CABLE TV FRANCHISE AGREEMENT

Town of Kittery, Maine
and
Comcast of Maine/New Hampshire, Inc

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Administrative Issues

1. Statement of Agreement

This Franchise Agreement (the "Agreement") is made and entered as of September 12, 2011, 2011 between the Town of Kittery, Maine (the "Town") and Comcast of Maine/New Hampshire, Inc. organized and existing in good standing under the laws of the state of New Hampshire (the "Company").

2. Title

This Franchise Agreement is known and cited as the "Kittery Cable Television Franchise". Within this document it is referred to as "this Franchise" or "the Franchise".

3. Parties

A. Town

1.	Name:	Town of Kittery
2.	Contact:	Town Manager,
3.	Mailing Address:	200 Rogers Road Extension Kittery, ME 03904
4.	Telephone:	(207) 439-0452

B. Company

1.	Name:	Comcast of Maine/New Hampshire, Inc. D/B/A: Comcast
2.	Contact:	Director of Government Affairs
3.	Mailing Address:	55 Concord Street North Reading, MA 01864
4.	Telephone:	(978) 825-2218

C. Company Local Business Office

As required by 30-A M.R.S., §3010 (1)(B), and 47 CFR §76.309(c)(1)(v) Company shall maintain a conveniently located business office that must be open during usual business hours and have a listed toll-free telephone number and personnel capable of receiving complaints, requests for adjustments and service calls.

1. Business Office Address: 180 Greenleaf Avenue, Portsmouth, NH 03801
2. Toll-free Customer Service Number: 1-800-266-2278

D. Addresses

Such addresses may be changed by either party upon 30-days prior written notice to the other party.

4. Notices (Communications)

All notices required to be provided in this Agreement must be provided in writing via e-mail, overnight or certified mail to:

1. Company: to the Company contact at the mailing address in Section 3;
2. Town: to the Town Contact at mailing address in Section 3.

5. Grant of Authority

Pursuant to the authority in 30-A M.R.S., §3008 and §3010, and subject to the terms and conditions set forth herein, the Town of Kittery as the Local Franchise Authority, hereby grants a non-exclusive, revocable cable television franchise to Comcast authorizing and permitting the Company to own, construct, upgrade, install, operate and maintain a Cable Television System within the Town of Kittery.

A. Franchise Area

Company is hereby granted by the Town, where it has the right to do so, the right and privilege to own, construct, reconstruct, erect, operate and maintain, in the Town of Kittery" (herein called the "Franchise area" or " Kittery"), in, upon, along, across, above, over and under the Rights of Way now laid out or dedicated, and all extensions thereof and additions thereto, poles, wires, cables, optical fibers, underground conduits, manholes and other television and radio conductors and fixtures necessary for the installation, maintenance and operation of a Cable System. In the event of annexation by the Town, any new territory will become part of the area covered upon sixty (60) days advance written notice by the Town to the Company.

B. Limited Grant

The license is intended to convey limited rights and interests only as to those Rights-of-Way in which the Town has an actual interest. It is not a warranty of title or interest in any Right-of-Way; it does not provide Company any interest in any particular location within the Right-of-Way; and it does not confer rights other than as expressly provided in the grant. The license does not deprive the Town of any powers, rights, or privileges it now has or may later acquire in the future to use, perform work on, or to regulate the use of, and to control the Right-of-Way in a non-discriminatory manner as to all users of the rights of way, including without limitation the right to perform work on its roadways, Right-of-Way or appurtenant drainage facilities, including but not limited to, constructing, altering, removing, paving, widening, grading, or excavating.

C. Non-Exclusivity

Company's rights and privileges are non-exclusive and the Town expressly reserves the right to grant other such franchise agreements in the Town.

D. Eminent Domain not Conferred

No privilege or power of eminent domain is bestowed to Company by the Town by this grant of this Franchise Agreement.

6. Term

This Franchise Agreement commences upon the effective date of this Agreement, September 12, 2011 and expires ten (10) years thereafter on September 11, 2021 unless renewed, revoked or terminated sooner as herein provided.

7. Governing Law

This Franchise Agreement is governed by and subject to federal law, all applicable FCC rules and regulations and the laws and rules of the State of Maine. Company is subject to the jurisdiction of the courts of the State of Maine in any suit arising out of this Franchise Agreement except that this provision does not limit Company's right to initiate a proceeding or to remove a proceeding to the United States District Court for the District of Maine.

8. Effect of Acceptance

By accepting the Franchise Agreement, Company and the Town: (1) acknowledge and accept each party's legal right to execute and enforce the Franchise; and (2) accept and agree to comply with the provisions of this Agreement and generally-applicable, non-discriminatory municipal ordinances; and (3) neither party will raise any procedural claims attempting to invalidate the agreement.

9. Definitions

See Definitions Appendix "B"

10. Construction and Maintenance

A. General Provisions

1. Quality

In the construction, installation, operation, maintenance, repair, service, reconstruction, removal, or other work of the Cable System, Company shall ensure the Cable System meets the rules and regulations of the Federal Communications Commission.

2. Compliance with Laws and Regulations

All work, including all working conditions and facilities, associated with the construction, installation, operation, maintenance, repair, service, reconstruction, removal, or other work of the Cable System must comply with:

a. All applicable Federal Laws, Rules and Regulations;

b. All applicable State Laws, Rules, Regulations and Codes, including building and electrical codes; and,

c. All generally applicable ordinances, including zoning ordinances, of the Town.

Company shall obtain all generally applicable permits before commencing any construction, installation, operation, maintenance, repair, service, reconstruction, removal, or other or property use in the public rights of way. Permits for emergency work must be obtained as soon as possible, but in no event later than one business day after the work is begun. The grant of permits by the Town will be timely and not be unreasonably withheld.

3. Public Ways Hazards

Any openings or obstructions in Streets or other municipal or public property made by Company must be guarded and protected at all times by the placement of adequate barriers, fences, boardings or other protective devices at the sole expense of Company. During the periods of dusk and darkness, the protective devices must be clearly designated by warning lights.

4. Tree Trimming

Company has the authority to trim any trees upon and overhanging the Town's Streets or Public Ways to the minimum extent necessary to prevent the branches of such trees from coming in contact with the wires and cables of Company; provided that, except for incidental trimming done by Company employees in the course of performing their other duties, any tree trimming within the rights of way of the Town's Streets and Public Ways done by Company will take place only after providing 48-hour notice to the Town Manager of the Town.
In performing tree trimming, Company shall use its best efforts to avoid any unnecessary damage or injury to trees, and shall comply in all respects with any Town ordinances governing tree trimming.

5. Restoration of Damage

Company, at its sole expense, shall restore all damage to property, both public and private, caused by the construction, installation, operation, maintenance, repair, service, reconstruction, removal, or other work of the Cable System, so as to return the damaged property to a condition as good as reasonably possible before the damage was done. Such restoration must be made as soon as practicable after completion of work necessitating the restoration.

Absent force majeure, such restoration must be made insofar as reasonably possible within fifteen business days, weather permitting, after Company's receipt of notification from the owner of the property so damaged unless otherwise mutually agreed by Company and the property owner; provided, that if any such damage involves curbs, sidewalks or driveways, the damage must be repaired to the satisfaction of the Town (curbs and sidewalks) or the owner or tenant in possession of the property (driveways) within ten business days. Company shall provide the Town with immediate notice for any damage Company causes to: Streets, water-mains, storm or sanitary sewers, or other public facilities. If Company does not make the repairs to such public facilities, Company shall be financially liable for the reasonable cost of any repairs. If Company fails to make such restoration on a timely basis, the Town may fix a reasonable time for such restoration and repairs and shall notify Company in writing of the restoration and repairs required and time fixed for performance hereof. Upon failure of Company to comply within the specified time period, the Town may cause proper restoration and repairs to be made and the reasonable expense of such work shall be paid by Company upon demand by the Town.

6. Contractors, Subcontractors and Agents

All contractors, subcontractors and agents of Company must be properly licensed under all applicable federal, state and local laws and regulations.

B. Cable System Location

1. Map of Physical Facilities

With reasonable advanced notice to Company, the Town shall have the right to inspect street maps which identify the location of all trunk and feeder runs including underground. Said maps will be maintained by Company and available upon request.

2. Location of System

Wherever available to Company on reasonable terms and conditions, the distribution system must use the existing facilities of the public utilities. Poles may not be installed for the sole purpose of supporting a portion of the distribution system without written justification and approval of the Town, which approval will not be unreasonably withheld, pursuant to the Town's generally applicable law, ordinances, rules and regulations.

a. Where the cable or wire facilities of the public utilities are installed underground, Company shall install its cable distribution system underground. Vaults and pedestals must be suitably landscaped.

b. In all areas where public utility lines are aerially placed, if subsequently during the term of this Franchise Agreement such utility lines are relocated underground, Company shall similarly relocate its cable distribution system underground at its sole expense.

If other owners of utility lines or other users are entitled to reimbursement for such relocation costs and the source of funding for said reimbursement allows it, Company shall have its relocation costs reimbursed as well.

3. No Interference with Rights of Way

Except during temporary construction, installation, or maintenance activities, all lines, cables and distribution structure, and equipment, including poles and towers, erected, installed or maintained by Company within the Town must be located so as not to obstruct or interfere with the proper use of Streets and Public Ways and to cause minimum interference with the rights of property owners who abut any of the said Streets and Public Ways, and not to interfere with existing public utility installations. Company shall not place new poles, towers or other obstructions in Streets or Public Ways, or relocate existing poles, towers or other obstructions, without first obtaining the Town's approval, which approval must not be unreasonably withheld.

Company shall have no vested right in any location, and such construction must be removed by Company at its own cost and expense whenever the same restricts or obstructs or interferes with the operation or location or any future operation or location of said Streets or Public Ways by the Town for a municipal purpose.

Company shall at all times comply with applicable state laws including but not limited to 35-A M.R.S., Chapter 25 (e.g., pole location permits) and 23 M.R.S., §2351(excavation permits).

4. Construction By the Town

If at any time during the term of this Franchise Agreement the Town shall elect to alter, or change the grade or location of any Street, or shall engage in any construction, reconstruction, widening, repairs or other public works in, on or under the Streets, Company shall, upon reasonable notice by the Town, remove and relocate its poles, wires, cables, conduits, manholes and other fixtures ("fixtures") at its own expense, and in each instance comply with the Town's generally applicable, non-discriminatory standards and specifications. If other owners of utility lines or other users are entitled to reimbursement of costs for relocations required by this section and the source of funding for said reimbursement allows it, Company shall have its relocation costs reimbursed as well.

5. No Interference with Other Fixtures

Company may not place fixtures above or below ground where the same will unreasonably interfere with any existing or fully permitted gas, electricity, telephone fixtures, water hydrants, or other utility use, and all such fixtures placed in or upon any Street must be so placed as to comply with all generally applicable requirements of the Town or other state authority.

6. Temporary Relocations

Company shall, on request of any Person holding a permit issued by the Town or other appropriate authority, temporarily move its fixtures to permit the moving or erection of buildings or other objects, with the expense of any such temporary removal to be paid in advance by the Person requesting same, and Company will be given reasonable notice to arrange for such temporary relocation. Company shall bear any expense to temporarily move its fixtures to permit the moving or erection of publicly owned or constructed buildings or other objects.

C. Communications

1. Company Notice

Except in an emergency, and except for interruptions of four hours or less, Company shall give Subscribers at least 24 hours' notice, if practical, 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 Cable Service is considered sufficient. During the rebuild of the Cable System, Company is not required to provide 24 hour notice of any interruption of service if such interruption is the direct result of rebuild work. However, Company is required to provide written notification to Subscribers and the Town of planned rebuild work schedules and when Subscribers may experience service interruptions in excess of four hours. Company shall use its best efforts to minimize the length of any service outage due to the rebuild. Company shall promptly notify the Town in writing of any significant interruption in the operation of the Cable System. For this purpose, a "significant interruption" means any interruption of more than four hours to more than ten Subscribers.

2. Subscriber Requesting Maintenance

Subscribers may request maintenance at the Business Office of Company or by calling the toll-free telephone number each of which is required by 30-A M.R.S., §3010(1)(B).

3. Company Responses

Company responses to such requests are governed by the applicable standards of the Federal Communications Commission and state law.

4. Subscriber-Owned Equipment Excluded

The requirements for maintenance and repair do not apply to Subscriber television or radio receivers or other Subscriber-owned equipment.

11. Operations

A. Performance Standards

1. System Design

a. Within 30 days of the signing of this Franchise Agreement, Company shall provide the Town with a description of the current system design and operational standards. Such description must include at a minimum, Cable materials, (i.e. coaxial cable or fiber), the bandwidth capacity of the system in MHz, the channel capacity of the system, bi-directional capability, overall measured system reliability and performance in respect to FCC requirements and any other relevant standards that the Company may wish to describe. This requirement does not preclude the Company from providing this information to the Town in advance of the signing of this Franchise Agreement.

b. If the Company elects to upgrade its system in the Franchise Area, the Company shall notify the Town.

2. Operations

The Cable System must be constructed, operated and maintained to comply with all applicable standards of the Federal Communications Commission.

B. Performance Testing

The Town is entitled to review copies of FCC Proof of Performance upon request.

C. Emergency Alert System

Company shall comply in full with the requirements for an Emergency Alert System (EAS) as provided in FCC regulations, 47 CFR Part 11, and with any applicable State emergency notification requirements not preempted by Federal law.

D. Subscriber Antennae

Notwithstanding a required disconnection of Subscribers' existing antennae and down leads to receivers connected to the Cable System, Company shall not remove or suggest to the Subscriber the removal of such antennae and down leads. Company shall furnish to each Subscriber so requesting, at the Subscriber's expense, a switch permitting the Subscriber to change from cable reception to home antenna reception, and back, at the option of the Subscriber. Installation of such switches at the time of initial installation of service to a Subscriber is without charge other than for such purchase cost.

E. Video Recording Device/Cable Compatibility

Company shall comply with applicable Federal Communication Commission standards for compatibility with consumer electronics equipment.

12. Insurance

A. Company Insurance

1. Throughout the term of this Franchise Agreement, including any extension or renewal thereof, the Company shall at its sole expense maintain insurance per the specifications and minimum limits set forth herein.

a. Commercial General Liability on an occurrence basis with general aggregate limit applicable per project and per location.

Each occurrence limit:	$1,000,000.
General aggregate limit:	$2,000,000.
Products/Comp. op. aggregate limit:	$2,000,000.

An additional insured provision is to apply to the Town, its officers, officials, agents, and employees.

b. Automobile liability for owned, hired, and non-owned autos with combined single limit each accident of $1,000,000. An additional insured, or designated insured, provision is to apply to the Town, its officers, officials, agents, and employees.

c. Workers' compensation insurance to comply with the requirements of Maine statute, plus employers' liability for:

Each accident:	$100,000..
Each employee (disease):	$100,000.
Policy limit (disease):	$500,000.

d. Umbrella liability on an occurrence basis for:

Each occurrence limit:	$5,000,000.
Aggregate limit:	$5,000,000.

2. All policies are to be provide by a company, or companies, admitted to conduct business in the State of Main. All policies must provide for thirty (30) days advance written notice to the

Town prior to policy cancellation, non-renewal, or any modification which could adversely affect the Town.

B. Insurance to be provided by Subcontractors

Company agrees to require that any written agreements between Company and its contractors, or between Company's Contractors and Contractor's Subcontractors will require the same provisions, coverages, and limits as in Article 12.A.

C. Indemnification of the Town

Company hereby agrees to indemnify and hold the Town, its officers, officials, agents, employees, members of boards and committees, with respect to the construction, installation, operation, maintenance, repair, service, reconstruction, removal, or other work of the Cable System, harmless from and against all expenses, losses and claims, demands, payments, suits, actions, recoveries, and judgments of any nature and description, other than as a result of the sole negligence of the Town, including reasonable attorney's fees, resulting from claims, any act or omission of Company, its agents or employees, in the construction, installation, operation, maintenance, repair, service, reconstruction, removal, or other work of its Cable System, or by reason of any suit or claim for royalties, license fees, or infringement of copyright or patent rights arising from Company's performance under this Franchise Agreement.

In the event of the commencement of any action against the Town, or its officers, officials, agents, employees, or members of boards and committees which is within the scope of this indemnification, the Town will give notice thereof to Company within fifteen business days after the Town is formally served in any such action, and, after consultation with the Town, Company will have the right to select and furnish counsel for the defense of any such action, at no cost or expense to the Town.

The Town's failure to give timely notice to Company of the commencement of any such action does not relieve Company of its obligations under this section unless such failure to give timely notice causes actual prejudice to Company's ability to defend any such claim.

Except for settlements involving only the payment of money, no settlement which creates an obligation for the Town, of any such action, or any claim therein, shall be made by Company or by counsel selected by Company without the approval of the Town, which approval may not be unreasonably withheld.

The extent of the indemnification agreement is not limited by the requirements for liability insurance in this Agreement.

D. Indemnification of Company

The Town will indemnify Company for any and all claims arising out of programming of PEG

channels, except where Company or its agents or employees provided the programming.

E. Municipal Immunities

The provisions of this section, including the indemnity provisions in sub-section C and D and the procurement by Company of insurance policies meeting the requirements of this section 12, may not be interpreted or construed to effect any waiver, suspension, release or alteration of or to any and all immunity or other immunities or damage limits as may be available to the Town by law.

13. Performance Bond

A. Performance Bond

Company shall obtain and maintain during the term of this Franchise Agreement, at its sole cost and expense, and file with Town, a performance bond, running to the Town, with a surety authorized to do business as a surety in the State of Maine, to guarantee the faithful performance by Company of all of its obligations under this Franchise Agreement. Such performance bond is to be in the amount of at least fifty thousand dollars ($50,000).

B. Conditions

The performance bond must provide, but not be limited to, the following conditions. There shall be recoverable by the Town, jointly and severally from the principal and surety, subject to the provisions in Section 23(C), within 30 days after written request by the Town, any and all penalties due to the Town and any and all damages, losses, costs and expenses suffered or incurred by the Town resulting from the failure of Company to comply with the provisions of this Franchise Agreement. Such losses, costs and expenses include, but not be limited to, reasonable attorney's fees and other legal, consulting and auditing expenses. Not less than thirty days' prior notice to the Town must be provided of Company's or the surety's intention to cancel, materially change, or not to renew the performance bond.

C. Forfeiture

Subject to the provisions in Section 23C, the total amount of the bond or security fund must be forfeited in favor of the Town in the event Company fails to complete any construction or rebuild obligations or breaches any material provision of this Franchise Agreement.

D. Replenishment

In the event that any portion of the performance bond is forfeited or withdrawn for any reason, Company is required to post an additional bond in an amount equal to the forfeiture within 30 days of the date of the forfeiture or withdrawal. Failure to post an additional bond on a timely basis constitutes a violation of a material provision of this Franchise Agreement within the meaning of Section 23 hereof.

E. Town Rights

The rights reserved to the Town with respect to the Performance Bond are in addition to all other rights of the Town, whether reserved by this Franchise Agreement or authorized by law, and no action, proceeding or exercise of a right with respect to such sections affects any other rights the Town may have.

14. Records and Reports

A. Availability of Records to the Town

Upon reasonable written notice to the Company, the Town has the right to inspect Company's books and records during Normal Business Hours and on a non-disruptive basis, as are reasonably necessary to ensure compliance with the material terms of this Franchise Agreement, including any federal, state, laws or regulations or generally applicable ordinances referenced herein. Records should be produced within 5 business days of receipt of written request, unless for good cause Company responds that a longer amount of time will be needed. Such written notice from the Town must specifically reference the section or subsection of the Franchise Agreement which is under review, so that Company may organize the necessary books and records for appropriate access by the Town. Company may not be required to maintain any books and records for Franchise Agreement compliance purposes longer than three (3) years.

Notwithstanding anything to the contrary set forth herein, Company may not be required to disclose information that it reasonably deems to be proprietary or confidential in nature, nor disclose any of its books and records not relating to the provision of Cable Service in the Franchise Area. The Town shall treat any information disclosed by Company as confidential and shall only disclose it to employees, or the Town's agents bound by a confidentiality and non-disclosure agreement reasonably acceptable to Company, or as may be necessary to enforce the provisions hereof. Company shall not be required to provide Subscriber information in violation of Section 631 of the Communications Act, and 47 USC §551.
Company shall at all times after the effective date maintain:

Records of all written complaints for a period of two (2) years after receipt by Company (The term "complaint" as used herein refers to complaints about any aspect of the Company's service operations, Complaints recorded will not be limited to complaints requiring an employee service call.);
Records of area outages for a period of two (2) years after occurrence, indicating date, duration, and the number of Subscribers affected, type of area outage, and cause;
Records of service calls for repair and maintenance for a period of two (2) years after resolution by Company, indicating the date and time service was required, the date of acknowledgment and date and time service was scheduled (if it was scheduled), and the date and time service was provided, and (if different) the date and time the problem was resolved;
Records of installation/reconnection and requests for service extension for a period of two (2) years after the request was fulfilled by Company, indicating the date of request, date of acknowledgment, and the date and time service was extended; anda map showing the area of coverage for the provisioning of Cable Services.
The Town reserves its right to copy books and records as allowed under FCC regulation.

B. Annual Report

Upon written request from the Town, Company shall provide to the Town a summary of the Company's activities in the Town for the previous calendar year including a summary of:

1. Total number of cable subscribers;

2. Total miles of new cable plant installed;

3. Total number of service calls indicating number of dispatches and number repaired;

4. Listing of all charges and fees for cable or cable-related services;

5. All area outages, including date and duration;

6. The total revenues upon which a franchise fee (if any) is paid (broken down by major category);

7. The total franchise fee for the year;

8. Equipment or equivalent funding provided to the PEG channels(s) (if any);

9. Other information Company chooses to include.

C. Charges for Audits or Tests

If an inspection or audit of Company's records shows that Company underpaid the franchise fee by four percent or more for any payment period, Company shall reimburse the Town for all reasonable costs including expert fees arising from the inspection or audit, and any additional inspection or audit until it is determined Company is in full compliance. In addition, except as federal law prevents the Town from enforcing any standards, if it is determined that Company has not materially complied with FCC standards, the Town has the right to charge all costs arising from these tests, including expert fees, to Company until it is determined that Company is in full compliance.

Notwithstanding the foregoing, the obligation to pay the Town's costs for tests of the performance of the Cable System only arises if the Town's test is (1) a test of an area where Company has represented that it has corrected a problem, and the problem was not in fact corrected; (2) a second test of an area by the Town, where Company had been notified of the problem and been given an opportunity to cure it; or (3) where Company challenged the validity of a Town test, and the Town agrees to re-test, and the re-test confirms the validity of the initial Town test. These charges are incidental to the enforcement of the Franchise Agreement; they do not limit any right the Town may have to exercise any other remedy.

Municipal Benefits

15. Franchise Fee

A. Amount

Within ninety (90) days of the Effective Date, company shall provide a Franchise Fee to the Town or its designee, equal to two percent (2%) of Company's Gross Annual Revenues. Beginning one year after the Effective Date of this Franchise Agreement, and with ninety (90) days written notice to the Company, the Town, by action of the Town Council, may increase the Franchise Fee, provided that the Town may not increase the franchise fee more than one-half of one percent (0.5%) in any 12-month period, up to a maximum of five percent (5%) of Company's Gross Annual Revenues. Company shall pay the Franchise Fee to the Town on a quarterly basis, no later than sixty (60) days after the end of the calendar quarter for which payment is made. The payment for the last quarter of the last year of the term of this Franchise Agreement is due and payable ninety (90) days after the end of that quarter.

1. Payment

The quarterly payment is to include a statement showing the basis for the payment, including a breakdown by category (e.g., basic service, home shopping channels, advertising) and source of Gross Annual Revenues for the quarter.

2. Late Payments

In the event that the fees herein required are not tendered on or before the dates fixed in Section 15A above, interest due on such fee accrues from the date due at one and one-half percent (1.5 %) per month.

3. Acceptance of Payment

Acceptance of payment by the Town may not be construed as accord that amount paid is the correct amount. The Town reserves its rights to inspect relevant books and seek any underpayments due. If the Town has not begun process to challenge or audit payment of franchise fee within 24 months of receipt of final annual payment, and breakdowns provided pursuant to subsection B are certified, payment is deemed accurate. If the breakdowns provided pursuant to subsection B are not certified, the time frame hereunder is 48 months.

16. Public, Educational and Governmental Access (PEG)

A. Use of PEG Access Channels

Channel capacity for public, educational and governmental ("PEG") access must be provided in accordance with federal law, 47 USC §531 and §546, and as further set forth below. Company's obligations to provide PEG capacity to the Town is in accordance with Exhibit A attached hereto.

B. Channels

Company shall provide the Town with one channel for non-commercial public, educational and governmental ("PEG") access programming. During the term of this Franchise Agreement, upon agreement of the Town and Company, a second PEG channel will be provided if the Town and the Company determine that a second PEG channel is needed. The costs associated with adding this channel will be borne by the Town.

In order to request additional PEG Channel(s), the existing PEG Access Channels must be used to cablecast first run, non-repetitive, locally produced, non-commercial, non-alpha numerical, programming at least fifty percent (50%) of the time during any consecutive six-hour period between 4:00 PM and 10:00 PM for four (4) consecutive months. Said programming may not include programming that is used primarily for monitoring purposes, such as traffic monitoring. The Town must provide Company with written, detailed documentation evidencing the usage meets the threshold requirement for a second Channel.

In the documentation to the Company, the Town shall state, in good faith, that such a second Access Channel (i) will be substantially programmed with non-duplicated, locally produced, non-character generated programming; and (ii) is necessary to accomplish the stated Access Programming goals of the Town. Such a second Access Channel will not be used simply to repeat Access Programming that is already carried on the other Access Channel, but will be used to carry substantially new locally produced Access Programming. The Town agrees that such a second Access Channel will not be utilized solely to carry character-generated messages; provided, however, that the Town may use said second Access Channel to carry character-generated messages along with other new locally produced Access Programming.

If there is a Channel available at the time of the Town's written request for an additional Channel under this Section, the Company shall make a Channel available within twelve (12) months. If there is no Channel available on the Basic Cable Service tier, the Company has twenty-four (24) months following receipt of the Town's written request in which to make such new Channel available. Once the threshold is met and the additional Channel given, each of the initial PEG Channels must maintain the threshold requirement.

If any of the initial PEG channels fail to meet the threshold for four (4) consecutive months, the additional PEG capacity may be reclaimed by Company upon sixty (60) calendar days written notice. Under no circumstances will the Town lose the right to its initial PEG Channel.

C. PEG Facilities and Equipment Support

Within sixty (60) days of the Effective Date of this Agreement, Company shall provide to the Town a capital payment in the amount of one hundred twenty-five thousand dollars ($125,000) to assist the Town in acquiring, constructing and equipping the Public, Educational or Governmental access facilities and equipment to meet the needs of the community and the Town.

D. Reimbursement for PEG Costs Associated with Relocation of channel

If a PEG channel is relocated by Company, Company shall reimburse the PEG provider for costs associated with changing logos, letterhead, business cards etc. to reflect a new channel number not to exceed two thousand five hundred dollars ($2,500). The Town and Company may also negotiate the promotion of this change. Company will provide the Town with at least 30 days notice of any relocation of any PEG channel.

17. Build out

A. Area To Be Served

1. Company shall make Cable Service available to every residential dwelling unit within the Town where the minimum density is at least twenty (20) dwelling units per aerial mile and forty (40) dwelling units per underground mile, providing however, that any plant extension is measured from the existing Trunk and Distribution System and Company is able to obtain from property owners any necessary easements and/or permits on terms and conditions acceptable to Company. Subject to the density requirement, Company shall offer Cable Service at standard installation rates to all new homes or previously unserved homes located within 125 aerial feet of Company's Distribution Cable.

For non-Standard Installations (those exceeding 125 aerial feet or underground) Company shall, upon receipt of payment and pending any identified construction or other issues (e.g., make ready, weather) offer said service within thirty (30) days of a Subscriber requesting such for aerial installations and sixty (60) days of a Subscriber requesting such for underground installations.

2. Regardless of the density requirements outlined above, Company shall provide a cost-sharing arrangement as follows. On the request of a resident desiring service, Company shall prepare an engineering survey and cost analysis to determine the cost of plant extension required to provide service to the subscriber.

If a request for extension of service into a residential area requires the construction of cable plant that does not pass at least twenty homes per mile (aerial) or forty homes per underground mile Company and those residents requesting cable services will each bear their proportionate share of construction costs.

For example, if there are ten single family homes per aerial mile who agree to subscribe to cable service, Company shall share one-half of the construction cost and the remaining cost will be shared equally among the residents requesting cable services. Company may require advance payment of the customer pro-rata cost prior to commencing construction.

3. Installation costs must conform with the Cable Act. Any dwelling unit within 125 aerial feet of the Trunk and Distribution Cable is entitled to a Standard Installation rate in accordance with applicable federal and state laws. Underground installations are considered non-standard installations. All non-standard installations must be provided at a rate established by the Company in accordance with applicable federal and state laws.

4. Provided Company has at least ninety (90) days' prior written notice concerning the opening of residential subdivision trenching, or of the installation of conduit for the location of utilities, and the density requirements outlined above are met, it must install its cable in such trenching or conduits or may seek permission to utilize alternative trenching or conduits within a comparable time frame. The Town, or its designee, shall exercise reasonable efforts to have the Planning Board and developers give timely written notice of trenching and underground construction to Company. Developer shall be responsible for the digging and back-filling of all trenches.

18. Networking

Upon request, Company and Town will meet to discuss the Town's networking needs.

Consumer Issues

19. Rates & Services

A. Prices And Charges

1. All rates, fees, charges, deposits and associated terms and conditions to be imposed by Company for any Cable Service as of the Effective Date must be in accordance with all applicable FCC's rate regulations. Before any new or modified rate, fee, or charge is imposed, Company shall follow the applicable FCC and State notice requirements and rules and notify affected Subscribers, which notice may be by any means permitted under applicable law. Nothing in this Franchise Agreement may be construed to prohibit the reduction or waiver of charges in conjunction with promotional campaigns for the purpose of attracting or retaining Subscribers.

Complete information concerning billing and collection procedures, including dispute resolution, procedures for ordering changes in, or termination of services, and company's discontinuation policies and procedures will be provided to each subscriber at least annually.

2. The Town acknowledges that certain costs of Public, Educational and Governmental ("PEG") Access and other Franchise imposed costs, may be passed through to Subscribers in accordance with federal law.

B. Basic Cable Service

Company shall make available a Basic Cable Service tier to all subscribers in accordance with 47 USC §534 and applicable regulations, including 76.1618 of the FCC Rules and Regulations, and shall provide notice of the basic tier pursuant to 30-A M.R.S., §3010.

C. Programming

Pursuant to federal law, all Video Programming decisions, excluding PEG Access Programming, are at the sole discretion of Company, except that pursuant to 47 USC §544(b)(2) (B) and (h) and 47 CFR §76.1603 the Town may require "broad categories" of programming.

20. Rights of Individuals

A. Customer Service

Company shall comply with all customer service federal laws, regulations of the FCC and state laws as they may be amended from time to time.

B. Protection Of Subscriber Privacy

Company shall comply with all applicable federal and state privacy laws and regulations, including 47 USC §551 and regulations adopted pursuant thereto and 30-A M.R.S., §3010.

C. Employee Identification Cards

All of Company's employees, and subcontractors, including repair and sales personnel, entering private property are required to display an identification card issued or approved by Company indicating that employee or subcontractor is working on behalf of Company.

D. Monitoring

Company may only monitor customer accounts consistent with applicable federal and state law.

E. Privacy Written Notice

At the time of entering into an agreement to provide any Cable Service or other service to a Subscriber, and annually thereafter to all Cable System Subscribers, the Company shall provide Subscribers with written notice, as required by Section 631(a)(1) of the Cable Act, (47 USC §551) which, at a minimum, clearly and conspicuously explains the Company's practices regarding the collection, retention, uses, and dissemination of personal subscriber information, and describing the Company's policy for the protection of subscriber privacy.

F. Subscriber's Right To Inspect And Verify Information

1. The Company shall make available for inspection by a Subscriber at a reasonable time and place all personal subscriber information that the Company maintains regarding said Subscriber.

2. A Subscriber may obtain from the Company a copy of any or all of the personal subscriber information regarding him or her maintained by the Company. The Company may require a fee for making said copy.

3. A Subscriber may challenge the accuracy, completeness, retention, use or dissemination of any item of personal subscriber information. Such challenges and related inquiries about the handling of subscriber information must be directed to the Company. The Company shall change any such information upon a reasonable showing by any Subscriber that such information is inaccurate.

21. Unauthorized Connections/Continuity Of Service

It is the right of all Subscribers to receive Cable Service insofar as their financial and other obligations to the Company are honored, provided that the Company has no obligation to provide Cable Service to any Person who, or which the Company has a reasonable basis to believe, is using an unauthorized Converter or is otherwise obtaining Cable Service without required payment thereof or who threatens Company's employees or damages Company's equipment. The Company shall ensure that all Subscribers receive continuous, uninterrupted Service, except for necessary Service interruptions. When necessary, non-routine Service interruptions in excess of four hours can be anticipated, the Company shall notify Subscribers of such interruption(s) in advance.

22. Subscriber Complaints

A. Dispute Resolution

The Company shall establish a procedure for resolution of Complaints by Subscribers. Said procedure shall at a minimum include the provisions of 30-A M.R.S., §3010.

B. Investigation of Complaints

Upon reasonable notice, the Company shall expeditiously investigate and resolve all Complaints regarding the quality of Service, equipment malfunctions and similar matters. In the event that a Subscriber is aggrieved, the Town or its designee(s) shall be responsible for receiving and acting upon such Subscriber Complaints and/or inquiries, as follows:

1. Upon the written request of the Town or its designee(s), the Company shall, within ten (10) business days after receiving such request, send a written report to the Town with respect to any Complaint. Such report will provide a full explanation of the investigation, finding and corrective steps, if any, taken by the Company.

2. Should a Subscriber have an unresolved Complaint regarding cable television operations, the Subscriber is entitled to file his or her Complaint with the Town or its designee(s), who has primary responsibility for the continuing administration of this Renewal License and the implementation of Complaint procedures. The Subscriber shall thereafter meet jointly with the Town or its designee(s) and a representative of the Company, within thirty (30) days of the Subscriber's filing of his or her Complaint, in order to fully discuss and resolve such matter in accordance with applicable laws.

C. Complaint Policy

Company shall provide the Town a copy of Company's complaint policy annually and no later than 30-days after any revisions. If Company maintains a publicly available website, Company's complaint policy will be posted on its website.

23. Penalties

A. Amounts

Because Company's failure to comply with provisions of this Agreement will result in injury to the Town, and because it will be difficult to estimate the extent of such injury, the Town and Company agree to the following liquidated damages for the following violations. These damages represent both parties' best estimate of the damages resulting from the specified injury.

For failure to comply with the material provisions of this agreement: one hundred dollars ($100)/day.

B. Date of Violation, Notice

The date of violation will be the date the Company receives written notice of the violation.

C. Procedure for Liquidated Damages

Before the Town may assess any liquidated damages under this Franchise Agreement:

1. The Town shall notify the Company, in writing, of the alleged failure or violation, which notice must specify the alleged failure or violation with reasonable particularity.

2. The Company shall, within thirty (30) days after receipt of the notice or such longer period as the Town may specify in such notice, either cure the alleged failure or violation or, in a written response to the Town Manager, either present facts and arguments in refutation or excuse of such alleged failure or violation or state that the alleged failure or violation will be cured and set forth the method and time schedule for accomplishing such cure.

3. Unless the Town Manager determines that the matter has been resolved, the Company's response will be submitted to the municipal officers, to schedule a public hearing at which the municipal officers shall determine (i) whether a failure or violation has occurred; (ii) whether such failure or violation is excusable; and (iii) whether such failure or violation has been or will be cured by the Town; and (iv) the appropriate remedy for the failure or violation.

4. The Town shall provide thirty (30) days' written notice of the public hearing to the Company. During the public hearing, Company has the right to appear and be heard, including the opportunity to present evidence, question witnesses, if any, and the hearing will follow the procedures set forth for public hearings. If the municipal officers determine that such failure has not occurred, or that such failure either has been or will be cured in a manner and in accordance with a reasonable schedule satisfactory to the municipal officers or that the failure is excusable, such determination concludes the matter, unless Company fails to comply with the schedule for cure.

24. Transfers

A. Company's Right to Transfer

The Franchise may be sold, assigned or otherwise transferred, (a "Franchise Transfer") in accordance with the procedure set forth in federal law and this Franchise Agreement.

B. Town's Right to Approve

Pursuant to 47 USC §537, the Town, as Local Franchise Authority, reserves its right to approve any sale or transfer of the Cable System. Municipal approval must not be unreasonably withheld.

A transfer or assignment of a Franchise or control thereof between commonly controlled entities, between affiliated companies, or between parent and subsidiary corporations, does not constitute a transfer or assignment of a Franchise or control thereof. An "affiliated company" is any person or entity that directly or indirectly or through one or more intermediaries controls, is controlled by, or is under common control with another person or entity.

C. Notice to Town

Company shall provide to the Town Notice of the proposed transfer. The contents of the Notice must include:

1. FCC Form 394, or successor form, and all identified attachments; and

2. Certification by transferee that it will accept the provisions of this Franchise Agreement for the remainder of the Franchise Term.

D. Time to Review

The Town has 120 days from receipt of the Notice to take action on the request for transfer. Should the Town deny the transfer based on a determination that the new company does not have the legal, technical, or financial, capability to perform the obligations in this Franchise Agreement; the Company has the right to appeal under Federal law. If no action is taken by the Town within the 120 days the transfer is deemed approved in accordance with Federal Law.

E. Public Hearing

The Town may conduct a public hearing on the proposed transfer no later than 90 days after the receipt of the notice of transfer.

F. No Waiver or Release

The consent or approval of the Town to any Transfer of the Cable System or this Franchise Agreement granted to the Company does not constitute a waiver or release of the rights of the Town in and is, by its terms expressly subordinate to the terms and conditions of this Franchise Agreement.

25. Successors/Assigns

The obligations of this Franchise Agreement apply to any and all successors and assigns of the Company, unless the Town expressly and in writing agrees to release the successors and assigns from this Franchise or any portion thereof.

26. Renewal

This Franchise Agreement may be renewed by the parties in accordance with state and federal law.

27. Revocation and Termination

A. Right to Revoke or Terminate

In addition to all other rights and powers of the Town by virtue of this Franchise Agreement and after notice and opportunity to cure pursuant to section 27B, the Town may revoke this Franchise Agreement and all rights and privileges of Company hereunder in the event Company either:

1. Violates any material provision of this Franchise Agreement or any rule, order or determination of the Town made pursuant thereto where such violation remains uncured for a period of thirty days following written notice to Company by the Town that such violation is deemed to exist unless cure is not feasible in such time period in which event the parties shall meet and agree to a cure schedule;

2. Attempts to evade any material provision of this Franchise Agreement or practices any fraud or deceit upon the Town; or

3. Arbitrarily ceases to provide service over the Cable System or fails to restore service after ninety-six (96) consecutive hours of interrupted service except in cases of force majeure or when approval of such interruption is obtained from the Town.

B. Procedures to Revoke or Terminate

The Town shall follow the following procedures in revoking this Franchise Agreement:

1. The Town shall provide to Company the Town's notice of intention to revoke this Franchise Agreement. The written notice must be sent by certified or overnight mail and shall describe in reasonable detail the specific violations alleged to have occurred;

2. Company shall have 90 days from receipt of notice to either correct the alleged violation, or, dispute the Town's allegations. In the event that by nature of the alleged violation, such violation cannot be cured within such ninety (90) day period, the parties shall meet and agree to a cure schedule;

3. If Company disputes the Town's allegations, the Town shall review the dispute and make its determination as to whether a violation has occurred;

4. If the Town continues to maintain that a violation did occur, the Town shall notify Company in writing. Company shall then either remedy the violation within 90-days or notify the Town in writing that Company continues to dispute the allegations;

5. Upon Company's failure to remedy the violation within the time period prescribed or upon receipt of Company's written position pursuant to subsection 4, Town may revoke this Franchise Agreement by providing Company written notice of revocation.

C. Public Hearing

The Town may conduct a public hearing on the revocation. Company shall have the right to participate in such hearing, present witnesses and the Town shall issue a written determination of its findings. Such public hearing must take place no fewer than 30 days prior to the decision to revoke.

D. Judicial Review

Company shall have the right to seek judicial review of the Town's determination to revoke to the extent provided by law.

28. Abandonment

If company ceases to provide service in the Town pursuant to 30-A M.R.S., §3008(3)(B), the Company shall remove all of its supporting structures, poles, transmission and distribution systems, another appurtenances from the Public Ways and shall restore the areas to their original condition as is reasonably possible and as soon as reasonably possible. If such removal is not complete within six (6) months of such end of service, the Town may deem any property not removed as having been abandoned. Upon written request of the Company, the Town may waive this requirement for good cause shown.

29. Expiration of Agreement

Upon the expiration and non-renewal, or revocation of this Franchise Agreement and exhaustion of all judicial appeals, the Cable System must be disposed of according to 47 USC §546 and this Franchise Agreement.

30. Changes in Law

In the event a federal or state law, regulation or decision by a court of competent jurisdiction renders a provision in this Franchise Agreement void or otherwise unenforceable, the provision is considered preempted. This preemption will last for as long as the law, regulation or decision is effective; if the law, regulation or decision is subsequently repealed, rescinded, amended, voided, overturned or otherwise changed so that the preemption is nullified, the provision thereupon returns to full force and effect as provided by such proceeding and is binding and enforceable in accordance with the terms thereof.

31. Amendments

This Franchise Agreement may be amended in the future by written agreement of both parties to reflect changed circumstances, including changes in federal or state law. This Franchise Agreement may not be amended or modified except by written agreement executed in the same manner as this Franchise Agreement. Where applicable, the amendment will be consistent with the provisions of 47 USC §545.

32. Miscellaneous

A. Force Majeure

The Parties are not responsible for any delay or failure to perform their obligations under this Franchise Agreement if doing so is prevented by Act of God, flood, storm, fire, explosions, strikes, riots, wars whether or not declared, insurrections, epidemics, or any law, rule or act of any court of competent jurisdiction or instrumentality of government or any cause or event beyond the control of the Town or the Company.

B. Severability

If any provision of this Franchise Agreement is held by any court or Federal or State agency of competent jurisdiction to be invalid as conflicting with any Federal or State law, rule or regulation now or hereafter in effect, or is held by such court or agency to be modified in any way in order to conform to the requirements of any such law, rule or regulation, said provision is considered a separate, distinct and independent part of this Franchise Agreement, and such holding does not affect the validity and enforceability of all other provisions hereof, all of which remain in full force and effect for the term of this Franchise Agreement.

C. Effect on Prior Agreements

This Franchise Agreement supersedes any prior franchise agreements between the parties. Immediately upon the taking effect of this Franchise Agreement, all prior franchise agreements and any and all extensions thereof, terminate and have no further force and effect; provided, however, that any vested rights relating to billings and the Town's rights to receive franchise fees will not be affected thereby.

D. Non-Enforcement Not Waiver

Neither party is excused from complying with any of the terms and conditions of this Franchise Agreement by any failure of either party upon one or more occasions to insist upon or to seek compliance with any such terms or conditions. No course of dealing between the Company and the Town, nor any delay on the part of the Town or Company in exercising any rights hereunder, operates as a waiver of any such rights of the Town or Company or acquiescence in the actions of the Company or the Town in contravention of such right, except to the extent expressly waived by either party or expressly provided for in this Franchise Agreement. No decision by the Town or Company to invoke any remedy under this Franchise Agreement or under any statute, law or ordinance precludes the availability of any other such remedy. This provision does not extend any applicable statute of limitations.

E. Company Warranties

Company warrants, represents and acknowledges that, as of the Execution Date of this Franchise Agreement:

1. The Company is duly authorized to do business under the laws of the State;

2. The Company has the requisite power and authority under applicable law and its bylaws and articles of incorporation and/or other organizational documents, is authorized by resolutions of its Board of Directors or other governing body, and has secured all consents which are required to be obtained as of the execution date of this Franchise Agreement, to enter into and legally bind Company to this Franchise Agreement and to take all actions necessary to perform all of its obligations pursuant to this Franchise Agreement;

3. This Franchise Agreement is enforceable against Company in accordance with the provisions herein; and

4. There is no action or proceedings pending or threatened against Company that would interfere with performance of this Franchise Agreement.

Execution

33. Signatures

TOWN OF KITTERY
By:

_____
Jonathan Carter, Town Manager Date

COMCAST OF MAINE/NEW HAMPSHIRE, INC.
By:

_____
Stephen Hackley, Senior Vice President Date
Greater Boston Region
Northeast Division

Appendix A - PEG

1. Exclusive Use, Channel Designations and Interconnectivity

(a.) Town, or its designee, shall have the exclusive non-commercial use of PEG Access Channels. Use of PEG Access Channels is subject to such rules as the Town, or its designee(s), may adopt.

(b.) The Company may not charge the Town for the use of the PEG Access Channels.

(c.) Company may not appropriate PEG programming for use by company on any other channel or in any other jurisdiction covered by the Company without the consent of the originating PEG producer.

(d.) Unless otherwise agreed to by the parties, PEG channels will be carried on the basic tier at no additional cost.

(e.) Company shall include appropriate designation of the Town's PEG Access Channels on channel cards and channel listings provided to Subscribers. If Channels are selected by a viewer through a menu system, Company shall display the Town's PEG Access Channels designation in a similar manner as other channels. This provision does not obligate Company to list PEG programming content on said channel cards and channel listings.

(f.) With respect to any new or existing PEG channel as defined in this franchise and subject to 30-A M.R.S., §3008 (7) (C) and (E), the equipment associated with the interconnection of PEG transmission facilities between a PEG facility and the Company's head end within the Company's cable system as well as the formatting of PEG programming for transmission to the subscriber will be maintained by the Company.

2. Unused Channels

Pursuant to 47 U.S.C. §531(d), the following is the procedure to be followed by the Town to permit Company to use PEG channel capacity not being used by the Town and to cease such permission.

(a.) Company shall request in writing that the Town permit Company to use a designated PEG channel granted to the Town.

Request will include:

- Channel number requested;
- Timeframe as to when the channel is needed; 24-hour/365-day use or lesser amount;
- How Company will use channel (e.g., intended content)
- Duration for which Company seeks use (in months).

(b.) The Town will either grant or deny permission in writing within 60 days of receipt of request; or as soon as reasonably possible if an urgent programming request is submitted.

(c.) The Town may revoke permission, for any cause, by providing Company no less than 6-months written notice.

3. Minimum PEG Signal Quality and Transmission Standards

The PEG access signal and channels must meet FCC Technical Standards commensurate with those offered on adjacent channels.

(a.) Company shall not take any actions that alter or otherwise adversely affect the transmission of PEG programming that result in deterioration of the PEG signals, the transmission of PEG programming, the picture quality, or the absence of closed captions and Secondary Audio Programming as compared to adjacent channels.

(b.) Each channel must, with respect to the transmission of an analog signal or channel supplied by the Company to the cable operator, be capable of carrying a television signal equal or superior to the National Television System Committee (NTSC) standard, and shall, with respect to the transmission of a digital signal or channel supplied by the PEG operator to the cable operator, be capable of carrying a television signal equal or superior to the current digital standard in use by the Company (QAM (Quadrature Amplitude Modulation), VSB (Vestigal Sideband Modulation) and/or Advanced Television System Committee (ATSC) standards, etc.), should the Company choose to adopt a digital format. In the event Company's system becomes all digital, all access channels must be delivered to the subscriber in the digital format and in accordance with FCC Technical Standards.

4. Other PEG Transmission Conditions As Negotiated

PEG Studio Return Feeds: Company shall install, and maintain activated return feeds, and supply and maintain all necessary transmission equipment, from the Kittery Town Office (200 Rogers Road) to, Shapleigh School (43 Stevenson Road), Traip Academy (Williams Avenue), Kittery Community Center at Frisbee Common (120 Rogers Road), Kittery Fire Department (Gorges Road) and the Kittery Public Library (8 Wentworth Street) with the Town Office serving as the Hubsite and each other video return feed built to run from the individual site to the Town Office

and from the Town Office to the Company's head-end. These video return feeds must be adequate to permit the simultaneous transport of up to two (2) PEG channels to the Company's head end at a quality standard that meets FCC Technical Standards. The initial installation of the video return feeds shall be completed within one hundred eighty (180) days of the Effective Date of this Agreement. Company reserves its right to pass the costs of the construction of these video return feeds through to its customers in accordance with applicable law.

5. PEG Promotion.

In the event that the Company implements local advertising sales on Channels received by Subscribers within the Town, the Town or its designee(s) may want to seek time for non-commercial PEG Access program or service promotional spots on said channels. Nothing in this section may be construed to require the Franchisee to provide access to promotional spots at no cost to the Town or its designee(s).

Appendix B - Definitions

For the purpose of this Franchise Agreement, the following words, terms, phrases, and their derivations have the meanings given herein, unless the context clearly requires a different meaning. When not inconsistent with the context, words used in the present tense included the future tense, words in the plural number include the singular number, and words in the singular number include the plural number. The word "shall" is always mandatory and not merely directory, except where noted. Where the following definitions are in conflict with definitions in law, it is the express intent that the definition in applicable Federal or State law takes precedence.

1. **Affiliate or Affiliated Person:** An entity which owns or controls is owned or controlled by, or is under common ownership with a Cable Operator.

2. **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.

3. **Basic Cable Service:** The lowest service tier transmitted to all Subscribers, which includes, at a minimum, (a) all signals of domestic television broadcast stations entitled to "must carry" status under FCC rules, and (b) any public educational and governmental programming required by this Franchise Agreement to be carried on the basic tier.

4. **Broadcast:** Over-the-air transmission by a radio or television station.

5. **Cable Act:** Cable Communications Policy Act of 1984 (the "1984 Cable Act"), Public Law No. 98-549, 98 Stat. 2779 (1984), as amended by the Cable Television Consumer Protection and Competition Act of 1992 (the "1992 Cable Act"), Public Law No. 102-385, 106 Stat. 1460 (1992) and the Telecommunications Act of 1996, Public Law No. 104-104, 110 Stat. 56 (1996), as the same may be amended from time to time .

6. **Cablecast:** Programming (exclusive of Broadcast signals) carried on the Cable System.

7. **Cable Service or Service:** The one-way transmission to Subscribers of video programming or other programming service, together with Subscriber interaction, if any, which is required for the selection or use of such video programming or other programming service.

8. **Cable System:** Is defined in accordance with Section 602 of the Cable Act. A facility consisting of a set of closed transmission paths and associated signal generation, reception and control equipment designed to provide Cable Service (including video programming) to multiple Subscribers within the Town of Kittery. This means the facility serving the Town owned, constructed, installed, operated and maintained by Company, consisting of a set of closed transmission paths and associated signal generation, reception, and control equipment that is designated to provide cable service which includes video programming and which is provided to multiple subscribers within a community, but such term does not include

(a) a facility that serves only to retransmit the television signals of one or more television broadcast stations;

(b) a facility that serves subscribers without using any public right-of-way;

(c) a facility of a common carrier which is subject, in whole or in part, to the provisions of Title II of the Cable Act, except that such facility is considered a cable system (other than for purposes of section 621(c) of the Cable Act) to the extent such facility is used in the transmission of video programming directly to subscribers unless the extent of such use is solely to provide interactive on-demand services; or

(d) an open video system that complies with section 653 of this title, or

(e) any facilities of any electric utility used solely for operating its electric utility systems.

9. **Channel or Video Channel:** A portion of the electromagnetic frequency spectrum which is used in a Cable System and which is capable of delivering a television channel.

10. **Company:** Any Person or Persons owning, controlling, operating, managing or leasing a Cable System within the Town, pursuant to any Franchise granted to it by the Town. This term includes any lawful successor(s) to the interest of such Person or Persons where consent to such successor(s) is approved under any applicable terms of the Franchise Agreement.

11. **Contractor or Subcontractor or Agent:** Any person or entity who or which directly or indirectly works for or is under the direction of "The Company", or a Company Subcontractor or Agent, for the purpose of installation or repair of any portion of the Company's Cable system in the Town.

12. **Conveniently Located:** A Company office that is located as agreed by both parties.

13. **Converter:** A special tuner or device attached to the Subscriber's television set that expands reception capacity and/or unscrambles coded signals distributed over the Cable System.

14. Designated Access Provider: The entity or entities which may be designated from time to time by the Town to provide PEG access programming to the residents of the Town of Kittery.

15. Downstream Channel: A channel over which Signals travel from the Cable System Head end to an authorized recipient of programming.

16. Downstream Transmission: Signals traveling from the head-end to the Subscriber's location.

17. Drop or Cable Drop: The connection between each home or building and the feeder cable of the Cable System.

18. FCC: The Federal Communications Commission or any successor agency.

19. Feeder Cable: The cable, connected to trunk cable, from which cable television signal service is distributed to multiple Subscribers, as distinguished from trunk cable (which distributes cable television service throughout the Franchise area) and drop cable.

20. Franchise Agreement: The non-exclusive Cable Television License including its terms and conditions in their entirety, granted to Company by this instrument to include the right, privilege and franchise to construct, operate and maintain a Cable System, and appurtenances or parts thereof, in the streets, roads, alleys, and other public ways of the Town and.

21. Gross Annual Revenue: Revenue of any form or kind received by the Company from the carriage of Cable Service over the Cable System serving the Town of Kittery calculated in accordance with generally accepted accounting principles, including, without limitation: the distribution of any Cable Service over the System; Basic Service monthly fees; all other Cable Service fees; fees paid for pay and/or pay-per-view services, installation, reconnection, downgrade, upgrade and any other similar fees; fees paid for channels designated for commercial use; converter, remote control and other equipment rentals, and/or leases and/or sales; all home shopping service(s) revenues; and advertising revenues. Gross Annual Revenue does not include any taxes or fees other than franchise fees on services furnished by Company imposed directly on any Subscriber or user by any governmental unit and collected by Company for such governmental unit. In the event that an Affiliate is responsible for advertising on the Cable System in the Town, advertising revenues are deemed to be the pro-rata portion of advertising revenues excluding commissions and/or applicable agency fees, paid to the Company by an Affiliate for said Affiliate's use of the Cable System for the carriage of advertising.

It is the intention of the parties hereto that Gross Annual Revenues only include such revenue of Affiliates and/or Persons relating to the provision of Cable Service over the Cable System and not the gross revenues of any such Affiliate(s) and/or Person(s) itself, where unrelated to Cable services. Gross Annual Revenue will be computed in accordance with Generally Accepted Accounting Principles.

22. **Head-end:** A company owned or leased facility through which Broadcast and cablecast signals are electronically acquired, translated, or modified for distribution over the Cable System.

23. **Interactive Service:** Any service that offers to Subscribers the capability of both transmitting and receiving Signals of any kind.

24. **Leased Channel or Leased Access:** A video channel which the Licensee shall make available pursuant to Section 612 of the Cable Act.

25. **Town**: The Town of Kittery, Maine, or its successor.

26. **Origination Point:** A connection to the cable system which is provided to allow for live or recorded programming to be transmitted from that location Upstream to the Head-end.

27. **Other Programming Service:** Information that Company may make available to all Subscribers generally.

28. **Outlet:** An interior receptacle, generally mounted in a wall, that connects a subscriber's or user's television set to the Cable System.

29. **Parent:** When used in reference to Company, any Person holding direct or indirect ownership or control of thirty percent (30%) or more of the rights of control of Company; and any Person holding such ownership or control of a Parent to Company.

30. **Pay Cable or Premium Service:** Optional programming delivered for a fee or charge to Subscribers on a per-channel basis, or as a package of services.

31. **Pay-Per-View:** Programming delivered for a fee or charge to Subscribers on a per-program or time basis.

32. **PEG:** Public, Educational, and Governmental; used in conjunction with Access Channels, support and facilities.

33. **Person:** Any corporation, partnership, limited partnership, association, trust, organization, other business entity, individual, or group of individuals acting in concert.

34. **Programming or Video Programming:** Programming provided by, or generally considered comparable to programming provided by, a television broadcast station.

35. **Public Building:** All state accredited public schools, police and fire stations, public libraries, Town Hall, and other public buildings owned or leased by the Town, but not including buildings owned by the Town but leased to third parties or buildings such as storage facilities at which government employees are not regularly stationed.

36. **Public Way, Streets or Rights-of-Way:** The surface of, and the space above and below, any public street, highway, bridge, land path, alley, court, boulevard, sidewalk, parkway, way, lane, public way, drive, circle, or other public right-of-way, including, but not limited to, public utility easements, dedicated utility strips, or rights-of-way dedicated for compatible uses and any temporary or permanent fixtures or improvements located thereon now or hereafter held by the Town, in the Town which entitles the Company to the use thereof for the purpose of installing, operating, repairing, and maintaining the Cable System. "Street" or "public way" also means any easement now or hereafter held by the Town within the Town for the purpose of public travel, or for utility or public service use dedicated for public travel, or for utility or public service use dedicated for compatible uses, and includes other easements or rights-of-way as within their proper use and meaning, entitle the Company to the use thereof for the purposes of installing or transmitting the Company's Cable Service or other service over poles, wires, cables, conductors, ducts, conduits, vaults, manholes, amplifiers, appliances, attachments, and other property as may be ordinarily necessary and pertinent to the Cable System. Reference herein to "public way" or "street" is not construed to be a representation or guarantee by the Town that its property rights are sufficient to permit its use for any purpose, or that the Town gains or be permitted to exercise any rights to use property in the Town greater than those already possessed by the Town.

37. **Signal:** Any transmission of electromagnetic or optical energy which carries Video Programming from one location to another.

38. **State:** The State of Maine.

39. **Subscriber:** Any person, firm, corporation, or other entity who or which elects to subscribe to for any purpose, a Cable Service provided by the Company by means of, or in connection with, the Cable Television System.

40. **Subscriber Network:** The 750 (MHz) bi-directional-capable network to be owned and operated by the Company, over which Cable Service(s) can be transmitted to Subscribers.

41. Transfer: The disposal by the Company directly or indirectly, by gift, assignment, sale, merger, consolidation or otherwise, of the ownership or control of the System or of the Franchise Agreement to a Person, or a group of Persons acting in concert.

42. Two-way Capability: The ability to transmit Signals upstream and downstream on the Cable System.

43. Upstream Channel: A channel over which Signals travel from an origination point to a system distribution point.

44. Upstream Transmission: Signals traveling from origination points on the Cable System to a cable distribution point.