 of the Cable Act, even if given prior to the time provided in that section.

(q) Level Playing Field Requirements. It is an express condition of Grantee's obligations under this Franchise Agreement that, during the Franchise Term, the Municipality:

(1) shall not permit any person to operate and/or maintain a cable television system, as defined by federal law, or to deliver or retransmit comparable services for which the Municipality is authorized to require a cable franchise agreement, without first obtaining a franchise from the Municipality pursuant to the Municipality's Cable Ordinance.

(2) shall not grant any overlapping franchises that authorize or permit the delivery of cable television services within its jurisdiction on terms or conditions more favorable or less burdensome than the terms and conditions contained in this Franchise Agreement.

Nothing in this subsection shall be construed to prevent the Municipality from approving additional cable franchises in all or any part of the Franchise area, under different terms and conditions than are contained in this Franchise Agreement; provided that any variations in subsequently

approved cable franchise agreements, taken as a whole, do not confer an economic or competitive market advantage on the grantees of such additional agreements. By way of example only, and not by way of limitation, subsequently granted cable franchise agreements may contain differing terms relating to capital support and facilities for public access, provided that any such agreements impose economically equivalent burdens on all cable franchise grantees. Provided also that the provisions of this Franchise Agreement relating to density requirements (Section 4 - Provision of Cable Service) and Franchise Fee (Section 7) shall be incorporated without any substantive changes in any additional cable franchise agreements approved during the term of this Agreement.

3. Regulation and Oversight.

(a) Severability. In the event that a court or agency of competent jurisdiction declares that any provision of this Franchise Agreement is unenforceable according to its terms or is otherwise void, said provision shall be considered a separate, distinct and independent part of this Agreement, and such declaration shall not affect the validity and enforceability of all other provisions of this Agreement. Provided that in such event, if either party determines that the provision concerned is of the essence of its entire Agreement, it may give written notice of an intent to renegotiate the Franchise Agreement. Such notice shall be given not later than thirty (30) days after the decision concerned has become final through expiration of any appeals period or exhaustion of available appeals. Notice duly given under this section shall be treated as an application for renewal of the Franchise pursuant to section 4.3 of the Cable Ordinance. In Grantee's discretion, proceedings thereafter may be treated as a formal renewal proceeding under section 4.3 of the Cable Ordinance and 47 USC § 546(a)-(g), or as an informal renewal application under section 4.3.3 of the Cable Ordinance.

(b) Preemption. In the event that federal or state laws, rules or regulations preempt a provision or limit the enforceability of a provision of this Agreement, then, subject to the parties' rights under subsection (a), the provision shall be read to be preempted to the extent and for the time, but only to the extent and for the time, required by law. In the event such federal or state law, rule or regulation is subsequently repealed, rescinded, amended or otherwise changed so that the provision hereof that had been preempted is no longer preempted, such provision shall thereupon return to full force and effect, and shall thereafter be binding on the parties hereto.

4. Provision of Cable Service.

(a) Subject to subsection (b) hereof, after Cable Service has been established for an area within the Franchise Area, the Grantee shall provide Cable Service to any residence, business and other structure requesting Cable Service within the area, including multiple dwelling unit buildings in the area, except for multiple dwelling unit buildings to which the Grantee cannot obtain access. In providing services to multiple dwelling units, the Grantee shall comply with all applicable provisions of 14 M.R.S.A. § 6041, as amended.

(b) Notwithstanding the provision of subsection (a) hereof, the Grantee shall not be required to make Cable Service available in areas not served on the effective date hereof where there is an average dwelling unit or potential Subscriber density (collectively "units") of fewer than eighteen (18) year round units per mile of Public Right-of-Way, measured from the then nearest point of the Cable System. For this purpose, density shall be computed on an average basis, from the then nearest point of the Cable System to the farthest point of the area proposed to be served. Service shall be provided when such average density exceeds eighteen (18) units per mile notwithstanding that a portion or portions of the route required to be crossed may have fewer than eighteen (18) year round units per mile. A

Grantee shall make Cable Service available in areas with a density of less than eighteen (18) year round units per mile ("low density extension areas") if each person requesting service in such low density extension area agrees to reimburse the Grantee for the difference between the construction cost, as defined below, and the "Grantee's share" of the cost to the Grantee (out-of-pocket costs and expenses, including reasonable overhead, but not including drops; called "construction cost") of extending the Cable System to such low density extension area. The "Grantee's share" of such construction cost shall be that amount which equals the construction cost multiplied by a fraction, the numerator of which is the number of potential subscribers requesting service in such low density extension area, and the denominator of which is twelve. For example, if four potential subscribers request an extension, the Grantee's share shall be four-twelfths of the construction cost, and the potential subscribers shall reimburse the Grantee for their pro rata share of the remainder. If twelve or more potential year round subscribers request extension, the Grantee shall bear the entire construction cost. Residents of multiple dwelling units shall each be considered a single potential subscriber. During the three (3) year period following completion of construction in a low density extension area pursuant hereto, a pro rata refund shall be paid to subscribers who made a subscriber's share payment as new subscribers are added in that low density area. Such refund shall be determined in accordance with the above formula, using the construction costs used in computing the original subscriber's share payments. Pro-rata refunds shall not bear interest. All subscribers added after the end of such three (3) year period shall only be charged in accordance with the Grantee's standard charges for the Cable System. For purposes of this section, a commercial establishment shall be counted as a unit only if it requests service.

5. **System Facilities, Equipment and Services.**

(a) System Upgrade. The Grantee's Cable System shall be reconstructed within the later of two (2) years of the effective date of this Agreement or two (2) years after Grantee's acquisition of the assets of A/R Cable Services of Maine, Inc. Reconstruction shall commence within one hundred twenty (120) days after the effective date of this Agreement. Upon completion, and at all times thereafter, the System shall meet or exceed the following requirements:

(1) The System shall have a rating of at least 750 megahertz (MHz) on all active components and at least 1 gigahertz (GHz) for all passive components, and a capacity of at least 77 6-Mhz channels, downstream to all subscribers. The System shall make available at least 60 channels of programming to Subscribers at all times, provided that the Grantee may market program packages to Subscribers that include fewer than the full 60 channels of programming required to be available under this section.

(2) The System shall utilize a fiber-optic backbone trunk and coaxial distribution design ("fiber-to-the-node") and at no place in the System shall more than one thousand (1000) residences, businesses and other structures be passed by any single fiber node. Grantee may also utilize a fiber-optic distribution system in lieu of coaxial distribution from any node.

(3) There shall be no more than four active components in a cascade from any fiber node and no more than eight active components in a cascade measured from the headend. *

(4) The Grantee shall provide and install all equipment for amplification, conversion, receiving, transmitting, switching, and headend processing of signals to be used for public, educational and governmental (PEG) video channels on the System. Following the effective date of this Franchise Agreement, the Grantee shall meet with the Municipality to determine and specify the equipment necessary for this purpose.

(5) The System shall be capable of continuous twenty-four (24) hour daily operation without severe material degradation of signal except during extremely inclement weather or immediately following extraordinary storms that adversely affect utility services or damage major system components.

(6) The System shall be capable of operating over an outdoor temperature range of -40 degrees F to +110 degrees F and over variation in supply voltages from 100 to 130 volts AC without catastrophic failure or irreversible performance changes.

(7) The System shall meet all specifications as set forth herein or in the Cable Ordinance over an outdoor temperature range of -20 degrees F to 100 degrees F and over variation in supply voltages from 105 to 125 volts AC.

(8) The System shall be operated in such a manner as to avoid causing interference with the reception of off-the-air signals by Subscribers and others.

(9) The upstream capacity of the System shall be such that there is no significant deterioration in the signal quality from the point of origin through the headend and any PEG production facilities; and so that from the headend, there is no more deterioration in the signal quality on PEG channels than on any other channel. Deterioration refers to any signal problem, including but not limited to ghost images and other interference and distortions.

(10) The System shall use equipment generally used in high-quality, reliable, modern systems of similar design, including but not limited to back-up power supplies capable of providing power to the system for two hours in the event of an electrical outage. The obligation to provide back-up power supplies requires Grantee to provide back-up power supplies at each fiber optic node and at the headend. In addition, the design and construction of the System shall include modulators, antennae, amplifiers and

other electronics that permit and are capable of passing through the signals received at the headend without substantial alteration or deterioration. For example, the System shall include components so that a signal received at the headend in color may be received by Subscribers in color, and to the extent economically feasible, that signals received at the headend in stereo may be received by Subscribers in stereo.

(11) The headend shall be capable of providing at least 110 downstream channels in full configuration and shall develop signals of high quality throughout the service area (including channels retransmitting upstream signals received through the headend), and the headend shall have adequate ventilation and space to be able to meet or exceed applicable design and technical requirements.

(12) The System shall allow all unscrambled analog channels on all Basic Level Service Tiers to be received by cable-ready television sets without the aid of a converter, and shall minimize, to the extent economically feasible, interference with consumer electronic equipment. For this purpose, "Basic Level Service Tiers" shall consist of all service tiers that are currently defined by or pursuant to the Cable Act as being subject to rate regulation by the Federal Communications Commission ("FCC").

(13) As part of the System, the Grantee shall offer every Subscriber, at the same price and regardless of the level of service taken, the opportunity to buy converters that utilize wireless remote controls and that contain bypass or similar technologies that allow Subscribers to view a program on one channel while taping a program on another channel.

(14) Subscribers must be able to block out audio and video on all premium and pay-per-view channels, and video on all channels. Grantee shall make any devices necessary for this purpose available to Subscribers upon the Subscriber's payment of Grantee's actual cost for such devices.

(15) The System shall include equipment so that pay-

per-view programming can only be activated by a Subscriber using a personal identification number, if requested by the Subscriber.

(16) In conjunction with its System Upgrade, the Grantee may replace existing one-way converter technology with interactive technology.

(17) All closed-caption programming retransmitted by the System shall include the closed-caption signal. For hearing impaired customers, upon request the Grantee shall provide information concerning the cost and availability of equipment to facilitate the reception of all basic services for the hearing impaired. In addition, the Grantee must have TDD/TTY (or equivalent) equipment at one of the Grantee's offices, and a publicly listed toll-free telephone number for such equipment, that will allow hearing impaired customers to contact the Grantee.

(b) Institutional Network.

(1) Upon System Completion Grantee shall provide to the Municipality, system capability to provide a bi-directional mid-split Institutional Network (I-Net) system, with bandwidth capacity equivalent to ten (10) 6 MHz channels in the upstream and ten (10) 6 MHz channels in the downstream direction for the exclusive use by the Municipality and by such nonprofit entities as the Municipality may designate. Said I-Net shall be capable of video, audio, text and data transmission and shall be capable of transmitting among other things electronic mail, energy management monitoring, building security information, fire detection interactive educational programs and government training.

(2) Upon System Completion Grantee shall provide, free of charge, an activated I-Net Drop to designated Municipal buildings as provided in Exhibit A attached hereto and made a part hereof.

(3) In addition to the listed sites, the Municipality shall have the right to designate up to one additional site for connection to the I-Net at Grantee's sole expense. Grantee also shall provide an activated

I-Net Drop to each municipal building and public school newly constructed or newly occupied during the Franchise Term.

(4) All I-Net Drops, designated under Section 5(b)(2) and 5(b)(3) and located within 300 feet of Grantee's then existing cable service shall be installed and activated at the Municipalities expense for that portion of the installation which exceeds 300 feet. The cost to be charged to the Municipality for such installations beyond 300 feet shall be at the rates set out in schedule I, attached to this Franchise Agreement and made a part hereof.

(5) The Municipality may request additional I-Net Drops for municipal buildings, public institutions and/or nonprofit entities, which Grantee shall install and activate upon reimbursement to the Grantee of its costs for the installation as listed in Schedule 1.

(6) Other than those buildings listed in Exhibit A, all other connections to the I-Net shall be completed within thirty (30) days after a written request from the Municipality.

(7) Grantee shall maintain the I-Net plant facilities to all FCC technical specifications and at standards applicable to the Subscriber Network. In addition, the I-Net will incorporate stand-by power supplies.

(8) In the event of a renovation or construction of any municipal or school owned building Grantee shall supply at its cost the materials required for the internal wiring and/or external wiring and will provide an activated I-Net Drop if none already exists.

(9) For any equipment that Grantee provides, Grantee shall provide from time to time and free of charge technical consulting services to interested Municipal departments concerning operation and use of the I-Net.

(10) The Grantee shall provide and install equipment for the Municipality to utilize three of the upstream and three of the downstream

channels on the I-Net for video distribution. At minimum this shall include three (3) field modulators, one for each channel, a demodulator/modulator pair for each channel at the I-Net hub location and at least one frequency agile demodulator for field operations. The downstream video channel(s) on the I-Net shall be receivable by a standard cable-ready television receiver. These three (3) channel pairs shall be activated upon System Completion.

(11) The Grantee shall reserve one (1) downstream channel on the I-Net for the creation of a town-wide municipal data network capable of a minimum of 4 Mbps symmetrical (4 Mbps upstream/4 Mbps downstream) data transfer speeds. No later than the first anniversary of the Effective Date of this Franchise Agreement the Grantee shall provide a one time capital grant, to the Municipality, of Ten Thousand Dollars (\$10,000) for the Municipality to purchase equipment, such as cable modems, routers and data translators, necessary for the Municipality to utilize these I-Net channels as a data network. The Municipality shall provide, out of this fund, the data translator, or similar equipment, needed at the I-Net hub site for the creation of this data network, which the Grantee shall install at the I-Net hub site at no charge to the Municipality.

(12) The Grantee shall reserve one (1) upstream and one (1) downstream channel on the I-Net for future interconnection with other municipal networks. The channels reserved for this purpose shall be capable of a minimum transmission speed for video, audio, text and data transmission of 4 Mbps symmetrical (4 Mbps upstream/4 Mbps downstream). Grantee shall not be required to provide interconnection with other municipal I-Nets, but shall design the Municipality's I-Net in such a manner as to provide the capability for future interconnection at the Municipality's expense. Grantee shall not impose or assert any limitations on the right of the Municipality to utilize future interconnections with other municipal I-nets for the purpose of transmitting and receiving non-commercial signals, data, and programming generated locally by municipal I-Net users. Grantee shall have the right to

prohibit use of the I-Net for commercial purposes, including retransmission of non-locally generated signals, data and programming to users of interconnected I-Net systems.

(13) The I-Net shall be designed, operated and maintained so that any transmission on the I-Net may be simultaneously retransmitted on the downstream public, educational and governmental ("PEG") channels reserved under Section 6.

(14) The Grantee shall be responsible, at its sole expense, for network operation and management, maintenance, repair and replacement of the I-Net, including connecting it with public, educational and governmental facilities designated by the Municipality and providing the capability for all necessary, electronic-to-optical, optical-to-electronic, analog-to-digital, digital-to-analog and similar conversions that are required within the Network. Grantee shall not be responsible for maintenance or repair of any equipment not purchased or provided by the Grantee.

(15) The Grantee shall provide space at the headend for switching equipment required for full utilization of the system capacity reserved for the I-Net.

(16) Each facility designated by the Municipality shall be connected to the I-Net with an industry standard connector at a location inside the facility specified by the Municipality or its designee, and shall include a standard interface (such as DS1, DS3, STS-1 or OC-3) consistent with the technology used by the Grantee in the I-Net. Such connections, including the outside construction of drops, shall be provided by the Grantee at its sole expense.

(17) Except as provided above, the Municipality shall provide all user interface equipment at the Municipality's sole expense. The Municipality shall be responsible for maintenance and repair of all user interface equipment provided by the Municipality.

(18) If the Municipality wishes to use transmission capacity on the Institutional Network or the Cable System beyond its rights to free use under this Agreement, the charges for such use shall be freely negotiated on terms and conditions no less favorable to the Municipality than those offered to any other major user by the Grantee.

(c) System Upgrade and Institutional Network Schedule.

(1) The Grantee shall begin construction of its proposed system within the later of 120 days after the effective date of this Agreement, or 120 days after Grantee's acquisition of the assets of A/R Cable Services of Maine, Inc., and shall complete construction within two (2) years after the later of such dates.

(2) Following the commencement of construction of the System Upgrade, every three (3) months until the upgrade System is completed, the Grantee shall provide written reports to the Municipality detailing Grantee's progress in constructing the upgrade System. If requested by the Municipality, Grantee shall, upon request, meet with the Municipality to discuss such progress. Similarly, following the commencement of construction of the I-Net, every three (3) months until the I-Net is completed, the Grantee shall provide detailed written reports to the Municipality on the Grantee's progress in constructing the I-Net and shall meet with the Municipality to discuss such progress.

(d) Full Cable Service to Certain Facilities. Upon the request of the Municipality, the Grantee shall install, at its sole expense, one service outlet at, and shall provide full Basic Cable Service (not including premium channels and pay-per-view services) free of charge, to each school and other educational facility, each Municipal office and agency, and each facility owned or leased by the Municipality within the Franchise Area as shall be designated by the Municipality from time to time. Provided, however, that the Municipality shall reimburse the Grantee for its additional cost of installation for any such outlet located more than 300 feet from Grantee's

then existing Cable service, at the rates set out in Schedule I, attached.

(e) Proof of Performance Tests. Every six (6) months or as required by FCC rules, the Grantee shall conduct proof of performance tests pursuant to section 12.4 of the Cable Ordinance, designed to demonstrate compliance with the Ordinance, this Franchise Agreement and FCC requirements, upon written request, and shall provide a written report to the Municipality showing the results of such tests. If the tests reveal that the Grantee is not in compliance with any applicable requirement, the Grantee shall immediately take whatever steps are necessary to achieve compliance. No later than ten (10) days following completion of the tests which revealed non-compliance, the Grantee shall conduct additional proof of performance tests to determine whether it has corrected its non-compliance; provided that the Municipality may extend this ten-day requirement as it deems necessary.

(f) Leased Access Channels. The Grantee shall provide leased access channels as required by Federal law.

(g) Customer Service Monitoring. Upon written request, the Grantee shall provide the Municipality with copies of Grantee's "Monthly Corporate Phone Performance Report" and all other pertinent internal reports necessary to demonstrate its compliance with applicable telephone answering standards. Should Grantee fail to prepare one or more of such internal telephone answering reports, it shall so notify the Municipality within thirty (30) days, and the Municipality shall have the right to require Grantee to continue to provide comparable information, at no cost to subscribers or the Municipality.

(h) Local Office. Throughout the Franchise Term, Grantee must maintain a local office pursuant to the terms of the Ordinance. Grantee shall assure that all Subscribers are able to contact Grantee by a toll-free telephone call during all hours required in the Cable Ordinance.

(i) Emergency Broadcasts. Grantee shall install devices and all equipment required to permit the Municipality to override the audio and video on all channels on the Cable System without the assistance of the Grantee for emergency broadcasts from a location designated by the Municipality. The Municipality shall be responsible for security and authorized use of the equipment in such event.

(j) Integration of Area Cable Systems. The Cable System in the Municipality, as operated by the Grantee for downstream transmission of video signals to its Cable Subscribers, shall be fully integrated with all other systems operated by the Grantee within the municipalities comprising the "Bangor Area Cable Television Consortium", as set out in Exhibit B attached to this Agreement and incorporated herein. Integration shall be accomplished in such a manner that all Subscribers on the System shall have access to all programming on the other integration systems to the degree and in the same way they would if they were Subscribers on those systems. Such access need not be provided to any channel reserved for exclusive educational use, or for exclusive governmental use by a single municipality pursuant to section 6 below. It is further understood that integration of the Cable System with the Town of Lincoln shall be subject to separate negotiations between Lincoln and the Grantee.

(k) Uses of System. Grantee shall advise the Municipality of all active uses of the System, for both entertainment and other purposes, such as data transmission, local area networks, and voice transmission, and the Municipality shall have the right to conduct unannounced audits of such usage.

(l) Additional Capacity. Grantee shall notify the Municipality in advance of the installation of any fiber optic capacity not contemplated by the initial design of the System, so that additional fiber may be installed on an incremental cost basis for government and institutional use.

(m) InterNet Service to Public Buildings. If Grantee offers InterNet access to its Subscribers, Grantee shall provide one (1) InterNet access account, on an at-cost basis, to each of the activated I-Net sites specified in Exhibit A. If more than one account is needed to provide adequate InterNet access at any of these locations then the Grantee shall provide for such additional accounts at an at-cost basis. Grantee shall make its best efforts to secure the above specified InterNet accounts for the public schools and libraries on a no-cost rather than at-cost basis.

6. Channels and Facilities for Public, Educational and Governmental Use.

(a) Access Channels.

(1) Until completion of the upgraded system, the Grantee shall make available to all Subscribers on the upgraded Cable System required under Section 5(a) at least one (1) standard (6 MHz) video channel for shared public, educational and governmental use.

(2) Upon completion of the upgraded System the Grantee shall provide one (1) standard video channel each for public, educational and governmental use, for a total capacity of three (3) channels, including the channel specified in Section 6(a)(1). In addition, the Grantee shall make two (2) additional channels available for use as public, educational and governmental access channels upon sixty (60) days prior written notice from the Municipality. The Municipality's written notice may require that at least one of the two (2) additional channels be dedicated for exclusive use of the Municipality within the Franchise Area, for live or delayed coverage of public meetings and events, community bulletin board use, meeting notices, dissemination of public information within the Franchise Area, and other similar uses. The Municipality's notice requiring provision of additional channels must be based upon demonstrated utilization of the then-existing public, educational or governmental channels or, with respect to the

Municipality's designation of an additional channel for exclusive use of the Municipality, must be based upon demonstrated needs or interests of the community. Other channels for public, educational and government use pursuant to this section may be provided on a shared basis, with joint access by any of the communities identified in Exhibit B. The communities identified in Exhibit B may by agreement or regulation jointly allocate usage of available time on shared PEG channels. Absent such an agreement or regulation, the Grantee shall prescribe rules allocating usage of available time on shared PEG channels, and regulating access thereto.

(3) The Grantee shall provide upstream channels for PEG use in accordance with the provisions of Section 5(b)(1). Any reference to an upstream or downstream channel for PEG use refers to a 6 MHz channel; any entity that manages an access channel may use that capacity to provide one or more channels of service.

(b) Capital Support for Access Equipment and Facilities.

In addition to the franchise fee, the Grantee shall provide capital funding for equipment and leasehold improvements necessary to support utilization of public access channels. Capital support shall be provided in the following amounts:

Within thirty (30) days of
the effective date of this
Franchise Agreement \$ 5,000.00

Within one year of the
effective date of this
Franchise Agreement 10,000.00

Annually, on the second
and third anniversaries
of this Franchise Agreement 10,000.00

Total capital support for
PEG access \$35,000.00

Grantee's capital support for PEG access under this subsection shall be in addition to the Grantee's \$10,000.00 capital grant for I-Net equipment under Section 5(b)(11) above.

In its sole discretion, the Municipality may utilize PEG capital support funds provided by the Grantee under this subsection, in whole or part, to provide, replace or upgrade equipment and facilities necessary to fully implement the Institutional Network, in lieu of utilization for PEG access purposes. PEG capital support funds, and Grantee's \$30,000.00 I-Net equipment grant under section 5(b)(11) above, shall not be utilized by the Municipality for general government or related purposes.

(c) Equipment Repairs and Replacement. Throughout the Franchise term, the Grantee shall collaborate with the Municipality and its designated access manager to provide for the timely repair and replacement of all access equipment being used by the Municipality, or any of the Municipality's designated providers, in producing or providing public, educational or governmental programming, including equipment provided under or used during the Prior Franchise.

(d) Access and Program Support. The Grantee shall, on the Municipality's written request, provide staff support through its existing personnel as necessary to train interested members of the public and the Municipality's employees in the use of PEG access equipment and production of PEG programming.

(e) Return Feed From Facilities.

(1) Concurrently with the Upgrade of Grantee's Cable System under section 5(a) above, with The Grantee shall provide a dedicated, bi-directional fiber optic link between an access production facility at a location to be designated by the Municipality within the Franchise area, and the headend. This link shall be completed within three (3) months after the Municipality notifies the Grantee that construction of the new facility has reached the point that the link may be physically completed.

(2) The Grantee shall also provide a dedicated, bi-directional fiber optic link between an origination point to be designated at the municipal office and the headend. This link also shall be completed concurrently with Grantee's upgrade of the Cable System under section 5(a) above.

(3) The dedicated connections required by sections 6(e)(1) and (2) shall be designed and built to include all equipment, including but not limited to laser transmitters, modulators, and processors, drops and wiring, so that the access centers can send signals to the headend on at least two (2) channels initially and on additional channels as downstream channels are activated for PEG use; and so that the facilities can each remotely and without assistance from the Grantee or access to its headend (i) receive signals from distant locations capable of being received at the headend utilizing then-existing equipment; (ii) route signals originated at that center or at other locations onto any of the access channels on the regular subscriber network; and (iii) otherwise control the signals to allow for smooth breaks, transitions, insertion of station IDs and other material. Grantee shall bear the cost of acquiring all equipment necessary to meet this requirement.

(4) At any time after any fiber node is completed and activated continuously to the headend, (whether construction of all nodes is completed or not), the Grantee, within sixty (60) days of a request from the Municipality, shall provide upstream capacity and all necessary equipment through such node to the headend and designated access production facilities, so that signals can be originated at a distant location and routed onto an appropriate access channel without the assistance of the Grantee. This obligation includes the obligation to provide laser transmitters, modulators, processors, drops and wiring at each location so that signals can be originated from each location.

(f) Management of Channels. The Municipality may designate one (1) or more entities, including a joint powers authority or a non-profit access management corporation, to manage the use of all or part of the Institutional Network and the public, educational and governmental access channels dedicated under section 5(b) and section 6, respectively. The Municipality and Grantee agree to negotiate the terms under which Grantee shall transfer all access management functions to the Municipality, a joint powers authority, or a non-profit entity.

(g) Technical Assistance for Governmental Programming Services. The Grantee, at the Municipality's written request, shall provide technical assistance, not to include production personnel, to the Municipality in arranging coverage of public meetings of the Municipality to be distributed on the governmental access channel, as follows:

(1) Live coverage of Town Council meetings and Town public hearings; and

(2) Live coverage of all School Board meetings and public hearings.

The Municipality shall designate the dates and times of such meetings and public hearings in its written request. All costs incurred for actual coverage of such meetings shall be at the Municipality's expense. Technical assistance provided by the Grantee in arranging such coverage shall be free of charge.

(h) Costs and Payments Not Franchise Fees. The parties agree that any costs to the Grantee associated with the provision of support for public, educational or governmental access pursuant to this Franchise Agreement, and any payments made to the Municipality pursuant to sections 5(b)(11), 6(b), 9(a) or 9(b) of this Agreement, do not constitute and are not part of a franchise fee, and fall within one or more of the exceptions to 47 USC § 542.

(i) Editorial Control. Except as expressly permitted by Federal law, the Grantee shall not exercise any editorial control over the content of programming on the designated access channels (except for such programming the Grantee may produce and cablecast on those channels).

(j) PEG Access Information for Cable Subscribers. Up to four times per calendar year, the Municipality may require the Grantee to insert in its monthly billings to Cable System Subscribers non commercial promotional literature provided by the Municipality, informing Cable System Subscribers of PEG programming and access services available through the Grantee or the Municipality under this Franchise Agreement. Municipal inserts shall be provided to the Grantee not less than sixty (60) days prior to the mailing date for the monthly billing for which insertion is requested. All inserts must be acceptable to the Grantee and its billing service provider as to size, shape, weight, and U.S. Postal Service/postal presort mailing requirements.

(k) PEG Access Promotional Spots. In the event that the Grantee implements local advertising sales on channels received by Subscribers within the Municipality, the Grantee shall permit the Municipality or its designee(s) to insert non-commercial PEG Access program or service promotional spots on those channels according to the following stipulations:

(i) The Municipality or its designee(s) shall be entitled to a total of fifty-two (52) minutes of local advertising avails per calendar year between the hours of 6:00 p.m. and 12:00 midnight for this purpose, provided that the Grantee is utilizing equipment that provides the capability of doing specific day-part advertising. If the Grantee is not utilizing equipment that provides advertising commercial insertion on a day-part schedule basis said PEG Access promotional spots will be run on a R.O.S. (Run of Schedule) basis for a consecutive seven (7) day period.

(ii) The Municipality, or its designee(s) shall provide said spots in a format determined and required by the Grantee which will be

consistent with the Grantee's commercial announcements being used at that time.

(iii) If the Municipality or its designee(s) desires to utilize local advertising avails in excess of fifty-two (52) minutes per year the Municipality, or designee(s), shall pay to the Grantee the standard rate being charged to commercial users at that time.

7. Franchise Fee.

(a) Amount of Fee. Each year during the Franchise term, as compensation for use of Public Rights-of-Way, the Grantee shall pay to the Municipality, a Franchise fee of five percent (5%) of the Grantee's Gross Revenues. For purposes of this section, the Grantee includes the named Grantee and its Affiliates, and any other entity that constitutes a cable operator of the Cable System; provided that where revenues of one entity on which a franchise fee has been paid are also received by another entity, the franchise fee need not be paid twice on those revenues.

It is the intention of the parties that the Franchise fee required under this section shall be the maximum amount presently authorized by federal law, including the Cable Act. In the event of a future change in federal law, authorizing municipal franchise authorities to require payment of a higher Franchise fee, the Municipality, by written notice to the Grantee, shall be entitled to reopen negotiations regarding the amount of the Franchise fee to be charged under this Agreement. Provided, however, that any such renegotiation shall be conducted in good faith and shall take into account the total burden of all costs imposed on the Grantee under this Agreement, as well as the probable impact of any Franchise fee increase on Grantee's competitive position with regard to non-cable signal providers.

(b) Not a Tax or in Lieu of Any Other Tax or Fee. Payment of the Franchise fee shall not be considered in the nature of a tax. The Franchise fee is in addition to all other taxes and payments that a Grantee

may be required to pay under any federal, state, or local law and to any other tax, fee, or assessment imposed by utilities and cable operators for use of their services, facilities, or equipment, except to the extent that such fees, taxes, or assessments must be treated as a Franchise fee under section 642 of the Cable Act, 47 USC § 522.

(c) Payments. The Franchise fee and any other costs assessed by the Municipality against a Grantee shall be paid semi-annually to the Municipality and shall commence as of the effective date of a Franchise. The Municipality shall be furnished at the time of each payment with a statement certified by the Grantee's chief financial officer or an independent certified public accountant reflecting the total amount of semi-annual Gross Revenues for the payment period. Payments for the preceding six months shall be made to the Municipality no later than sixty (60) days after close of the period concerned. An annual statement of Gross Revenues shall be furnished to the Municipality by an independent, certified public accountant. The Grantee shall provide an annual complete audit statement for each calendar year within ninety (90) days from the end of that calendar year. Any discrepancies between franchise fees actually paid and franchise fees due as reflected in the annual audit statement shall be reconciled as a credit or charge on the Grantee's next semi-annual payment.

8. Insurance; Indemnification.

(a) Insurance. The Grantee shall maintain insurance coverage in accordance with section 5 of the Cable Ordinance. In the event that the Grantee objects to an increase in a policy limit and the parties are unable to agree on a mutually acceptable amount, the dispute shall be resolved by arbitration in accordance with the procedures of the American Arbitration Association.

(b) Indemnification.

(1) The Grantee shall indemnify the Municipality as provided in section 5.5 of the Cable Ordinance.

9. **Performance Guarantees and Remedies.**

(a) Performance Bond. Prior to any construction, upgrade or rebuild of the Cable System requiring work in the Public Rights-of-Way other than installation of aerial facilities and utility poles, the Grantee shall establish in the favor of the Town of Hampden a performance bond with suitable sureties in the amount of Fifty Thousand Dollars (\$50,000) to ensure the Grantee's faithful performance of the construction, rebuild or upgrade. The terms, conditions, and duration of such bond shall be as provided in section 6.0 of the Cable Ordinance.

(b) Security Fund.

(1) Within thirty (30) days of the effective date of this Agreement, the Grantee shall post with the Town Manager a cash security fund or letter of credit as provided in section 7.0 of the Cable Ordinance. The amount of the security fund shall be Seventy-Five Thousand Dollars (\$75,000). Upon approval by the Municipality's Town Attorney, the Grantee may post an additional surety bond in the penal amount of \$75,000.00, in lieu of cash security or a letter of credit, as security for Grantee's performance of its obligations under this Agreement.

(2) Rather than establish multiple security funds, the Grantee may, with the prior written consent of the Municipality and other affected municipalities, post a single security deposit or provide for the issuance of a single letter of credit or bond in a combined amount for all of the municipalities listed in Exhibit B.

(3) The Security Fund may be applied by the Municipality for the purposes, and in the manner specified in section 7.2 of the Cable Ordinance. In addition, the Security Fund shall secure Grantee's completion of its Cable System Upgrade within the period provided in section 5(a) of this Franchise Agreement. In the event the Grantee fails to substantially complete its Cable System Upgrade within the time provided in section 5(a), and the Grantee's default is not excused by operation of force majeure, as provided in section

17.2 of the Cable Ordinance, the Municipality, upon written notice as provided in section 7.2 of the Cable Ordinance, may assess against the Security Fund a penalty of Two Hundred Dollars (\$200.00) per calendar day that substantial completion of the Cable System Upgrade is delayed beyond the required completion date.

(c) Rights and Remedies.

(1) The rights and remedies reserved to the parties by this Agreement and in the Cable Ordinance are cumulative and shall be in addition to and not in derogation of any other rights and remedies which the parties may have with respect to the subject matter of this Agreement.

(2) Specific mention of the materiality of any of the provisions herein is not intended to be exclusive of any others for the purpose of determining whether any failure of compliance hereunder is material and substantial.

(3) No Grantee shall be relieved of its obligation to comply with any of the provisions of this Agreement by reason of any failure of the Municipality to enforce prompt compliance. Nor shall any inaction by the Municipality be deemed to waive a provision voiding any provision of this Agreement.

10. Miscellaneous Provisions.

(a) Governing Law. This Franchise Agreement shall be governed in all respects by the laws of the State of Maine.

(b) Time of Essence; Maintenance of Records of Essence.
In determining whether the Grantee has substantially complied with the Franchise or this Franchise Agreement, the parties agree that time is of the essence. As a result, the Grantee's failure to complete construction, to extend service, to seek approval of Transfers or to provide information in a timely manner may constitute material breaches. The maintenance of records

and provision of reports in accordance with the Franchise and this Agreement is also of the essence to this Agreement.

(c) Captions. The captions and headings of this Agreement are for convenience and reference purposes only, and shall not affect in any way the meaning and interpretation of any provisions of this Agreement.

(d) No Accord or Satisfaction. No acceptance of any payment by the Municipality shall be construed as a release or an accord and satisfaction of any claim the Municipality may have for further or additional sums payable as a Franchise fee under this Agreement or for the performance of any other obligation of Grantee.

(e) Public Emergency. In the event of a major public emergency or disaster as determined by the Municipality, the Grantee immediately shall make the entire Cable System, employees, and property, as may be necessary, available for use by the Municipality or other civil defense or governmental agency designated by the Municipality to operate the System for the term of such emergency or disaster for transmission of public notices. In the event of such use, a Grantee shall waive any claim that such use by the Municipality constitutes a use of eminent domain, provided that the Municipality shall return use of the entire System to the Grantee after the emergency or disaster has ended or has been dealt with.

(f) Documents Incorporated and Made a Part Hereof. The following documents shall be incorporated herein by this reference:

- a. The Cable Ordinance;
- b. Any enabling state or federal legislation in existence as of the date hereof; and
- c. Any franchise agreement between Grantee and Municipality reflecting the renewal of the Franchise, if any.

(g) Good Faith. In any action by a party mandated or permitted under the terms hereof, such party shall act in a reasonable,

expeditious, and timely manner. Furthermore, in the instance where approval or consent is required under the terms hereof, such approval or consent shall not be unreasonably withheld.

(h) Notices. Unless expressly otherwise agreed between the parties, every notice or response to be served upon the Municipality or Grantee shall be in writing, and shall be deemed to have been duly given to the required party five (5) business days after having been posted in a properly sealed and correctly addressed envelope by certified or registered mail, postage prepaid, at a post office or branch thereof regularly maintained by the U.S. Postal Service.

The notices or responses to the Municipality shall be addressed as follows:

Town Manager
Town of Hampden
106 Western Avenue
Hampden, Maine 04444

The notices or responses to the Grantee shall be addressed as follows:

FrontierVision Operating Partners, L.P.
400 Old County Road
Rockland, ME 04841
Attn: Regional Manager

With copy to:

FrontierVision Operating Partners, L.P.
1777 South Harrison Street
Suite P-200
Denver, CO 80210-3925
Attn: Vice President of Operations

The Municipality and the Grantee may designate such other address or addresses from time to time by giving notice to the other.

Agreed to this _____ day of _____, 1998.

FRONTIERVISION OPERATING PARTNERS, L.P. (GRANTEE)

Witness (By) _____
(Title) TOWN OF HAMPDEN, a municipal corporation of Maine

Witness (By) Marie G. Baker
(Title) Town Manager

STATE OF MAINE
PENOBSCOT, ss. _____, 1997

Then personally appeared the above-named MARIE G. BAKER, Town Manager, and acknowledged the foregoing instrument to be her free act and deed in her said capacity, and the free act and deed of said body corporate.
Before me,

Notary Public/Attorney-at-Law
Printed Name:

STATE OF MAINE
PENOBSCOT, ss. _____, 1997

Then personally appeared the above-named _____ in his capacity as _____ of FrontierVision Operating Partners, L.P., and acknowledged the foregoing instrument to be his free act and deed in his said capacity, and the free act and deed of said corporation.
Before me,

Notary Public/Attorney-at-Law
Printed Name:

Town of Hampden

Exhibit A

Institutional Network sites
System Capability per Section 17 (b)

Hampden Municipal Building
106 Western Avenue
Hampden, Maine

Hampden Fire Station
8 Main Road South

George B. Weatherbee School
22 Main Road North

Earl McGraw School
20 Main Road North

Hampden Academy
1 Main Road South

Reed's Brook Middle School
Main Road South

Potential Site:

Dyer Community Library
269 Main Road North

EXHIBIT B

BANGOR AREA CABLE CONSORTIUM MEMBERS

Bangor
Bar Harbor
Belfast
Brewer
Bucksport
Dexter
Ellsworth
Hampden
Lincoln
Milford
Old Town
Orono
Orrington
Southwest Harbor
Veazie



FrontierVision Partners, L.P.
444 Perry Road
Bangor, ME 04401
(207) 942-4661
Fax: (207) 942-5426

September 4, 1998

Marie G. Baker
Town Manager
Town of Hampden
Hampden Town Hall
Hampden, ME 04444

Dear Mrs. Baker:

I writing to follow-up on our meeting of August 26, 1998. Specifically, I would like to provide the Town of Hampden with a "Side Letter of Agreement" for our franchise negotiations.

Please accept this letter as FrontierVision's agreement that we will provide cable service to the buildings listed in your March 23, 1998 letter (attached), regardless of the setback from the cable plant. In effect, we are waiving the "long drop" distance of 300' for these buildings.

In exchange, the Town of Hampden is granting FrontierVision request that the reference to "four active components per node" in section five, be increased to "eight active components per node."

If you have any questions, please feel free to contact me at 942-7120.

Sincerely,

A handwritten signature in black ink, appearing to read 'P. F. Atherton'. The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

Peter F. Atherton
Manager of Government Relations

cc:

Gary Crosby, Regional Manager

BC-town Council

Attachment



**Town Manager****Town Clerk****Tax Collector****Assessor****Code Enforcement****Ambulance****Police Department****Fire Department****Public Works****Community Library****Town Planner****Community Pool****Recreation**

March 23, 1998

Mr. Peter Atherton
 c/o Frontier Vision
 400 Old County Road
 P.O. Box 1499
 Rockland, Maine 04841-1499

Re: Follow up to cable TV discussion

Dear Peter:

To follow up on our cable TV discussion of March 13th, the school district advises the following setbacks on their school buildings, i.e.

- 1.) Weatherbee School - 511'
- 2.) McGraw School (behind Weatherbee) - 987'
- 3.) Reed's Brook Middle School - 675'
- 4.) Hampden Academy - 177'

Our municipal building is a little over 1,000' and we are currently hooked up to cable. The town's fire station is hooked up and has a minor setback. The only other public building is the Dyer Community Library and the library setback is 1,700'.

In regards to the town council vote on the extension of the terms of the cable TV franchise, your letter suggests until March 30, 1998.

Since the town council does not meet again until Monday, April 6, 1998, you may want to look at possibly a 45-day extension..?

If you have any questions or comments regarding these points, please feel free to contact me.

Yours truly,

Mrs. Marie G. Baker
 Town Manager

MGB/dww

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CATV Franchise Agreement

between

The Town of

Hampden, Maine

and

A.R. Cable Services- ME.

A subsidiary of Cablevision Systems

Approved by Hampden Town Council

Date: June 6, 1991

Attest: Paula M. Newcomb

Paula M. Newcomb- Town Clerk

1951-1952, 1953-1954, 1955-1956

1957-1958
1959-1960
1961-1962

1963

1964-1965, 1966-1967, 1968-1969

1970-1971, 1972-1973, 1974-1975, 1976-1977

1978-1979, 1980-1981, 1982-1983
1984-1985, 1986-1987, 1988-1989
1990-1991, 1992-1993, 1994-1995
1996-1997, 1998-1999, 2000-2001

Cable TV

1. Definitions
2. General Conditions
3. Duration of Franchise
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CABLE TELEVISION FRANCHISE

1.0 DEFINITIONS

1.1 Meanings. For the purposes of this franchise, the following terms, phrases, words, abbreviations and their derivations shall have the meanings given herein. The word "shall" is always mandatory and not merely directory.

1.1.1. "Access" or "Access Cablecasting". Cablecasting on the cable system's access channel for governmental, non-commercial educational, and non-commercial, non-discriminatory public use.

1.1.2. "Alphanumeric". Consisting of a combination of letters and numbers, used in reference to keyboards permitting communication in such form and in reference to channels or programs transmitting information in such form.

1.1.3. "Area Outage". An area outage occurs when cable or equipment is damaged, fails or otherwise malfunctions (collectively called "malfunctions"), and ten or more subscribers receiving services from that section of cable or that equipment receive unusable or no service as a result of that malfunction.

1.1.4. "Basic Service" The minimum service transmitted to all subscribers.

1.1.5. "Broadcast". Over-the-air transmission by a radio or television station.

1.1.6. "Cable Act". The Cable Franchise Policy Act of 1984.

1.1.7. "Cablecast". Programming (exclusive of broadcast signals) transmitted over the cable system.

1.1.8. "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 (as defined in the Cable Act) which includes video programming and which is provided to multiple subscribers within the franchise area.

1.1.9. "Company". A-R CABLE SERVICES-ME Inc.

DEFINITIONS

1.1.1. Message: For the purposes of this regulation, the following terms, phrases, words, abbreviations and their derivations shall have the meanings given herein. The word "shall" is used mandatory and not merely directory.

1.1.2. Agency or "Agency" designation: Agency relating to the cable system's access channel for governmental, non-commercial educational, and non-commercial, non-discriminatory public use.

1.1.3. "Assignment": Assignment of a combination of letters and numbers, used in reference to keyboards generating communications in such form and its reference to channels or programs transmitted in such form.

1.1.4. "Area Outage": An area outage occurs when cable or equipment is damaged, fails or otherwise malfunctions, collectively called "malfunctions", and for some subscribers receiving service from such section of cable or first equipment service available or no service as a result of that malfunctions.

1.1.5. "Basic Service": The minimum service furnished to all subscribers.

1.1.6. "Broadcast": Transmission by a radio or radio for station.

1.1.7. "Cable Act": The Cable Franchise Policy Act of 1994.

1.1.8. "Cablecast": Programming (exclusive of broadcast signals) transmitted over the cable system.

1.1.9. "Cable System": A facility, consisting of a set of interconnected paths and associated signal generation, reception, and control equipment that is designed to provide cable service (as defined in the Cable Act) which includes video programming and which is provided to multiple subscribers within the franchise area.

1.1.10. "Company": A-R CABLE SERVICES-NE Inc.

1.1.10. "Completion of Construction". The time at which cable television service is available throughout any area in which construction is required hereunder, on a regular daily basis, without the addition of any trunk or feeder cable to the cable system.

1.1.11. "Downstream Transmissions". Signals traveling from the headend to the subscriber's location.

1.1.12. "FCC". The Federal Communications Commission.

1.1.13. "Feeder Cable". The cable, connected to trunk cable, from which cable television signal service is distributed to subscribers, as distinguished from trunk cable (which distributes cable television service throughout the franchise area) and drop cable.

1.1.14. "Grantor": Town of Hampden, Maine.

1.1.15. "Gross Annual Receipts". Any and all payments made to or compensation received by Company or an "Affiliated Person" directly or indirectly, from subscribers, or other users of the system in connection with the operation of the cable system within the franchise area; excluding any taxes on services furnished by Company imposed directly on any subscriber or user by any governmental unit and collected by Company for such governmental unit. Gross receipts shall not include advertising revenue, revenue in the form of charges for installation of cable service, and revenue received from an "Affiliated Person" which is derived from the sale of "separate products or services". A "separate product or service" is a product or service the use of which does not depend upon the operation of the cable system. An "Affiliated Person" is a person (i) controlling, or with a direct or indirect controlling interest in, Company, or (ii) controlled by Company, or in which Company has a direct or indirect controlling interest.

1.1.16. "Headend". The electronic center through which broadcast and cablecast signals are electronically translated or modified for distribution over the cable system.

1.1.17. "Parent". (When used in reference to Company.) Any person holding direct or indirect ownership or control of twenty percent or more of the rights of control of Company; and any person holding such ownership or control of a Parent to Company.

11.10. "Feeder Cable" - The cable which carries signals from the various stations to the central office, and which is connected to the central office by a feeder cable. It is usually a twisted pair of wires, and is usually buried in a conduit.

11.11. "Feeder Cable" - The cable which carries signals from the various stations to the central office, and which is connected to the central office by a feeder cable. It is usually a twisted pair of wires, and is usually buried in a conduit.

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11.17. "Feeder Cable" - The cable which carries signals from the various stations to the central office, and which is connected to the central office by a feeder cable. It is usually a twisted pair of wires, and is usually buried in a conduit.

any regulations promulgated thereunder by the Federal Communications Commission, all applicable state laws and regulations, and all applicable municipal ordinances, as any of the same may be amended from time to time.

Section 10. Administration and Enforcement. The Town Manager is hereby authorized to administer and enforce this Ordinance, and to initiate any legal proceedings, either legal or equitable, that may be necessary or appropriate to enforce the provisions of this Ordinance.

Section 11. Penalty. Any person, firm, or corporation who violates any provision of this Ordinance shall be guilty of a civil violation and upon conviction thereof shall be fined a minimum of \$100.00 and a maximum of \$1,000.00. Each day of violation shall constitute a separate offense. All civil penalties imposed shall inure to the benefit of the Town of Hampden.

Section 12. Severability. Should any provision of this Ordinance be declared by the courts to be invalid, such decision shall not invalidate any other section or provision of this Ordinance.

Amended 3/18/91

Effective 4/16/91

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