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MIDTEL CABLE TV

May 28, 2010

Jaclyn Brilling, Secretary
New York Public Service Commission
Three Empire State Plaza
Albany, New York 12223

RE: Franchise Renewal Town of Summit

VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

Dear Secretary Brilling,

Enclosed is the Franchise Renewal document and cover letter for the Town of Summit, which has been presented to Town for discussion and review. The original Franchise was for 15 years and will expire August 16, 2010 therefore it may be necessary to grant Temporary Operating Authority, as the renewal process may not be complete by that date.

If you have any questions, please feel free to contact me at 518-827-9120.

Sincerely,

Donald R. Snoop
Video Products Manager
MIDTEL CABLE TV, Inc.
Don.snoop@midtel.net



MIDTEL CABLE TV

May 28, 2010

Harold Vroman, Supervisor
Town of Summit
372 Charlotte Valley Road
Charlotteville, NY 12036

Dear Supervisor Vroman,

Thank you for taking the time to speak with me on the telephone today. I am the Video Products Manager for MIDTEL CABLE TV and will be handling the Cable TV franchise renewal with the Town of Summit.

As per our discussion, the Cable TV franchise between the Town of Summit and MIDTEL CABLE TV will be expiring shortly and it is now time to renew it. The actual expiration date is August 16, 2010, and due to the short amount of time left before it expires, we will also be requesting Temporary Operating Authority from the NY Public Service Commission in case we don't complete the renewal process by the expiration date. This is a normal process when it comes to franchise renewals and the PSC routinely grants a TOA (temporary operating authority) as long as the Cable TV company and Municipality are in the process of negotiating a franchise renewal and completing all the required steps.

The original franchise term was for 10 years with a 5 year renewal option, and now that this 15 years have expired, its time to replace it with a new document. I've enclosed a franchise renewal document that mirrors the terms and conditions in the original franchise, and also includes all the updates, terms and conditions, and other items required under the revised NY PSC Cable TV Franchise Renewal rules. The term is for 15 years, which is the maximum length of time allowed by the PSC, and the effective date will be the date the PSC issues a Certificate of Confirmation approving the renewal.

A public hearing will be required and I've enclosed a form of public hearing notice that can be used to notify Town residents of the time and date of the hearing. As you are probably aware, this legal notice will have to be run in the official newspaper of the Town indicating that the Cable TV franchise is up for renewal

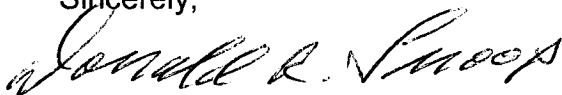
Letter to Town of Summit
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and the date a public hearing is scheduled to discuss the renewal. Once the public hearing is complete, the Town Board will have to pass a resolution approving the Franchise renewal. This can be done immediately following the public hearing, and when complete, I will take care of the filing with the PSC for approval.

MIDTEL CABLE TV service has evolved over the last 15 years; from the original proposed 45 channel Analog system to a 200+ Digital system with High Definition channels and a full complement of Digital Music channels, along with a 60 channel Analog system for those subscribers who do not have an HDTV set or are not interested in the many advantages of the MIDTEL Digital system. I have enclosed for your perusal a channel lineup brochure and rate card that lists all the channels available and their costs.

I am available to meet with you and the Town Board if there are any questions about the franchise document, either at the next regularly scheduled Town Board meeting or a work session if that is more convenient for you. If you have any questions, please feel free to call me at my direct line, which is 827-9120.

Sincerely,



Donald R. Snoop
Video Products Manager
MIDTEL CABLE TV, Inc.
518-827-9120
don.snoop@midtel.net

Attachments Enclosed:

1. Cable TV Franchise Document
2. Legal Notice for newspaper
3. Schedule of franchisee fees paid to the Town of Summit 1995-2010
4. Channel lineup and rate card

Cc: Jaclyn Brilling, Secretary, NYS Department of Public Service

Legal Notice

Please take notice that the Town of Summit has scheduled a Public Hearing to receive input on the Cable TV Franchise Renewal application submitted by MIDTEL CABLE TV to continue to provide Cable TV services to the residents of the Town. The hearing shall be held on (month)____(day)____(year)____ at the Town Hall, located at _____, New York.

This agreement, if approved, shall not take effect without prior approval of the New York Public Service Commission. Copies of the franchise agreement are on file with the Town of Fulton Town Clerk and can be viewed during normal business hours at the Town hall.

All interested persons will be given an opportunity to be heard at the Public Hearing.

Dated _____

(Name) _____ Town Clerk

Summary of Franchise Fees paid to the Town of Summit

Year	Franchise Fee Paid
2009	\$3028.42
2008	\$2749.01
2007	\$2612.28
2006	\$2782.15
2005	\$2857.05
2004	\$2643.74
2003	\$2577.88
2002	\$2593.04
2001	\$2378.94
2000	\$2308.52
1999	\$2188.46
1998	\$1953.95
1997	\$1909.18
1996	\$1492.58
1995	\$299.69
Total	\$34,374.89

A FRANCHISE RENEWAL AGREEMENT
FOR THE PROVISION OF CABLE TV SERVICES
BETWEEN THE
TOWN OF SUMMIT, COUNTY OF SCHOHARIE, STATE OF NEW YORK
HEREINAFTER REFERRED TO AS (“TOWN”)
AND
MIDTEL CABLE TV, INC.
HEREINAFTER REFERRED TO AS (“FRANCHISEE”)

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A FRANCHISE RENEWAL AGREEMENT

BETWEEN THE

TOWN OF SUMMIT, COUNTY OF SCHOHARIE, STATE OF NEW YORK

AND

MIDTEL CABLE TV, INC. ("HEREINAFTER REFERRED TO AS FRANCHISEE")

WHEREAS

The TOWN of Summit (hereinafter referred to as "TOWN") has requisite authority to grant franchises permitting and regulating the use of its streets, rights of way, and public grounds; and, MIDTEL CABLE TV, Inc., ("Franchisee"), a fully owned subsidiary of the Middleburgh Telephone Co., having previously secured the permission of the TOWN to use such streets, rights of way, and public grounds under a Cable TV Franchise Agreement with an expiration date August 16, 2010, has petitioned the TOWN for a renewal of such franchise; and, the TOWN and Franchisee have complied with all Federal and State-mandated procedural and substantive requirements pertinent to this franchise renewal; and, the TOWN has approved, after consideration in a full public proceeding affording due process, the character, financial condition, and technical ability of Franchisee to operate and maintain the Cable Television system described herein were considered and found adequate and feasible; and, this franchise renewal, as set out below, is non-exclusive and complies with the franchise standards of the New York State Public Service Commission,

THEREFORE

The TOWN and Franchisee agree as follows:

1.0 DEFINITION OF TERMS

1.1 “Area (Service) Outage”: loss of picture or sound on all basic [subscriber] channels or on all channels provided on any other service tier or on one or more premium channels which is not caused by the subscriber’s television receiver or the subscriber.

1.2 “Basic Cable Service”: means the tier of cable service that includes the Retransmission of local television broadcast stations, and public, educational & governmental channels required by franchise or Commission rules and any additional video signals as determined by the company.

1.3 “Cable Television Service”: Cable Television Service means:

1. The one way or two-way transmission to subscribers of Video Programming, or other programming service; and
2. Subscriber interaction, if any, which is required for the selection of such Video Programming, or other programming service.

1.4 “Commission”: shall mean the New York State Public Service Commission.

1.5 “Cable Television System”: A facility consisting of a set of closed transmission paths and associated signal regeneration, reception, and control equipment that is designed to provide cable service which includes video programming and which is provided to multiple subscribers within a community; and used interchangeably with the term “ Cable TV System”.

1.6 “Equipment”: (shall include that which is defined per section 892-3.2 (d) of the Commission’s Rules & Regulations.)

1.7 “FCC”: the Federal Communications Commission.

- 1.8 “Franchise”:** the rights and obligations described in this document, and used interchangeably with the term “Agreement.”
- 1.9 “Franchise Fee”:** the fee paid by the Franchisee to the TOWN in exchange for the rights granted pursuant to the Franchise.
- 1.10 “FRANCHISEE”:** MIDTEL CABLE TV, Inc. and its lawful successors and assignees.
- 1.11 “Gross Subscriber Revenue”:** Gross Subscriber Revenue means all revenues received directly and indirectly by the Franchisee for any twelve month period from the operation of the Cable TV System to provide cable television service to the TOWN.
- 1.12 “Material Provision”:** those provisions identified in section 8.0 of this franchise.
- 1.13 “Non-Material Provisions”:** all clauses not deemed to constitute a “Material Provision,” as defined and described herein, but constituting obligations upon the Franchisee nonetheless.
- 1.14 “NYSPSC”:** the New York State Public Service Commission or any successor State agency with similar responsibilities.
- 1.15 “TOWN”:** the TOWN of Summit, Schoharie County, and State of New York.

PART I – THE FRANCHISE

2.0 GRANT OF FRANCHISE

- 2.1 Franchisee is hereby granted, subject to the terms and conditions of this Agreement, the right, privilege, and authority to build and maintain a Cable TV system on and within the streets, alleys, and public ways of the TOWN.
- 2.2 The TOWN also hereby grants the Franchisee the nonexclusive right and privilege to erect, place in the TOWN and to construct, maintain and operate in, over and under the present and future streets, sidewalks, alleys, public land and places and highways in or of the TOWN, poles, lines, cables, necessary wiring and the other apparatus for the purpose of transmitting, receiving, amplifying and distributing telephone, telegraph, television and radio signals and other video and aural programming and other communications services within the TOWN and to the inhabitants thereof.
- 2.3 Nothing in this Agreement shall be deemed to waive the requirements of the various generally applicable codes and ordinances of the TOWN regarding permits, fees to be paid, or manner of construction.
- 2.4 No privilege or power of eminent domain shall be deemed to be bestowed by this Agreement other than that conferred pursuant to statutory law.

3.0 NON-EXCLUSIVE FRANCHISE

This Franchise is considered to be non-exclusive.

4.0 FRANCHISE SUBJECT TO LAW AND REGULATION

4.1 All terms and conditions of this Agreement are subject to Federal and State law and to the rules and regulations of the FCC and the NYSPSC.

4.2 All terms and conditions of this Agreement are subject to the approval of the NYSPSC

a. All rights and privileges granted hereby are subject to the police power of the TOWN to adopt and enforce local laws, rules and regulations necessary to the health, safety and general welfare of the public. Expressly reserved to the TOWN is the right to adopt, in addition to the provisions of this Agreement and existing laws, ordinances, and regulations, such additional laws and regulations as it may find necessary in the exercise of its police power; provided, however, that such regulations are reasonable and not materially in conflict with the privileges granted in this Agreement and consistent with all federal and state laws, rules, regulations and orders.

b. Within sixty (60) days of the effective date of this franchise, Franchisee shall file a request for certification of this franchise renewal with the NYSPSC and shall provide the TOWN with evidence of such filing.

c. The Supervisor, or other person as designated by the TOWN, will be responsible for the continuing administration of the rights and interests of the TOWN.

d. In accordance with 16 NYCRR Section (890.80), Franchisee shall issue annual customer notices in compliance with Federal and State rules,

and shall comply with all industry codes of good practice that regulate Franchisee's customer service responsibilities.

e. In the event of conflicting provisions, Franchisee shall comply with the provision establishing a stricter standard.

5.0 CONDITIONS ON USE OF STREETS AND PUBLIC GROUNDS

5.1 In the event that any municipal property is damaged or destroyed by Franchisee, such property shall be effectively repaired or replaced by Franchisee within thirty (30) days and restored to as good a condition as possible before work was commenced by Franchisee.

5.2 Upon request of a person holding a building or moving permit issued by the TOWN, FRANCHISEE shall temporarily raise or lower its wires or other property or relocate the same temporarily so as to permit the moving or erection of buildings. The person requesting it shall pay the total expenses of any such temporary removal, raising or lowering of wires or other property in advance to Franchisee. In such cases, Franchisee shall be given not less than ten (10) working days prior written notice in order to arrange for the changes required.

6.0 ASSIGNMENT OR TRANSFER OF FRANCHISE

6.1 No assignment or transfer of the Franchise shall occur without the prior written consent of the TOWN, which consent will not be unreasonably withheld or delayed. Change of control or ownership of the Franchisee, the system or of this Franchise within that group of present and future business organizations all of which would be defined as

“affiliates” of the Franchisee pursuant to Federal Securities laws, shall not be deemed a change of control or ownership for the purposes of this Agreement.

- 6.2 At least one-hundred twenty (120) days before any assignment or transfer scheduled is to become effective, Franchisee shall petition in writing for the TOWN’s written consent of such proposal.
- 6.3 In determining whether to approve said petition, the TOWN may consider the following in determining the ability of the proposed assignee or transferee to meet the obligations of the franchise hereunder:
- a) Experience of proposed assignee or transferee (including conducting an investigation of proposed assignee or transferee’s service record in other communities);
 - b) Qualifications of proposed assignee or transferee;
 - c) Legal integrity of proposed assignee or transferee;
 - d) Financial ability and stability of the proposed assignee or transferee;
 - e) The plans of the proposed assignee or transferee as to operation and maintenance of the system;
 - f) The likely effects of the transfer or assignment on the health, safety, and welfare of the citizenry of the community relative to the operation of the system.
- 6.4 In the event that the TOWN refuses to grant the aforementioned petition, it shall set forth specific reasons for its decision in writing by municipal resolution.

7.0 DEFAULT, REVOCATION, TERMINATION, ABANDONMENT

7.1 The TOWN may revoke this franchise and all rights of Franchisee hereunder for any of the following reasons:

- a) Franchisee fails, after sixty (60) days prior written notice from the TOWN, to comply or to take reasonable steps to comply with a material provision or material provisions of this Agreement. Notwithstanding the above, when Franchisee is once again in compliance, the right to revoke this Agreement shall no longer pertain with respect to the condition that precipitated the notice; or
- b) Franchisee takes the benefit of any present or future insolvency statute, or makes a general assignment for the benefit of creditors, or files a voluntary petition in bankruptcy, or files a petition or answer seeking an arrangement or reorganization or readjustment of its indebtedness under Federal bankruptcy laws or under any other law or statute of the United States or any state thereof, or consents to the appointment of a receiver, trustee or liquidator of all or substantially all of its property, or is adjudged bankrupt by order of decree of a court, or an order is made approving a petition filed by any of its creditors or stockholders seeking reorganization or readjustment of its indebtedness under any law or statute of the United States or of any state thereof; or
- c) Franchisee attempts or does practice a fraud or deceit in its securing or renewal of this franchise; or

- d) Franchisee fails to comply with provisions of this Agreement, pertaining to public, educational, and governmental access; or
- e) Franchisee practices fraud or displays repeated negligence in the accurate reporting of information to the TOWN, including but not limited to information pertaining to Franchisee's calculation of the TOWN's franchise fee; or
- f) Franchisee fails to pay any legally owed taxes or fees due the TOWN, unless the amount of such payment is part of a good faith dispute; or
- g) Franchisee fails to maintain adequate insurance as specified in this Agreement; or
- h) Franchisee fails to obtain the prior approval of the TOWN for transfer or assignment of the franchise; or
- i) Franchisee fails to provide and maintain the system as specified in section 11.0 herein.

7.2 Notwithstanding the above, no revocation shall be effective unless and until the TOWN adopts a resolution setting forth the cause and reason for the revocation and the effective date thereof, which resolution shall not be adopted until after the expiration of sixty (60) days prior written notice to Franchisee and an opportunity for Franchisee to be fully and fairly heard at a public hearing held on the proposed adoption of such ordinance or resolution.

7.3 In no event, and notwithstanding any contrary provision in this section or

elsewhere in this Agreement, shall this Agreement be subject to revocation or termination, or Franchisee be liable for non-compliance with or delay in the performance of any obligation hereunder, where its failure to cure or to take reasonable steps to cure is directly attributable to formal U.S. declaration of war, government ban on the affected obligation, U.S. government sponsored or supported embargo, civil commotion, strikes or work stoppages, fires, and any acts of God or of nature or other events beyond the immediate control of Franchisee.

7.4 In the event of such circumstances as described in 7.3, Franchisee may be excused from its obligations herein during the course of any such events or conditions, only upon notice to the TOWN. Such notice shall include clear evidence as to how such events have prevented Franchisee from meeting its obligations. The time specified for performance of Franchisee's obligations hereunder should extend for such reasonable time thereafter as may be agreed by the TOWN and Franchisee.

7.5 Franchisee shall not abandon any service or portion thereof required to be provided pursuant to the terms of this Agreement without the prior written consent of the TOWN and the Public Service Commission (NYSPSC).

7.6 Upon expiration, termination or revocation of this franchise, Franchisee, at its sole cost and expense, shall remove any of its equipment, which exclusively supports the Cable TV System. In no way shall this paragraph require Franchisee to remove its equipment used in the Telephone or Broadband portion of its business.

8.0 SEVERABILITY

8.1 With the exception of material provisions as defined in this section, should any other provision of this Agreement be held invalid by a court of competent jurisdiction or

rendered a nullity by Federal or State legislative or regulatory action, the remaining provisions of this Agreement shall remain in full force and effect.

a. For the purposes of this section, material provisions are deemed to be:

1. Section 4.1 & 4.2.
2. Section 6.0.
3. Section 9.0.
4. Section 10.0.
5. Section 15.0.
6. Section 16.0.

9.0 EFFECTIVE DATE AND TERM

9.1 The effective date of this Agreement shall be the date this Agreement is granted a certificate of confirmation by the NYSPSC.

9.2 The term of this Agreement shall be fifteen (15) years from the effective date.

PART II – THE SYSTEM

10.0 SYSTEM SPECIFICATIONS

10.1 Subject to FCC and NYSPSC regulation, and subject to the system's capability of providing the services and facilities prescribed in this Agreement, the technical design of the system serving the TOWN shall be at the option of the Franchisee and as further described in this section. All such construction and any subsequent maintenance, repair or improvement of said system shall use materials of good and durable quality and shall be performed in a safe, workmanlike, thorough, and reliable

manner. In accordance with the requirements of the NYSPSC, the exercise of this Agreement shall include reasonable efforts in good faith to maximize the number of energized channels available to subscribers, subject to the rights and obligations granted and imposed by Federal law and regulation.

- 10.2 Franchisee has constructed the system throughout the Primary Service Area and any subsequent Line Extension areas using state of the art technology. The system currently delivers over **150 Digital standard definition video channels, 35 High Definition channels, 47 Digital Music channels, and 60 Analog channels.** Franchisee's existing System is currently built at 750 MHz and is comprised of a Hybrid/Fiber Coaxial system. Franchisee shall continue to upgrade the current system serving the TOWN, which has a minimum capacity of one hundred & fourteen (114) NTSC (Analog) video channels.
- 10.3 Throughout the term of this franchise, Franchisee shall maintain and make regular improvements to its system serving the TOWN to ensure that the technical capabilities of said system will not serve to be the sole limiting factor on Franchisee's ability to regularly implement new cable services as may be created and developed during the term of this franchise.
- 10.4 The design and construction of the system has & will continue to include substantial utilization of fiber optic technology.
- 10.5 The System has been designed to provide service throughout the Primary Service Area (as indicated on attached map referenced as **Exhibit 1**) within territorial limits of the TOWN. The System has been constructed with the capability of providing service to all residential housing units throughout the territorial limits of the TOWN at Franchisee's costs and expense, subject to the provisions of Section 13.3.

11.0 SYSTEM PERFORMANCE STANDARDS

- 11.1 All signals carried by the system shall be transmitted with a degree of technical quality not less than that prescribed by rules of the Federal and State regulatory agencies having jurisdiction.
- 11.2 The Franchisee has operated and maintained a safe and reliable system. Construction of the existing system is predominantly an over lash of both fiber optic and coaxial cables on existing telephone network strands and cables, and complies with all applicable sections of the National Electric Code.
- 11.3 Franchisee shall operate the system in compliance with all FCC and NYSPSC technical specifications designated for a Cable TV system using both RF Analog and Digital technologies and IP format over coax, copper or Fiber Optic cables, or other suitable methods of distribution.
- 11.4 Operation of the system shall be such that; no interference will be caused to broadcast and/or satellite television and radio reception, telephone communication, amateur radio communication, aircraft and emergency communications, or other similar installation or communication within the TOWN.

12.0 SYSTEM MAINTENANCE AND REPAIR

- 12.1 Franchisee shall establish and adhere to maintenance policies, which provide service to subscribers at or above the performance standards, set forth herein.
- 12.2 When interruption of service is necessary for the purpose of making repairs, adjustments, or installations, Franchisee shall do so at such time and in such manner as will cause the least possible inconvenience to subscribers. Unless such interruption is

unforeseen or immediately necessary, Franchisee shall give reasonable notice thereof to subscribers.

12.3 Franchisee shall have a local or toll-free telephone number so that requests for repairs or adjustments can be received at any time, twenty-four (24) hours per day, seven (7) days per week.

12.4 The response of Franchisee to such requests shall be in accordance with Federal and State law and regulation at a minimum and, at all times, commensurate with Franchisee's responsibility to maintain service to each subscriber with the degree of quality specified herein.

PART III – THE SERVICE

13.0 GENERAL SERVICE OBLIGATION & TERRITORIAL LIMITS

13.1 In accordance with 16 NYCRR Section 895.1(b), Franchisee's system has been constructed as indicated on the attached **Exhibit 1**.

13.2 Franchisee shall comply with the requirements for construction of cable television plant and provisions of cable television service as set forth in Section 895.5 of the Rules of the NYSPSC.

13.3 Franchisee's rights and obligations set forth in this agreement shall be applicable to the Primary Service Area as shown on the attached map marked **Exhibit I**. Franchisee has offered and agrees to continue to have cable service available, at the normal basic rate, to any resident requesting service who lives within 150 feet of aerial Trunk or Distribution cable, or a suitable feed-point in the Primary Service Area. Areas outside the Primary Service Area are considered as line extension areas and residents may receive service in accordance with the line extension formula (as stated below).

a) Any area in the TOWN not specified as part of the Primary Service Area is hereby designated a line extension area, and service shall be provided to any line extension area upon request provided that the area has 35 dwelling units per linear mile of aerial cable; or has the equivalent in Homes Per Mile (HPM) to the Primary Service Area, whichever is less. The HPM statistic for the primary service area will be determined by dividing the total dwelling units passed in the Primary Service Area by the total linear miles of the cable plant in the Primary Service Area. Any resident in a line extension area falling below the minimum designations as outlined above, shall be able to receive service upon payment in full and in advance of a sum to be designated as a contribution in aid of construction (CAC).

b) Such CAC shall be computed as follows:

$$\frac{C}{LE} \times \frac{CA}{P} = SC \text{ (CAC)}$$

C = the cost of construction of new plant.
 CA = the average cost of construction per mile in the primary service area.
 P = the either 35 dwelling units per linear mile of aerial cable or HPM in the primary service area
 LE = the number of dwelling units requesting service in the line extension area.
 SC = subscriber contribution in aid of construction for the line extension.

c) Franchisee shall apply for all mandatory licenses, permits, amendments and approvals within thirty (30) days of the receipt of all CAC payments for a line extension area, and Franchisee shall provide

service to line extension area within ninety (90) days of the receipt of all mandatory licenses, permits, amendments, and approvals.

During a five-year period commencing at the completion of CAC line extension, a prorated refund may be paid to previous subscribers as new subscribers are added to the particular line extension; the amount of the refund, if any shall be determined annually by application of the above stated formula. The refunds shall be paid annually to the subscribers, or former subscribers, entitled to receive them, however, Franchisee shall not be required to provide refunds to any previous subscriber otherwise entitled to a refund, who is no longer at either the service address or billing address, and who has not informed the company of the subscriber's address.

- 13.4 Access to Cable Service will not be denied to any group of potential residential subscribers because of the income of the residents of the local area in which such group reside.

14.0 MUNICIPAL AND SCHOOL SERVICE

- 14.1 Franchisee shall provide one outlet of basic and standard cable service, within the Primary Service area, at no charge to any municipal building, elementary, or secondary, public school, or parochial or private school as defined by, and which receives funding pursuant to Title 1 of the Elementary and Secondary Education Act of 1965, 20 U.S.C. Section 24 la et seq.
- 14.2 If more than one (1) TV is requested to be installed, the charges for the conversion of the delivered signal to a format that can be viewed by multiple TV viewing screens or

devices will be borne by the entity requesting such Cable Television Service. Franchisee will provide written estimates and bills of materials indicating all costs involved with the design, engineering and installation of requested system within thirty (30) days of request.

- 14.3 As used in this Agreement, the terms, "School" shall mean those educational institutions within the TOWN chartered by the New York State Board of Regents pursuant to the New York Educational Law.

15.0 PUBLIC, EDUCATIONAL, AND GOVERNMENTAL ACCESS

Franchisee will provide Public, Educational and Governmental access in accordance with the rules and regulations of the New York State Public Service Commission, as set forth in section 895.4 of the Commission's rules, and the rules of the FCC and Cable Consumer's Protection Act of 1992.

PART IV – FRANCHISEE'S OBLIGATIONS TO THE TOWN

16.0 FRANCHISE FEE

- 16.1 Franchisee shall pay to the TOWN during the term of this Agreement a sum equal to Five percent (5 %) of Franchisee's Gross Subscriber Revenues. Payments shall be made quarterly within 30 days after the end of the preceding quarter.

17.0 INDEMNITY AND INSURANCE

- 17.1 Franchisee shall purchase and maintain the following levels of general liability insurance during the term of this Agreement that will protect Franchisee and the TOWN from any

claims against either or both which may arise directly or indirectly as a result of Franchisee's performance hereunder.

- a) General Liability: \$1,000,000 per occurrence
- b) Excess liability or umbrella coverage: \$5,000,000

17.2 Franchisee shall indemnify and hold harmless the TOWN, its officers and employees, and agents from and against all losses and claims, demands, payments, suits, actions, recoveries, and judgments of every nature and description, resulting from bodily injury, property damage or personal injury, brought or recovered, by any act or omission of Franchisee, its agents, employees, contractors and subcontractors in the construction, operation, maintenance, service or repair of the Cable TV System or any portion thereof, or of any failure to comply with any law, ordinance, or regulation or by reason of any suit or claim for royalties, license fees, or infringement of patent rights arising from Franchisee's performance under this Agreement. Notwithstanding any provision contained herein and to the contrary, Franchisee shall have no obligation to indemnify or defend the TOWN with respect to any programming provided by the TOWN, which is cablecast in the precise form provided by the TOWN, or from TOWN negligence or willful misconduct.

17.3 Each insurance policy shall bear the name of the TOWN as an additional insured and certificates of insurance shall stipulate that the coverage afforded under the policies will not be canceled until at least thirty (30) days prior written notice has been given to the TOWN. If any policy is canceled, it shall be replaced forthwith with insurance that meets the requirements of this Agreement so that there is no lapse in coverage, and within thirty (30) days after the effective date of this renewal Agreement, Franchisee shall furnish to

the TOWN new certificates of insurance if there is a material difference between the requirements referenced herein and the certificates already on file with the TOWN.

- 17.4 Franchisee shall obtain all insurance required pursuant to this Agreement from companies authorized to do business within the state of New York and approved by the Superintendent of Insurance, which companies shall maintain a rating of at least Best's A+. The TOWN may, at any time after reasonable notice, review Franchisee's compliance with the provisions of this Agreement. Should the policies or certificates of insurance provided by Franchisee hereunder differ from accepted insurance industry forms, the TOWN shall have the right to review and approve such policies or certificates, provided such approval shall not be unreasonably withheld.

18.0 RATES AND CHARGES

- 18.1 Rates and charges imposed by Franchisee for Cable TV service shall be subject to the approval of the NYSPSC, and the FCC to the extent consistent with applicable State and Federal law.
- 18.2 Franchisee shall comply with all notice requirements contained in Federal and State law and regulations pertaining to rates and charges for Cable TV service.
- 18.3 The Franchisee shall not, as to rates, charges, services, service facilities, rules, regulations, or in any respect, make or grant any undue preference or advantage to any person nor subject any person to prejudice or disadvantage on the basis of race, creed, national origin, religion, color, gender, age, or disability. Nothing in this Section shall be construed to prohibit the reduction or waiving of charges for the purpose of attracting or retaining subscribers.

19.0 EMPLOYMENT PRACTICES

Franchisee will not refuse to hire, nor will it bar or discharge from employment, nor discriminate against any person in compensation or in terms, conditions, or privileges of employment because of age, race, creed, color, national origin, or sex.

20.0 TOWN'S RIGHT TO INQUIRE ABOUT AND INSPECT SYSTEM

20.1 The TOWN, at any time, may make reasonable inquiries related to its regulatory responsibilities, concerning the operation of the system. Franchisee shall respond to such inquiries forthrightly and in a timely fashion.

20.2 When repeated subscriber complaints cause the TOWN to question the reliability or technical quality of Cable TV service, the TOWN shall have the right and authority to test or require Franchisee to test, analyze, and report on the performance of the system. Franchisee shall cooperate fully with the TOWN in performing such testing.

a) In the event of repeated and persistent complaints about the same aspect of system performance, and testing requested by the TOWN and conducted by Franchisee fails to identify and correct the cause, the TOWN may require that such testing be performed or supervised by a TOWN designee or other person who is not an employee or agent of Franchisee. Franchisee shall reimburse the TOWN for the costs of such designee.

b) The TOWN may request that the NYSPSC test the system at any time and Franchisee will cooperate fully in the performance of such tests.

20.3 The TOWN shall have the right to inspect all construction work subject to the provisions of this Agreement and to make such tests as it shall find necessary to ensure compliance with the terms of this Agreement and other pertinent provisions of law.

20.4 At all reasonable times and for the purpose of enforcement of this Agreement, Franchisee shall permit examination by any duly authorized representative of the TOWN, of all system facilities, together with any appurtenant property of Franchisee situated within the TOWN and outside of the TOWN if it is utilized in the operation of the system serving the TOWN.

21.0 TOWN'S RIGHT TO INSPECT FRANCHISEE'S BOOKS AND RECORDS

21.1 The TOWN reserves the right to inspect all pertinent books, records, maps, plans, financial statements and other like material of Franchisee relating to the Franchisee's provision of Cable TV services, upon reasonable notice and during normal business hours. Such material shall be kept confidential, and released only to duly authorized TOWN officials.

21.2 If any such maps or records are not kept in the TOWN, or upon notice Franchisee is unable to provide the records in the TOWN, and if the TOWN shall determine that an examination of such maps or records is necessary or appropriate to the performance of the TOWN's responsibilities under this Agreement, then all travel and maintenance expenses, in excess of one-hundred (100) miles per day, necessarily incurred in making such examination shall be paid by Franchisee.

22.0 REPORTS TO BE FILED BY FRANCHISEE WITH THE TOWN

22.1 Franchisee shall make available to the TOWN a copy of any financial report Franchisee submits to the NYSPSC, the FCC, or other governmental entities that concern Franchisee's operation of the Cable services offered with the system in the TOWN.

22.2 The following system and operational reports shall be made available annually within a reasonable period of time to the TOWN:

- a) A summary of the previous year's activities including, but not limited to, the number (subscriber totals) used to calculate "gross receipts".
- b) A summary of service requests received and the disposition of same;
- c) A summary of the number of area outages, the reasons therefore, and the action and time taken to restore service.

22.3.1 Franchisee shall furnish to the TOWN such additional information and records with respect to the operation, affairs, transactions or property of the system and the service provided to the TOWN under this Agreement, as may be reasonably necessary and appropriate to the performance of any of the rights, functions or duties of the TOWN in connection with this Agreement.

23.0 MANDATORY RECORD KEEPING

23.1 Franchisee shall comply with all record keeping requirements established by Federal and State law and regulation.

23.2 The Franchisee shall maintain a full and complete set of plans, records and "as built" maps showing the exact location of all installed facilities in use in the TOWN, exclusive of subscriber service drops.

23.3 All records, logs, and maps maintained pursuant to this Agreement shall be made available to the TOWN or its designee during Franchisee's regular business hours upon reasonable request.

24.0 MUNICIPAL EMERGENCIES & EMERGENCY ALERT SYSTEM

Franchisee shall participate, to the extent required by law, rule or regulation in national or regional emergency alert notifications. Franchisee has installed and maintains in accordance with FCC rules, an EAS system that provides emergency alerts to subscribers of bona fide emergencies as per section 896.5 of the Commission's rules & Regulations.

PART V – FRANCHISEE'S OBLIGATIONS TO SUBSCRIBERS AND CUSTOMER

SERVICE REQUIREMENTS

25.0 COMPLIANCE WITH FEDERAL AND STATE LAW AND REGULATION

Franchisee shall comply with the Consumer Protection and Franchisee Billing Practices as per (Parts 890 & 896) of the rules and regulations of the NYSPSC as well as with all industry codes of good practice.

26.0 REQUIREMENT FOR ADEQUATE CABLE TV SYSTEM

- 26.1 Franchisee has built and maintains a Cable TV system that meets, at a minimum, standards set by Federal and State law and regulation, as well as industry codes of good practice. In the event of conflicting provisions, Franchisee shall comply with that establishing the stricter standard.
- 26.2 Franchisee has the ongoing responsibility to insure that the Cable TV system utilized meets the customer service needs of its subscribers. In evaluating the performance of Franchisee under this Section, the TOWN may review the Cable TV system in use in other jurisdictions by other communications companies, Cable industry-established codes and standards, pertinent regulations in other jurisdictions, evaluations of Cable TV systems performance commonly used in the industry, and other relevant factors.

27.0 MISCELLANEOUS PROVISIONS

- 27.1 Franchisee shall ensure that the subscriber's premises are restored to their pre-existing condition if damaged by Franchisee's employees or agents in any respect in connection with the installation, repair, or disconnection of Cable TV service. The Franchisee shall be liable for any breach of provisions of this Agreement by its contractors, subcontractors or agents.

PART VI – GUARANTEE OF FRANCHISEE'S PERFORMANCE

28.0 PERIODIC PERFORMANCE EVALUATION SESSIONS

- 28.1 Upon thirty (30) days notification by the TOWN, Franchisee shall be prepared to participate in a meeting or series of meetings evaluating the performance of Franchisee under this Agreement. The timing of such performance evaluation sessions shall be solely in the discretion of the TOWN. All performance evaluation meetings shall be open to the public.
- 28.2 Topics which may be discussed at any performance evaluation session may include, but not be limited to, system performance, compliance with this Agreement and applicable law, customer service and complaint response, subscriber privacy, services provided, programming offered, service rate structures, fees described in this Agreement, penalties, free or discounted services, applications of new technologies, and judicial and FCC filings.
- 28.3 During review and evaluation, Franchisee shall fully cooperate with the TOWN and shall provide such information and documents, as the TOWN may reasonably need to perform its review.

- 28.4 Each performance evaluation session shall be deemed to have been completed as of the date the TOWN issues a final report on its findings.
- 28.5 Any valid reporting requirements contained in this franchise may be satisfied with system wide statistics, except for reporting requirements related to franchise fees and customer complaints (Section 895.1(t)).

29.0 EFFECT OF TOWN'S FAILURE TO ENFORCE FRANCHISE PROVISIONS

- 29.1 Franchisee shall comply with any and all provisions of this Agreement and applicable local, State and Federal law and regulation. Once breach of a provision or provisions is identified by the TOWN and Franchisee is finally adjudged to have breached a provision or provisions as provided in this Agreement, the penalty or revocation provisions of this Agreement shall pertain as applicable.
- 29.2 Any fines or other claims arising out of any actual breach of this Agreement shall be effective from the date such breach is found to have commenced. Franchisee's responsibility to cure any such breach or remit any such fines or claims shall not be diminished by the failure of the TOWN to enforce any provision of this Agreement and Franchisee hereby agrees to waive any statute of limitations that may be applicable to any such breach during the term of this Agreement.

30.0 APPROVAL OF THE NYSPSC

The terms 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 NYSPSC, or its successor agency, and any other applicable regulatory body with

appropriate jurisdiction. Further, the terms of this Franchise Agreement and any subsequent amendments are subject to the approval of the NYSPSC, or its successor agency, and the FCC.

31.0 FAVORABLE TERMS

As per Section 895.3 of the NYSPSC rules, “no municipality may award or renew a franchise for cable television service which contains economic or regulatory burdens which when taken as a whole are greater or less than those burdens placed upon another cable television franchise operating in the same franchise area”. If the TOWN does award an additional franchise that creates an “Unlevel Playing Field”, Franchisee shall have the right to petition the TOWN for amendments to this agreement that restore the “Level Playing Field” for all franchised operators within the TOWN, and approval of the amendments shall not be unreasonably withheld and shall not become effective until receiving prior approval from the NYSPSC.

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

TOWN of SUMMIT

BY: _____
Supervisor

DATE: _____

MIDTEL CABLE TV, Inc.

BY: _____

DATE: _____