

PENDING PETITION MEMO

Date: 7/31/2007

TO : OT
FROM: CENTRAL OPERATIONS
UTILITY: MID-TEL CABLE TV, INC.
SUBJECT: 07-V-0894

Petition of Mid-Tel Cable TV, Inc. for Approval of the Renewal of its Franchise with Village of Schoharie, Schoharie County, initial franchise docket # 11670.

JOHN J. BALLIETT, TRUSTEE
EDWARD AUGUST, TRUSTEE
ARTHUR L. RULAND, TRUSTEE
RICHARD J. YOUNG, TRUSTEE

256 MAIN ST.
PO Box 219
SCHOHARIE, NY 12157-0219



JOHN J. BORST, MAYOR

LESLIE J. PRICE
CLERK AND TREASURER

518-295-8500
(Fax) 518-295-8501
TDD NUMBER 1-800-662-1220

Resolution #8-2007

Motion made by Mr. August seconded by Mr. Balliett and unanimously carried to adopt Resolution #8-2007 (full text of Resolution is attached) to renew the Franchise Agreement with Midtel Cable TV, Inc. for an additional 5 (five) years ending 10/01/2011.

VOTE

AYE

NAY

Mr. Borst, Mayor
Mr. August, Trustee
Mr. Balliett, Trustee
Mr. Caza, Trustee
Mr. Young, Trustee

Adopted on May 8, 2007

**PUBLIC HEARING
VILLAGE OF
SCHOHARIE**

Please take notice. The Village Board, Village of Schoharie, will hold a Public Hearing on May 8, 2007 at 8:00pm in the Village Hall located at 256 Main Street, for the purpose of consideration of renewal of the Mid Tel Cable Television Franchise that supersedes all pre-existing Franchise Agreements with Mid Tel Cable.

Dated: April 24, 2007

Leslie J. Price

Village Clerk

Village of Schoharie

May2c5

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Resolution:

WHEREAS, by resolution of the Village of Schoharie Board, on July 10, 1996, the Village granted a non-exclusive cable television franchise to MIDTEL CABLE TV, Inc and authorized the Village Mayor to execute the instant FRANCHISE AGREEMENT with MIDTEL CABLE TV, Inc. upon terms hereinafter set forth; and

WHEREAS, said FRANCHISE AGREEMENT was for a period of ten (10) years from the effective date thereof and expired on October 1, 2006; and

WHEREAS, contained within Section 1 of said FRANCHISE AGREEMENT, MIDTEL CABLE TV, Inc. may renew the FRANCHISE AGREEMENT for an additional term of five (5) years, provided that the exercise of such option shall be subject to the approval of the New York State Public Service Commission, and further provided that the Schoharie Village Board determines that the cable operator has substantially complied with all requirements of the FRANCHISE AGREEMENT and has provided good and reliable service; and

Now, THEREFORE, be it RESOLVED;

The Village of Schoharie, acting by the Village Board, does hereby affirm that MIDTEL CABLE TV, Inc. has substantially complied with all requirements of the FRANCHISE AGREEMENT and has provided good and reliable service; and

The Schoharie Village Board grants to MIDTEL CABLE TV, Inc. an additional period of five (5) years to the length of the original FRANCHISE AGREEMENT.

JOHN J. BORST, TRUSTEE
ARTHUR L. RULAND, TRUSTEE
LOUIS A. DIRUBBA, TRUSTEE
PAUL E. HOWARD, TRUSTEE
SCHOHARIE, NY 12157-0219



FLOYD A. GUERNSEY, MAYOR

SHIRLEY B. HAVERLY
CLERK AND TREASURER

518-295-8500

RESOLUTION #12 - 1996

RESOLUTION AUTHORIZING THE MAYOR TO ENTER INTO
AGREEMENT WITH MIDTEL CABLE TV., INC.

WHEREAS, the Village of Schoharie duly advertised a Request for Proposals for a franchise for a cable communication system; and

WHEREAS, in response thereto, proposals were received on May 24, 1996, and

WHEREAS, this Board has fully investigated and considered the proposals from MidTel Cable TV, Inc., and

WHEREAS, this Board finds that MidTel Cable TV, Inc. has the knowledge and experience to construct, maintain and operate a cable communication system in the Village of Schoharie and

WHEREAS, this Board finds that MidTel Cable TV, Inc. has presented a plan to provide local programming and two-way telecasting at the earliest possible stage; and

WHEREAS, this Board finds that the rates proposed by MidTel Cable TV, Inc. are fair and equitable; and

WHEREAS, this Board finds that MidTel Cable TV, Inc. has proposed a satisfactory maintenance system for the handling of complaints, now, therefore, be it

RESOLVED, that this Board deems it to be in the best interest of the Village of Schoharie to award a non-exclusive franchise for a term of ten years with the option to renew for an additional five years, to construct, maintain and operate a cable communication system in the Village of Schoharie to MidTel Cable TV, Inc. and be it further

RESOLVED, that the Mayor be and hereby is authorized to enter into an agreement for said franchise under such forms and conditions as may be acceptable to him and approved by the Village Board.

WHEREAS, above Resolution was made by motion made by Mr. Ruland, seconded by Mr. Howard and carried.

VILLAGE OF SCHOHARIE

CABLE TELEVISION
FRANCHISE AGREEMENT

MIDTEL CABLE TV, INC.



AGREEMENT was made as of the 1st day of August, 1996 between the Village of Schoharie ("Village") and MIDTEL CABLE TV, Inc. ("MIDTEL"), having its principal office at the Corner of Cliff Street and Wells Avenue, Middleburgh, New York.

WHEREAS, MIDTEL CABLE TV has applied to the Village for a franchise granting it the right to construct and operate a broadband telecommunications system within the geographical boundaries of the Village; and

WHEREAS, on June 19, 1996, the Village held a full public hearing affording due process to consider the granting of the franchise to MIDTEL CABLE TV under the franchising procedures of the New York State Commission on Cable Television ("Commission"); and

WHEREAS, the technical and financial ability and character of MIDTEL CABLE TV were considered and approved at such hearing; and

WHEREAS, this proposed franchise agreement complies with the standards of the Commission; and

WHEREAS, by resolution of the Village Board dated 07/10/96, 1996, the Village granted a non-exclusive franchise to MIDTEL CABLE TV and authorized the Village Mayor to execute such Agreement with MIDTEL CABLE TV upon the terms hereinafter set forth;

NOW, THEREFORE, in consideration of the mutual conditions and covenants contained herein:

IT IS MUTUALLY AGREED AS FOLLOWS:

Section 1. Definitions

For the purpose of this Agreement the following terms, phrases, words, abbreviations and their derivations shall have the meaning given herein. When not inconsistent with the context, words used in the present tense include the future; words in the plural number include the singular number; and vice versa. The word "shall" is always mandatory and not merely directory.

(A) "Agreement" shall mean this contract and its provisions.

(B) "Village" shall mean the Village of Schoharie organized and existing under the laws of the State of New York.

(C) "System" shall mean the broadband telecommunications system constructed heretofore, which, in whole or in part, distributes analog and digital audio, telephone, telegraph, radio, television and video and/or data transmissions and distributes such signals to subscribing members of the public who pay for such service.

(D) "Commission" means the New York State Commission on Cable Television.

(E) "Gross Programming Receipts" shall mean any and all payments made to or compensation received by MIDTEL CABLE TV or its affiliates or subsidiaries from subscribers or other users of the System in connection with the operation of the System within the Village, including, but not limited to, any and all sums received from subscribers or users in payment of programming charges (whether as part of basic service, pay cable service or otherwise) but not including any taxes on services furnished by MIDTEL CABLE TV imposed directly on any subscriber or user by any governmental unit and collected by MIDTEL CABLE TV for such governmental unit. Nor shall Gross Programming Receipts include any receipts received by MIDTEL

CABLE TV or an affiliate or subsidiary, or any person or entity, in connection with the sale of any cable programming magazine (e.g., a subscription to Outdoor Life magazine) or the sale of products or premiums by a parent, affiliate or subsidiary of MIDTEL CABLE TV (e.g., the sale of a video highlighting a team's previous season by Madison Square Garden Network or the sale of jackets or other products or premiums by MSGN).

(F) "FCC" is the Federal Communications Commission.

(G) "Franchise" shall mean and include any authorization granted hereunder in terms of franchise, right, privilege and non-exclusive authority to construct, erect, operate and maintain, in, upon, along, across, above, over and under the streets, alleys, public ways, public places and laid out or dedicated, and all extensions thereof, and additions thereto in the Village, a system of poles, wires, cables, underground conduits, manholes and other conductors and fixtures necessary to maintain and operate a System in the Village.

Section 2. Grant of Non-Exclusive Franchise:

(A) There is hereby granted by the Village to MIDTEL CABLE TV the non-exclusive Franchise, right, privilege, authority, easement and license to construct, erect, suspend, install, renew, maintain and operate throughout the entire Village in, upon, along, across, above, over and under the streets, alleys, easements, public ways and public places as now laid out or dedicated, and all extensions thereof, and additions thereto, in the Village, a system of poles, wires, cables, underground conduits, ducts, trenches, conductors, amplifying equipment, manhole fittings and any and all other fixtures, appliances and appurtenances necessary for the installation, maintenance and operation in the Village of a System. This agreement shall further include the Franchise, right, privilege, easement, and authority to construct, erect, suspend, install, lay, renew, repair, maintain and operate such poles, wires, cables, underground conduits, manholes, ducts, trenches, fixtures, appliances, and appurtenances for the purpose of distribution of inhabitants both within and beyond the limits of the Village. Without limiting the generality of the foregoing, this non-exclusive franchise shall and does hereby include the right, in, over and upon the streets, sidewalks, alleys, easements (including public utility easements) where such easements have been granted by the Village, public grounds and places in the Village for the purpose of installing, erecting, operating or in any other way acquiring the use of, as by leasing, or licensing, all poles, lines and equipment necessary to operate a System and the right to make connections to subscribers, the right to repair, replace and enlarge said lines, equipment and connections, and to maintain and use the same for the purpose of transmitting and distributing analog and digital telephone, telegraph, television, radio and/or other audio-visual, radio frequency or data signals. The right granted for the purposes herein shall be non-exclusive.

(B) This Franchise is for the corporate limits of the Village and for any areas henceforth added thereto during the term of this Agreement, which here and after shall be known as the Franchise Area.

(C) In the event the Village wishes to grant a franchise to any other person, such franchise shall be granted on at least the same terms and conditions, shall contain the identical obligations and burdens, and shall be applied to the same geographic areas, as this Agreement.

Section 3. Effective Date and Term - Removal

(A) This Agreement shall take effect and be in full force from and after the issuance of a Certificate of Confirmation by the Commission and said Agreement shall continue in full force and effect until December 31, 2006. After the expiration of the initial ten (10) years of this franchise, the parties may mutually agree upon an extension of this franchise agreement for an additional period of five (5) years, or longer, as the parties may mutually agree.

(B) Upon expiration, termination or revocation of this Agreement, MIDTEL CABLE TV at its sole cost and expense and upon direction of the Village, shall remove all property and equipment, including but not limited to all devices constructed or maintained in connection with the services authorized herein. Such removal shall be made so as not to conflict with the public health, safety or welfare. Removal shall be completed within six (6) months.

Section 4. Compliance with Applicable Law and Exercise of Reasonable Police Powers

(A) The work done in connection with the construction, reconstruction, maintenance, service or repair of said System shall be subject to and governed by all laws, rules and regulations of the Village now in force or that may be hereafter passed and adopted for the government and regulation thereof and not inconsistent herewith. Further, the construction, maintenance and operation of the System shall be subject to all lawful police powers and regulations by the Village. The Village shall have the power at any time to order and require MIDTEL CABLE TV to remove and abate any pole, tower, wire, cable, electronic conductor or other structure or facility that is dangerous to life or property upon reasonable demonstration thereof and the giving of appropriate written notice, and in the event MIDTEL CABLE TV, after written notice, fails or refuses to act, the Village shall have the power to remove or abate the same at the expense of MIDTEL CABLE TV.

(B) This Agreement shall be deemed automatically amended to incorporate all changes in Federal or State franchise standards. All such changes shall be incorporated herein with one (1) year from the adoption of such modification, or at the time of franchise renewal, whichever shall first occur.

(C) The Village shall have the right to adopt in addition to the provision contained in this Agreement and existing applicable ordinances such additional regulations as it shall find necessary from time to time in the exercise of its police power; provided, however, that such regulations are not materially in conflict with the provisions of this Agreement.

Section 5. Indemnification and Insurance

(A) MIDTEL CABLE TV shall indemnify and save the Village harmless from all losses sustained by the Village on account of any suit, claim, or demand whatsoever

occasioned by or arising out of the construction, erection, maintenance, repair, or operation of the System in the Village and from any suits, liabilities, obligations for liabilities, obligations for libel, slander, unfair competition, or obligation of suits of any kind or nature whatsoever by a third person, arising out of or incident to the exercise by MIDTEL CABLE TV of the rights herein granted, unless such suit, claim or demand arises out of the negligent acts or omissions of the Village. MIDTEL CABLE TV shall provide the Village with a Certificate of Insurance evidencing carriage of liability insurance covering property damage and public liability from an insurance company or companies qualified to do business in the State of New York. The amounts of such insurance to be carried for liability due to damage to property shall not be less than Three Hundred Thousand Dollars (\$300,000.00) as to any one accident and against liability due to injury or death of persons One Million Dollars (\$1,000,000.00) as to any one person and One Million Dollars (\$1,000,000.00) as to any one accident, including umbrella or excess liability coverage. MIDTEL CABLE TV shall also maintain Umbrella or Excess Liability coverage of at least Two Million Dollars (\$2,000,000.00). The Village shall notify MIDTEL CABLE TV within thirty (30) days after the presentation of any claim or demand, either by suit or otherwise, made against the Village on account of any negligence or other claim or liability as aforesaid on the part of MIDTEL CABLE TV.

(B) MIDTEL CABLE TV shall pay, except as noted herein to the contrary, all expenses incurred by the Village to defend itself in regard to all damages and penalties mentioned in this Section. These expenses shall include out-of-pocket expenses such as reasonable attorneys' fees.

(C) A Certificate of Insurance shall be delivered by MIDTEL CABLE TV to the Village Clerk within thirty (30) days.

Section 6. Conditions of Street Occupancy

(A) MIDTEL CABLE TV shall have the right and authority to remove, trim, cut and keep clear trees and bushes upon and overhanging all streets, alleys, easements, sidewalks and public places in the Village so as to keep same clear of its poles, wires, cables, conduits and fixtures. Before commencing any tree trimming, MIDTEL CABLE TV will inform the Village official designated by the Village to monitor MIDTEL CABLE TV's construction activities.

(B) In the case of any disturbances of pavement, sidewalk, driveway or other surfacing, MIDTEL CABLE TV shall, at its own cost and expense in a manner provided and approved by the Village official designated by the Village, replace and restore all paving, sidewalk, driveway or surfacing so disturbed in as good condition as before said work was commenced.

(C) If at any time during the term of this Agreement the Village shall lawfully elect to alter or change any street, alley, easement or other public way requiring the

relocation of the facilities of MIDTEL CABLE TV, then in such event MIDTEL CABLE TV, upon at least forty-five (45) days written notice by the Village, shall remove, relay, and relocate the same at MIDTEL CABLE TV's expense.

(D) MIDTEL CABLE TV shall, upon the request of any person holding a building moving permit issued by the Village, temporarily raise or lower its wires to permit the moving of buildings. The expense of such temporary removal or raising or lowering of wires shall be paid by the person requesting the same, and MIDTEL CABLE TV shall have the authority to require such payment in advance. MIDTEL CABLE TV shall be given not less than seventy-two (72) hours advance notice to arrange for such temporary wire changes.

Section 7. Operation, Service and Maintenance of System

(A) MIDTEL CABLE TV shall so maintain and operate the System and render efficient service to subscribers during the term of this Agreement as to insure that all work involved in construction, installation, maintenance and repair of the System shall be performed in a safe, thorough, and reliable manner. The construction, maintenance and operation of the System for which this Agreement is granted shall be done in conformance with the National Electrical Code, the National Electrical Safety Code, and the rules and regulations of the FCC and the State of New York as the same exist or as same may be hereafter changed, amended or adopted. Further, MIDTEL CABLE TV shall install and maintain its wires, cables, fixtures and other equipment in accordance with the requirements of the ordinances of the Village as may be amended, and in such manner which shall not interfere with any installations of the Village or any public utility serving the Village. In the event that any municipal property is damaged or destroyed in the course of operations or construction by MIDTEL CABLE TV, such property shall be promptly repaired or replaced by MIDTEL CABLE TV and restored to serviceable condition.

(B) All structures and all lines, equipment and connections in, over, under and upon streets, sidewalks, alleys and public ways and places of the Village, wherever situated or located, shall at all times be kept and maintained in a safe, suitable, substantial condition and in good order and repair.

(C) The signal of any audio or video service carried on the System shall be carried without material degradation in quality within the limits imposed by the technical state of the art, and as set forth by the FCC. The System shall be operated in accordance with the rules and regulations of the FCC and the Commission.

Section 8. System Description

(A) The area to be served by MIDTEL CABLE TV is shown and outlined in green on the map attached hereto as Attachment A.

(B) Construction of the System hereunder including the installation of electronics and passive equipment shall be completed by December 31, 1996. The System shall consist of a single trunk-single feeder capable of providing no less than sixty (60) "downstream" channels.

(C) All work involved in the construction, installation, maintenance and the repair of the System shall be performed in a safe, thorough, and reliable manner.

(D) All technical specifications and the operation of the System shall at all times conform to the specifications established by the FCC and the Commission.

(E) MIDTEL CABLE TV shall:

(a) Use facilities capable of distributing color television signals;
(b) Produce a picture of good quality that is undistorted, free from ghost images and accompanied by proper sound on typical TV receivers in good repair, all as good as the state of the art from time to time allows;

(c) Transmit signals of adequate strength to produce good pictures and sound at all outlets without cross-modulation in the cables and without interfering with other electrical or electronic systems;

(d) Limit failure to a minimum by locating and correcting malfunctions promptly, but in no event more than forty-eight (48) hours after notice, excepting situations of force majeure; and

(e) Render efficient service, making repairs promptly, and interrupt service only for good cause and for the briefest possible period, preceded if possible by notice and to occur, if possible, during periods of minimum system use.

(F) MIDTEL CABLE TV shall, along its cable routes, provide one aerial connection for basic service to each public and private school, police and fire station, and public library, located within the Village upon request without charge. MIDTEL CABLE TV shall, along its cable routes, also provide a connection without charge to designated Village office buildings upon request by the Village in writing. As used herein, the term "School" shall mean those education institutions within the Village chartered by the New York State Board of Regents pursuant to the New York Education Law; and the term "library" shall mean a library established for free public purposes by official action of a municipality, district, or the legislature, where the whole interest belongs to the public, provided, however, that the term shall not include a professional, technical or public school library.

(G) MIDTEL CABLE TV shall, upon request, provide free basic 10 hour package, Internet access to the Village Office.

Section 9. Customer Service and Protection

(A) Service Provisions

(1) MIDTEL CABLE TV shall offer service to all residents within the Village at uniform installation charges and at uniform monthly rates. This provision does not prohibit the creation of categories of service for commercial establishments, bulk billing, senior citizens or special rates for promotional or competitive purposes, so long as such rates are not prohibited by federal or state law.

(2) Subscription to the service herein authorized shall be wholly voluntary and optional to the residents of the Village.

(3) The rates as of the date of this Agreement for services available for subscription are annexed hereto as Schedule 1.

(4) Neither any Federal agency, the State nor the Village may regulate the rates and charges for the provision cable television services, except to the extent provided under Section 633 and Section 612 of the Communications Act of 1934, as amended. The rates for any cable television service for which approval is required shall be deemed part of this Agreement whether or not said rates are specifically set forth within said Agreement.

(5) MIDTEL CABLE TV shall not make or grant preference or advantage to any person, nor subject any person to prejudice or disadvantage with the same classifications of service as to rates, charges, services, facilities, rules, regulations or in any other respect; provided, however, this shall not be deemed to prohibit the establishment of a graduated scale of charges and rate classifications for residential and commercial services to which any customer coming within such classification shall be entitled, nor shall it preclude reduced rates to senior citizens.

(6) MIDTEL CABLE TV shall maintain an office reasonably accessible to residents of the Village with one or more agents or employees at all times and shall have sufficient employees to provide safe, adequate and proper service for its facilities. MIDTEL CABLE TV currently maintains an office in Middleburgh. MIDTEL CABLE TV also currently retains Central National Bank in Middleburgh and Schoharie for the payment of bills. Upon notice MIDTEL CABLE TV shall expeditiously investigate and resolve complaints regarding the quality of service, equipment malfunctions and similar matters. MIDTEL CABLE TV's office shall be open at least from 8:00 AM to 5:00 PM, Monday through Friday, and MIDTEL CABLE TV shall have a publicly listed local or "800" telephone number so operated that complaints and requests for repairs or adjustments may be received twenty-four (24) hours a day. MIDTEL CABLE TV shall provide to the Village and all subscribers at least thirty (30) days prior written notice of the change or location of its office, the change of business hours of its office, or the change of any customer service telephone number.

(7) MIDTEL CABLE TV shall maintain a sufficient number of business telephone lines within the greater capital district and personnel to assure that telephone inquiries from subscribers or potential customers seeking installation, repair service, or disconnection are handled promptly. MIDTEL CABLE TV shall also maintain staffing levels and support equipment sufficient to assure that telephone inquiries are responded to on the same day of receipt, and that mail inquiries are responded to within ten (10) business days of receipt.

(8) MIDTEL CABLE TV shall provide all subscribers as required by law or Commission rules and at least annually, complete written information concerning all services and rates available to such subscribers in accordance with statute or regulation. Such sales material shall clearly and conspicuously disclose the price and other information concerning MIDTEL CABLE TV's services. Such information shall be written in plain English and shall include but shall not be limited to the following: all services, tiers, and rates, deposits if applicable, installation costs, additional television set charges, service upgrade or downgrade charges, lockout devices and information concerning the utilization of video cassette recorders (VCR's) with cable service(s) and the cost of hooking up such VCR's.

(9) MIDTEL CABLE TV shall provide notification to the Village and subscribers of rate changes as required by Section 590.64 of the Rules and Regulations of the Commission.

(10) Employees of MIDTEL CABLE TV shall not enter a subscriber's home without permission of the subscriber.

(11) Each employee of MIDTEL CABLE TV entering upon private property shall be required to have on his or her person an employee identification card issued by MIDTEL CABLE TV and bearing a picture of the employee. Such document shall include a telephone number that can be used to verify identification. In addition, MIDTEL CABLE TV shall use its best efforts to clearly identify all personnel, vehicles, and other major equipment that are operating under the authority of MIDTEL CABLE TV.

(12) MIDTEL CABLE TV shall maintain the system to meet all technical requirements of the FCC and the Commission.

(13) Where the Village has questions about the reliability or technical quality of cable service, the Village shall have the right and authority to require MIDTEL CABLE TV to test, analyze and report on the performance of that portion of the System. Where such questions arise, MIDTEL CABLE TV shall fully cooperate with the Village in performing such testing and shall prepare the results and a report, if requested, within thirty (30) days after notice. Such report shall include the following information:

- (a) the nature of the complaint or problem which precipitated the special tests;
- (b) the component or area tested;
- (c) the equipment used and procedures employed in testing; (date test equipment was last calibrated)
- (d) the method, if any, in which such complaint or problem was resolved, and
- (e) any other information pertinent to said tests and analysis which may be required.

(B) Installations

(1) MIDTEL CABLE TV shall install service to all dwelling units and commercial establishments entitled to service under the franchise and within the areas served by the System within two (2) weeks of a request for such service for aerial installations and after the receipt of any applicable Town/Village, state, federal and utility company permits and permission from any landlord or other person controlling access to such premises, if necessary.

(2) Ground conditions permitting, MIDTEL CABLE TV shall install service to all dwelling units and commercial establishments entitled to service within the area served by underground or buried facilities within two (2) weeks of the receipt of a request for such service and after the receipt of any applicable village, state, federal and utility company permits and permission from any landlord or other person controlling access to such premises, if necessary. Notwithstanding the above, MIDTEL CABLE TV shall use its best efforts to bury any temporary installations that were installed during such periods of time during which burial is impossible due to frozen

ground conditions. MIDTEL CABLE TV shall use its reasonable best efforts to complete such work within thirty (30) days after ground conditions permit such burial.

(3) Installations shall be offered weekdays during normal business hours, and Saturday.

(C) Repairs

(1) Requests for repair service shall be responded to by MIDTEL CABLE TV no later than the end of the next regular business day.

(2) Response to System outages shall be acted on as soon as practicable.

(3) MIDTEL CABLE TV shall maintain a person-operated 24-hour answering service for repair services.

(4) MIDTEL CABLE TV shall offer prompt repair service, available during the A.M., P.M. and on weekends. Subscribers shall be notified of the availability of service calls during these periods.

(5) In the event that service to any subscriber is interrupted for four (4) or more consecutive hours, MIDTEL CABLE TV shall expeditiously grant such subscriber a credit in accordance with the rules of the Commission.

(D) Disconnections

(1) MIDTEL CABLE TV shall discontinue charging subscribers for a service or any portion thereof on the date disconnection of such service is requested by the subscriber, and shall refund on a pro-rata basis any prepayments for such service made by the subscriber. MIDTEL CABLE TV may bill subscribers for any unreturned equipment until the equipment is returned. MIDTEL CABLE TV shall have the right to disconnect service to a subscriber for non-payment in accordance with the Rules of the Commission. Subscribers shall not be required to pay for replacement of damaged converter or descrambler units and associated equipment supplied by or rented from MIDTEL CABLE TV, if the damage resulted from normal wear and tear.

(E) Record keeping

(1) MIDTEL CABLE TV shall keep a record of all System outages and all complaints for two years filed by subscribers; which complaint file shall be made available to representatives of the Village within two (2) weeks of requirement. Nothing contained herein shall require MIDTEL CABLE TV to disclose personally identifiable information about a subscriber in violation of Federal Law.

(2) MIDTEL CABLE TV shall maintain a monthly summary of telephone complaints received by MIDTEL CABLE TV and shall forward such report to the Village upon request. MIDTEL CABLE TV shall provide an annual report summarizing all telephone complaints to the Village upon request. The Village shall have the right to receive summaries for any prior two (2) year period or portion thereof.

Section 10. MIDTEL CABLE TV's Rules

MIDTEL CABLE TV shall have the authority to promulgate such rules, regulations, terms and conditions governing the conduct of its business as shall be reasonable necessary to enable MIDTEL CABLE TV to exercise its rights and perform

its obligations under this Franchise and the New York State Commission and to ensure an uninterrupted service to each and all of the subscribers in the System.

Section 11. Payment to the Village of Franchise Fees

(A) In consideration for granting this Franchise, MIDTEL CABLE TV shall pay the Village quarterly on or before the 30th day following the end of each quarter a fee of five percent (5%) of Gross Programming Receipts.

(B) The first quarterly period for the purpose of the payment of the franchise fee pursuant to this section shall begin on the effective date of this agreement and extend to the end of the calendar quarter. Payment shall be due within thirty (30) days of the end of each calendar quarter.

(C) MIDTEL CABLE TV shall submit to the Village a statement containing sufficient information necessary to permit the Village to independently verify that payment of the franchise fee has been fully and accurately made. Acceptance by the Village of the payment does not confirm its accuracy or abrogate any rights the Village may have under this Agreement to secure the correct payment. The statement shall be submitted at the same time as payment of the franchise fee is made.

(1) The accuracy of the statement may be independently audited by the Village at any time at its own expense.

(a) If an error of greater than five percent (5%) of the correct franchise fee owed is found, MIDTEL CABLE TV shall promptly reimburse the Village for all reasonable expenses incurred in the conduct of the audit, in addition to any additional fee owed the Village.

(b) If MIDTEL CABLE TV disputes the findings of the Village's audit the disputed amount and the expenses incurred in the conduct of said audit shall be placed in escrow until a final judgment is rendered by a court of competent jurisdiction.

(c) Any final judgment for the Village that shows an error of greater than five percent (5%) shall result in a requirement that MIDTEL CABLE TV reimburse the Village for court costs and reasonable attorneys' fees incurred by the Village.

(2) Underlying books and records of MIDTEL CABLE TV may be audited on the Village's behalf only to the extent required to effect such independent audit of the statement and MIDTEL CABLE TV shall cooperate fully with the Village and its agents in the conduct of the audit.

(D) It is understood that MIDTEL CABLE TV may specifically itemize and identify, as a separate line item on each subscriber's billing statement, all amounts paid to the Village and the State and the Commission as a franchise fee.

Section 12. Right to Inspect Books-- Regulatory Officer

(A) MIDTEL CABLE TV hereby grants to the Village the right to inspect all its books, records, maps, plans, financial statements and other similar material of MIDTEL CABLE TV, insofar as they relate to the terms and conditions of this Agreement and the performance of the obligations hereunder, upon reasonable notice to MIDTEL CABLE TV and during normal business hours.

(B) MIDTEL CABLE TV shall make available to the Village:

(1) All publicly available reports required by or voluntarily submitted to the Commission and the FCC by MIDTEL CABLE TV related to its operation of the System or its conduct of business in the Village, except to the extent such reports contain propriety information.

(2) A report setting forth the physical miles of plant construction and plant in operation for the year, and copies of all materials required by this agreement to be given to subscribers.

(3) The following financial reports:

(a) An ownership report indicating all persons who at any time during the preceding year did control or benefit from an interest in this franchise of twenty percent (20%) or more.

(b) A copy of the annual report of MIDTEL CABLE TV or its corporate parent(s) including financial information that has been prepared by a nationally recognized independent certified accounting firm.

(c) A report on the placement of any limited partnership offering, affecting the System, if any, including the amount subscribed and the amount paid in.

(d) An annual list of officers and members of the Board of MIDTEL CABLE TV or of any parent corporation.

(4) The following System and operational reports:

(a) Performance testing results as submitted to the FCC and Commission.

(b) A summary of the previous year's subscriber activity including the subscriber totals for each category of service offered and the average total bill for service per subscriber.

(c) A summary of service requests and complaints received and handled.

(d) A summary of the number of outages experienced during the previous year.

(e) A summary of all reports required by or voluntarily submitted by MIDTEL CABLE TV to the Commission and the FCC related to its operation of the cable system or its conduct of business in the Village.

(C) MIDTEL CABLE TV shall maintain the following records:

(1) A record of all service orders received including the date and time received, nature of complaint, date and time resolved, and action taken to resolve.

(2) A log showing the date, approximate time and duration, type and probable cause of all System outages, whole or partial, due to causes other than routine testing or maintenance.

(D) The Village reserves the right to inspect any and all records that MIDTEL CABLE TV is required to maintain pursuant to this Agreement upon reasonable notice and during normal business hours. MIDTEL CABLE TV shall promptly make such materials available at its local business office. Nothing contained herein shall require MIDTEL CABLE TV to make available personally identifiable information about a subscriber in violation of Federal law.

(E) At the request and invitation of the Village during the term of this agreement, MIDTEL CABLE TV's General Manager shall appear at public sessions scheduled by the Village to answer the inquiries of representatives of the Village and the residents of the Village pertaining to the operation of the System in the Village.

(F) MIDTEL CABLE TV shall provide its subscribers and the Village thirty (30) days prior written notice of all service additions, deletions, or realignments.

(G) The Village Board shall designate the Village Mayor as the official who shall be responsible for administration of the Franchise.

Section 13. Termination

(A) In addition to all other rights reserved to the Village under this Agreement, or by law, and not in substitution thereof, the Village reserves the right to terminate this Agreement, in the sole discretion of the Village in the event that MIDTEL CABLE TV shall be in default of or fail to comply with any material term, condition, requirement or limitation contained in this Franchise.

(B) MIDTEL CABLE TV shall not be deemed nor declared to be in default under any of the conditions, provisions, requirements or limitations of this Franchise in any case in which the performance of such condition, provision, requirement or limitation is prevented by reason of strikes, injunctions or other causes beyond control of MIDTEL CABLE TV, provided that MIDTEL CABLE TV shall not have investigated such strike, or shall not have been responsible for suits or injunctions or other causes of delay.

(C) MIDTEL CABLE TV shall not be declared in default of any provision contained herein unless MIDTEL CABLE TV shall have been notified by the Village, in writing, of the condition or act for which a violation is alleged. MIDTEL CABLE TV shall have a period of thirty (30) days in which to remedy or take reasonable steps to remedy such condition or act. Thereafter a default shall be declared only by resolution of the Village Board after publication of public notice and the giving of notice to MIDTEL CABLE TV and the granting to MIDTEL CABLE TV of any opportunity to be heard at a public hearing.

(D) Upon termination of the period of this Franchise or of any renewal thereof by passage of time or otherwise, MIDTEL CABLE TV shall remove its supporting structures, poles, transmission and distribution systems and other appurtenances from the streets, ways, lanes, alleys, parkways, bridges, highways, and other public places in, over, under or along which they are installed and shall restore the areas to their original condition. If such removal is not completed within six (6) months of such termination, the Village may deem any property not removed as having been abandoned and such property may be removed by the Village at MIDTEL CABLE TV's expense.

Section 14. Abandonment of Service

MIDTEL CABLE TV is expressly prohibited from abandoning any service undertaken under this Agreement or any portion thereof without the written consent of the Village. In the event MIDTEL CABLE TV makes a showing of financial loss without

any reasonable expectation of terminating such losses, such written consent shall not be unreasonably withheld.

Section 15. Assignment

(A) There shall be no transfer of control of MIDTEL CABLE TV or assignment of (i) this agreement, or (ii) any of the rights, privileges and immunities contained herein, without the prior approval of the Village. The Village hereby agrees that it will not unreasonably withhold such approval. The Village agrees to promptly review any request for an assignment. The Village shall have sixty (60) days to review and act on MIDTEL CABLE TV's application. If the Village has not acted within such time, Village approval shall be deemed to have been given.

(B) Notwithstanding subsection (A) hereinabove, MIDTEL CABLE TV may transfer or assign control of the Franchise or any of the rights, privileges and immunities contained herein to The Middleburgh Telephone Company, its successors or assigns without the prior approval of the Village.

(C) MIDTEL CABLE TV shall have the right to pledge this agreement as security for its financing arrangements.

Section 16. Public, Educational and Municipal Access

(A) MIDTEL CABLE TV shall provide and maintain, without charge a composite access channel for the Village on which:

(1) The Village may cablecast such civic and informational programming as the Village may desire.

(2) The schools within the Village may cablecast educational and instructional programming.

(3) The public within the Village may cablecast programming.

(B) Anything contained herein to the contrary notwithstanding, MIDTEL CABLE TV may utilize any time not otherwise used on such channel for its own programming.

Section 17. Construction

This agreement shall be constructed and enforced in accordance with the laws of the State of New York and shall be subject to all present or future New York State laws.

Section 18. Equal Employment Opportunity

MIDTEL CABLE TV shall not refuse to hire or employ nor discharge or bar from employment nor discriminate against any person in compensation or in terms, conditions and privileges of employment because of age, race, creed, color, national origin or sex.

Section 19. Notice

Any inquiry, proceeding, investigation or other action to be taken or proposed to be taken by the Village in regard to the operations of the System shall be taken only after thirty (30) days public notice of such action or proposed action is served directly on MIDTEL CABLE TV; and MIDTEL CABLE TV and all interested parties and citizens have been given an opportunity to respond in writing and/or at a hearing as may be specified by the Village.

Section 20. Severability

In the event that any provision of this Agreement should be held invalid by a court or regulatory agency of competent jurisdiction, the remaining provisions of this Agreement shall remain in full force and effect.

Section 21. Cancellation of the Franchise

The Village shall have the right to cancel this agreement for any of the following reasons:

- (A) For failure to pay to the Village the franchise fee for a period in excess of one (1) year from its due date.
- (B) For knowingly submitting false records or reports to the Village.
- (C) For the perjured sworn testimony with respect to this Franchise of any company officer.

Section 22. Approval of State Commission

The term of this agreement, and any subsequent amendments hereto, are subject to applicable federal, state and local law, the Rules and Regulations of the FCC, the Commission and any other applicable regulatory body with appropriate jurisdiction. Further, the terms of this Agreement and any subsequent amendments are subject to the approval of the Commission and the FCC.

IN WITNESS WHEREOF, the parties hereto have hereunto executed this Agreement as of the date first above written.

VILLAGE OF SCHOHARIE

BY: *Floyd A. Quensey*

TITLE: *Mayor*

MIDTEL CABLE TV

BY: *John R. Beekun*

TITLE: *PRESIDENT*

• MIDTEL CABLE TV •

BASIC \$8.00

- 2 ~~WKTV~~ - 2 *WMHQ-45*
- 3 WXXA - 23
- 4 Prevue Guide
- 5 WOCD - 55
- 6 WRGB - 6
- 7 WMHT - 17
- 8 Local Channel
- 9 WGN - 9
- 10 WTEN - 10
- 11 Weather Channel
- 12 QVC
- 13 WNYT - 13

LIFE \$9.00 *

- 14 Nickelodeon
- 15 Family Channel
- 16 Discovery
- 17 Learning Channel
- 18 Lifetime
- 19 Cartoon Network
- 20 Home & Garden
- 21 Outdoor Life
- 22 Travel Channel

PRIME \$12.00 **

- 23 C-Span
- 24 CNBC
- 28 Disney
- 30 MTV
- 31 VHI
- 32 CMT
- 33 TNN
- 34 TNT
- 35 ESPN
- 36 CNN
- 37 HN
- 38 WTBS
- 39 USA
- 40 AMC
- 41 A&E
- 42 WWOR
- 44 Comedy
- 45 E!

SUPER \$25.00 **

*Basic, Life & Prime
Channels at a
discounted rate*

**PREMIUM
CHANNELS ****

- 25 HBO \$900
- 26 Cinemax \$8.00
- 27 Showtime \$8.50
- 29 MSG \$5.00
- 43 Playboy \$6.00
- HBO/Cinemax \$15.00

* Requires addressable converter or cable ready television set

** Requires addressable converter

→ Channel Listing As Of 7/1/96 • 8-10 additional channels will
be added by 9/1/96

SERVICE RATES

- Installation to One Set: Free
- Installation to Additional Set:
At Time of Install - \$15.00
Separate Visit - \$30.00

- Installation of A/B Switch:
At Time of Install -
Free + Cost of Switch (\$4.00)
Separate Visit -
\$15.00 + Cost of Switch (\$19.00)

- VCR Hookup:
At Time of Install - Free
Separate Visit - \$15.00

- Relocate Cable or Service Outlet:
\$25.00 + Material Costs

- Service Call:
\$15.00 + Material Costs

- Reconnect:
(Additional \$15.00 If Home Visit is Required)
Nonpayment - \$20.00
Seasonal - \$5.00

- Change of Service:
Home Visit - \$15.00
Office - Free

Note : Above Rates Do Not Include Franchise Fees.

EQUIPMENT RENTALS

- Addressable Converter \$1.00 month (each)
- Hand Held Remote \$0.50 month (each)
- Programming To Additional Outlets, Converter Not Needed - Free



McDonald's of Cobleskill
121 E. Main St. Cobleskill, N.Y.

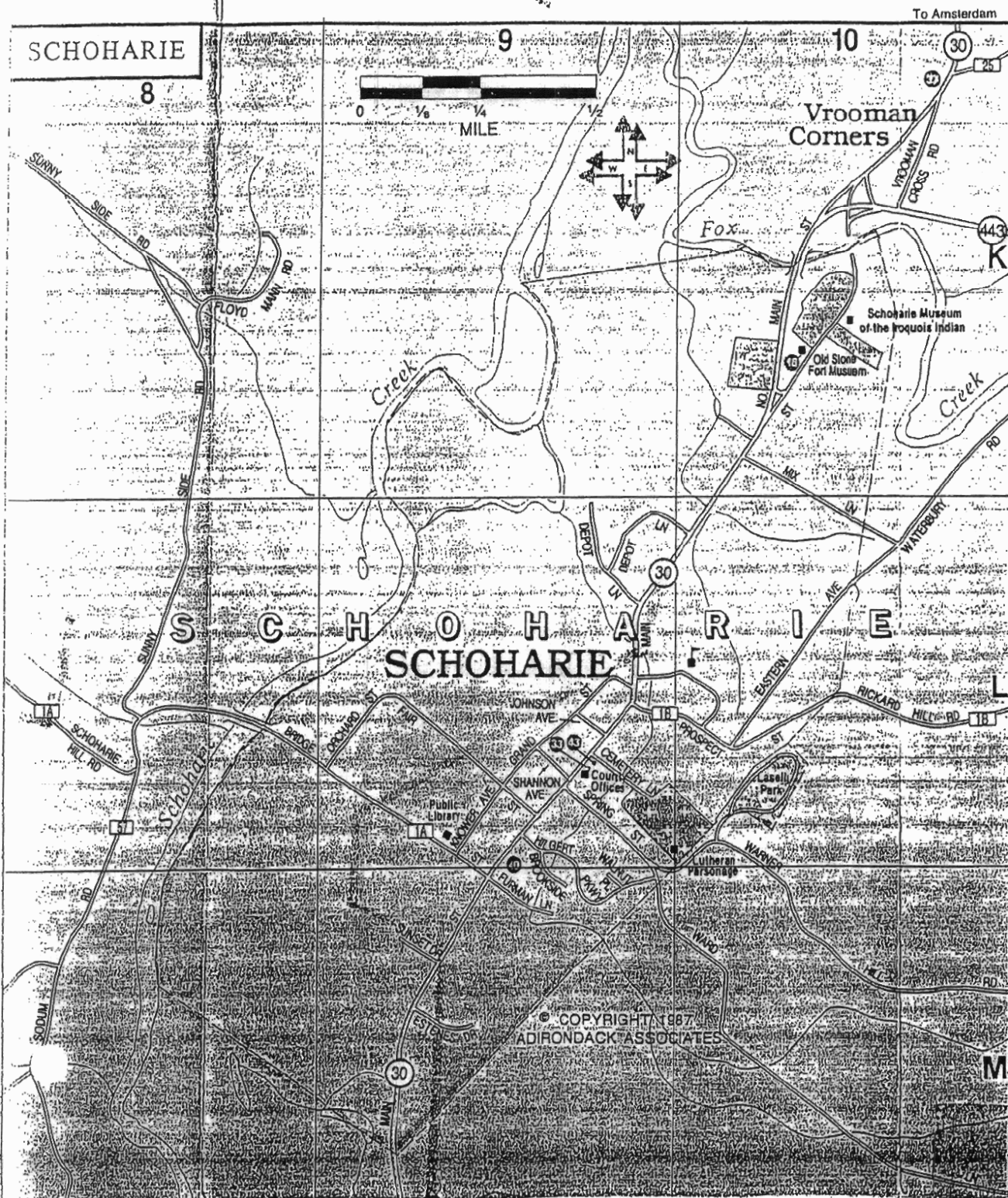
**IT'S A GOOD TIME
FOR THE GREAT TASTE**



Home for Adults
PO Box 759/Route 145
Middleburgh, NY 12122
(518) 827-6551

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