

Cable Franchise Agreement

by and between

The Incorporated Village of Flower Hill, NY

and

Cablevision Systems Great Neck Corporation

TABLE OF CONTENTS

<u>ARTICLE</u>	<u>PAGE</u>
1.DEFINITIONS.....	2
2.GRANT OF AUTHORITY; LIMITS AND RESERVATIONS	7
3.PROVISION OF CABLE SERVICE	9
4.SYSTEM FACILITIES	10
5.PEG SERVICES	11
6.FRANCHISE FEES	16
7.REPORTS AND RECORDS.....	17
8.INSURANCE AND INDEMNIFICATION	18
9.TRANSFER OF FRANCHISE.....	20
10.RENEWAL OF FRANCHISE.....	21
11.ENFORCEMENT AND TERMINATION OF FRANCHISE	21
12.MISCELLANEOUS PROVISIONS.....	24

EXHIBITS

Exhibit A: Municipal Buildings to be Provided Free Cable Service

Exhibit B: Service Area

Exhibit C: PEG Channels

Exhibit D: PEG Access Interconnection Site(s)

THIS CABLE FRANCHISE AGREEMENT (the "Franchise" or "Agreement") is entered into by and between the Incorporated Village of Flower Hill, a validly organized and existing political subdivision of the State of New York (the "Local Franchising Authority" or "LFA") and Cablevision Systems Great Neck Corporation, a corporation duly organized under the applicable laws of the State of New York (the "Franchisee").

WHEREAS, the LFA wishes to grant Franchisee a renewal of its nonexclusive franchise to construct, install, maintain, extend and operate a cable system in the Franchise Area as designated in this Franchise;

WHEREAS, the LFA is a "franchising authority" in accordance with Title VI of the Communications Act, (*see* 47 U.S.C. §522(10)) and is authorized to grant one or more nonexclusive cable franchises pursuant to Article 11 of the New York Public Service Law, as amended, and Title 16, Chapter VIII, Parts 890.60 through 899, of the Official Compilation of Codes, Rules and Regulations of the State of New York, as amended;

WHEREAS, the LFA is a member of the Great Neck/North Shore Cable Commission (the "Commission"), made up of the following fifteen villages: Flower Hill, Great Neck, Great Neck Estates, Great Neck Plaza, Kensington, Kings Point, Lake Success, Munsey Park, North Hills, Plandome, Plandome Heights, Plandome Manor, Russell Gardens, Saddle Rock and Thomaston ("the Members");

WHEREAS, a substantially similar franchise agreement for the provision of cable service has been presented to each of the Members for approval and execution;

WHEREAS, pursuant to the franchises, and pursuant to law, it is the responsibility of each Member to administer and supervise the provisions of the franchise for its own benefit and for the benefit of its residents;

WHEREAS, each of the Members has heretofore determined that the franchises are interrelated, that administration and supervision of the franchises can be best performed in a cooperative arrangement between and among the Members, and that the ability of each Member to provide its residents with adequate cable television service would be enhanced by such a cooperative arrangement;

WHEREAS, the LFA has delegated to the Commission the power and authority to act on behalf of the LFA pursuant to and relating to negotiating the terms and conditions of this franchise agreement between the LFA and Franchisee, pursuant to the intergovernmental agreement (the "Resolution") among the Members executed on or about December 3, 1997, as it exists on the Effective Date;

WHEREAS, Franchisee has completed an upgrade of its existing telecommunications and information services network through the installation of a hybrid coaxial-fiber network ("Fiber Network") in the Franchise Area which transmits both Cable Service and Non-Cable Services, which Non-Cable Services are not subject to the Cable Law or Title VI of the Communications Act;

WHEREAS, the Fiber Network will occupy the Public Rights-of-Way within the LFA, and Franchisee desires to use portions of the Fiber Network to provide Cable Services (as hereinafter defined) in the Franchise Area;

WHEREAS, the LFA has identified the past performance of the Franchisee and the future cable-related needs and interests of the LFA and its community, has considered and approved the financial, technical and legal qualifications of Franchisee, and has determined that Franchisee is in material compliance with its existing franchise and applicable law and that its plans for its Cable System are adequate and feasible in a full public proceeding affording due process to all parties;

WHEREAS, the LFA has found Franchisee to be financially, technically and legally qualified to operate the Cable System;

WHEREAS, the LFA has determined that in accordance with the provisions of the Cable Law, this Franchise complies with NY PSC's franchise standards and the grant of a nonexclusive franchise to Franchisee is consistent with the public interest; and

WHEREAS, the LFA and Franchisee have reached agreement on the terms and conditions set forth herein and the parties have agreed to be bound by those terms and conditions.

NOW, THEREFORE, in consideration of the LFA's renewal of a franchise to Franchisee, Franchisee's promise to provide Cable Service to residents of the Franchise/Service Area of the LFA pursuant to and consistent with the Cable Law (as hereinafter defined), pursuant to the terms and conditions set forth herein, the promises and undertakings herein, and other good and valuable consideration, the receipt and the adequacy of which are hereby acknowledged,

THE SIGNATORIES DO HEREBY AGREE AS FOLLOWS:

1. **DEFINITIONS**

Except as otherwise provided herein, the definitions and word usages set forth in the Cable Law are incorporated herein and shall apply in this Agreement. In addition, the following definitions shall apply:

1.1. *Access Channel*: One or more video Channels, which Franchisee shall make available to the LFA without charge for Public, Educational, or Governmental noncommercial use for the transmission of video programming as directed by the LFA.

1.2. *Affiliate*: Any Person who, directly or indirectly, owns or controls, is owned or controlled by, or is under common ownership or control with, the Franchisee.

1.3. *Basic Service*: Any service tier, which includes the retransmission of local television broadcast signals as well as the PEG Channels required by law.

1.4. *Bundled Service*: The offering of Cable Service with any Non-Cable Service offering for a single aggregate price..

1.5. *Cable Law*: Article 11 of the New York Public Service Law, as amended, and Title 16, Chapter VIII, Parts 890.60 through 899, of the Official Compilation of Codes, Rules and Regulations of the State of New York, as amended, to the extent authorized under and consistent with federal law.

1.6. *Cable Service* or *Cable Services*: Shall be defined herein as it is defined under Section 602 of the Communications Act, 47 U.S.C. § 522(6), as amended.

1.7. *Cable System* or *System*: Shall be defined herein as it is defined under Section 602 of the Communications Act, 47 U.S.C. § 522(7), as amended.

1.8. *Channel*: Shall be defined herein as it is defined under Section 602 of the Communications Act, 47 U.S.C. § 522(4), as amended.

1.9. *Communications Act*: The Communications Act of 1934, as amended.

1.10. *Control*: The ability to exercise *de facto* or *de jure* control over day-to-day policies and operations or the management of Franchisee's affairs.

1.11. *Educational Access Channel*: One or more educational Access Channels available for noncommercial use solely by local public schools and public school districts in the Franchise Area and other not-for-profit educational institutions chartered or licensed by the New York State Department of Education or Board of Regents in the Franchise Area as specified by the LFA.

1.12. *FCC*: The United States Federal Communications Commission or successor governmental entity thereto.

1.13. *Force Majeure*: An event or events reasonably beyond the ability of Franchisee to anticipate and control. This includes, but is not limited to, severe or unusual weather conditions, strikes, labor disturbances and disputes, war or act of war (whether an actual declaration of war is made or not), insurrection, riots, act of public enemy, incidences of terrorism, acts of vandalism, actions or inactions of any government instrumentality or public utility including condemnation, accidents for which the Franchisee is not primarily responsible, fire, flood, or other acts of God, or work delays caused by waiting for utility providers to service or monitor utility poles to which Franchisee's Fiber Network is attached, and unavailability of materials and/or qualified labor to perform the work necessary.

1.14. *Franchise Area*: The incorporated area (entire existing territorial limits) of the LFA, and such additional areas as may be annexed or acquired.

1.15. *Franchisee*: Cablevision Systems Great Neck Corporation and its lawful and permitted successors, assigns and transferees.

1.16. *Government Access Channel*: One or more governmental Access Channels available for the sole noncommercial use of the LFA.

1.17. *Gross Revenue*: All revenue, as determined in accordance with generally accepted accounting principles, which is derived by Franchisee from the operation of the Cable System to provide Cable Service in the Service Area.

1.17.1. Gross Revenue includes, without limitation: all Subscriber and customer revenues earned or accrued net of bad debts including revenue for: (i) Basic Service; (ii) all fees charged to any Subscribers for any and all Cable Service provided by Franchisee over the Cable System in the Service Area, including without limitation Cable Service related program guides, the installation, disconnection or reconnection of Cable Service; revenues from late or delinquent charge fees; Cable Service related or repair calls; the provision of converters, remote controls, additional outlets and/or other Cable Service related Subscriber premises equipment, whether by lease or fee; (iii) revenues from the sale or lease of access channel(s) or channel capacity; (iv) video-on-demand and pay-per-view; and (v) compensation received by Franchisee that is derived from the operation of Franchisee's Cable System to provide Cable Service with respect to commissions that are paid to Franchisee as compensation for promotion or exhibition of any products or services on the Cable System, such as "home shopping" or a similar channel, subject to the exceptions below. Gross Revenue includes a pro rata portion of all revenue derived by Franchisee pursuant to compensation arrangements for advertising derived from the operation of Franchisee's Cable System to provide Cable Service within the Service Area, subject to the exceptions below. The allocation shall be based on the number of Subscribers in the Service Area divided by the total number of subscribers in relation to the relevant local, regional or national compensation arrangement. Advertising commissions paid to third parties shall not be netted against advertising revenue included in Gross Revenue.

1.17.2. Gross Revenue shall not include:

1.17.2.1. Franchise Fees imposed on Franchisee by the LFA that are passed through from Franchisee as a line item paid by Subscribers; revenues received by any Affiliate or other Person in exchange for supplying goods or services used by Franchisee to provide Cable Service over the Cable System; bad debts written off by Franchisee in the normal course of its business (provided, however, that bad debt recoveries shall be included in Gross Revenue during the period collected); refunds, rebates or discounts made to Subscribers or other third parties; any revenue of Franchisee or any other Person which is received directly from the sale of merchandise through any Cable Service distributed over the Cable System, however, that portion of such revenue which represents or can be attributed to a Subscriber fee or a payment for the use of the Cable System for the sale of such merchandise shall be included in Gross Revenue; the sale of Cable Services on the Cable System for resale in which the purchaser is required to collect cable Franchise Fees from purchaser's customer; the sale of Cable Services to customers, which are exempt, as required or allowed by the LFA including, without limitation, the provision of Cable Services to public institutions as required or permitted herein; any tax of general applicability imposed upon Franchisee or upon Subscribers by a city, state, federal or any other governmental entity and required to be collected by Franchisee and remitted to the taxing entity (including, but not limited to, sales/use tax, gross receipts tax, excise tax, utility users tax, public service tax, communication taxes and non-cable Franchise Fees); any foregone revenue

which Franchisee chooses not to receive in exchange for its provision of free or reduced cost cable or other communications services to any Person, including without limitation, employees of Franchisee and public institutions or other institutions designated in the Franchise (provided, however, that such foregone revenue which Franchisee chooses not to receive in exchange for trades, barter, services or other items of value shall be included in Gross Revenue); sales of capital assets or sales of surplus equipment; program launch fees, i.e., reimbursement by programmers to Franchisee of marketing costs incurred by Franchisee for the introduction of new programming; directory or Internet advertising revenue including, but not limited to, yellow page, white page, banner advertisement and electronic publishing; or any fees or charges collected from Subscribers or other third parties for any PEG Grant and Administration Grant payments.

1.17.2.2. Except as otherwise provided in Subsection 1.17.1, any revenues classified, in whole or in part, as Non-Cable Services revenue under federal or state law including, without limitation, revenue received from Telecommunications Services; revenue received from Information Services, including, without limitation, Internet Access service, electronic mail service, electronic bulletin board service, or similar online computer services; charges made to the public for commercial or cable television that is used for two-way communication; and any other revenues attributed by Franchisee to Non-Cable Services in accordance with federal law, rules, regulations, standards or orders. Should revenue from any service provided by Franchisee over the Cable System be classified as a Cable Service by a final determination or ruling of any agency or court having jurisdiction, after the exhaustion of all appeals related thereto, the LFA shall be entitled, after notification to Franchisee, to amend this Agreement in the manner prescribed under applicable state law or this Franchise to include revenue from Franchisee's provision of such service as Gross Revenue, and Franchisee shall include revenue from such service as Gross Revenue on a going forward basis commencing with the next available billing cycle following the date of issuance of an order from the NY PSC approving such amendment.

1.18. *Information Services*: Shall be defined herein as it is defined under Section 3 of the Communications Act, 47 U.S.C. §153(20), as amended.

1.19. *Internet Access*: Dial-up or broadband access service that enables Subscribers to access the Internet.

1.20. *Local Franchise Authority (LFA)*: The Incorporated Village of Flower Hill, New York, or the lawful successor, transferee, or assignee thereof.

1.21. *Non-Cable Services*: Any service that does not constitute the provision of Video Programming directly to multiple Subscribers in the Franchise Area including, but not limited to, Information Services and Telecommunications Services.

1.22. *Normal Business Hours*: Those hours during which most similar businesses in the community are open to serve customers. In all cases, "normal business hours" must include some evening hours at least one night per week and/or some weekend hours.

1.23. *NY PSC*: The New York Public Service Commission.

1.24. *Original Video Programming*: Non Alpha-numeric programming, that is produced by the LFA wherein the content is under the exclusive control of the LFA.

1.25. *PEG*: Public, Educational, and Governmental.

1.26. *Person*: An individual, partnership, association, joint stock company, trust, corporation, or governmental entity.

1.27. *Public Access Channel*: One or more public Access Channels available for the noncommercial use solely by the residents in the Franchise Area on a first-come, first served, nondiscriminatory basis.

1.28. *Public Rights-of-Way*: The surface and the area across, in, over, along, upon and below the surface of the public streets, roads, bridges, sidewalks, lanes, courts, ways, alleys, and boulevards, including, public utility easements and public lands and waterways used as Public Rights-of-Way, as the same now or may thereafter exist, which are under the jurisdiction or control of the LFA. Public Rights-of-Way do not include the airwaves above a right-of-way with regard to cellular or other nonwire communications or broadcast services.

1.29. *Service Area*: All portions of the Franchise Area where Cable Service is being offered, as described in Exhibit B attached hereto.

1.30. *Subscriber*: A Person who lawfully receives Cable Service of the Cable System with Franchisee's express permission.

1.31. *Telecommunication Services*: Shall be defined herein as it is defined under Section 3 of the Communications Act, 47 U.S.C. § 153(46), as amended.

1.32. *Title VI*: Title VI of the Communications Act, Cable Communications, as amended.

1.33. *Transfer of the Franchise*:

1.33.1. Any transaction in which:

1.33.1.1. a fifty percent ownership or greater interest in Franchisee is transferred, directly or indirectly, from one Person or group of Persons to another Person or group of Persons, so that Control of Franchisee is transferred; or

1.33.1.2. the rights held by Franchisee under the Franchise and the certificate of confirmation issued therefor by the NY PSC are transferred or assigned to another Person or group of Persons.

1.33.2. However, notwithstanding Sub-subsections 1.33.1.1 and 1.33.1.2 above, a *Transfer of the Franchise* shall not include transfer of an ownership or other interest in Franchisee to the parent of Franchisee or to another Affiliate of Franchisee; transfer of an interest in the Franchise or the rights held by the Franchisee under the Franchise to the parent of Franchisee or to another Affiliate of Franchisee; any action which is the result of a merger of the

parent of the Franchisee; or any action which is the result of a merger of another Affiliate of the Franchisee.

1.34. *Video Programming*: Shall be defined herein as it is defined under Section 602 of the Communications Act, 47 U.S.C. § 522(20), as amended.

2. **GRANT OF AUTHORITY; LIMITS AND RESERVATIONS**

2.1. *Grant of Authority*: Subject to the terms and conditions of this Agreement and the Cable Law, the LFA hereby grants the Franchisee the right to own, construct, operate and maintain a Cable System along the Public Rights-of-Way within the Franchise Area, in order to provide Cable Service. Franchisee also may use the Cable System and its related equipment to provide such non-Cable Services as it may provide pursuant to law. No privilege or power of eminent domain is bestowed by this grant; nor is such a privilege or power bestowed by this Agreement.

2.2. *The Fiber Network*: Upon delivery of Cable Service, by subjecting the Franchisee's mixed-use facilities to the NY PSC's minimum franchise standards and the LFA's police power, the LFA has not been granted broad new authority over the construction, placement and operation of Franchisee's mixed-use facilities.

2.3. *Effective Date and Term*: This Franchise shall become effective on the date that the NY PSC issues a certificate of confirmation for this Franchise (the "Effective Date"), following its approval by the LFA's governing authority authorized to grant franchises and its acceptance by the Franchisee. The term of this Franchise shall be until March 18, 2018 unless the Franchise is earlier revoked as provided herein. The Franchisee shall memorialize the Effective Date by notifying the LFA in writing of the same, which notification shall become a part of this Franchise.

2.4. *Grant Not Exclusive*: The Franchise and the rights granted herein to use and occupy the Public Rights-of-Way to provide Cable Services shall not be exclusive, and the LFA reserves the right to grant other franchises for similar uses or for other uses of the Public Rights-of-Way, or any portions thereof, to any Person, or to make any such use itself, at any time during the term of this Franchise. Any such rights which are granted shall not adversely impact the authority as granted under this Franchise and shall not interfere with existing facilities of the Cable System or Franchisee's Fiber Network.

2.5. *Franchise Subject to State and Federal Law*: Notwithstanding any provision to the contrary herein, this Franchise is subject to and shall be governed by all applicable provisions of state and federal law as it may be amended, including but not limited to the Communications Act; provided, however, that nothing herein shall be deemed to restrict the LFA from the reasonable, necessary and lawful exercise of its police powers as referenced in Section 2.8 of this Agreement.

2.6. *No Waiver*:

2.6.1. The failure of the LFA on one or more occasions to exercise a right under this Franchise, the Cable Law or other applicable state or federal law, or to require

compliance or performance under this Franchise, shall not be deemed to constitute a waiver of such right or a waiver of compliance or performance of this Agreement, nor shall it excuse Franchisee from compliance or performance, unless such right or such compliance or performance has been specifically waived in writing.

2.6.2. The failure of the Franchisee on one or more occasions to exercise a right under this Franchise, the Cable Law or other applicable state or federal law, or to require performance under this Franchise, shall not be deemed to constitute a waiver of such right or a waiver of performance of this Agreement, nor shall it excuse the LFA from performance, unless such right or such performance has been specifically waived in writing.

2.7. *Construction of Agreement:*

2.7.1. The provisions of this Franchise shall be liberally construed to effectuate their objectives.

2.7.2. Nothing herein shall be construed to limit the scope or applicability of Section 625 of the Communications Act, 47 U.S.C. § 545, as amended.

2.8. *Police Powers:* The LFA shall not enact any local laws that are inconsistent with this Franchise, provided, however, that nothing in this Franchise shall be construed to prohibit the LFA's reasonable, necessary and lawful exercise of the police powers, including, without limitation, in addition to the implementation and enforcement of the provisions of this Agreement and existing applicable laws and regulations, the enactment, adoption, implementation and enforcement of such additional laws and regulations as the LFA may deem necessary in the exercise of its police power; provided, however, that such laws and regulations are reasonable, not materially in conflict with the privileges granted in this Franchise and consistent with all federal and state laws, regulations and orders.

2.9. *Restoration of Municipal Property:* Any municipal property damaged or destroyed shall be promptly repaired or replaced by the Franchisee and restored to preexisting condition in accordance with the Cable Law.

2.10. *Restoration of Subscriber Premises:* The Franchisee shall ensure that the Subscriber's premises are restored to their pre-existing condition if damaged by the Franchisee's employees or agents in any respect in connection with the installation, repair, or disconnection of Cable Service.

2.11. *LFA Designation of Representative:* The LFA's Mayor or designated representatives or representative of the Mayor will be responsible for the continuing administration of the rights and interests of the LFA in the franchise. However, the Franchisee agrees that the LFA may transfer or delegate any such responsibilities to the Commission pursuant to the Resolution; provided, however, that in the event the Commission acts on behalf of the LFA on a particular matter the LFA may not simultaneously exercise its rights on the same matter under this Franchise.

2.12. *Level Playing Field:* In accordance with the requirements of the PSC Rules, the parties hereto have determined that the terms of this Agreement, when compared

against the terms of that certain cable franchise agreement (the new entrant Agreement”) dated January 31, 2008, by and between the LFA and Verizon New York Inc. (“Verizon”), are competitively neutral, and further, do not contain economic or regulatory burdens, which when taken as a whole, are greater or lesser than those burdens placed upon Verizon.

3. PROVISION OF CABLE SERVICE

3.1. *Service Area:*

3.1.1. *Service Area:* Franchisee shall continue to offer Cable Service to all residential areas of the Service Area except, in accordance with NY PSC rules and regulations: (A) for periods of Force Majeure; (B) for periods of delay caused by the LFA; (C) for periods of delay resulting from Franchisee’s inability to obtain authority to access rights-of-way in the Primary Service Area; (D) in areas where developments or buildings are subject to claimed exclusive arrangements with other providers; (E) in areas, developments or buildings where Franchisee cannot gain access after good faith efforts; (F) in areas, developments or buildings where the provision of Cable Service is economically infeasible because such provision requires nonstandard facilities which are not available on a commercially reasonable basis; and (G) in areas where the occupied residential household density does not meet the density and other requirements set forth in Subsection 3.1.1.1. and Section 3.2. For purposes of Sub-section 3.1.1, the Service Area shall be defined to be the Franchise Area.

3.1.1.1. *Density Requirement:* Franchisee shall make Cable Services available to residential dwelling units in all areas of the Service Area where the average density is equal to or greater than twenty-five (25) occupied residential dwelling units per mile as measured in strand footage from the nearest technically feasible point on the active Fiber Network trunk or feeder line. Should, through new construction, an area within the Service Area meet the density requirements after the time stated for providing Cable Service as set forth in Subsection 3.1.1, Franchisee shall provide Cable Service to such area within twelve (12) months of receiving notice from the LFA that the density requirements have been met.

3.2. *Availability of Cable Service:* Franchisee shall make Cable Service available to all residential dwelling units and may make Cable Service available to businesses within the Service Area in conformance with Section 3.1, and Franchisee shall not discriminate between or among any individuals in the availability of Cable Service or based upon the income in a local area. In the areas in which Franchisee shall provide Cable Service, Franchisee shall be required to connect, at Franchisee’s expense, other than a standard installation charge, all residential dwelling units that are within five hundred (500) feet of trunk or feeder lines, measured from the property line of a Subscriber (including those on private roads), not otherwise already served by Franchisee’s Fiber Network. Franchisee shall be allowed to recover, from a Subscriber that requests such connection, the actual costs incurred for residential dwelling unit connections that exceed five hundred (500) feet or are in an area with a density of less than twenty-five (25) occupied residential dwelling units per mile and the actual costs incurred to connect any non-residential dwelling unit Subscriber, provided, however, that Franchisee may seek a waiver of any requirement that it extend service to any party requesting the same in an

area with a density of less than twenty-five (25) occupied residential dwelling units per mile if such would not be possible within the limitations of economic feasibility.

3.3. *Cable Service to Public Buildings:* Subject to Section 3.1, Franchisee shall provide, without charge within the Service Area, one service outlet activated for Basic Service to each public school and public library, and such other buildings used for municipal purposes as designated by the LFA in Exhibit A attached hereto; or as designated by the LFA in the future during the Franchise term, upon sixty (60) days prior written notice to the Franchisee; provided however that any new additional buildings added to Exhibit A cannot exceed any more than five (5) buildings per year over the life of the agreement. If it is necessary to extend Franchisee's trunk or feeder lines more than five hundred (500) feet solely to provide service to any such school or public building, the LFA shall have the option either of paying Franchisee's direct costs for such extension in excess of five hundred (500) feet, or of releasing Franchisee from the obligation to provide service to such school or public building. Furthermore, Franchisee shall be permitted to recover, from any school or public building owner entitled to free service, the direct cost of installing, when requested to do so, more than one outlet, or concealed inside wiring, or a service outlet requiring more than five hundred (500) feet of drop cable; provided, however, that Franchisee shall not charge for the provision of Basic Service to the additional service outlets once installed. Cable Service may not be resold or otherwise used in contravention of Franchisee's rights with third parties respecting programming. Equipment provided by Franchisee, if any, shall be replaced at retail rates if lost, stolen or damaged.

3.4. *Contribution in Aid:* Notwithstanding the foregoing, Franchisee shall comply at all times, with the requirements of Section 895.5 of NY PSC rules and regulations.

4. SYSTEM FACILITIES

4.1. *Quality of Materials and Work:* Franchisee shall construct and maintain its System using materials of good and durable quality, and all work involved in the construction, installation, maintenance and repair of the Cable System shall be performed in a safe, thorough and reliable manner.

4.2. *System Characteristics:* During the term hereof Franchisee's Cable System shall meet or exceed the following requirements:

4.2.1. The System shall be designed and operated to provide for a minimum channel capacity of not less than 86 channels on the Effective Date.

4.2.2. The System shall be designed to be an active two-way plant for subscriber interaction, if any, required for the selection or use of Cable Service.

4.3. *Interconnection:* The Franchisee shall design its Cable System so that it may be interconnected with other cable systems in the Franchise Area. Interconnection of systems may be made by direct cable connection, microwave link, satellite, or other appropriate methods.

4.4. *Emergency Alert System:* Franchisee shall comply with the Emergency Alert System ("EAS") requirements of the FCC and the State of New York, including the NY

PSC's rules and regulations and the current New York EAS Plan, in order that emergency messages may be distributed over the System.

4.5. *Parental Control*: Upon request by any Subscriber, and where technologically feasible, the Franchisee shall provide such requesting Subscriber with a parental control device at a reasonable rate to be paid by the Subscriber. Such device will, at a minimum, offer as an option that a Person ordering programming must provide a personal identification number or other means provided by the Franchisee only to a Subscriber. Provided, however, that the Franchisee shall bear no responsibility for the exercise of parental controls and shall incur no liability for any Subscriber's or viewer's exercise or failure to exercise such controls.

5. PEG SERVICES

5.1. *PEG Set Aside*

5.1.1. In order to ensure universal availability of public, educational and government programming, Franchisee shall provide up to a total of eleven (11) programming feeds on up to seven (7) shared Access Channels (collectively, "PEG Channels"), as requested by the LFA, to be used collectively by and between the fifteen communities that are the Members of the Commission. The PEG Channels shall be allocated as follows:

- (a) Five (5) full-time programming feeds made available over three (3) shared Access Channels:
 - (i) One (1) Great Neck/North Shore Public Access Channel
 - (ii) One (1) Great Neck Library Access Channel
 - (iii) One (1) North Shore Library Access Channel
 - (iv) One (1) Great Neck Park District Access Channel
 - (v) One (1) North Shore Parks Access Channel
- (b) Two (2) full-time programming feeds made available over one (1) shared Government Access Channel:
 - (i) One (1) Great Neck Government Access Channel
 - (ii) One (1) North Shore Government Access Channel
- (c) Two (2) full-time programming feeds made available over one (1) shared Educational Access Channel:
 - (i) One (1) Great Neck Public School District
 - (ii) One (1) Manhasset Area Public Schools
- (d) On request, one (1) programming feed on a second Governmental Access Channel, subject to Section 5.1.1.(f) hereof.
- (e) On request, one (1) programming feed on a second Educational Access Channel, subject to Section 5.1.1.(f) hereof.
- (f) Franchisee's obligation to provide a second Government Access Channel and/or second Educational Access Channel shall be contingent on all of the following being true of each feed of the Government Access Channel and/or Educational Access Channel, respectively:

(i) Original Video Programming is aired for at least eight hours each day for three consecutive months. Such programming can be repeated but can be counted only up to ten (10) times toward the eight hours, and cannot exceed 360 hours in the three month period;

(ii) no more than two hours per day of such eight hours of Video Programming consists of programming that has previously been aired on any PEG Channel, and

(iii) the LFA provides Franchisee with at least six (6) months written notice.

(v) the LFA and Franchisee agree that Franchisee, at its option, may distribute the Secondary Educational Access Channel and/or Secondary Government Access Channel on a service tier as may be permitted by law. The LFA agrees to support any waivers of applicable law necessary.

(g) Within a reasonable period of time, but not more than six months after the Effective Date, Franchisee shall upgrade the bulletin board program, to permit the LFA and PATC to make changes and corrections to bulletin board material via internet connection. Franchisee shall also make such changes as will enable PATC to view all access channels from its I-Park (Lake Success) location.

5.1.2. The LFA hereby authorizes Franchisee to transmit such programming within and without LFA jurisdictional boundaries. Franchisee specifically reserves the right to make or change channel assignments in its sole discretion. Franchisee will not change the channel assignment for the Public Access Channel except upon at least sixty (60) days advance written notice to the LFA. In the event the channel assignment for the Public Access Channel is changed, Franchisee will provide notice to subscribers thirty (30) days in advance of such change if such change is within the control of the Franchisee, in accordance with Section 890.8 of NY PSC rules and regulations. If a PEG Channel provided under this Article is not being utilized by the LFA, Franchisee, in accordance with Section 895.4 of NY PSC rules and regulations, may utilize such PEG Channel in its sole discretion, until such time as the LFA elects to utilize the PEG Channel for its intended purpose. In the event that the LFA determines to use PEG capacity, the LFA shall notify Franchisee in accordance with NY PSC rules and regulations.

5.1.3. Intentionally Omitted.

5.1.4. Franchisee shall use reasonable efforts to transmit the Town of North Hempstead's public, educational and government programming to the LFA, so long as it has legal authority from the Town of North Hempstead to do so.

5.2. *PEG Access Interconnection:*

5.2.1. Franchisee shall provide for the interconnection of PEG access facilities with the Cable System (each, a "PEG Access Interconnection Site"), at the twenty-one (21) locations designated on Exhibit D to this Agreement.

5.2.2. Franchisee shall, without charge to the LFA, provide links between its video channel aggregation point and each PEG Access Interconnection Site in order to permit the signals to be correctly routed from the PEG Access Interconnection Sites to the appropriate PEG access channel for distribution to Subscribers. All PEG Access Interconnection Sites shall be operable on or before the dates designated on Exhibit D to this Agreement.

5.2.3. The LFA shall provide to Franchisee at each PEG Access Interconnection Site a suitable video signal and a suitable audio signal for each PEG Channel. Franchisee, upon receipt of the suitable video and audio signals, shall provide, install and maintain in good working order the equipment necessary for transmitting the PEG signal to the channel aggregation site for further processing for distribution to Subscribers. Franchisee's obligations with respect to such upstream transmission equipment and facilities shall be subject to the availability, without charge to Franchisee, of reasonably suitable required space, environmental conditions, electrical power supply, access, pathway, and other facilities and such cooperation of the LFA as is reasonably necessary for Franchisee to fulfill such obligations. Should Franchisee determine that it cannot fulfill such obligations as a result of LFA's failure to cooperate or to provide suitable required space, environmental conditions, electrical power supply, access, pathway, or other facilities, it shall so notify LFA in a writing detailing the requirements of Franchisee that will enable it to fulfill its obligations hereunder.

5.2.4. Such upstream PEG Channel transmission provided by Franchisee shall comply with applicable FCC standards governing the transport and distribution of video and audio signals to Subscribers.

5.2.5. If Franchisee makes changes to the Cable System that require improvements to the access facilities or equipment in order to permit the PEG access equipment and facilities to continue to be used as they were intended under the terms of this Agreement, then Franchisee shall, without charge to the LFA, make such changes in either the equipment and facilities referred to in Subsection 5.2.3 or in the Franchisee's video channel aggregation point and distribution equipment and facilities in order to permit the continuation of such intended use.

5.2.6. Franchisee's obligation to provide PEG Access Interconnection Sites and the related obligations of this Section 5.2 shall be contingent on the LFA imposing substantially the same obligations, on all cable service providers within the Franchise Area

5.3. *Backup Facilities and Equipment:* Subject to Section 5.2, Franchisee shall design, build, and maintain all PEG upstream feeds, connections, and distribution facilities in order that such feeds function as reliably as Franchisee's Cable System as a whole within the Franchise Area, and are no more likely to fail than is Franchisee's Cable System as a whole within the Franchise Area.

5.4. *PEG Support:*

5.4.1. *Continuing PEG Support:* The Franchisee shall provide Continuing PEG Support (the "Continuing PEG Support") to each LFA by making payment to PATC. The Continuing PEG Support shall be used to support ongoing operations of PEG access programming. The Continuing PEG Support shall consist of one percent (1%) of the Franchisee's

annual Gross Revenues. Each Continuing PEG Support payment shall be accompanied by a brief report prepared by a representative of Franchisee showing the basis for the computation. The Continuing PEG Support payment shall be calculated on a quarterly basis and made no later than forty-five (45) days following the end of each calendar quarter during the franchise term. Payments made pursuant to this Subsection may be designated by the Members to a different payee, other than PATC subject to the new payee using such payments as provided for in Section 5.4.4. Franchisee shall upon 45 days prior written notice, signed by a majority of the Members on the same instrument, make payment to the payee indicated in such notice.

5.4.2. *Upfront PEG Grant*: Franchisee shall provide, on behalf of all Members of the Commission combined, for use in support of the production of local PEG programming an Upfront PEG Grant (the "Upfront PEG Grant") totaling Four Hundred Fifty Thousand Dollars (\$450,000) payable in two installments. The first installment in the amount of Three Hundred Thousand Dollars (\$300,000) shall be payable within sixty (60) days of the Effective Date. The second installment of One Hundred Fifty Thousand Dollars (\$150,000) shall be payable within one year of the payment of the first installment. Such payments shall be paid directly to PATC.

5.4.3. *Annual PEG Grant*: In addition to the Continuing PEG Support and Upfront PEG Grant in Subsections 5.4.1 and 5.4.2 respectively, Franchisee shall pay an Annual PEG Grant (the "Annual PEG Grant") in the amount of two dollars and twelve cents (\$2.12) per month, per subscriber in the Service Area to Franchisee's Basic Service Tier. Calculation of the annual PEG Grant will commence upon approval of this Franchise Agreement by the NY PSC, and the first such payment shall be due 60 days after such approval. Commencing on March 18, 2013, and for all such payments after such date except as otherwise provided herein, the amount of the grant shall increase to two dollars and forty cents (\$2.40) per month, per subscriber. The Annual PEG Grant payment shall be accompanied by a brief summary of the Subscriber information upon which it is based. The Annual PEG Grant shall be delivered to PATC within thirty (30) days of each anniversary of the Effective Date or to another payee designated by the LFA pursuant to the notice process in Subsection 5.4.1.

5.4.3.1 The parties agree that Franchisee shall receive a "dollar for dollar" credit, pro-rated by square footage occupied by PATC, towards its obligation to make the Annual PEG Grant for amounts paid by Franchisee (or any Affiliate) pursuant to the lease between I. PARK LAKE SUCCESS, LLC and CSC HOLDINGS, INC. dated November 27, 2001 (together with any amendments and/or extensions) for the Production/Studio/Office premises being utilized by the LFA and/or the PATC for the period of time from the Effective Date until the termination or expiration of such lease. The parties further agree that, at the expiration of the aforementioned lease, Franchisee shall not be required to thereafter provide Production/Studio/Office space. Upon the Effective Date, title to all Franchisee's property and equipment located at 1111 Marcus Avenue, Lake Success, New York and used for or in connection with the PATC operations shall pass to PATC, without further consideration, free and clear of all liens or encumbrances.

5.4.4. Continuing PEG Support, Upfront PEG Grant and the Annual PEG Grant shall be used solely by the LFA for PEG access equipment, including, but not limited to, studio and portable production equipment, editing equipment and program playback equipment, or

for renovation or construction of PEG access facilities, and for other PEG costs as may be ascertained by the LFA, consistent with law. In the event both the LFA and Franchisee agree, any portion of the Annual PEG Grant payments may be made in cash or in kind.

5.4.5. The LFA shall provide Franchisee with a complete accounting annually of the distribution of funds granted pursuant to this Section 5.4.

5.4.6. The LFA shall continue to impose on all existing cable service providers within the Franchise Area: (i) the financial obligations currently being borne by such providers and shall, in the renewal franchise agreements of such providers, include the same percentage amount for the Continuing PEG Support Grant and total monetary amount for the Upfront PEG Grant as contained in Subsections 5.4.1 and 5.4.2; and (ii) at least all other PEG obligations currently being borne by such providers and shall, in the renewal franchise agreements of such providers, include such PEG obligations at least equivalent to the obligations contained in Subsection 5.4.3. (Annual PEG Grant). Further, the LFA agrees that it shall impose such equivalent obligations as those described above in the franchise agreements of any new providers of cable service in the Franchise Area.

5.5. *Indemnity for PEG:* The LFA shall require all local producers and users of any of the PEG facilities or Channels to agree in writing to authorize Franchisee to transmit programming consistent with this Agreement and to defend and hold harmless Franchisee and the LFA from and against any and all liability or other injury, including the reasonable cost of defending claims or litigation, arising from or in connection with claims for failure to comply with applicable federal laws, rules, regulations or other requirements of local, state or federal authorities; for claims of libel, slander, invasion of privacy, or the infringement of common law or statutory copyright; for unauthorized use of any trademark, trade name or service mark; for breach of contractual or other obligations owing to third parties by the producer or user; and for any other injury or damage in law or equity, which result from the use of a PEG facility or Channel. The LFA shall establish rules and regulations for use of PEG facilities, consistent with, and as required by, 47 U.S.C. §531.

5.6. *Recovery of Costs:* To the extent permitted by federal law, the Franchisee shall be allowed to recover the costs of any PEG Grant, Administration Grant or any other costs arising from the provision of PEG services from Subscribers and to include such costs as a separately billed line item on each Subscriber's bill. Without limiting the forgoing, if allowed under state and federal laws, Franchisee may externalize, line-item, or otherwise pass-through interconnection costs to Subscribers.

5.7. *PEG Interconnection with Existing Cable Operators:* Franchisee shall use reasonable efforts to negotiate a mutually convenient arrangement for interconnecting its Cable System with the other cable operator(s). Franchisee shall pursue interconnection negotiations with the other cable operator(s) to cablecast, on a live basis, Public Access Channel and programming generated by PATC consistent with this Agreement. Interconnection may be accomplished by direct cable, microwave link, satellite or any other reasonable means of connection. Franchisee shall negotiate in good faith with other cable operator(s) respecting reasonable, mutually convenient, cost-effective, and technically viable interconnection points,

methods, terms and conditions. If, despite Franchisee's reasonable efforts, Franchisee is unable to interconnect its Cable System with the other operator(s), Franchisee may request the NY PSC to provide mediation assistance to negotiate interconnection consistent with the terms of this Agreement. The Members shall make all best efforts to support Franchisee's position in negotiations with the other cable operator(s) and the Franchisee's request for PSC mediation regarding interconnection, as well as Franchisee's position in any judicial and/or administrative forum.

6. FRANCHISE FEES

6.1. *Payment to LFA:* Franchisee shall pay to the LFA a Franchise Fee of three percent (3%) of annual Gross Revenue. Notwithstanding the foregoing, if all cable operators providing cable service in the Franchise Area pay the LFA a higher or lower Franchise Fee, Franchisee agrees to pay the same increased or decreased Franchise Fee to the extent permitted by law. If all other cable operators cease the provision of cable service in the Franchise Area during the Term, Franchisee agrees that it will continue to pay the highest Franchise Fee assessed during the time that all cable operators provided cable service. In accordance with Title VI, the twelve (12) month period applicable under the Franchise for the computation of the Franchise Fee shall be a calendar year. Such payments shall be calculated on a quarterly basis and made no later than forty-five (45) days following the end of each calendar quarter. Franchisee shall be allowed to submit or correct any payments that were incorrectly omitted, and shall be refunded any payments that were incorrectly submitted, in connection with the quarterly Franchise Fee remittances within ninety (90) days following the close of the calendar year for which such payments were applicable.

6.2. *Administration Grant:* Franchisee shall provide to the Commission, on behalf of all Members of the Commission combined, a one time administration grant of five thousand dollars (\$5,000) for the purpose of addressing costs associated with the administration of this Franchise. This grant shall be payable within sixty (60) days of the Effective Date.

6.3. *Supporting Information:* Each Franchise Fee payment shall be accompanied by a brief report prepared by a representative of Franchisee showing the basis for the computation.

6.3.1. *Audit of Franchise Fee Payments:* Subject to the confidentiality requirements set forth in Section 7.1 of this Franchise, Franchisee shall be responsible for making available to the LFA for inspection and audit, at a mutually agreed upon location in the State of New York within reasonable geographic proximity to the LFA, all records necessary to confirm the accurate payment of Franchise Fees, whether the records are held by the Franchisee, an Affiliate, or any other entity that collects or receives funds related to the Franchisee's Cable Services operation in the LFA subject to the payment of Franchise Fees under this Agreement, including, by way of illustration and not limitation, any entity that sells advertising on the Franchisee's behalf. Franchisee shall maintain such records for six (6) years, provided that, if the LFA commences an audit within that six (6) year period, Franchisee shall continue to maintain such records for the duration of any audit in progress at the end of that six (6) year period. The LFA shall conduct all audits expeditiously, and neither the LFA nor Franchisee shall unreasonably

delay the completion of an audit. The LFA's audit expenses shall be borne by the LFA unless the audit determines that the payment to the LFA should be increased by five percent (5%) or more in the audited period, in which case the reasonable and customary costs of the audit, together with any additional amounts due to the LFA as a result of such audit, shall be paid by Franchisee to the LFA within sixty (60) days following written notice to Franchisee by the LFA of the underpayment, which notice shall include a copy of the audit report; provided, however, that Franchisee's obligation to pay or reimburse the LFA's audit expenses shall not exceed an aggregate of twenty thousand dollars (\$20,000.00) for all Members of the Commission combined. If re-computation results in additional revenue to be paid to the LFA, such amount shall be subject to interest charges computed from the due date, at the then current rate set forth in Section 5004 of the New York Civil Practice Law and Rules per annum during the period such unpaid amount is owed. If the audit determines that there has been an overpayment by Franchisee, the Franchisee may credit any overpayment against its next quarterly payment. Said audit shall be conducted by an independent third party and no auditor so employed by the LFA shall be compensated on a success based formula, e.g., payment based on a percentage of an underpayment, if any. The LFA shall not conduct an audit more frequently than once every three (3) years.

6.4. *Limitation on Franchise Fee Actions:* The parties agree that the period of limitation for recovery of any Franchise Fee payable hereunder shall be six (6) years from the date on which payment by Franchisee is due.

6.5. *Bundled Services:* If the Franchisee bundles Cable Service with Non-Cable Service offering for which there is a single aggregate price specified on Subscribers' bills (a "Bundled Service"), the Franchisee agrees that it will not intentionally or unlawfully allocate any discount associated with purchasing bundled services (a "Bundled Discount") for the purpose of evading Franchise Fee payments under this franchise. The parties agree that tariffed telecommunications services that cannot be discounted by state or federal law or regulation are to be excluded from the bundled discount allocation basis.

6.6. *Section 626 Treatment.* Franchisee agrees that it will not apply the Franchise Fee as an offset against the special franchise tax payable to the LFA pursuant to the N.Y. Real Property Tax Law Section 626 commencing with the next full calendar month following the issuance by the NY PSC of an order confirming this Agreement. The LFA agrees that it shall impose the same full and complete waiver of the special franchise tax offset upon all new providers of Cable Service or cable service (as such term may be defined by other providers) in the Service Area to be expressed in writing in the franchise agreement of each respective cable provider. The operation of this Section 6.6 shall be strictly limited to Franchise Fees lawfully imposed upon Cable Service, and shall not be construed to affect the Franchisee's rights under any provision of State or Federal law regarding the provision of services other than Cable Service.

7. **REPORTS AND RECORDS**

7.1. *Open Books and Records:* Upon reasonable written notice to the Franchisee and with no less than thirty (30) business days written notice to the Franchisee, the LFA shall have the right to inspect Franchisee's books and records pertaining to Franchisee's provision of Cable Service in the Franchise Area at any time during Normal Business Hours and

on a nondisruptive basis, as are reasonably necessary to ensure compliance with the terms of this Franchise. Such notice shall specifically reference the section or subsection of the Franchise which is under review, so that Franchisee may organize the necessary books and records for appropriate access by the LFA. Following the notice period set forth herein, Franchisee shall make such books and records available to the LFA at a mutually agreed upon location in the State of New York within reasonable geographic proximity to the LFA. Franchisee shall not be required to maintain any books and records for Franchise compliance purposes longer than six (6) years. Notwithstanding anything to the contrary set forth herein, Franchisee shall not be required to disclose information that it reasonably deems to be proprietary or confidential in nature, nor disclose any of its or an Affiliate's books and records not relating to the provision of Cable Service in the Service Area. The LFA shall treat any information disclosed by Franchisee as confidential and shall only disclose it to employees, representatives, and agents thereof who have a need to know, or in order to enforce the provisions hereof. Franchisee shall not be required to provide Subscriber information in violation of Section 631 of the Communications Act, 47 U.S.C. §551.

7.2. *Records Required:* Franchisee shall at all times maintain:

7.2.1. Records of all written complaints for a period of six (6) years after receipt by Franchisee. The term "complaint" as used herein refers to complaints about any aspect of the Cable System or Franchisee's cable operations, including, without limitation, complaints about employee courtesy. Complaints recorded will not be limited to complaints requiring an employee service call;

7.2.2. Records of outages for a period of six (6) years after occurrence, indicating date, duration, area, and the number of Subscribers affected, type of outage, and cause;

7.2.3. Records of service calls for repair and maintenance for a period of six (6) years after resolution by Franchisee, indicating the date and time service was required, the date of acknowledgment and date and time service was scheduled (if it was scheduled), and the date and time service was provided, and (if different) the date and time the problem was resolved;

7.2.4. Records of installation/reconnection and requests for service extension for a period of six (6) years after the request was fulfilled by Franchisee, indicating the date of request, date of acknowledgment, and the date and time service was extended; and

7.2.5. A map showing the area of coverage for the provisioning of Cable Services.

7.3. *System-Wide Statistics:* Any valid reporting requirement in the Franchise may be satisfied with system-wide statistics, except those related to Franchise Fees and consumer complaints.

8. **INSURANCE AND INDEMNIFICATION**

8.1. *Insurance:*

8.1.1. Franchisee shall maintain in full force and effect, at its own cost and expense, during the Franchise Term, the following insurance coverage:

8.1.1.1. Commercial General Liability Insurance in the amount of one million dollars (\$1,000,000) combined single limit for property damage and bodily injury. Such insurance shall cover the construction, operation and maintenance of the Cable System, and the conduct of Franchisee's Cable Service business in the LFA, applicable to a standard form general liability policy.

8.1.1.2. Automobile Liability Insurance in the amount of one million dollars (\$1,000,000) combined single limit for bodily injury and property damage coverage.

8.1.1.3. Workers' Compensation Insurance meeting all legal requirements of the State of New York.

8.1.1.4. Employers' Liability Insurance per statutory limits required by the law of the State of New York.

8.1.1.5. Excess liability or umbrella coverage of not less than ten million dollars (\$10,000,000).

8.1.2. The LFA shall be designated as an additional insured under each of the insurance policies required in this Article 8 except Worker's Compensation Insurance, and Employer's Liability Insurance. The LFA is an additional insured under the excess liability or umbrella coverage to the extent it is named as an additional insured on the underlying primary policies.

8.1.3. Each of the required insurance policies shall be non-cancelable except upon thirty (30) days prior written notice to the LFA. Franchisee shall not cancel any required insurance policy without submitting documentation to the LFA verifying that the Franchisee has obtained alternative insurance in conformance with this Agreement.

8.1.4. Each of the required insurance policies shall be with insurance companies qualified to do business in the State of New York, with an A- or better rating for financial condition and financial performance by Best's Key Rating Guide, Property/Casualty Edition. In the event Franchisee's insurance carrier is downgraded to a rating of lower than Best's A, Franchisee shall have ninety (90) days to obtain coverage from a carrier with a rating of at least Best's A.

8.1.5. Within 15 days of the Effective Date, Franchisee shall deliver to the LFA proof of insurance, by means of an endorsement including the LFA as an additional insured, effective as of the day of the initiation of Cable Service in the LFA, in conformity with the terms of this Agreement. In the event any such policy is replaced or extended during the term of this Agreement, within 15 days of such replacement or extension Franchisee shall deliver such proof to the LFA with respect to such replacement or extended policy.

8.2. *Indemnification:*

8.2.1. Franchisee agrees to indemnify the LFA its officers, agents, boards, elected officials and employees, for, and hold it harmless from, all liability, damage, cost or expense arising from claims of injury to persons or damage to property occasioned by reason of any conduct undertaken pursuant to the Franchise, or by reason of any suit or claim for royalties, programming license fees, or infringement of copyright or patent rights arising from Franchisee's provision of Cable Services over the Cable System other than PEG facilities and channels, provided that the LFA shall give Franchisee timely written notice of a claim or action for which it seeks indemnification pursuant to this Subsection; and in any event, the LFA shall provide Franchisee with such written notice within a period of time that allows Franchisee to take action to avoid entry of a default judgment and does not prejudice Franchisee's ability to defend the claim or action. Notwithstanding the foregoing, Franchisee shall not indemnify the LFA for any damages, liability or claims resulting from the willful misconduct or negligence of the LFA, its officers, agents, employees, attorneys, consultants, independent contractors or third parties or for any activity or function conducted by any Person other than Franchisee in connection with PEG Access, or EAS.

8.2.2. With respect to Franchisee's indemnity obligations set forth in Subsection 8.2.1, Franchisee shall provide the defense of any claims brought against the LFA by selecting counsel of Franchisee's choice to defend the claim, subject to the consent of the LFA, which shall not be unreasonably withheld. Nothing herein shall be deemed to prevent the LFA from cooperating with the Franchisee and participating in the defense of any litigation by its own counsel at its own cost and expense, provided however, that after consultation with the LFA, Franchisee shall have the right to defend, settle or compromise any claim or action arising hereunder, and Franchisee shall have the authority to decide the appropriateness and the amount of any such settlement. In the event that the terms of any such proposed settlement includes the release of the LFA and the LFA does not consent to the terms of any such settlement or compromise, Franchisee shall not settle the claim or action but its obligation to indemnify the LFA shall in no event exceed the amount of such settlement.

8.2.3. The LFA shall hold harmless and defend Franchisee from and against and shall be responsible for damages, liability or claims resulting from or arising out of the willful misconduct or negligence of the LFA.

8.2.4. The LFA shall be responsible for its own acts of willful misconduct, negligence, or breach, subject to any and all defenses and limitations of liability provided by law. The Franchisee shall not be required to indemnify the LFA for acts of the LFA which constitute willful misconduct or negligence on the part of the LFA, its officers, employees, agents, attorneys, consultants, independent contractors or third parties.

9. TRANSFER OF FRANCHISE

9.1. *Transfer:* Subject to Section 617 of the Communications Act, 47 U.S.C. § 537, as amended, no Transfer of the Franchise shall occur without the prior consent of the LFA, provided that such consent shall not be unreasonably withheld, delayed or conditioned. In considering an application for the Transfer of the Franchise, the LFA may consider the applicant's: (i) technical ability; (ii) financial ability; (iii) good character; and (iv) other qualifications necessary to continue to operate the Cable System consistent with the terms of the

Franchise. No such consent shall be required, however, for a transfer in trust, by mortgage, by other hypothecation, by assignment of any rights, title, or interest of the Franchisee in the Franchise or Cable System in order to secure indebtedness, or for transactions otherwise excluded under Section 1.33 above.

10. RENEWAL OF FRANCHISE

10.1. *Governing Law:* The LFA and Franchisee agree that any proceedings undertaken by the LFA that relate to the renewal of this Franchise shall be governed by and comply with the provisions of Section 12.11 below, the Cable Law and Section 626 of the Communications Act, 47 U.S.C. §546, as amended.

10.2. *Needs Assessment:* In addition to the procedures set forth in Section 626 of the Communications Act, 47 U.S.C. §546, the LFA shall notify Franchisee of all of its assessments regarding the identity of future cable-related community needs and interests, as well as the past performance of Franchisee under the then current Franchise term. Such assessments shall be provided to Franchisee by the LFA promptly so that Franchisee will have adequate time to submit a proposal under Section 626 of the Communications Act, 47 U.S.C. §546 and complete renewal of the Franchise prior to expiration of its term.

10.3. *Informal Negotiations:* Notwithstanding anything to the contrary set forth herein, Franchisee and the LFA agree that at any time during the term of the then current Franchise, while affording the public appropriate notice and opportunity to comment, the LFA and Franchisee may agree to undertake and finalize informal negotiations regarding renewal of the then current Franchise and the LFA may grant a renewal thereof.

10.4. *Consistent Terms:* Franchisee and the LFA consider the terms set forth in this Article 10 to be consistent with the express provisions of Section 626 of the Communications Act, 47 U.S.C. §546, and the Cable Law.

11. ENFORCEMENT AND TERMINATION OF FRANCHISE

11.1. *Notice of Violation:* If at any time the LFA believes that Franchisee has not complied with the terms of the Franchise, the LFA shall informally discuss the matter with Franchisee. If these discussions do not lead to resolution of the problem in a reasonable time, the LFA shall then notify Franchisee in writing of the exact nature of the alleged noncompliance in a reasonable time (for purposes of this Article, the "Noncompliance Notice").

11.2. *Franchisee's Right to Cure or Respond:* Franchisee shall have sixty (60) days from receipt of the Noncompliance Notice to: (i) respond to the LFA, if Franchisee contests (in whole or in part) the assertion of noncompliance; (ii) cure such noncompliance; or (iii) in the event that, by its nature, such noncompliance cannot be cured within such sixty (60) day period, initiate reasonable steps to remedy such noncompliance and notify the LFA of the steps being taken and the date by which Franchisee reasonably projects that it will complete cure of such noncompliance. Upon cure of any noncompliance, the LFA shall provide written confirmation that such cure has been effected.

11.3. *Liquidated Damages:* For the violation of any of the following provisions of this Franchise, liquidated damages shall be paid by the Franchisee to the LFA. Any such liquidated damages shall be assessed as of the date that is sixty (60) days from the Franchisee's receipt of the Noncompliance Notice, provided that the Franchisee has not cured the Cablevision noncompliance upon which the Noncompliance Notice was issued, in accordance with the procedures set forth in Sections 11.1 and 11.2 above. On an annual basis from the Effective Date, the Franchisee shall not be liable for liquidated damages that exceed fifteen thousand dollars (\$15,000) in the aggregate for all Members of the Commission combined. Liquidated damages shall be assessed as follows.

For failure to provide Cable Service as set forth
in Sections 3.1-3.3\$100 per day for each day the
violation continues;

For failure to maintain the system standards
as set forth in Section 4\$50 per day for each day the
violation continues;

For failure to provide PEG Services to residents of the LFA
specified in Section 5.1\$100 per day for each day the
violation continues;

For failure to provide LFA with any reports or
records required by the Agreement
within the time period required.....\$50 per day for each day the
violation continues;

For failure to carry the insurance specified in
Subsection 8.1.1.....\$100 per day for each day the
violation continues;

For a transfer specified in Article 9 without required
approval.....\$100 per day for each day the
violation continues.

11.3.1. Any liquidated damages assessed pursuant to this section shall not be a limitation upon any other provisions of this Franchise and applicable law, including revocation, or any other statutorily or judicially imposed penalties or remedies; provided, however, that in the event that the LFA collects liquidated damages for a specific breach for a specific period of time, pursuant to Section 11.3 above, the collection of such liquidated damages shall be deemed to be the exclusive remedy for that specific breach for such specific period of time only.

11.3.2. The parties agree that each case of non-compliance as set forth in this Section 11.3 shall result in damage to the LFA, compensation for which will be difficult to ascertain. The parties agree that the liquidated damages in the amounts set forth in this Section

11.3 are fair and reasonable compensation for such damage with respect to those violations for which a specific liquidated damage is listed in Section 11.3.

11.3.3. *Public Hearing:* Consistent with Section 11.5 below, (i) if Franchisee fails to respond to the Noncompliance Notice pursuant to the procedures required by this Article, or (ii) if Franchisee has not remedied the alleged noncompliance within sixty (60) days or the date projected pursuant to Section 11.2(iii) above, the LFA shall provide Franchisee at least thirty (30) business days prior written notice of a public hearing, which will specify the time, place and purpose of such public hearing, including, whether revocation of this Franchise is a possible consequence at such hearing, and provide Franchisee the opportunity to be heard and to present evidence.

11.4. *Enforcement:* Subject to Section 12.11 below and applicable federal and state law, in the event the LFA, after the public hearing set forth in Subsection 11.3.3, determines that Franchisee is in default of any provision of this Franchise, the LFA may:

11.4.1. Seek specific performance of any provision, which reasonably lends itself to such remedy, as an alternative to damages; or

11.4.2. Commence an action at law for monetary damages or seek other equitable relief; or

11.4.3. In the case of a substantial noncompliance with a material provision of this Franchise, seek to revoke the Franchise in accordance with Section 11.5.

11.5. *Revocation:* Should the LFA seek to revoke this Franchise after following the procedures set forth above in this Article, including the public hearing described in Subsection 11.3.3, the LFA shall give written notice to Franchisee of such intent. The notice shall set forth the specific nature of the noncompliance. The Franchisee shall have ninety (90) days from receipt of such notice to object in writing and to state its reasons for such objection. In the event the LFA has not received a satisfactory response from Franchisee, it may then seek termination of the Franchise at a second public hearing. The LFA shall cause to be served upon the Franchisee, at least thirty (30) business days prior to such public hearing, a written notice specifying the time and place of such hearing and stating its intent to revoke the Franchise.

11.5.1. At the designated public hearing, Franchisee shall be provided a fair opportunity for full participation, including the rights to be represented by legal counsel, to introduce relevant evidence, to require the production of evidence, to compel the relevant testimony of the officials, agents, employees or consultants of the LFA, to compel the testimony of other persons as permitted by law, and to question and/or cross examine witnesses. A complete verbatim record and transcript shall be made of such hearing.

11.5.2. Following the second public hearing, Franchisee shall be provided up to thirty (30) days to submit its proposed findings and conclusions to the LFA in writing and promptly thereafter the LFA shall provide a written determination to the Franchisee setting forth: (i) whether an event of default has occurred under this Franchise; (ii) whether such event of default is excusable; and (iii) whether such event of default has been cured or will be cured by the Franchisee. The LFA shall also determine whether it will revoke the Franchise based on the

information presented, or, where applicable, grant additional time to the Franchisee to effect any cure. If the LFA determines that it will revoke the Franchise, the LFA shall promptly provide Franchisee with a written determination setting forth the LFA's reasoning for such revocation. Franchisee may appeal such written determination of the LFA to an appropriate court, which shall, to the extent permitted under applicable law, have the power to review the decision of the LFA *de novo*. Franchisee shall be entitled to such relief as the court finds appropriate. Such appeal must be taken within sixty (60) days of Franchisee's receipt of the written determination of the LFA.

11.5.3. The LFA may, at its sole discretion, take any lawful action that it deems appropriate to enforce the LFA's rights under the Franchise in lieu of revocation of the Franchise.

11.6. *Abandonment of Service*: Franchisee shall not abandon any Cable Service or portion thereof without the LFA's prior written consent as provided in the Cable Law.

12. MISCELLANEOUS PROVISIONS

12.1. *Actions of Parties*: In any action by the LFA or Franchisee that is mandated or permitted under the terms hereof, such party shall act in a reasonable, expeditious, and timely manner. Furthermore, in any instance where approval or consent is required under the terms hereof, such approval or consent shall not be unreasonably withheld, delayed or conditioned.

12.2. *Binding Acceptance*: This Agreement shall bind and benefit the parties hereto and their respective heirs, beneficiaries, administrators, executors, receivers, trustees, successors and assigns, and the promises and obligations herein shall survive the expiration date hereof.

12.3. *Preemption*: In the event that federal or state law, rules, or regulations preempt a provision or limit the enforceability of a provision of this Agreement, the provision shall be read to be preempted to the extent, and for the time, but only to the extent and for the time, required by law. In the event such federal or state law, rule or regulation is subsequently repealed, rescinded, amended or otherwise changed so that the provision hereof that had been preempted is no longer preempted, such provision shall thereupon return to full force and effect, and shall thereafter be binding on the parties hereto, without the requirement of further action on the part of the LFA.

12.4. *Force Majeure*: Franchisee shall not be held in default under, or in noncompliance with, the provisions of the Franchise, nor suffer any enforcement or penalty relating to noncompliance or default, where such noncompliance or alleged defaults occurred or were caused by a Force Majeure.

12.4.1. Furthermore, the parties hereby agree that it is not the LFA's intention to subject Franchisee to penalties, fines, forfeitures or revocation of the Franchise for violations of the Franchise where the violation was a good faith error that resulted in no or minimal negative impact on Subscribers, or where strict performance would result in practical difficulties and hardship being placed upon Franchisee that outweigh the benefit to be derived by the LFA and/or Subscribers.

12.5. *Notices:* Unless otherwise expressly stated herein, notices required under the Franchise shall be mailed first class, postage prepaid, to the addressees below. Each party may change its designee by providing written notice to the other party.

12.5.1. Notices to Franchisee shall be mailed to:

Cablevision Systems Corporation
1111 Stewart Avenue
Bethpage, NY 11714
ATTN: Vice President, Government Affairs, Suburban New York

With a copy to:

Cablevision Systems Great Neck Corporation
1111 Stewart Avenue
Bethpage, NY 11714
ATTN: Legal Department

12.5.2. Notices to the LFA shall be mailed to:

Office of the Mayor
Village of Flower Hill
One Bonnie Heights Road
Manhasset, NY 11030

12.5.3. with a copy to:

Office of the Village Clerk
Village of Flower Hill
One Bonnie Heights Road
Manhasset, NY 11030

12.6. *Entire Agreement:* This Franchise and the Exhibits hereto constitute the entire agreement between Franchisee and the LFA and they supersede all prior or contemporaneous agreements, representations or understandings (whether written or oral) of the parties regarding the subject matter hereof. Any local laws or parts of local laws that materially conflict with the provisions of this Agreement are superseded by this Agreement.

12.7. *Amendments and Modifications:* Amendments and/or modifications to this Franchise shall be mutually agreed to in writing by the parties and subject to the approval of the NY PSC, pursuant to the Cable Law.

12.8. *Captions:* The captions and headings of articles and sections throughout this Agreement are intended solely to facilitate reading and reference to the articles, sections and provisions of this Agreement. Such captions shall not affect the meaning or interpretation of this Agreement.

12.9. *Severability*: If any section, subsection, sub-subsection, sentence, paragraph, term, or provision hereof is determined to be illegal, invalid, or unconstitutional by any court of competent jurisdiction or by any state or federal regulatory authority having jurisdiction thereof, such determination shall have no effect on the validity of any other section, subsection, sentence, paragraph, term or provision hereof, all of which will remain in full force and effect for the term of the Franchise. For purposes of this Agreement, the term "material provision" or "material provisions" shall mean the following: Section 2.3 (Effective Date and Term), Section 2.5 (Franchise Subject to State and Federal Law), Article 3 (Provision of Cable Service) in its entirety, Section 4.2 (System Characteristics), Section 6.1 (Payment of Franchise Fees), and Article 9 (Transfer of Franchise).

12.10. *Recitals*: The recitals set forth in this Agreement are incorporated into the body of this Agreement as if they had been originally set forth herein.

12.11. *Fiber Network Transfer Prohibition*: Under no circumstance including, without limitation, upon expiration, revocation, termination, denial of renewal of the Franchise or any other action to forbid or disallow Franchisee from providing Cable Services, shall Franchisee or its assignees be required to sell any right, title, interest, use or control of any portion of Franchisee's Fiber Network including, without limitation, the Cable System and any capacity used for Cable Service or otherwise, to the LFA or any third party. Franchisee shall not be required to remove the Fiber Network or to relocate the Fiber Network or any portion thereof as a result of revocation, expiration, termination, denial of renewal or any other action to forbid or disallow Franchisee from providing Cable Services. This provision is not intended to contravene leased access requirements under Title VI or PEG requirements set out in this Agreement.

12.12. *NY PSC Approval*: This Franchise is subject to the approval of the NY PSC. Franchisee shall file an application for such approval with the NY PSC within sixty (60) days after the date hereof. Franchisee shall also file any necessary notices with the FCC.

12.13. *Rates and Charges*: The rates and charges for Cable Service provided pursuant to this Franchise shall be subject to regulation in accordance with federal law.

12.14. *Publishing Information*: LFA hereby requests that Franchisee omit publishing information specified in 47 C.F.R. §76.952 from Subscriber bills.

12.15. *Customer Service*: Franchisee shall comply with the consumer protection and customer service standards set forth in Parts 890 and 896 of the NY PSC rules and regulations.

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

12.17. *Identification of Franchisee's Employees, Vehicles & Contractors*. The Franchisee shall require all the Franchisee personnel, contractors and subcontractors contacting

Subscribers or potential Subscribers outside the office of the Franchisee to wear a clearly visible identification card bearing their name and photograph.

12.17.1. The Franchisee shall make reasonable effort to account for all identification cards at all times.

12.17.2. The Franchisee shall require all the Franchisee representatives to wear appropriate clothing while working at a Subscriber's premises.

12.17.3. The Franchisee shall require that all service vehicles of the Franchisee and its contractors or subcontractors be clearly identified as such to the public. Specifically, the Franchisee vehicles shall be required to have the Franchisee's logo plainly visible. The Franchisee shall require that all contractors and subcontractors working for the Franchisee shall have the contractor's/subcontractor's name plus markings (such as a magnetic door sign) indicating they are under contract to the Franchisee.

12.17.4 The Franchisee shall continue to maintain the mobile van existing at the Effective Date of this Agreement. Such mobile van shall be made available by the Franchisee to the Commission upon reasonable notice, up to a maximum of twenty-four (24) times per calendar year, for use by the Commission. Such use shall be deemed in the interests of the LFA.

12.18. *No Third Party Beneficiaries:* Except as expressly provided in this Agreement, this Agreement is not intended to, and does not, create any rights or benefits on behalf of any Person other than the parties to this Agreement.

12.19. *LFA Official:* The Mayor of the LFA, or the designated representative or representatives of the Mayor, will be responsible for the continuing administration of this Agreement.

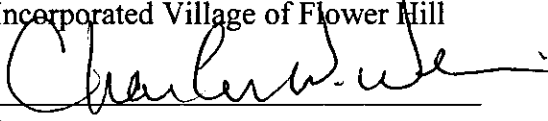
12.20. *Counterparts:* This agreement may be executed in counterparts.

12.21. *No Waiver of LFA's Rights:* Notwithstanding anything to the contrary in this Agreement, no provision of this Agreement shall be construed as a waiver of the LFA's rights under applicable federal and state law.

AGREED TO THIS 16th DAY OF December, 2011.

LFA:

The Incorporated Village of Flower Hill

By: 
Mayor

Cablevision Systems Great Neck Corporation

By: 
Vice President, Government Affairs

EXHIBITS

Exhibit A: Municipal Buildings to be Provided Free Cable Service

Exhibit B: Service Area

Exhibit C: PEG Channels

Exhibit D: PEG Access Interconnection Site(s)

EXHIBIT A

**MUNICIPAL BUILDINGS TO BE PROVIDED FREE CABLE SERVICE IN
VILLAGE OF FLOWER HILL**

Flower Hill Village Hall
One Bonnie Heights Road
Manhasset. NY 11030

EXHIBIT B

SERVICE AREA

The Franchise Area is the Service Area. The construction of the Franchisee's Fiber Network, including the PEG Access Interconnection Sites identified in Section 5.2 and Exhibit D, has been completed throughout the Franchise Area subject only to Subsection 3.1.1 and Section 3.2 of the Franchise.

EXHIBIT C

PEG CHANNELS

Franchisee shall provide use of channel capacity as specified in Sub-section 5.1.1 of the Agreement to the LFA's PEG Channel usage needs. These PEG Channel needs include the needs of school districts, public libraries and park districts.

EXHIBIT D

PEG ACCESS INTERCONNECTION SITE(S) VILLAGE OF FLOWER HILL

Subject to the requirements set forth in Subsection 5.2 of the Agreement, and subject to the criteria set forth below, the following Flower Hill Government Access Channel PEG Access Interconnection Site ("PEG Access Origination Site No.4") shall be operable within one hundred twenty (120) days after Franchisee receives written notice from the LFA that such PEG Access Interconnection Site is fully functional for its intended purpose:

PEG Access Origination Site No. 4

Flower Hill Village Hall
One Bonnie Heights Road
Manhasset, NY 11030

Franchisee shall provide the technical ability to transmit live programming provided to Franchisee at the Flower Hill Village Hall subject to: (1) a comparable obligation being imposed by the LFA in writing in the cable television franchise agreements of all cable service providers operating in the Service Area; (2) the operable date of this obligation must not pre-date the operable date of any comparable obligation imposed by the LFA on the existing cable service provider(s) in the Service Area; (3) in no event will Franchisee be obligated to accept a request for such an additional Government Access Channel on a date earlier than January 1, 2009; (4) the Franchisee must have a minimum market penetration in the LFA requesting such additional channel of fifteen percent (15%); and (5) the LFA must demonstrate the ability to provide sufficient live content over such additional channel for a minimum of eight (8) hours per day, five (5) day a week for three (3) months, which programming for purposes of this calculation shall not include repeated or character-generated programming. Each LFA in the Commission is entitled, during the term of this Agreement to make only one request pursuant to this process to obtain on direct connection to its own Village Hall with live programming capability in conjunction with receiving the use of on additional Government Access Channel.

Once an LFA decides that it meets the above conditions and wants to transmit such live programming, the LFA must send the Commission a written request to that effect. The Commission will decide the order in which to submit such requests to Franchisee. The Franchisee will not be obligated to accept requests for the provision of live programming from any Village Hall in the Commission in excess of one (1) request per year from 2009 to 2011 nor in excess of two (2) such requests per year from 2012 to 2017. The Commission is responsible for sending the Franchisee the written request from the LFA addressing the above-described conditions and need for the transmission of a live suitable video signal from the Flower Hill Village Hall, Franchisee will have one hundred eighty (180) days from receipt of such written request to complete the build out of the physical connection to the Village Hall and activate a channel in its channel line-up for the digital tier to transmit the live content. Franchisee will only be responsible for the cost of building to the PEG Access Origination Site No. 4 and the LFA

will be responsible for: (1) providing a suitable live signal to Franchisee at such PEG Access Origination Site No. 4; (2) paying any and all costs that are incurred to create and transport such signal to the PEG Access Origination Site No. 4; and (3) making available, as described in more detail in subsection 5.2.3 of the Agreement, a suitable required space, environmental conditions, electrical power supply, access, pathway, and such cooperation from LFA as is reasonably necessary for Franchisee to fulfill its obligations hereunder.

In the event the LFA wishes to broadcast live programming, but across an existing Government Access Channel without the need for a new or additional channel and PEG Access Origination Site No.4 is fully functional to provide a live suitable video signal (NTSC) from the Flower Hill Village Hall, the LFA may make such a request to the Franchisee for such live programming from the Flower Hill Village Hall and Franchisee shall accept such request. Franchisee will have on hundred eighty (180) days from receipt of such written request to complete the build out of the physical connection to the Village Hall and transmit the live content on the existing shared Government Access Channel listed in subsection 5.1.1 of the Agreement, subject to the conditions set forth in this paragraph and the conditions set forth in numbers (1), (2) and (3) in the paragraph immediately proceeding.

The PEG Access Interconnection/Aggregation Site No. 1 located at 1111 Marcus Ave. Lake Success, NY 11042 (Main Telephone Room) shall serve as the aggregation point for PEG Access Origination Site No. 4 designated above feeding signals to the North Shore Government Access Channel. For purposes of permitting LFA to select and switch feeds coming into an aggregation point, Franchisee shall provide the LFA, without charge, such capability at such aggregation point. Operation and maintenance of any equipment associated therewith shall be the responsibility of the LFA.