

A FRANCHISE RENEWAL AGREEMENT
between the
CITY OF CORTLAND, CORTLAND County, State of New York
and
FANCH COMMUNICATIONS OF NEW YORK, L.P.

WHEREAS

The City of Cortland has all exclusive and requisite authority to grant cable television franchises and renewals permitting and regulating the use of its streets, rights of way, and public grounds; and,

Fanch Communications of New York, L.P., having previously secured the permission of the City of Cortland to use such streets, rights of way, and public grounds under a previous franchise agreement granted to Sammons Communications of New York, Inc., has petitioned the CITY OF CORTLAND for a renewal of such franchise; and,

The City of Cortland and Fanch Communications of New York, L.P. have complied with all Federal and State-mandated procedural and substantive requirements pertinent to this franchise renewal and,

The City of Cortland has approved, after consideration in a full public proceeding affording due process, the character, financial condition, and technical ability of Fanch Communications of New York, L.P.; and,

During said public hearings and proceedings, Fanch Communications, Inc.'s commitments, as set out in this franchise renewal, for constructing, maintaining, improving, and operating the cable television and communications system 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 Commission on Cable Television,

THEREFORE

The City of Cortland and Fanch Communications of New York, L.P. agree as follows:

1.0 DEFINITION OF TERMS

1.1 **"Area Outage"**: a total or partial loss of video, audio, data or other signals carried on the cable television system in a location affecting three or more subscribers.

1.2 **"Cable Communications System"** (also herein referenced as **"cable system"**, **"system"**, and **"I-NET"**): the facility, which is the subject of this franchise, consisting of antennae, wire, coaxial cable, amplifiers, towers, microwave links, wave guide, optical fibers, optical transmitters and receivers, satellite receive/transmit antenna, and/or other equipment designed and constructed for the purpose of producing, receiving, amplifying, storing, processing, or distributing off air FM transmission, audio, video, digital or other forms of electronic, electromechanical, optical, or electrical signals to multiple subscribers within the Municipality. Furthermore, it is understood that programming should be based on service to a diverse community of service interests and needs.

1.3 **"Cable Service"**: the transmission to subscribers of (a) video programming (meaning programming provided by, or comparable to programming provided by, a television broadcast station); and (b) other video, voice, audio, or data programming, including subscriber interaction utilizing the addressable capacity and capability of the cable system.

1.4 **"Capability"**: the ability of the Franchisee to activate a described technological or service aspect of the Cable Communications System without delay.

1.5 **"FCC"**: the Federal Communications Commission.

1.6 **"Franchise Fee"**: the percentage, as specified in this franchise, of Fanch Communications of New York, L.P.'s **"Gross Receipts"** remitted by the company to the Municipality in exchange for the rights granted pursuant to the franchise.

1.7 **"Franchisee"**: Fanch Communications of New York, L.P. and its lawful successors and assigns.

1.8 **"Gross Receipts"**: the total of all cash, credits, property of any kind or nature, or other consideration, without deduction, received, directly or indirectly, from any source whatsoever by the Franchisee arising from, or attributable to the provision of Cable Service within the Municipality.

1.9 "Material Provision": a clause within this franchise, as further described herein, deemed critical to the balance of the overall agreement between the Municipality and the Franchisee embodied in this franchise, wherein violation of said clause by the Franchisee, without redress, may result or require, at the sole option of the Municipality, in the revocation or renegotiation of this franchise, in whole or in part.

1.10 "Non-Material Provisions": all clauses not deemed to constitute a "material provision", as defined and described herein, but constituting obligations upon the Franchisee, nonetheless.

1.11 "NYSCCT": the New York State Commission on Cable Television or any successor State agency with similar responsibilities.

1.12 "Municipality": the City of Cortland or its designee (Cortland Cable Commission).

PART I --THE FRANCHISE

2.0 GRANT OF FRANCHISE

2.1 The Franchisee is hereby granted, subject to the terms and conditions of the franchise, the right, privilege, and authority to operate and maintain a Cable Communications System within the streets, alleys, and public ways of the Municipality.

2.2 The Franchisee may erect, install, extend, repair, replace and retain in, on, over, under, or upon, across and along the public streets, alleys, and ways within the Municipality, such wires, cables, conductors, ducts, conduits, vaults, manholes, amplifiers, appliances, pedestals, attachments, and other property and equipment as are necessary and appurtenant to the operation of the Cable Communications System in conformance with the Municipality's specifications.

2.3 Nothing in this franchise shall be deemed to waive the requirements of the various codes and ordinances of the Municipality regarding permits, fees to be paid, or manner of construction.

2.4 No privilege nor power of domain shall be deemed to be bestowed by this franchise other than that conferred pursuant to statutory law.

3.0 NON-EXCLUSIVE NATURE OF THIS FRANCHISE

3.1 This franchise shall not be construed as any limitation upon the right of the Municipality to grant to other persons rights, privileges, or authorities similar to the rights, privileges, and authorities herein set forth, in the same or other streets, alleys, or other public ways or public places. The Municipality specifically reserves the right to grant at any time such additional franchises for this purpose as it deems appropriate.

5.4 Within sixty (60) days of the effective date of this franchise, the Franchisee shall file a request for certification of this franchise with the NYSCCT and shall provide the Municipality with evidence of such filing.

5.5 The Clerk, or other person as designated by the Municipality, will be responsible for the continuing administration of the rights and interests of the Municipality in the franchise and such person will be the addressee for all communications of the Franchisee with the Municipality unless the Franchisee is otherwise directed.

6.0 CONDITION ON USE OF STREETS AND PUBLIC GROUNDS

6.1 Any work which requires the disturbance of any street or which will interfere with traffic shall not be undertaken without prior notification to and approval of the Municipality.

6.2 No poles, underground conduits or other wire-holding structures shall be erected by the Franchisee without the approval of the appropriate Municipal official through established permit procedures to the extent that same now or hereafter may exist, with regard to the location, height, type and any other pertinent aspect of such wire-holding facilities; however, such approval may not be unreasonably withheld.

6.3 All structures, lines and equipment erected by the Franchisee within the Municipality shall be so located as to cause minimum interference with the proper use of streets, alleys, easements and other public ways and places, and to cause minimum interference with rights or reasonable convenience of property owners who adjoin any of the said streets, alleys or other public ways and places. Existing poles, posts and other structures of the electric power company or any telephone company or any other public utility which may be available to the Franchisee shall be used to the extent practicable in order to minimize interference with travel. Where both power and telephone utilities are placed underground, the Franchisee's cable also shall be placed underground.

6.4 The Franchisee 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 Municipality to the minimum extent necessary to keep same clear of poles, wires, cables, conduits, and fixtures. Five (5) business days prior to commencing any tree trimming, the Franchisee will inform in writing, affected property owners and the Municipal official responsible for monitoring the Franchisee's construction activities.

7.0 ASSIGNMENT OR TRANSFER OF FRANCHISE

7.1 No change in control of the Franchisee, the system, or the franchise granted herein shall occur without the prior written consent of the Municipality, except for a transfer of control to an entity substantially controlled by Robert C. Fanch.

7.2 At least sixty (60) days before a proposed change of control is scheduled to become effective, the Franchisee shall petition in writing for the Municipality's written consent of such proposal.

7.3 Within 120 days of such petition the City shall provide its written determination of said petition.

7.4 In determining whether to approve said petition, the Municipality may consider the following:

- 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 Cable Communications System;
- f) the corporation connection, if any, between the Franchisee and proposed assignee or transferee;
- g) the likely effects of the transfer or assignment on the health, safety, and welfare of the citizenry of community relative to the operation of the cable system, including the possibility that the Municipality's approval of the aforementioned petition will result in unreasonable increases in cable service rates.
- h) and such other information as the commission or its agents may reasonably deem relevant.

7.5 A copy of the completed sales agreement, or a functionally equivalent instrument, between the Franchisee and proposed transferee or assignee shall be provided to the Municipality within ten (10) business days of the closing. The municipality shall keep any such information provided confidential.

7.6 In the event that the Municipality refuses to grant the aforementioned petition, it shall set forth specific reasons for its decision in writing by municipal resolution.

8.0 DEFAULT, REVOCATION, TERMINATION, ABANDONMENT

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

- a) The Franchisee fails, after sixty (60) days prior written notice from the Municipality, to comply or to take reasonable steps to comply with a material provision or material provisions of this franchise as defined in this section. Notwithstanding the above, when the Franchisee is once again in compliance, the right to revoke this franchise shall no longer obtain with respect to the condition that precipitated the notice; or
- b) The 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) The Franchisee attempts or does practice a fraud or deceit in its securing of this franchise; or
- d) The Franchisee fails to comply with provisions of this franchise, pertaining to public, educational, and governmental access; or
- e) The Franchisee practices fraud or displays repeated negligence in the accurate reporting of information to the Municipality, including but not limited to information pertaining to the Franchisee's calculation of the Municipality's franchise fee; or
- f) The Franchisee fails to pay any legally owed taxes or fees due the Municipality, other than property taxes, unless the amount of such payment is part of a good faith dispute; in which case the payments in question will be put in escrow until the dispute is settled; or
- h) The Franchisee fails to obtain the prior approval of the Municipality for the transfer or assignment of the franchise; or
- i) The Franchisee fails to provide and maintain the Cable Communications System as specified in Section 11.0 herein.

8.2 Notwithstanding the above, no revocation shall be effective unless and until the Municipality shall have adopted an ordinance or resolution setting forth the cause and reason for the revocation and the effective date thereof, which ordinance or resolution shall not be adopted until after the expiration of sixty (60) days prior written notice to the Franchisee and an opportunity for the Franchisee to be fully and fairly heard.

8.3 In no event, and notwithstanding any contrary provision in this section or elsewhere in this franchise, shall this franchise be subject to revocation or termination, or the 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 (except those against the Franchisee and its affiliates), fires, and any acts of God or of nature or other events beyond the immediate control of the Franchisee.

8.4 In the event of such circumstances as directed in 8.3, the Franchisee may be excused from its obligations herein during the course of any such events or conditions, only upon application to and approval by the Municipality, such approval not to be unreasonably withheld. Such application shall include clear evidence as to how such events have prevented the Franchisee from meeting its obligations. Upon approval by the Municipality of the Franchisee's application, the time specified for performance of the Franchisee's obligations hereunder shall extend for such reasonable time thereafter as may be determined by the Municipality.

8.5 Upon revocation, the Municipality shall have the option either of purchasing the Cable Communications System at fair market value, or of requiring the Franchisee to remove all portions of the system from all public ways and places at the expense of the Franchisee, subject to the provisions of applicable Federal and State law.

8.6 The Franchisee shall not abandon any service or portion thereof required to be provided pursuant to the terms of this franchise without the prior written consent of the Municipality.

9.0 SEVERABILITY

9.1 Should any provision of this franchise be held invalid by a court of competent jurisdiction or rendered a nullity by Federal or State Legislative or regulatory action, the remaining provisions and this franchise shall remain in full force and effect.

9.2 For the purposes of this section, material provisions are deemed to be those establishing the Municipality's right to:

- a) collect from the Franchisee a franchise fee of at least five percent (5%) of gross receipts as defined herein;
- b) require that the Franchisee maintain and improve the Cable Communications System as per Section 11.0;
- c) require public, educational, and government access to the Cable Communications System as per Section 16.0;
- d) establish reasonable consumer protection provisions as per Part V;
- e) evaluate and approve transfers and assignments of the Cable Communication System as defined in Section 7.0 of this franchise.

10.0 EFFECTIVE DATE AND TERM

10.1 The effective date of this franchise shall be the date this franchise is granted a certification of confirmation by the NYSCCT.

10.2 The term of this franchise shall be ten years from the effective date.

PART II -- THE SYSTEM

11.0 SYSTEM SPECIFICATIONS

11.1 Subject to FCC and NYSCCT regulations, policies, and standards, and subject to the Cable Communication System's capability of providing the services and facilities prescribed in this franchise, the technical design of the Cable Communications System servicing the Municipality shall be at the option of the Franchisee and as further described in this section.

11.2 The Franchisee shall continue to construct until completion on or before June 30, 1996, a cable television distribution system with an upper frequency bandwidth of a minimum of 450 MHz. and capacity to carry a minimum of sixty (60) video channels. The trunking network will be constructed to 550 MHz per NYSCCT system transfer provisions. All 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, thorough, and reliable manner. In accordance with the requirements of the NYSCCT, the exercise of this franchise shall include reasonable efforts in good faith to maximize the number of energized channels available to subscribers.

11.3 Throughout the term of this franchise, the Franchisee shall maintain and make regular improvements to its cable television distribution system serving the Municipality to ensure that the technical capabilities of said system will not serve to be a limiting factor on the Franchisee's ability to regularly implement new cable services as may be created and developed during the term of this franchise consistent with demonstrated financial viability and community needs.

11.4 The Cable Communications System shall incorporate equipment capable of providing standby powering of the Cable Communications System so as to minimize area outages caused by interruption of power furnished by the utility company. The standby powering equipment shall provide for automatic cut-in upon failure of the AC power and automatic reversion to the AC power upon resumption of AC power service. The equipment also shall be so designed as to prevent the standby power source from powering a "dead" utility line.

11.5 The Cable Communications System shall have the capability of simultaneously overriding, within the portion of the system serving the Municipality, audio signals of all channels in order that this capability may be utilized for the transmission of vital public information in the event of an emergency, disaster condition, or similar occurrence.

11.6 The design and construction of the Cable Communications System will include substantial utilization of fiber optic technology. Franchisee will make available updated converters at the option of the customer after the system upgrade is completed, but may also concurrently utilize existing converters.

11.7 The Cable Communications System shall provide for the availability and operation of cable cast origination points from, at a minimum, the public and educational buildings specified in Appendix A of this franchise.

11.8 The Cable Communications System shall be so designed and constructed as to provide service throughout the territorial limitation of the franchise in such manner that all structures physically capable of receiving cable service within the territorial limits of the Municipality shall be able to receive such service without exception. Notwithstanding the foregoing, this commitment is limited to extensions meeting the NYSCCT minimum density (currently 35 homes) per strand bearing cable plant mile.

11.9 The Cable Communications System shall provide FM as part of the cable service.. The operator will provide a wide variety of stations, subject to technical feasibility and obtaining acceptable retransmission consent agreements with these stations. The cable company will not require subscribers to subscribe to other than "Basic" service in order to receive FM radio service.

11.10 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: $C/LE - CA/P = SC$. 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 cable. LE equals the number of dwelling units requesting service in the line extension area; SC equals the subscriber contributions in aid of construction in the line extension area.

Whenever, subsequent to the date on which a cable company is obligated to provide service throughout the primary service area, a potential subscriber located in a line extension area requests service, the Company shall, within 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. The cable television company may require prepayment of the contribution in aid of construction. The cable television company shall apply for pole attachment agreements within 30 days of its receipt of the contribution in aid of construction. Cable television services must be made available to those who made a contribution in aid of construction within 90 days from the receipt of pole attachment agreements made by the cable television company.

The contribution in aid of construction shall be in addition to the installation rate set forth.

11.11 In addition, the Cable Communications System shall, within 180 days of the approval of this franchise by the NYSCCT, provide stereo capability for up to 10 channels that transmit in stereo. Franchisee will consult with the Cortland Cable Commission regarding which specific channels will be carried in stereo.

12.0 SYSTEM PERFORMANCE STANDARDS

12.1 All signals carried by the Cable Communications 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. Company further agrees to consult with the Cortland Cable Commission before scrambling or trapping any channels not currently scrambled or trapped as of the date of this agreement.

12.2 Operation of the Cable Communications System shall be such that no interference will be caused to broadcast and satellite television and radio reception, telephone communication, amateur radio communication, aircraft and emergency communications, or other similar installation or communication within the franchise area.

13.0 SYSTEM MAINTENANCE AND REPAIR

13.1 The Franchisee shall establish and adhere to maintenance policies which reasonably assure delivery of service to subscribers at or above the performance standards set forth herein.

13.2 When interruption of service is necessary for the purpose of making repairs, adjustments, or installations, the Franchisee shall make reasonable efforts to 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, the Franchisee shall give reasonable notice thereof to subscribers.

13.3 The company shall have a toll-free telephone number so that requests for repairs or adjustments can be received from within the franchise area at any time, twenty-four (24) hours per day, seven (7) days per week.

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

PART III -- THE SERVICE

14.0 GENERAL SERVICE OBLIGATION

14.1 The Franchisee shall provide cable service throughout the territorial and jurisdictional limits of the Municipality upon the lawful request of any and all persons who are owners or tenants of residential or commercial property within the territorial and jurisdictional limits of the Municipality, subject to the line extension standards set forth by the NYSCCT minimum density requirement (currently 35 homes) per strand bearing cable plant mile.

14.2 The Franchisee shall not unlawfully discriminate against any such person as to the availability, maintenance, and pricing of such cable service.

15.0 MUNICIPAL, EDUCATIONAL, AND CIVIC SERVICE

15.1 The Franchisee shall provide full basic service (Lifeline and Tier) as agreed between the Franchisee and the Municipality, without installation or monthly service charge, to the public and education buildings specified in Appendix B of this franchise subject to these buildings being in areas serviced by Franchisee.

16.0 PUBLIC, EDUCATIONAL, AND GOVERNMENTAL ACCESS

16.1 The Franchisee shall comply with Federal and State law and regulations requiring and pertaining to public, educational, and governmental access to the Cable Communications System.

16.2 Following the rebuild ^{(2) mounted on basic tier,} of the cable television system, the company shall designate no less than ~~two (2)~~ channels, or the requisite number as prescribed by Federal laws and regulations, on the cable television system. One channel will be designated for access programming of the State of New York, local governments, or members of the general public. The other channel shall be designated for educational/governmental purposes. No charges will be made for channel time utilized for the above purposes. The company will provide facilities and equipment necessary to record and transmit television programming. The franchisee shall provide public access channels in accordance with the rules and regulations of the NYSCCT, Section 595.4 of the commission rules.

16.3 The access channels described above will be programmed with text services when such channels are not in use for the purpose designated.

16.4 Franchisee will provide up to \$100,000 for capital improvement to access facilities over the life of the franchise. Such payments will be made no more rapidly than the following schedule, with time measured from the date of approval of this franchise by the NYSCCT:

End of Year	Amount
1	\$30,000
2	15,000
3	10,000
4	10,000
5	10,000
6	10,000
7	10,000
8	5,000



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Funds may be expended for new equipment, for repair and replacement (within 30 days) of existing equipment, to activate additional access origination locations or any other P.E.G. purpose..

16.5 The Company agrees to provide staff in the access studio during evenings and on weekends.

16.6 The Company agrees to continue the arrangement with Onondaga, Cortland, Madison BOCES for the use of two (2) channels on the I-Net solely for the transmission of educational data. Such capacity cannot be resold by BOCES, nor usage provided in any manner to other entities without the approval of Franchisee.

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PART IV -- FRANCHISEE'S OBLIGATIONS TO THE MUNICIPALITY

17.0 FRANCHISE FEE

17.1 Beginning with the effective date of this franchise, the Franchisee shall pay to the Municipality during the term of this franchise a sum equal to 5% of total Gross Receipts. Such payment shall be made on a quarterly basis for the periods January 1 through March 31, April 1 through June 30, July 1 through September 30, and October 1 through December 31. Each such payment shall be due no later than thirty-five (35) days after the close of each such quarterly period.

17.2 Each quarterly payment shall be accompanied by a report prepared by the Franchisee setting out in detail the basis for the computation of the payment. Said report shall itemize receipts from service installations, basic monthly services, premium monthly services, pay-per-view service, advertising, home shopping services, and other significant sources of revenue. The Franchisee also shall indicate on such report the source and amount of any and all credits taken against gross receipts and the franchise fee itself. The Municipality may reasonably specify a form for such report at any time during the term of this franchise and the Franchisee shall fully and accurately complete such report if so required by the Municipality.

17.3 At the sole discretion of the Municipality, the accuracy of the report described above may be independently audited by an entity appointed by the Municipality at the Municipality's expense. However, in the event the audit concludes that the Franchisee's payments hereunder were underpaid by an amount greater than 5% of the proper payment, then the Franchisee shall reimburse the Municipality for the costs of said audit, in addition to making any additional payments required to bring the Franchisee into compliance with this section. At the sole discretion of the Municipality, the latter may collect interest from the Franchisee on the underpayment at a rate equal to the prime rate plus three percent (3%).

17.4 At any time during the term of this franchise, in the event that the law or regulations of the state and federal regulatory agencies having jurisdiction change to permit a fee in excess of that permitted on the effective date of this franchise, then the franchise fee shall be re-negotiated, upon request and notice from the Municipality.

17.5 The Franchisee will not apply franchise fees as credit against special franchise assessments as permitted by Section 626 of the Real Property Tax Law of the State of New York.

17.6 The franchise fee payable under this section shall be in addition to any and all obligations incurred by the Franchisee for the development and support of public, educational, and governmental access as described in this franchise.

18.0 INDEMNITY AND INSURANCE

18.1 The Franchisee shall purchase and maintain the following levels of general liability insurance during the term of this franchise that will protect the Franchisee and the Municipality from any claims against either or both which may arise directly or indirectly as a result of the franchise.

- a) Personal injury or death: \$3,000,000 per person
 \$5,000,000 per occurrence
- b) Property damage: \$3,000,000 per occurrence

18.2 The Franchisee shall indemnify and hold harmless the Municipality, its officers, employees, and agents from and against all losses and claims, demands, payment, suits, actions, recoveries, and judgements of every nature and description, resulting from bodily injury, property damage or personal injury, brought or recovered, by any negligent act or omission of the Franchisee, its agents or employees, in the construction, operation, maintenance, service or repair of the Cable Communications System or any portion thereof, or of any failure to comply with any law, ordinance, or regulations, or by reason of any suit or claim for royalties, license fees, or infringement of patent rights arising from the Franchisee's performance under the franchise.

18.3 The liability insurance policy shall bear the name of the Franchisee and the Municipality as an additional insured with respect to protective liability regarding acts taken by Franchisee, its employees, agents, or assigns.

18.4 All such Franchisee insurance policies and certificates of insurance shall stipulate that the coverage afforded under the policies will not be cancelled until at least thirty (30) days prior written notice has been given to the Municipality.

18.5 Not later than sixty (60) days after the effective date of this franchise, the Franchisee shall furnish to the Municipality certificates of insurance.

18.6 All insurance coverage shall be with reputable companies rated A or better by Best's.

19.0 RATES AND CHARGES

19.1 Rates and charges imposed by the Franchisee for cable television service shall be subject to the approval of the Municipality, the NYSCCT, and the FCC to the extent consistent with applicable State and Federal law.

19.2 The Franchisee shall comply with all notice requirements contained in Federal and State law and regulations pertaining to rates and charges for cable television service.

19.3 The Franchisee shall not unfairly discriminate against individuals or classes of individuals in the establishment and application of its rates and charges for service.

19.4 The Franchisee will, upon request from subscriber, provide a means to install, on a one time free of charge basis, two (2) channel traps, or an alternative capability to block out selected channel programming. This provision applies to removal of traps as well. Furthermore, no change in the rate structure to the subscriber shall occur in regards to this provision.

19.5 **Senior Discount** The Franchisee will offer all individuals over the age of 65 who have an income level that would qualify them for exemption under Section 467 of the New York State Real Property Tax Law (RPTL) abatement, a discount as set forth herein.

The City will be responsible for the yearly certifying of all head of household individuals who qualify for the senior discount fulfilling the requirements of Section 467 of the RPTL.

Eligible head of household renters will also be granted the senior citizen discount and must also meet the qualifications of section 467 of the RPTL. Eligible renters will be certified by the City or the local Senior Citizens Center.

The discount will be 10% per month on the full basic level of service (Lifeline plus Tier). The discount will not apply to Lifeline basic only service. The discount will also not apply if the senior citizen purchases any service other than full basic cable.

20.0 EMPLOYMENT PRACTICES

20.1 The Franchisee will 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 gender.

21.0 MUNICIPALITY'S RIGHT TO EQUAL BENEFITS AND SERVICES

21.1 During the term of this franchise, the Municipality shall be entitled to any benefits, services, or advantages provided to other municipalities within Cortland County which exceed those required by this franchise on balance with all other services provided and time remaining on the franchise.

22.0 MUNICIPALITY'S RIGHT TO INQUIRE ABOUT AND INSPECT SYSTEM

22.1 The Municipality, at any time, may make reasonable inquiries related to its regulatory responsibilities, concerning the management and operation of the Cable Communication System by the Franchisee. The Franchisee shall respond to such inquiries forthrightly and in a timely fashion.

22.2 Where repeated subscriber complaints causes the Municipality to question the reliability or technical quality of cable service, the Municipality shall have the right and authority to test or require the Franchisee to test, analyze, and report on the performance of the Cable Communications System. The Franchisee shall cooperate fully with the Municipality in performing such testing.

22.3 The Municipality shall have the right to inspect all construction or installation work performed subject to the provisions of this franchise and to make such tests as it shall find necessary to ensure compliance with the terms of this franchise and other pertinent provisions of law.

22.4 At all reasonable times and for the purpose of enforcement of this franchise, the Franchisee shall permit examination by any duly authorized representative of the Municipality, of all Cable Communication System facilities, together with any appurtenant property of the Franchisee situated within the Municipality and outside of the Municipality if it is utilized in the operation of the Municipality's Cable Communications System.

22.5 The Municipality may require that any tests performed at the Municipality's request be supervised or conducted by a Municipality designee, not an employee or agent of the Franchisee. The Franchisee shall reimburse the Municipality for the costs of such designee if the tests performed show that the quality of service is below the standards set forth in this franchise.

23.0 MUNICIPALITY'S RIGHT TO INSPECT FRANCHISEE'S BOOKS AND RECORDS

23.1 The Municipality reserves the right to inspect all pertinent books, service records, maps, plans, financial statements and other like material of the Franchisee, upon reasonable notice and during normal business hours. The municipality will exercise reasonable efforts to keep information obtained in such review confidential.

23.2 If any of such maps or records are not kept in the Municipality, or upon notice the Franchisee is unable to provide the records in the Municipality, and if the Municipality shall determine that an examination of such maps or records is necessary or appropriate to the performance of the Municipality's responsibilities under this franchise, then all reasonable travel and maintenance expenses necessarily incurred in making such examination shall be paid by the Franchisee.

24.0 REPORTS TO BE FILED BY FRANCHISEE WITH THE MUNICIPALITY

24.1 Upon request of the Municipality, the Franchisee shall file with the Municipality a copy of any technical, operational, or financial report the Franchisee submits to the NYSCCT, the FCC, or other governmental entities that concern, directly or indirectly, the Franchisee's operation of the Cable Communications System in the Municipality.

24.2 The Franchisee shall prepare and submit to the Municipality an annual report setting forth the physical miles of plant construction and plant in operation within the Municipality during the Franchisee's previous fiscal year.

24.3 The Franchisee shall file with the Municipality, simultaneously with their delivery to subscribers in the Municipality, copies of all printed materials prepared for general distribution to subscribers.

24.4 The following system and operational reports shall be submitted annually to the Municipality:

- a) An annual summary of the previous year's activities including, but not limited to, subscriber totals for each category of service offered including number of pay units sold, new services offered, and the character and extent of the service rendered to other users of the system;
- b) An annual summary of service requests and complaints received and handled;
- c) An annual summary of the number of area outages, the reasons therefor, and the action and time taken to restore service.

24.5 The Franchisee shall furnish to the Municipality such additional information and records with respect to the operation, affairs, transactions or property of the Cable Communications System and the service provided to the Municipality under this franchise, as may be reasonably necessary and appropriate to the performance of any of the rights, functions or duties of the Municipality in connection with this franchise as determined by the Municipality.

25.0 MANDATORY RECORD-KEEPING

25.1 The Franchisee shall comply with all record-keeping requirements established by Federal and State law and regulation. If such law or regulation permits the later destruction of said records, the Franchisee shall provide the Municipality with ninety (90) days prior notice of its intention to destroy said records to permit the Municipality to inspect said records if it so desires.

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

25.3 All records, logs, and maps maintained pursuant to this franchise shall be subject to inspection and copying by the Municipality or its designee during the Franchisee's regular business hours at its local office upon reasonable request.

26.0 MUNICIPAL EMERGENCIES

26.1 In the event of a major public emergency or disaster as determined by a designated Municipal official, and upon the demand of such official, the Franchisee shall make the entire Cable Communications System available for use by the Municipality or other Civil Defense or governmental agency designated by the Municipality, for the term of such emergency or disaster. For the period of such emergency or disaster situation, the Municipality will hold harmless and indemnify the Franchisee from any damages or penalties resulting from the Municipality's use of the system under such situations.

PART V -- FRANCHISEE'S OBLIGATIONS TO SUBSCRIBERS AND CUSTOMER SERVICE REQUIREMENTS

27.0 COMPLIANCE WITH FEDERAL AND STATE LAW AND REGULATION

27.1 The Franchisee shall comply with all Federal and State laws and regulations, as well as with all industry codes of good practice that regulate the Franchisee's customer service responsibilities. In the event of conflicting provisions, the Franchisee shall comply with the provision establishing a stricter standard.

28.0 EMPLOYEE IDENTIFICATION/TRAINING

28.1 Each employee of the Franchisee, including employees of contractors and subcontractors employed by the Franchisee, shall have prominent picture identification that clearly identifies the employee as a representative of the Franchisee. All vehicles of the Franchisee shall be clearly and consistently identified with the Franchisee's logo or name.

29.0 REQUIREMENTS FOR CONSUMER SERVICE

29.1 Under normal operating conditions, telephone answer time by a customer representative, including wait time, shall not exceed thirty (30) seconds when the connection is made. If the call needs to be transferred, transfer time shall not exceed thirty (30) seconds. These standards shall be met no less than ninety (90) percent of the time under normal operating conditions, measured on a quarterly basis.

The Operator will not be required to acquire equipment or perform surveys to measure compliance with the telephone answering standards above unless an historical record of complaints indicates a clear failure to comply.

Under normal operating conditions, the customer will receive a busy signal less than three (3%) percent of the time.

29.2 The Franchisee shall have the ongoing responsibility to insure that the telephone system utilized meets the customer service needs of its subscribers. In evaluating the performance of the Franchisee under this section, the Municipality may review telephone systems in use in other similarly situated jurisdictions by other cable companies, cable industry-established codes and standards, pertinent regulations in other jurisdictions, evaluations of telephone system performance commonly used in the industry for similarly situated systems, and other relevant factors.

29.3 Any reconfiguring or changing of channel locations or tier structures must include public notice of at least two mailings. Changes must be set forth in "bill stuffers" written in plain, clear, easy-to-read language and printed in sizeable dark type. A special notice must be made available to senior citizens through methods to be developed by the Cable Company in consultation with the Cortland Cable Commission. Notice should also be given through advertisements in at least one local daily newspaper and must be sized at least 5" X 5" on at least three occasions over a two week period; announcement on cable access TV for a period of ten days to end at least ten days before the noticed event.

In addition, on matters of significance including, but not limited to, rate changes for locally regulated services, major channel line-up changes, new technologies, deletion of channels and significant alterations of service must include public hearings held by the Cortland Cable Commission. It is the responsibility of the Franchisee to provide a minimum of 30 days notice to the Cortland Cable Commission to ensure input can be obtained from the public in a timely manner.

29.4 Annual public hearings on system services will be provided jointly by the Franchisee and the Cortland Cable Commission. The franchisee's responsibility is to provide public response to suggestions made by the public at such events.

30.0 MISCELLANEOUS PROVISIONS

30.1 The Franchisee shall ensure that the subscriber's premises are restored to their original condition if damaged by the Franchisee's employees or agents in any respect in connection with the installation, repair, or disconnection of cable service. The Franchisee is liable for breaches of customer service standards and all other provisions of this franchise by its contractors, subcontractors or agents.

30.2 The Municipality shall have the right to promulgate new, revised or additional consumer protection standards, and penalties for the Franchisee's failure to comply therewith, consistent with the authority granted under Section 632 of the Cable Act (47 U.S. C. Sec. 552).

30.3 All future Federal and State laws and regulations pertaining to customer service and consumer protection shall be directly applicable to and enforceable against the Franchisee, subject to the provisions of Section 27.0 of this franchise. However, any diminution of current Federal or State laws or regulations shall not apply, unless voided by a court or courts of competent jurisdiction or expressly preempted by Federal action, and Franchisee shall conform and comply to the standards in effect at the time of such change in said laws or regulations and to the standards contained in this agreement.

30.4 The Company shall assume the costs of the publication of this Franchise as such publication is required by law. A bill for publication costs shall be presented to the Company by the appropriate City officials upon the Company's filing of its acceptance of this Franchise and the said publication costs shall be paid at that time by the Company.

30.5 The Company shall provide the Mayor's office with the name, address, and phone number of a person who will act as the Company's agent to receive complaints regarding quality of service, equipment malfunctions and similar matters.

30.6 The Company is hereby notified that the City appoints its Cable Television Commission as responsible for oversight of the complaint procedures and continuing administration of the franchise.

30.7 As per Section 590.11 of the NYSCCT rules, "Whenever a service call, including an installation or reconnection, is not started within a scheduled appointment window, as established pursuant to paragraph (3) of subdivision (B) of the section, the subscriber shall not be charged for such service call unless it was rescheduled with the subscribers consent before the close of business on the business day prior to the initially scheduled appointment window."

PART VI -- GUARANTEE OF FRANCHISEE'S PERFORMANCE

31.0 PERIODIC PERFORMANCE EVALUATION SESSIONS

31.1 Upon thirty (30) days notification by the Municipality, the Franchisee shall be prepared to participate in a meeting or series of meetings evaluating the performance of the Franchisee under the franchise. The timing of such performance evaluation sessions shall be solely in the discretion of the Municipality; however, each such session shall not be initiated sooner than one (1) year after the close of a previously conducted performance evaluation session. All performance evaluation meetings shall be open to the public.

31.2 Topics which may be discussed at any performance evaluation session may include, but not be limited to, system performance, compliance with this franchise and applicable law, customer service and complaint response, subscriber privacy, services provided, programming offered, service rate structures, franchise fees, penalties, free or discounted services, applications of new technologies, and judicial and FCC filings.

31.3 The Franchisee shall notify its subscribers of all evaluation meetings by regular or continuous announcement on at least one television channel of its Cable Communications System available to all subscribers and commonly used for meeting notices and similar community information. Such notice shall commence not less than five (5) days prior to the date of each evaluation meeting.

31.4 During review and evaluation, the Franchisee shall fully cooperate with the Municipality and the Cortland Cable Commission and shall provide such information and documents as the Municipality or the Cortland Cable Commission may reasonably need to perform its review.

31.5 Each performance evaluation session shall be deemed to have been completed as of the date the Municipality issues a final report on its findings. This report shall be completed in a reasonable time frame.

31.6 The Company shall provide to the City on a regular basis as reasonably required by the City reports regarding:

- (i) service outages or problems;
- (ii) status of system updates/problem reconciliations;
- (iii) access programming and usage;
- (iv) changes in Company policies affecting subscribers; and
- (v) subscriber complaints.

32.0 GUARANTEE OF PERFORMANCE

32.1 Not later than thirty (30) days after the effective date of this franchise, the Franchisee shall obtain and maintain during the entire term of this franchise at its sole cost and expense, a security fund of five thousand dollars (\$5,000.), in a form satisfactory to the Municipality to guarantee the faithful performance by the Franchisee of its obligations as provided in this franchise.

- a) The security fund shall be held in an interest bearing account and the interest in said account shall be payable to the Franchisee.
- b) Within thirty (30) days of any withdrawal from the security fund made pursuant to this franchise, the Franchisee shall restore said fund to the full amount prescribed in this section.

32.2 If the Franchisee fails to forfeit to the Municipality the amount of the security fund as provided in this section, or if the Municipality is compelled to pay for any damages, costs, or expenses because of any non-material breach of this franchise by the Franchisee and the Franchisee fails to repay the Municipality within ten (10) days of written notification that a payment is due, then the Municipality may withdraw the necessary or prescribed amount from the security fund and utilize said amount for the purpose delineated in this franchise.

32.3 If, at the time of such withdrawal from the security fund (as set forth in 32.2 above), the amount of the fund is insufficient to satisfy the total due, the balance of such payment shall continue as an obligation of the Franchisee to the Municipality until fully paid.

32.4 No amount shall be withdrawn from the security fund:

- (a) if the event precipitating such withdrawal is the subject of a judicial challenge by the Franchisee and until and unless final disposition by the Judicial authorities determines that such payment must be made; or
- (b) the matter is otherwise settled by an agreement between the Franchisee and the Municipality.

32.5 In the event of a non-material breach of the franchise by the Franchisee, the Municipality shall inform the Franchisee in writing of the circumstances of the breach and provide the Franchisee with at least thirty (30) days grace period, or such reasonable time as the Municipality may determine is necessary, to cure said breach. Upon failure of the Franchisee to cure said breach or to take reasonable steps to cure said breach, the Municipality may assess the Franchisee, and the Franchisee agrees to forfeit to the Municipality, the entirety of the security fund or such lesser amount that the Municipality deems appropriate under the circumstances. Such assessment shall be made by Municipal resolution and such resolution shall clearly state the basis for the Municipality's judgment.

32.6 Within ten (10) days of receipt of a notice that the Franchisee has finally failed to cure a material breach filed pursuant to this section, the Franchisee shall pay the full amount assessed to the Municipality.

32.7 Upon failure of the Franchisee to make timely payment of an assessed penalty, the Municipality shall have the right to withdraw the amount of such penalty from the security fund, unless the Franchisee files a notice of appeal to a court of competent jurisdiction.

32.8 Amounts received by the Municipality as penalties assessed against the Franchisee, whether directly paid by the Franchisee to the Municipality or withdrawn from the security fund by the Municipality, shall be placed in the General Fund of the Municipality.

32.9 The Municipality retains the right, at its sole option, to reduce or waive any penalty assessed under the provisions of this section wherein:

- a) the Municipality determines that extenuating circumstances or conditions beyond the control of the Franchisee exist; or,
- b) no penalties have been assessed against the Franchisee pursuant to this section for a period of two (2) consecutive years.

33.0 EFFECT OF MUNICIPALITY'S FAILURE TO ENFORCE FRANCHISE PROVISIONS

33.1 The Franchisee shall comply with any and all provisions of this franchise and applicable state and federal law and regulation. Once breach of a provision or provisions is identified by the Municipality and the Franchisee is finally adjudged to have breached a provision or provisions as provided in this franchise, the penalty or revocation provisions of this franchise shall pertain as applicable.

33.2 Any fines or other claims arising out of any actual breach of this franchise shall be effective from the date such breach is found to have commenced. The Franchisee's responsibility to cure any such breach or remit any such fines or claims shall not be diminished by the failure of the Municipality to enforce any provision of this franchise.

Attest:

William J. Wood
City Clerk

CITY OF CORTLAND

By: [Signature]
Mayor

FANCH COMMUNICATIONS
OF NEW YORK, L.P.
By its general partner,
Upstate New York
Communications Management
Corp.

Witness:

Bruce Tinney

By: [Signature]
Jack Pottle
~~Vice~~ President

EXCERPT FROM SUBTITLE R COMMISSION ON CABLE TELEVISION 595.5

Requirements for construction of cable television plant and provision of cable television services.

(a) Definitions:

(1) Primary service area shall include each of the following within the franchised area:

- (i) those areas where cable television plant has been built without a contribution-in-aid-of-construction by subscribers;
- (ii) those areas where the cable television company is obligated by the terms of its franchise to provide cable television service without a contribution-in-aid-of-construction by subscribers;
- (iii) any area adjoining an area described in subparagraph (i) or (ii) of this paragraph and which contains dwelling units at a minimum rate of 35 dwelling units per linear mile of aerial cable;
- (iv) any area adjoining an area described in subparagraphs (i) and (ii) of this paragraph and which contains at least the same number of dwelling units per linear mile of aerial cable as is the average number of dwelling units per linear mile of cable in areas described in subparagraphs (i) and (ii) of this paragraph. The average is to be determined by dividing the sum of the dwelling units in areas described in subparagraphs (i) and (ii) of this paragraph by the number of linear miles of cable in the same areas.

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

(b) Where a cable television franchise is awarded, renewed or amended after October 1, 1982, the franchise will be confirmed or the amendment will be approved by the commission only if the franchise contains the following additional minimum franchise standards:

(1) That, within five years 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.

(2) That 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:

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

SUBTITLE R COMMISSION ON CABLE TELEVISION 595.5

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 cable in areas described in subparagraphs (a) (1) (i) and (ii) of this section; LE equals the number of dwelling units requesting service in the line extension area; and SC equals subscriber contribution-in-aid-of-construction in the line extension area.

- (i) Whenever a potential subscriber located in a line extension area requests service, the cable television company shall, within 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 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. The cable television company may require prepayment of the contribution-in-aid-of-construction. The cable television company shall apply for pole attachment agreements within 30 days of its receipt of the contribution-in-aid-of-construction. Cable television services must be made available to those who made a contribution-in-aid-of-construction within 90 days from the receipt of pole attachment agreements by the cable television company.
 - (ii) The contribution-in-aid-of-construction shall be in addition to the installation rate set forth in the franchise.
 - (iii) During a five year period commencing at the completion of a particular line extension, pro rate 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) That cable television service will be provided to any subscriber who demands service and who is located within 150 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.

SUBTITLE R COMMISSION ON CABLE TELEVISION 595.5

- (4) Nothing in paragraph (1) of this subdivision shall be construed to preclude:
 - (i) the provision of cable television services by the franchisee in a line extension area without assessing a contribution-in-aid-of-construction; or
 - (ii) the inclusion in a cable television franchise of a provision establishing a primary service area which includes at least all of those areas which are in the primary service area as defined in subdivision (a) of this section.
- (5) Nothing in paragraph (2) of this subdivision shall be construed to preclude:
 - (i) the discounting or the waiver of the maximum contribution-in-aid-of-construction charge a cable television company can charge a subscriber pursuant to paragraph (2) of this subdivision; or
 - (ii) the inclusion of a provision in a cable television franchise establishing a formula to be used to determine the contribution-in-aid-of-construction charge, which formula is different than the formula set forth in paragraph (2) of this subdivision, provided that the formula included in the franchise does not require payment by the subscriber in a line extension area of higher contribution-in-aid-of-construction charge than would result from the use of the formula set forth in paragraph (2) of this subdivision.
- (c) All cable television companies operating in the State of New York shall make cable television service available to all potential subscribers requesting service who are located in a primary service area as defined in paragraph (a) (1) of this section, and shall make services available in line extension areas as defined in paragraph (a) (2) of this section at charge which may not exceed those provided for in paragraph (b) (2) of this section within the following schedule of compliance:
 - (1) prior to January 1, 1984 in any franchise area for which the original certificate of confirmation of the franchise was granted by this commission prior to January 1, 1979;
 - (2) within five years from the date the certificate of confirmation was granted by this commission, in any franchise area for which the original certificate of confirmation of the franchise was granted by this commission after January 1, 1979.
- (d) The provision of this section may be waived by the commission if the commission determines that compliance with the section would not be possible within the limitations of economic feasibility.

APPENDIX A

INSTITUTIONAL NETWORK ORIGINATION LOCATIONS:

1. Cortland County Office Building
2. Cortland County Court House
3. City of Cortland - City Hall
4. Onondaga-Cortland- Madison B.O.C.E.S.
5. Cortland Junior/Senior High
6. Cortland City School District Offices
7. Smith Elementary School
8. Barry Elementary School
9. Parker Elementary School
10. Randall Elementary School
11. Randall School Athletic Field (Installed by School District)
12. Cortland Memorial Hospital
13. S.U.N.Y. At Cortland - Sperry Center
14. Fanch Communications of New York, L.P. Business Office

APPENDIX B
PUBLIC & EDUCATIONAL BUILDINGS RECEIVING FREE CABLE SERVICE:

☞ Cortland Housing Authority☞
51 Port Watson Street

Cortland Housing Authority☞
42 Church Street

☞ Cortland Child Development Center

Cortland Fire Department☞
Court Street

Cortland Fire Department☞
South Franklin Street

Cortland Co. Sheriffs Department☞

Cortland Dept. Of Public Works☞
South Franklin Street

☞ Cortland City School☞
District Office

Cortland Water Works☞

Cortland County 911 Center☞

Cortlandville Fire Department☞

Cortlandville Fire Department #2☞

N.Y.S. Department of Transportation☞

N.Y.S. Police Barracks☞

Homer Fire Station☞

Homer Town Hall☞

Homer Elementary School☞

Cortlandville Highway Department☞

McGraw Fire Department☞

McGraw Recreation Department☞

McGraw Highway Department☞

Cortland Youth Bureau☞
34 Port Watson Street

1890 House☞

Cortland Junior/Senior High☞

Cortland YMCA☞

Parker Elementary School☞

Randall Elementary School☞

Barry Elementary School☞

Smith Elementary School☞

Cortland County Office Building☞

Cortland County Court House☞

Cortland Memorial Hospital☞

O-C-M BOCES☞

Cortland City Hall☞

Appendix B
Page 2

Homer Intermediate School

Homer High School

McGraw Junior/Senior High School

McGraw Elementary School

Town of Homer Highway Department

Village of Homer Highway Dept.

S.U.N.Y. Cortland Sperry Center

St. Mary School

Parkside Christian School

Cortland County Jail

Cortland County Highway Dept.

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding is intended to memorialize items discussed by representatives of Fanch Communications of New York, L.P. and the Cortland Cable Commission in December, 1994.

- 1) Franchisee agrees to work with the Cable Commission to discuss approaches for dealing with duplication of service without eliminating the Binghamton stations. These discussions will occur by June 30, 1995.
- 2) Franchisee agrees not to separately itemize franchise fees on consumer bills until the earlier of January 1, 2000 or prior agreement of Municipality.
- 3) Franchisee intends to continue carriage of C-Span I and C-Span II, subject to continuation of acceptable carriage agreements with this programmer. In any event, Franchisee will consult with the Cortland Cable Commission prior to discontinuing carriage of these channels.
- 4) Franchisee intends to continue carriage of existing National Public Radio affiliated stations subject to technical feasibility and obtaining acceptable retransmission consent agreements with these stations.
- 5) This Franchise was negotiated by the Cortland Cable Commission on behalf of the City of Cortland, the Village of McGraw, the Town of Homer, the Village of Homer, and the Town of Cortlandville and its provisions are meant to apply to this group of municipalities in the aggregate. In particular, the commitments set forth in Section 16.0 (Public, Educational, and Governmental Access), 18.0 (Indemnity and Insurance), and 32.0 (Guarantee of Performance) are an aggregate commitment of part of Franchisee and not specific to each community. By way of example, Franchisee's capital improvement commitment in Section 14.0 totals \$100,000, not \$100,000 for each community.



NEW YORK STATE COMMISSION ON CABLE TELEVISION

95-381

In the Matter of

Application of Fanch Communications of N.Y., L.P. d/b/a)
Empire Cable Communications for approval of the renewal)
by option of a cable television franchise for the City)
of Cortland (Cortland County) Initial Docket No. 10195-A)

DOCKET NO. 31441

ORDER APPROVING RENEWAL

(Adopted: April 12, 1995; Released: May 16, 1995)

The above-captioned application was submitted by Fanch Communications of NY, LP on March 27, 1995. A copy of same was served upon the municipality and all local notice requirements were met. Notice was also published in this Commission's Weekly Bulletin on March 31, 1995. No comments or objections have been received.

This application is governed by Section 822 of the Executive Law which requires our approval unless we find specific violations of law, the regulations of this Commission, or the public interest. Section 822(4) of the Executive Law provides that we may approve the renewal contingent upon compliance with standards or conditions consistent with the public interest. Having reviewed this application in the context of all applicable statutory and regulatory standards, we have determined to approve the renewal subject to conditions as hereinafter set forth.

This application seeks our approval of a renewal of a franchise granted by the above-named municipality following a public hearing held locally. The terms of the franchise, as renewed, are subject to the Cable Act.

Channel Capacity

The cable operator has committed itself to a technical upgrade and rebuild of this system to a minimum capacity of 550 MHz by June 30, 1996. We wish to emphasize that the timely fulfillment of this commitment is an express and material condition of our approval herein.

Public, Educational and Governmental (PEG) Access

Our approval is granted with the understanding that the provisions of Section 595.4 of our rules pertaining to minimum standards for public, educational and governmental access are controlling.

95 MAR 27 AM 9:33

LETTER DELIVERED
MARCH 27 1995
CABLE TELEVISION

March 24, 1995

State of New York
Commission on Cable Television
Tower Building
Empire State Plaza
Albany, NY 12223

31441
Cortland
[10195 A]

95 MAR 27 AM 9:33
FANCH COMMUNICATIONS, INC.
CABLE TELEVISION

Attn: Jaclyn Brilling, Municipal Consultant

Dear Ms. Brilling:

Fanch Communications of New York, L.P. respectfully requests the State of New York Commission on Cable Television for its approval, in reference to a renewal of Franchise with the City of Cortland, County of Cortland. This request is in pursuant to Section 822 of the Executive Law.

If I can be of any additional help, please contact my office.

Thank you.

Sincerely,

FANCH COMMUNICATIONS OF NEW YORK, L.P.
c/o Fanch Communications, Inc.

Bruce Tinney
Vice President-Operations

BT:slk

Enclosure

31441 Expires 8/20/95

10350

Bulletin 3/31/95

PUBLIC NOTICE

Fanch Communications of New York, L.P., (d/b/a Empire CableComm) doing business at 224 Tompkins Street, Cortland, New York, 13045, has obtained a Franchise for the City of Cortland. Any interested person may examine a copy of the application during normal business hours at Fanch Communications of New York, L.P. office or the City Hall of Cortland. Any interested person may file objections with the State of New York Commission on Cable Television, Empire State Plaza, Tower Building, Albany, New York 12223 on or before April 30, 1995. Any objections must also be served upon the applicant, Fanch Communications of New York, L.P., (d/b/a Empire CableComm) and the franchising municipality (City of Cortland). Mailing address of Fanch Communications of New York, L.P., is 224 Tompkins Street, Cortland, NY 13045.

THIS WILL BE IN THE Cortland Standard

FROM THE WEEK OF April 2, 1995
TO THE WEEK OF April 9, 1995

APPLICATION FOR RENEWAL OF FRANCHISE
FOR CERTIFICATE OF CONFIRMATION

1. The exact legal name of applicant is:

Fanch Communications of New York, L.P.

2. Applicant does business under the following trade name or names:

Empire CableComm

3. Applicant's mailing address is:

In New York Empire CableComm
 224 Tompkins Street
 Cortland, NY 13045

In Colorado Fanch Communications, Inc.
 1873 South Bellaire Street, Suite 1550
 Denver, CO 80222

4. Applicant's telephone numbers are:

In New York (607) 756-2871

In Colorado (303) 756-5600

5. (a) This application is for a renewal of franchise for operating rights in the City of Cortland.

(b) Applicant serves the following additional municipalities from the same headend or from a different headend but in the same or an adjacent county:

Town of Cortlandville
Town of Homer
Village of Homer
Village of McGraw

6. The number of subscribers in each of the municipalities noted above is:

SYSTEM	PRIMARY	SECONDARY	PAY CHANNELS	COMMERCIAL
City of Cortland	6,325	3,143	2,955	8
Town of Cortlandville	2,077	1,473	1,022	5
Town of Homer	457	221	250	0
Village of Homer	1,257	645	762	1
Village of McGraw	390	161	198	0

7. The following signals are regularly carried by the applicant's cable system:

See attached channel line-up.

8. Applicant does not provide production facilities for local origination.

Correct, applicant does not.

9. The current monthly rates for service in the municipality of the City of Cortland are:

See attached rate card.

10. New cable was placed in operation by applicant during the past 12 months in the following systems;

System	Miles of new build	Homes Passed	MHz
City of Cortland	.31	29	450
Town of Homer	.10	2	450
Town of Cortlandville	.20	4	450

11. Significant achievements or improvement that took place with respect to system operation during the past twelve months are:

None.

12. Indicate whether applicant has previously filed with the State Commission on Cable Television its:

(a) Current Statement of assessment pursuant to Section 817 of the Executive Law?

Yes.

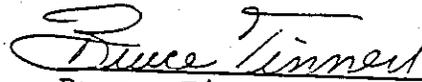
(b) Current Annual Financial Report?

Yes.

13. Has any event or change occurred during the past twelve months which has had, or could have, a significant impact upon applicant's ability to provide cable television service.

No.

Date: March 24, 1995



Bruce Tinney, Vice President-Operations,
Fanch Communications, Inc.
Authorized Agent,
Fanch Communications of New York, L.P.

