

FRANCHISE AGREEMENT

**CITY OF CALAIS, MAINE AND
PIONEER WIRELESS, INC. D/B/A PIONEER BROADBAND**

October 17, 2019

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

THIS AGREEMENT entered into this day **October 17, 2019** by and between the **City of Calais, Maine**, a municipal corporation organized and existing under the laws of the State of Maine (hereinafter referred to as "City"), and Pioneer Wireless, Inc. D/B/A Pioneer Broadband, a Maine corporation, with a place of business at 37 North Street, Houlton, Maine (hereinafter referred to as the "Company"),

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

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

1. DEFINITIONS:

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

- a. "Community Antenna Television System", hereinafter referred to as "CATV System", means a system of coaxial and/or fiber optic cable or other electrical conductors and transmission equipment used or to be used primarily to receive television radio signals directly or indirectly off-the-air and other communications services and transmit them to subscribers for a fee.
- b. "Person" is any person, firm, partnership, association, corporation, company, organization of any kind.
- c. "Potential Subscriber Residence" is any year-round single-family dwelling unit including dwelling units within multi-family buildings.
- d. "City Councilors" shall mean the City Councilors of CALAIS or an official authorized to administer the terms, provisions and regulations of this Franchise.

2. COMPLIANCE WITH APPLICABLE LAWS AND ORDINANCES:

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

Company's cost of materials and labor at the applicable Hourly Service Charge; provided, however that such internal wiring will be provided without charge if Company is able to coordinate with other comparable electrical wiring installation in cases of new construction or substantial rehabilitation of existing schools. Basic Service will be provided to each such outlet free of any charges. City will be responsible for equipment charges, if any.

8. CONDITIONS ON CONSTRUCTION:

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

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

9. CONDITIONS ON STREET OCCUPANCY

- a. If at any time during the period of this Franchise the City shall lawfully elect to alter or change the grade, alignment or rerouting of any street, sidewalk, alley, or other public way, the Company, upon reasonable (2 weeks) notice by the City shall remove, relay, and relocate its poles, wires, cable, underground conduits, manholes, and other fixtures at its own expense.
- b. The Company shall have the authority, under the supervision of the City's appropriate authority, to trim trees upon and overhanging of streets, alleys, sidewalks, and public ways and places of the City so as to prevent the branches of such trees from coming in contact with the wires and cable of the Company.
- c. The Company shall, at the request of any person holding a building moving permit issued by the City, temporarily raise or lower its wires to permit the moving of building. The expense of such temporary removal, raising or lowering of wires shall be paid by the person requesting the same and the Company shall be given not less

than seventy-two (72) hours advance notice to arrange for such temporary wire change.

10. SAFETY REQUIREMENTS

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

11. SUBSCRIBER FACILITIES

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

12. PREFERENTIAL OR DISCRIMINATORY PRACTICES PROHIBITED

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

13. NEW DEVELOPMENTS

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

14. RESOLUTION OF COMPLAINTS

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

15. MODIFICATION BY REASON OF STATUTES AND GOVERNMENT REGULATIONS:

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

16. ASSIGNMENT: CHANGE OF CONTROL

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

17. SEPARABILITY

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

18. TRANSFER OF AGREEMENT

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

- a. The experience of the proposed transferee or assignee;
- b. The financial, technical and legal qualifications of the proposed transferee or assignee;
- c. If requested by the City, submittals from the proposed transferee or assignee, on what, if any, changes it intends to make in the operations and maintenance of the present cable company;
- d. The corporate connection, if any, between the company and the proposed transferee or assignee; and

- e. Any other aspect of the proposed transferee's, or assignee's, background that could affect the health, safety, and welfare of the citizenry of the City as it relates to the operation of the cable system.

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

19. NOTICES:

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

If to the City:

City Manager
City of Calais
11 Church Street
PO Box 413
Calais, ME 04619

If to the Company:

Pioneer Wireless, Inc. D/B/A Pioneer Broadband
37 North Street
Houlton, ME 04730
Attn: CEO

20. LOCAL PAYMENT LOCATION:

Company may maintain a local payment option in the City of Calais.

21. ACCESS CHANNELS, FACILITIES AND EQUIPMENT:

- a. Channels: The cable system shall provide two access channels, for graphics and video, one at the City Hall and one at the City High School. At least one of which shall be on the basic tier, for the exclusive non-commercial public, educational and governmental ("PEG") access use by City or its designee(s).
- b. Use: City, or its designee(s), shall have the exclusive use of City's access channels;

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

22. MAINTENANCE AND REPAIR:

- a. Maintenance Policy: Company shall promulgate and adhere to a preventative maintenance policy directed toward maximizing the reliability (mean-time-between-malfunctions) and maintainability (mean-time-to-repair) of the cable system with respect to its delivery of service to subscribers at or above the performance standard set forth herein. Whenever it is necessary to interrupt service for the purpose of making repairs, adjustments, installations or other maintenance activities, Company shall do so at such time as will cause the least inconvenience to subscribers
- b. Repair: Company shall maintain a repair department comprising qualified technicians, service vehicles and equipment to provide prompt and efficient repair service within the parameters set forth below.
- c. Notice: Except in an emergency, Company shall give subscribers at least twenty-four (24) hours' notice of any interruption of service for purposes of maintenance or repair. In an emergency, Company shall give such notice as is reasonable in the circumstances. Notice given on the alphanumeric channels on basic service shall be considered sufficient.
- d. Repair Procedure: Company shall have a toll free, local listed telephone so requests for repairs can be received at any time, twenty-four (24) hours per day, seven (7) days per week.
- e. Rebate for Service Loss: For every loss of service in excess of twelve (12) continuous hours, Company will, upon request, provide a pro rata rebate consistent with the provisions of 30-A M.R.S.A. section 3010, subsystem 1. For purposes of this paragraph, loss of basic service shall be considered a subscriber's receipt of less than two-thirds of the respective available channels, and loss of pay cable service shall be considered the loss of signal on any pay channel. It is understood that, if the cable system is functioning, a subscriber's inability to receive service due to failure of the utility to deliver power to a subscriber's location shall not be deemed loss of service

- f. Records: Company shall maintain records of written complaints regarding quality of service, equipment malfunctions, billing procedure, and similar matters. Such records shall be maintained for two (2) years. Consistent with subscriber privacy provisions contained in the Cable Act, the Company shall make the logs or records of complaints available to any authorized agent of any franchising authority having a franchise with that Company.

23. FRANCHISE FEE:

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

24. RATE AND PROGRAM CHANGES:

- a. Company shall follow the applicable FCC notice requirements and notify the affected Customers, which notice may be by any means permitted under applicable law
- b. Written Notice of Change in Rates: Company shall give City and each subscriber at least thirty (30) days' individual written notice of any change in subscriber rates or charges, and, before any rate increase is made, Company has the option to appear before the City Council to advise the Council of the proposed rate increase and the reasons for the such proposed rate increase.
- c. Written Notice of Change in Programming: Company shall give City and each subscriber at least thirty (30) days' individual written notice of any change, including additions and deletions, or change in channel position, in the programming carried on the cable television system, as well as any retiering of such programming, and any other changes in the services offered by Company.

25. REVOCATION:

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

satisfaction of the City, the City Council shall have the right to revoke said franchise, and all rights, privileges and license derived therefrom, forthwith by Council resolution taken at a public hearing (at which hearing the Company shall be afforded due process of law).

26. INTEGRATED FRANCHISE:

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

IN WITNESS THEREOF, the City of Calais has caused this Franchise to be duly executed in its name by its City Manager, and its corporate seal is hereunto duly affixed, and the Company, has caused this Franchise to be duly executed in its name by its CEO, all being duly authorized to act in their respective capacities, on the 17th day of **October** 2019.

City of Calais



By: Mike Ellis

Its City Manager

Pioneer Wireless Inc., DBA Pioneer Broadband



By: Timothy R. McAfee

Its CEO