

F R A N C H I S E A G R E E M E N T

TOWN of RUSSELL

This is a FRANCHISE AGREEMENT made this 8th day of August, 1990 between the Town of Russell and NEWCHANNELS CORPORATION, a New York corporation incorporated under the provisions of the Transportation Corporation Law, having its office and principal place of business at 112 Northern Concourse, P. O. Box 4872, Syracuse, N.Y., 13221.

WHEREAS, the Town of Russell is interested in the development of cable television service in a remote area of the town and received authorization dated APR 15, 1990 from the New York State Commission of Cable Television's executive director (hereafter "Commission") to use the Commission's alternative franchising procedure in that area, having satisfied the criteria in § 594.9 (b) of the Commission's rules; and

WHEREAS, the Town thereupon caused to be published a timely public notice of said authorization, also soliciting in the notice applications for a cable television franchise from interested cable television companies; and

WHEREAS, the Town received in response to the solicitation one (1) such application, that being from NewChannels Corporation; and

WHEREAS, the town duly investigated and assessed the technical ability, financial condition, character, operating record and reputation of NewChannels Corporation; and

WHEREAS, the technical ability, financial condition and character of NewChannels Corporation were considered and approved by the Town Board of the Town of Russell in full public proceeding in compliance with §594.7 of the Commission's rules; and

WHEREAS, the plans of NewChannels Corporation for construction and operation of a cable television system were considered by the Town Board of the Town of Russell and found adequate and feasible in a full public proceeding in compliance with §594.7 of the Commission's rules; and

WHEREAS, by resolution of the Town Board of the Town of Russell dated Aug 8, 1990, the Town has granted a non-exclusive cable television franchise to NewChannels Corporation; and

WHEREAS this franchise agreement complies with the franchise standards required by the New York State Commission on Cable Television and the Federal Communications Commission; and the Cable Communications Policy Act of 1984;

IT IS MUTUALLY AGREED AS FOLLOWS:

Section 1 Grant

The Town hereby grants to NewChannels Corporation its successors and assigns, the non-exclusive 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, towers, 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 communications within the town and to the inhabitants thereof.

Section 2 Term

The term of this agreement shall be for a period of ten (10) years from the date of execution hereof and may be automatically renewed for an additional period of five (5) years upon notice given to the Town of NewChannels Corporation's intention to exercise such option and in accordance with the Rules and Regulations of the New York State Commission of Cable Television, and the Cable Communications Policy Act of 1984. Thereafter

renewal of the franchise shall be governed by applicable federal, to the extent not inconsistent with, or state law.

Section 3 Franchise Area

The franchise rights and obligations set forth in this agreement shall be applicable to the Town of Russell. The area to be served shall include those areas as indicated by the map, Attachment B, herein referred to as the Primary Service Area.

Section 4 Line Extension Policy

NewChannels Corporation agrees to provide service to line extension areas in accordance with the Rules of the New York State Commission of Cable Television.

- 1) Primary service area shall include each of the following within the franchised area:
 - a) those areas where cable television plant has been built without a contribution in aid of construction by subscribers;
 - b) those areas, if any, where NewChannels Corporation is obligated by the terms of its franchise to provide cable television service without a contribution in aid of construction by subscribers;
 - c) any area adjoining an area described in subparagraph a or b of this paragraph which contains dwelling units at a minimum rate of 35 dwelling units per linear mile of aerial cable;
 - d) if the average number of dwelling units per linear mile of aerial cable in areas described in subparagraphs a and b of this paragraph (the average is to be determined by dividing the sum of the dwelling units in areas described in subparagraphs a and b of this paragraph by the number of linear miles of cable in the same areas) is less than 35, then any area adjoining an area described

in subparagraphs a and b of this paragraph and which contains at least the same number of dwelling units per linear mile of aerial cable in areas described in subparagraphs a and b of this paragraph.

2) Line extension area shall be any area within the franchised area which is not the primary service area.

a) Within one year after receipt of all necessary operating authorizations cable television service will be offered throughout the authorized area to all subscribers requesting service in any primary service area;

b) Cable television service will not be denied to potential subscribers located in line extension areas who are willing to contribute to the cost of construction in accordance with the following formula:

$$\frac{C}{LE} - \frac{CA}{P} = SC$$

C equals the cost of construction of new plant; CA equals the average cost of construction per mile in the primary service area. P equals the lower of 35 or the average number of dwelling units per linear mile of a and b of paragraph 1 of this section. LE equals the number of dwelling units requesting service in the line extension area. SC equals subscriber contribution in the line extension area.

(1) Whenever, subsequent to the date which the company is obligated to provide service throughout the primary service area, a potential subscriber located in a line extension area requests service, NewChannels will, within thirty (30) days of the request, conduct

a survey to determine the number of potential subscribers located in the line extension area and shall inform each of the potential subscribers of the contribution in aid of construction that may be charged. NewChannels Corporation may require prepayment of the contribution in aid of construction. NewChannels Corporation shall apply for pole attachment agreements within thirty (30) days of its receipt of contribution in aid of construction. Cable television services must be made available to those who made a contribution in aid within ninety (90) days from the receipt of pole attachment agreements by the Company.

- (2) The contribution in aid of construction shall be in addition to the installation rate set forth in this franchise.
- (3) During a five (5) year period commencing at the completion of a particular line extension, a pro-rata refund shall 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 by application of the formula annually. The refunds shall be paid annually to subscribers, or former subscribers, entitled to receive them. The company shall not be required to provide refunds to any previous subscriber otherwise entitled to a refund, who is no longer at the same address and who has not informed the company of the subscriber's address.

3) Cable television service will provided to any subscriber who demands service and who is located within 200 feet of aerial feeder cable, and that the charge for the installation for any subscriber so situated will not be in excess of the installation charge specified in the franchise.

- 4) If service is extended into contiguous areas where there are at

least thirty-five (35) homes per linear mile, monthly service rates shall be as set forth in the franchise. If service is extended into areas where there are less than thirty-five (35) homes per linear mile, monthly service rates will be as follows (In accordance with the Cable Communications Policy Act of 1984, rates are provided for informational purposes only):

30-34 subscribers per linear mile - Normal monthly service rate + \$.25
26-29 subscribers per linear mile - Normal monthly service rate + \$.50
22-25 subscribers per linear mile - Normal monthly service rate + \$.75
20-21 subscribers per linear mile - Normal monthly service rate + \$ 1.00
18-19 subscribers per linear mile - Normal monthly service rate + \$ 1.25
15-17 subscribers per linear mile - Normal monthly service rate + \$ 1.75
12-14 subscribers per linear mile - Normal monthly service rate + \$ 2.50
11 subscribers per linear mile - Normal monthly service rate + \$ 3.00
10 subscribers per linear mile - Normal monthly service rate + \$ 3.50
9 subscribers per linear mile - Normal monthly service rate + \$ 4.00
8 subscribers per linear mile - Normal monthly service rate + \$ 4.50
7 subscribers per linear mile - Normal monthly service rate + \$ 5.50
6 subscribers per linear mile - Normal monthly service rate + \$ 6.50
5 subscribers per linear mile - Normal monthly service rate + \$ 8.00
4 subscribers per linear mile - Normal monthly service rate + \$10.50
3 subscribers per linear mile - Normal monthly service rate + \$14.00
2 subscribers per linear mile - Normal monthly service rate + \$22.00
1 subscriber per linear mile - Normal monthly service rate + \$45.00

a) The Company shall adjust the rates in May of each year to reflect the number of subscribers per mile so that the rates for the subsequent twelve (12) months may be established.

Section 5 Service

(a) NewChannels Corporation shall construct, continue to operate and maintain acceptable service in a safe and reliable manner.

(b) NewChannels Corporation shall construct its cable television system within one year following receipt of all approvals, including utility company issuance of pole licenses.

(c) NewChannels Corporation shall construct its cable system using materials of good and durable quality, and all work involved in construction, installation, maintenance and repair of the cable system shall be performed in a safe, thorough and reliable manner.

Section 6 Rates

Attachment A attached hereto sets forth NewChannels Corporation's current rates and charges for CATV service. NewChannels Corporation shall file a new attachment with the Town Clerk upon any change in such rates and charges.

Section 7 Complaints

(a) NewChannels Corporation shall maintain an office and toll free number in the Village of Potsdam for the purpose of receiving and responding to cable television subscriber complaints. In addition, a maintenance service staff will be available at this location.

(b) All subscriber complaints or trouble calls shall receive investigative action on the same day such complaint or call is received at the local office, if possible, but in no case later than the following business day. NewChannels Corporation shall give credit for any service outage in excess of twenty-four (24) continuous hours. Subscriber complaints and trouble calls shall be processed in compliance with the standards set forth in Section §596.8 of the Rules and Regulations of the New York State Commission on

Cable Television.

(c) NewChannels Corporation provides notice to its subscribers of its billing practices, availability of parental control devices, and the procedure for reporting and resolving subscriber complaints. (Such notice may be written or by such other means as the New York State Commission of Cable Television may from time to time approve.) Notice is given in writing to each subscriber at the time of initial subscription, reconnection, and annually. NewChannels also provides subscriber Privacy Notices in accordance with the Cable Communications Policy Act of 1984.

Section 8 Prohibition of Abandonment

NewChannels Corporation shall not abandon any service provided under this franchise nor shall it abandon any portion of such service without the prior written consent of the Town Board of the Town of Russell.

Section 9 Indemnification - Insurance

(a) NewChannels Corporation shall indemnify and save the Town of Russell harmless from all losses sustained by the town on account of any suit, judgment, execution, claim, damage, injury or demand whatsoever occasioned by or arising out of the construction, erection, maintenance, repair or operation of NewChannels Corporation's cable television system or the exercise by NewChannels Corporation of franchise rights granted herein. For this purpose, NewChannels Corporation shall obtain and carry a general comprehensive liability insurance policy (naming the town as an additional insured), written by an insurance company or companies qualified to do business in the State of New York. The amounts of such insurance during construction shall not be less than \$1,000,000 for liability due to damage to property, not less than \$500,000 for liability due to bodily injury or death of any person, and not less than \$1,000,000 for liability due to any one occurrence. Upon completion

of the system, the amounts of such insurance shall not be less than \$150,000 for liability due to damage to property, not less than \$500,000 for liability due to bodily injury or death of any person and not less than \$1,000,000 for liability due to any one accident. The town shall notify NewChannels Corporation within thirty (30) days after the presentation of any claim or demand either by suit or otherwise made against the town on account of any negligence or other conduct on the part of NewChannels Corporation.

(b) A certificate evidencing the insurance coverage required by paragraph (a) above shall be delivered by NewChannels Corporation to the Town Clerk within sixty (60) days of the date of this franchise.

Section 10 Repair of Property

Any property of the town damaged or destroyed by reason of any activity undertaken pursuant to this franchise shall be promptly repaired or replaced by NewChannels Corporation and restored to serviceable condition.

Section 11 Equal Employment

NewChannels Corporation shall not refuse to hire or employ nor 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.

Section 12 Additional Regulations

The Town of Russell reserves the right to adopt such additional regulations as it shall find necessary in the exercise of its police power, provided such regulations are reasonable and not materially in conflict with the rights and privileges granted in this franchise.

Section 13 Responsible Municipal Officer

The Supervisor of the Town shall be responsible for the continuing administration of this franchise.

Section 14 Severability

If any section, subsection, clause, phrase or portion of this franchise is for any reason held invalid or unconstitutional by any Court or regulatory agency 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.

Section 15 Approval and Amendment of Provisions

(a) The terms and provisions of this franchise are subject to the approval of the New York State Commission on Cable Television.

(b) Should the Federal Communications Commission or the New York State Commission on Cable Television make such modifications of the provisions of its rules and regulations that would require the amendment of this agreement, such amendment is hereby agreed upon and such necessary amendments will be made within one (1) year or upon the expirations of this agreement, whichever comes first.

Section 16 Municipal Inspection

The Town of Russell shall have the right to inspect all pertinent books, records, maps, plans, financial statements and other like material of NewChannels Corporation pertaining to this franchise upon reasonable notice and during normal business hours.

Section 17 Performance Bond

NewChannels Corporation shall maintain during the initial period of construction a performance bond in the sum of \$5,000 which shall be posted prior to the start of construction, insuring that NewChannels Corporation shall well and truly observe, fulfill and perform each condition of the bond or the construction and that in the case of any breach of condition of the bond or the construction schedule the amount thereof shall be receivable from

the principal insurer thereof by the town as liquidated damages and shall be in addition to any other legal proceeding available to the town as a result of the breach of said condition.

Section 18 Access to and Easements in New Subdivisions

For the purpose of providing for the future growth and development of cable television and to afford future residents the comfort and convenience of cable television service, the Town of Russell Planning Board shall require all future subdividers to grant NewChannels Corporation access to and necessary easements in new subdivisions for the purpose of installing cable television lines. Such access and easements shall be similar to those granted public utilities such as telephone and power companies. Granting of easements and access shall be a prerequisite to subdivision approval.

Section 19 Free Service Drops

NewChannels Corporation shall provide basic cable service at no charge to outlets installed in any school (public, private or parochial) or any building owned by the town situated in areas served.

IN WITNESS WHEREOF, the parties have executed this agreement this

8th day of August, 1990

NEWCHANNELS CORPORATION

By

[Signature]
EXEC V.P.

TOWN OF RUSSELL

By

[Signature]
SUPERVISOR

ATTACHMENT A

January 1990

NEWCHANNELS CORPORATION
Town of RussellSchedule of Rates and ChargesI. Basic Cable

- | | | |
|----|--|------------|
| 1. | Installation Charges | |
| | a. First Outlet | \$31.00 |
| | b. Each extra outlet | \$ 5.00 |
| | c. Underground installation | Cost + 15% |
| | d. Special wiring requests | Cost + 15% |
| | e. Reconnect, relocate, or transfer
each outlet | \$20.00 |
| 2. | Monthly Service Rates | |
| | a. Broadcast Basic | \$14.00 |
| | b. Expanded Basic (includes Broadcast Basic) | \$ 2.00 |
| | c. East extra outlet | \$ 3.00 |

II. Tier (Optional) (Includes Remote Converter if Necessary)

- | | | |
|----|----------------------|---------|
| 1. | Installation Charge | \$10.00 |
| 2. | Monthly Service Rate | \$ 6.00 |

III. Set Top Converter (Optional)

- | | | |
|----|----------------------|---------|
| 1. | Monthly Service Rate | \$ 1.00 |
|----|----------------------|---------|

IV. Premium Service (Optional)

- | | | |
|----|-----------------------|---------|
| 1. | Installation | \$10.00 |
| 2. | Monthly Service Rates | |
| | a. Home Box Office | \$10.00 |
| | b. Cinemax | \$10.00 |
| | c. Disney | \$10.00 |

V. Various Packaging Discounts Available

NewChannels

Cable Channel Lineup

- 1 C-SPAN: Governmental
- BB 2 WNYW (New York City)
- BB 3 SuperStation TBS
- BB 4 CBOT (Ottawa)
- BB 5 WPTZ (Plattsburgh)
- 6 HOME BOX OFFICE - PAY TV
- BB 7 WWNY (Watertown)
- 8 The Weather Channel
- BB 9 WWOR (New York City)
- BB 10 CJOH (Ottawa)
- BB 11 WPIX (New York City)
- BB 12 WNPI/WNPE (Norwood)
- BB 13 WIXT (Syracuse)
- 14 The Nashville Network
- 15 USA Network
- 16 MTV: Music Television
- 17 CNN: Cable News Network
- 18 Headline News
- 19 CVN: Cable Value Network
- 20 DISNEY CHANNEL - PAY TV
- 21 ESPN: 24 Hour Sports
- 22 CINEMAX - PAY TV
- BB 23 WFYF (Watertown)
- 24 CBN: Family Entertainer
- 25* Arts & Entertainment
- 26* VH-1: Video Hits One
- 27* Lifetime Network
- 28* The Discovery Channel
- 29* TNT: Turner Network Television

BB: Broadcast Basic level of service.

*** These services available as a package
with or without our Cordless Remote
Control service.**



NEWCHANNELS CORPORATION

1/30/89

T. RUSSELL

10. Miles

152 homes

PESTLE RD - WEST OF RUSSELL 4/10 - 7homes

RT-136 - WEST OF LAFAYETTE RD - 1 home

RT-100 - SOUTH TO RT 136

BLANCHARD HILL RD - EAST OF RT 136 - 2/10-6h.

Pyrites-RUSSELL RD - RT 62 NORTH 1.1 mile -
23homes



PIERREPOINT

North Russell

Russell

RUSSELL

River

Boyd Pond

Shingle Ponds

Bullhead Pond

Clear Lake

THE STILL Horseshoe Pond

Clare

Moore Field

Stockwell Pond

Warden Pond

Degrasse

Edwards

Alle

POND Clarksbc