

A FRANCHISE RENEWAL AGREEMENT
between the
Town of Hyde Park, Dutchess County, New York
and
Cablevision of Wappingers Falls, Inc.

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A FRANCHISE RENEWAL AGREEMENT

between the

Town of Hyde Park, Dutchess County, New York

and

Cablevision of Wappingers Falls, Inc.

WHEREAS, the Town of Hyde Park (hereinafter referred to as “Municipality”) has requisite authority to grant franchises permitting and regulating the use of its streets, rights of way, and public grounds; and,

WHEREAS, Cablevision of Wappingers Falls, Inc. (hereinafter referred to as “Franchisee”), or, if applicable Franchisee’s predecessor in interest, having previously secured the permission of the Municipality to use such streets, rights of way, and public grounds under a franchise Agreement that has since expired, has petitioned the Municipality for a renewal of such franchise; and,

WHEREAS, the Municipality has determined that Franchisee is and has been in substantial compliance with all terms and provisions of its existing franchise and applicable law;

WHEREAS, the Municipality and Franchisee have complied with all Federal and State-mandated procedural and substantive requirements pertinent to this franchise renewal; and,

WHEREAS, the Municipality has approved, after consideration in a full public proceeding affording due process, the character, financial condition, and technical ability of Franchisee; and,

WHEREAS, during said public hearings and proceedings, various proposals of the parties for constructing, maintaining, improving, and operating the Communications System described herein were considered and found adequate and feasible;

WHEREAS, this franchise renewal, as set out below, is non-exclusive and complies with the franchise standards of the New York State Public Service Commission; and,

WHEREAS, imposition of the same burdens and costs on other franchised competitors by the Municipality is a basic assumption of the parties in this Agreement;

THEREFORE

The Municipality and Franchisee agree as follows:

1.0 DEFINITION OF TERMS

1.1 “Affiliate”: any Person who, directly or indirectly, owns or controls, is owned or controlled by, or is under common ownership and control with, the Franchisee.

1.2 “**Area Outage**”: a total or partial loss of video, audio, data or other signals carried on the “Communications System” in a location affecting five or more subscribers.

1.3 “**Cable Act**”: Title VI of the Communications Act of 1934, as amended.

1.4 “**Cable Service**”: the one-way transmission to subscribers of (i) video programming, and (ii) other programming service, including subscriber interaction, if any, which is required for the selection or use of such video programming or other programming service; or as otherwise defined in the Communications Act of 1934, as amended.

1.5 “**Capability**”: the ability of the “Franchisee” to activate a described technological or service aspect of the “Communications System” without delay.

1.6 “**Communications System**” or “**System**”: 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 antennae, and/or other equipment designed and constructed for the purpose of producing, receiving, amplifying, storing, processing, or distributing analog and/or digital audio, video, or other forms of electronic, electromechanical, optical, or electrical signals.

1.7 “**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.

1.8 “**FCC**”: the Federal Communications Commission.

1.9 “**Franchise**”: the rights and obligations described in this document, and used interchangeably with the term “**Agreement**”.

1.10 “**Franchise Fee**”: the fee paid by the “Franchisee” to the “Municipality” in exchange for the rights granted pursuant to the “Franchise.”

1.11 “**Franchisee**”: Cablevision of Wappingers Falls, Inc., and its lawful successors and assignees.

1.12 “**Gross Receipts**”: All receipts, as determined in accordance with generally accepted accounting principles, which are derived by Franchisee from the operation of the Cable System to provide Cable Service in the Municipality.

1.12.1 Gross Receipts includes, without limitation: all Cable Service subscriber revenues actually paid to, and received by, Franchisee, 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 Communications System in the Municipality, 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) pay-per-view and video on demand Cable Service over the Communications System; (v) Franchise Fees imposed on Franchisee by the

Municipality that are passed through from Franchisee as a line item paid by Cable Service subscribers; and (vi) compensation received by Franchisee that is derived from the operation of Franchisee's Communications 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 Communications System, such as "home shopping" or a similar channel, subject to the exceptions below. Gross Receipts includes a pro rata portion of all revenue derived by Franchisee pursuant to compensation arrangements for advertising derived from the operation of Franchisee's Communications System to provide Cable Service within the Municipality, subject to the exceptions below. The allocation of advertising revenue shall be based on the number of Cable Service subscribers in the Municipality 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 Receipts. Subject to Section 34 of this Agreement, for the purpose of calculating franchise fees paid to the Municipality, Gross Receipts shall include Cable Service subscriber revenue in the Municipality from Digital Video Recording ("DVR") functionality.

1.12.2 Gross Receipts shall not include: Revenues received by any affiliate or other person in exchange for supplying goods or services used by Franchisee to provide Cable Service over the Communications 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 Receipts during the period collected); refunds, rebates or discounts made to Cable Service subscribers or other third parties; any revenues, in whole or in part, that are not classified as Cable Services revenue under federal or state law including, without limitation, revenue received from "Telecommunications Services" as defined under Section 3 of the Communications Act, 47 U.S.C. § 153(53), as amended; revenue received from "Information Services" as defined under Section 3 of the Communications Act, 47 U.S.C. § 153(20), as amended, 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 services that are not Cable Services in accordance with federal law, rules, regulations, standards or orders as amended (should revenue from any service provided by Franchisee over the Communications 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 Municipality 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 Receipts, and Franchisee shall include revenue from such service as Gross Receipts on a going forward basis commencing with the next available billing cycle following the date of issuance of an order from the NYSPSC approving such amendment provided that no such amendment shall be made to this Agreement until such time as all other Cable Service providers operating within the Municipality are also required to provide revenue from such service to the Municipality as gross revenue or gross receipts (as defined in the franchise agreements of such other Cable Service providers); any revenue of Franchisee or any other person which is received directly from the sale of merchandise through any Cable Service distributed over the Communications 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 Communications System for the sale of such merchandise shall be included in Gross Receipts;

the sale of Cable Services on the Communications 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 Municipality 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 Cable Service 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 Receipts); 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 related expenses or payments.

1.13 “Municipality” shall mean the Town of Hyde Park (excluding any incorporated villages located wholly or partially therein) and/or its authorized representatives.

1.14 “Municipal Law”: shall mean all generally applicable ordinances, laws and regulations, to the extent not inconsistent with the rights and privileges granted herein and preempted by federal or state law or regulation.

1.15 “NYSPSC”: the New York State Public Service Commission or any successor State agency with similar responsibilities.

1.16 “Person”: an individual, partnership, association, joint stock company, trust, corporation, or governmental entity.

1.17 “Transfer of the Franchise”: any transaction in which:

1.17.1 a fifty percent (50%) 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

1.17.2 the rights held by Franchisee under the Franchise and the certificate of confirmation issued therefore by the NYSPSC are transferred or assigned to another Person or group of Persons.

However, notwithstanding Sub-sections 1.17.1 and 1.17.2 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 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 Franchisee; or any action which is the result of a merger of another Affiliate of Franchisee.

PART I -- THE FRANCHISE

2.0 GRANT OF FRANCHISE

2.1 Franchisee is hereby granted, subject to the terms and conditions of this Agreement, the right, privilege, and authority to construct, operate, and maintain a Communications System within the streets, alleys, and public ways of the Municipality, and such other areas where authorized by private or public property owners or applicable law, if such authorization is necessary, as now exist and may hereafter be changed.

2.2 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, and such other areas where authorized by private or public property owners or applicable law, if such authorization is necessary, 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 System in conformance with Municipal Law. Consistent with federal law, Municipality, insofar as it may have the authority to so grant, hereby authorizes Franchisee to use any and all easements dedicated to compatible uses, such as electric, gas, telephone or other utility transmissions, for the purposes described in this Section 2 and further agrees, on request and at Franchisee's sole expense, to assist Franchisee in gaining access to and use of such easements.

2.3 Nothing in this Agreement shall be deemed to waive the requirements of Municipal Law regarding permits, fees to be paid to the Municipality for permits or construction, or the manner of construction, provided, however, that to the extent the installation, repair and/or maintenance by Franchisee of any component of the Cable System is lawfully subject to permitting and/or review by the Municipality pursuant to Municipal Law, such permitting and/or review shall not be unreasonably denied or delayed, nor shall any fees be required other than those necessary to offset the reasonable administrative costs of issuing such permit(s), for the right and/or privilege to install, repair or maintain such component. In approving the placement of any such component, the Municipality shall limit the basis of its decision to pedestrian and traffic safety. For purposes of this Agreement, "unreasonably delay" shall mean the Municipality's failure to act on a permit application within sixty (60) days of its submission by Franchisee, in which case such permit shall be deemed granted under applicable law.

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

3.0 NON-EXCLUSIVE NATURE OF THIS FRANCHISE

3.1 This Agreement 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 to the extent permitted under applicable law. Municipality specifically

reserves the right to grant at any time such additional franchises for this purpose as it deems appropriate, subject however, to the provisions of Section 34 of this Agreement. Any such additional franchises and/or other grants of rights to use the streets, alleys or other public ways or public spaces shall not adversely impact the authority granted under this Agreement and shall not interfere, except as permitted by applicable law, with existing facilities of the Communications System.

4.0 TERRITORIAL LIMITS

4.1 The rights and privileges awarded pursuant to this Agreement shall relate to and cover the entire present territorial limits of the Municipality, but shall not include any incorporated village located wholly or partially within the territorial limits of the Municipality. In the event that any area outside the territorial limits of the Municipality is annexed during the term of this Agreement, the Franchisee shall be authorized to serve such area and, at its option, may extend service therein under the same general terms and conditions that exist in this Agreement.

5.0 FRANCHISE SUBJECT TO LAW AND REGULATION

5.1 All terms and conditions of this Agreement are subject to Federal and State law and to the rules and regulations of the FCC and the NYSPSC, as now exist or may be hereafter amended.

5.2 All terms and conditions of this Agreement are subject to the approval of the NYSPSC to the extent required by applicable law.

5.3 All rights and privileges granted hereby are subject to the police power of the Municipality to adopt and enforce laws, rules and regulations. Expressly reserved to the Municipality is the right to adopt, in addition to the provisions of this Agreement and existing laws, rules, and regulations, such additional laws, rules, and regulations as it may find necessary in the exercise of its police power; provided, however, that such additional laws, rules and regulations are reasonable, properly within the authority of the Municipality to enact, not materially in conflict with the privileges granted in this Agreement, and consistent with all Federal and State laws, rules regulations and orders.

5.4 The Municipality agrees to enforce all applicable law in a non-discriminatory manner against all providers of Cable Service doing business in the Municipality.

5.5 Within sixty (60) days of receipt of formal notification of the Municipality's approval of this Franchise, Franchisee shall file a request for certification of this franchise with the NYSPSC and shall provide the Municipality with evidence of such filing.

5.6 The Supervisor, or other person as designated by the Municipality, shall have responsibility for the continuing administration of the rights and interests of the Municipality under this Franchise. Notwithstanding the foregoing, however, any award or denial of a franchise, revocation, termination or final notice of default shall require vote of the Municipality's governing body.

6.0 CONDITIONS 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 be undertaken in accordance with Municipal Law.

6.2 No poles, underground conduits or other wire-holding structures shall be erected by 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; provided however, such approval may not be unreasonably withheld or delayed.

6.3 All structures, lines and equipment erected by 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 that may be available to Franchisee shall be used to the extent commercially practicable in order to minimize interference with travel. Where both power and telephone utilities are placed underground, and to the extent commercially practicable, Franchisee's cable also shall be placed underground Franchisee shall comply with all Municipal Laws requiring underground utility installation, where applicable.

6.4 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.

6.5 In the case of any disturbance of pavement, sidewalk, driveway or other surfacing, Franchisee shall, at its own cost and expense in accordance with Municipal Law, and within thirty (30) days, replace and restore such pavement, sidewalk, driveway or surfacing so disturbed to as good a condition as existed before said work was commenced, to the extent practicable. In the event that any municipal property is damaged or destroyed by Franchisee, such property shall be repaired or replaced by Franchisee within thirty (30) days and restored to as good a condition as existed before said work was commenced, to the extent practicable.

6.6 Franchisee shall take reasonable measures to ensure that all structures and all lines, equipment and connections, in, over, under and upon streets, sidewalks, alleys and public ways and places of the Municipality, wherever situated or located, shall at all times be kept and maintained in a safe, suitable, and substantial condition, and in good order and repair.

6.7 In exercising rights pursuant hereto, Franchisee shall not endanger or interfere with the lives of persons, nor interfere with any installations of the Municipality, any public utility serving the Municipality or any other person permitted to use the streets and public grounds, nor unnecessarily hinder or obstruct the free use of the streets and public grounds to the extent practicable. All rights granted for the construction and operation of the System shall be subject to the continuing right of the Municipality, pursuant to Municipal Law, to require such reconstruction, relocation, or change of the facilities and equipment used by Franchisee to

provide Cable Service in the streets, alleys, avenues, and highways of the Municipality, as shall be reasonable under the circumstances, necessary in the public interest and without undue interference to the rights and privileges granted Franchisee pursuant to this Agreement.

6.8 Nothing in this Agreement shall hinder the right of the Municipality, under Municipal Law, or any governmental authority to perform or carry on, directly or indirectly, any public works or public improvements of any description. Should the System in any way materially interfere with the construction, maintenance, or repair of such public works or public improvements, Franchisee shall, at its own cost and expense, protect or relocate its System, or part thereof, as reasonably directed by the Municipality and provided Municipality provides at least thirty (30) days' written notice to Franchisee.

6.9 Upon notice and payment as set forth herein by a person holding a building or moving permit issued by the Municipality, Franchisee shall temporarily raise or lower its wires or other property or relocate the same temporarily so as to permit the moving or erection of buildings to the extent practicable. The expenses of any such temporary removal, raising or lowering of wires or other property shall be paid in advance to Franchisee by the person requesting same. In such cases, Franchisee shall be given not less than ten (10) working days prior written notice in order to arrange for the changes required.

7.0 ASSIGNMENT OR TRANSFER OF FRANCHISE

7.1 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 Municipality, which consent shall not be unreasonably withheld, delayed or conditioned.

7.2 In considering an application for the Transfer of the Franchise, the Municipality may consider the applicant's:

7.2.1 technical ability;

7.2.2 financial ability;

7.2.3 good character; and

7.2.4 other qualifications necessary to continue to operate the Cable System consistent with the terms of the Franchise.

7.3 No consent from or notice to the Municipality shall be required for a transfer in trust, mortgage, by other hypothecation, by assignment of any rights, title or interest of Franchisee in the Franchise or Cable System in order to secure indebtedness, for any transaction in which Franchisee retains the right, title or interest in the Franchise granted herein, or for transactions otherwise excluded under Section 1.17 above.

8.0 DEFAULT, REVOCATION, TERMINATION, ABANDONMENT

8.1 Subject to the other terms and conditions of this Agreement, the Municipality may revoke this Franchise and all rights of Franchisee hereunder for any of the following reasons:

8.1.1 Franchisee fails, after sixty days (60) prior written notice from the Municipality, to comply or to take reasonable steps to comply with a material provision or material provisions of this Agreement. Notwithstanding the above, when Franchisee is once again in compliance, the right to revoke this Agreement shall no longer remain with respect to the condition that precipitated the notice; or

8.1.2 Franchisee attempts or does practice a material fraud or deceit in its securing of this Franchise; or

8.1.3 Franchisee practices material fraud or displays repeated negligence in the accurate reporting of information to the Municipality, including but not limited to information pertaining to Franchisee's calculation of the Municipality's Franchise Fee; or

8.1.4 Franchisee fails to pay any legally owed taxes or fees due the Municipality, unless the amount of such payment is part of a good faith dispute or the failure to pay is caused by inadvertent error; or

8.1.5 Franchisee fails to maintain adequate insurance as specified in Section 19 of this Agreement; or

8.1.6 Franchisee fails to obtain the prior approval of the Municipality for transfer or assignment of the Franchise pursuant to Section 7 of this Agreement.

8.2 For purposes of this Section 8, the term "material provision" or "material provisions" shall mean the following sections of this Franchise (including any referenced definitions in Section 1): Section 6; Section 12; Section 15; Section 16; Section 17; Section 18; Section 19; Section 22; and Section 23.

8.3 Notwithstanding the above, no default, revocation or termination shall be effective unless and until the governing board of Municipality shall have adopted an ordinance or resolution setting forth the cause and reason for the revocation and the effective date thereof. The procedures for adoption of such ordinance or resolution shall be as follows: Municipality shall provide sixty (60) days prior written notice to Franchisee of a claim of violation and reasons therefore in sufficient detail for Franchisee to address the particulars of the claim; during said sixty (60) day period Municipality shall cooperate with Franchisee and provide Franchisee an opportunity for Franchisee to cure the alleged violation, or provide a cure plan that reasonably satisfies the Municipality. If Franchisee has failed to cure after the expiration of said sixty (60) day period or fails to provide a cure plan that reasonably satisfies the Municipality, the Municipality shall promptly schedule a public hearing no sooner than fourteen (14) days after written notice to the Franchisee. Franchisee shall be provided an opportunity to offer evidence and be fully and fairly heard at said public hearing held on the proposed adoption of such ordinance or resolution. Municipality shall obtain and make available to Franchisee, at a reasonable expense to Franchisee, a transcript of said hearing. Franchisee shall have the right to appeal any such administrative decision to a court of competent jurisdiction as Franchisee may choose, and revocation of the Franchise shall not become effective until any such appeal has become final or the time for taking such appeal shall have expired.

8.4 In no event, and notwithstanding any contrary provision in this section or elsewhere in this Agreement, shall this Agreement be subject to default, revocation or termination, or Franchisee be liable for non-compliance with or delay in the performance of any obligation hereunder, where its failure to cure or to take reasonable steps to cure is directly attributable to formal U.S. declaration of war, government ban on the affected obligation, U.S. government sponsored or supported embargo, civil commotion, strikes or work stoppages, fires, terrorist acts, any acts of God or of nature, or other events beyond the immediate control of Franchisee.

8.5 In the event of such circumstances as described in 8.4, Franchisee shall be automatically excused from its obligations herein during the course of any such events or conditions. Franchisee shall take reasonable measures to notify the Municipality of the existence of circumstances described in Section 8.4. The time specified for performance of Franchisee's obligations hereunder shall automatically extend for a time period equal to the period of the existence of the events or conditions and such reasonable time period thereafter as may be necessitated by any such events or conditions.

8.6 Unless otherwise permitted by law and subject to the provisions of this Agreement, Franchisee shall not voluntarily abandon any service or portion thereof required to be provided pursuant to the terms of this Agreement without the prior written consent of the Municipality and the NYSPSC. Deletion or changes to a programming service or functionality of the System shall not constitute abandonment of service for purposes of this Agreement.

8.7 Upon expiration, termination or revocation of this Franchise, Franchisee, at its sole cost and expense and upon direction of the Municipality, shall remove the cables and appurtenant devices constructed or maintained in the public right-of-way in connection with the services authorized herein and provided to subscribers within the Municipality, unless Franchisee, its affiliated entities or assignees should, within six (6) months after such expiration, termination or revocation obtain certification from the FCC to operate an Open Video System (as set out in 47 USC s. 573) or any other federal or state certification or are otherwise authorized to provide service over the System or provided events beyond Franchisee's reasonable control make removal impracticable.

9.0 SEVERABILITY

9.1 With the exception of Section 17 and 18, should any other provision of this Agreement be held invalid by a court of competent jurisdiction or rendered a nullity by Federal or State legislative or regulatory action, the remaining provisions of this Agreement shall remain in full force and effect.

10.0 EFFECTIVE DATE AND TERM

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

10.2 Subject to Section 10.3, the term of this Agreement shall be ten (10) years from the effective date.

10.3 Should any change to state or federal law, rules or regulations have the lawful effect of materially altering the terms and conditions under which an operator may provide cable service in the Municipality, then Franchisee may, at its option, request that the Municipality modify this Franchise to ameliorate the negative effects of the change on Franchisee or terminate this Agreement without further obligation to the Municipality. To the extent required by applicable law, modifications to and/or termination of this Agreement shall be subject to NYSPSC review and approval. If the parties cannot reach agreement on the above-referenced modification to the Franchise, then Franchisee may terminate this Agreement without further obligation to the Municipality or, at Franchisee's option, the parties agree to submit the matter to binding arbitration in accordance with the commercial arbitration rules of the American Arbitration Association.

PART II -- THE SYSTEM

11.0 COMPLIANCE WITH FEDERAL AND STATE LAW AND REGULATIONS

11.1 Franchisee shall take reasonable measures to comply with all applicable federal, State, and local laws and regulations pertaining to the construction, erection, installation, operation, maintenance, and/or repair of the System, including the regulations of the FCC and the NYSPSC, federal and State occupational safety and health regulations, and applicable codes including the National Electric Code, and National Electric Safety Code, all as may now exist or hereinafter amended. In addition, the Franchise shall take reasonable measures to ensure that the System shall meet or exceed all applicable technical and performance standards of federal and State law, including those of the FCC and the NYSPSC, as now exist or hereinafter amended.

11.2 Franchisee shall file requests for all necessary operating authorization with the NYSPSC and the FCC within sixty (60) days of the effective date of this Agreement.

12.0 SYSTEM SPECIFICATIONS

12.1 Subject to federal and State law and the rules and regulations of the FCC and NYSPSC, and subject to the System's capability of providing the services and facilities prescribed in this Agreement, the technical design of the System serving the Municipality shall be at the option of Franchisee and as further described in this section.

12.2 All such construction and any subsequent maintenance, repair, or improvement of said System shall use materials of good and durable quality and shall be performed in a safe, workmanlike, thorough, and reliable manner to the extent practicable.

12.3 Franchisee's System shall provide for a minimum channel capacity of not less than seventy-five (75) channels on the effective date of this Agreement. In accordance with the requirements of the NYSPSC, the exercise of this Agreement shall include reasonable efforts in good faith to maximize the number of energized channels available to subscribers, subject to the rights and obligations granted and imposed by Federal law and regulation, and to the extent economically reasonable and commercially practicable, including Franchisee's right to consider

how such actions may impact upon its commercially reasonable rate of return on investment over the remaining term of the Franchise.

12.4 The System incorporate equipment capable of providing standby powering of the System so as to minimize, to the extent practicable, 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.

12.5 The design and construction of the System will include substantial utilization of fiber optic technology.

12.6 The System shall be so designed as to enable Franchisee to provide Cable Service throughout the territorial limits of the Municipality. The System shall be so constructed so as to be capable of providing Cable Service to all residential housing units throughout the territorial limits of the Municipality, subject to the provisions of Section 15.1. The Franchisee shall design the System to be able to offer Cable Service to any commercial or business customer that Franchisee is authorized to serve, subject to the provisions of Section 15.1.2.

13.0 SYSTEM PERFORMANCE STANDARDS

13.1 All Cable Service signals carried by the System shall be transmitted with a degree of technical quality not less than that prescribed by the rules and regulations of the federal and state regulatory agencies having jurisdiction. Franchisee shall not be deemed to be out of compliance with this Section 13 to the extent another user of radio spectrum interferes with the signal quality provided by Franchisee to subscribers within the Municipality and Franchisee takes reasonable measures within its control to mitigate signal quality problems.

13.2 Operation of the System shall be such that, except as permitted by applicable law, no harmful 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 Municipality, provided such communications are authorized and licensed, as required by applicable law.

14.0 SYSTEM MAINTENANCE AND REPAIR

14.1 Franchisee shall establish and take reasonable measures to adhere to maintenance policies which provide service to subscribers at or above the performance standards set forth herein.

14.2 When interruption of service is necessary for the purpose of making repairs, adjustments, or installations, Franchisee shall do so at such time and in such manner as will cause the least possible inconvenience to subscribers. Unless such interruption is unforeseen or immediately necessary, Franchisee shall give reasonable notice thereof to subscribers.

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

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

PART III -- THE SERVICE

15.0 GENERAL SERVICE OBLIGATION

15.1 Franchisee shall provide service within the Municipality upon the lawful request of any and all persons who are owners or tenants of residential property within the Municipality, subject to the following:

15.1.1 With the exception of customized installations, all residential structures located along public rights-of-way served by aerial plant within the territorial limits of the Municipality and situated within one-hundred and fifty (150) feet from the trunk or feeder cable shall receive such service at the standard installation charge.

15.1.2 All commercial structures within the territorial limits of the Municipality shall be able to receive such service, provided the owners or tenants of such structures, and such structures themselves, meet the reasonable requirements and conditions of Franchisee, including any line extension charge for the provision of said service.

15.1.3 Franchisee shall extend the System to provide service to all areas of the Municipality along public rights-of-way which have a density of fifteen (15) homes per linear mile of aerial cable or greater, or areas with less than fifteen (15) homes per linear mile of aerial cable where residents agree to a contribution-in-aid-of construction as per the standards established in Section 895.5 of the rules and regulations of the NYSPSC.

15.2 Franchisee shall not unlawfully discriminate against any person as to the availability, maintenance, and pricing of Cable Service. Nothing herein shall be construed to limit the Franchisee's ability to offer or provide bulk rate discounts or promotions where applicable, to the extent permitted under federal and State law.

15.3 It is agreed that Cable Service offered to subscribers pursuant to this Agreement shall be conditioned upon Franchisee having legal access to any such subscriber's dwelling unit or other units wherein such service is provided.

16.0 MUNICIPAL AND SCHOOL SERVICE

16.1 Subject to Section 15 of this Agreement, and to 47 C.F.R. §76.42 of the Code of Federal Rules (if applicable), upon written request from Municipality, Franchisee shall provide, without charge within the Municipality, one service outlet activated for Basic Service to each School, Public Library, and such other Municipal office buildings, as may be designated by the Municipality as provided in **Exhibit A** attached hereto; provided, however, that if it is necessary

to extend Franchisee's trunk or feeder lines more than one hundred fifty (150) feet solely to provide service to any such school or public building, the service recipient shall have the option either of paying Franchisee's direct costs for such extension in excess of one hundred fifty (150) 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 one hundred fifty (150) feet of drop cable; provided, however, that Franchisee shall not charge for the provision of Basic Service to the additional service outlets once installed. For underground installations, Franchisee shall charge the recipient Franchisee's actual cost. Such costs shall be submitted to said recipient in writing before installation is begun. 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.

16.2 Subject to 47 C.F.R. §76.42 of the Code of Federal Rules (if applicable), upon written request from Municipality, Franchisee shall provide without charge basic cable modem service to the Town Hall in the Municipality as follows: (1) one standard installation; (2) one cable modem; (3) cable modem service the term of this agreement; (4) subject to the terms, conditions and use policies of the provider of the cable modem service as those policies may exist from time to time. Only one installation and service shall be provided for the Town Hall.

16.3 Subject to 47 C.F.R. §76.42 of the Code of Federal Rules (if applicable), upon written request from Municipality, Franchisee shall provide without charge basic cable modem service to one building for every State and local accredited elementary and secondary Schools and Public Libraries in the Town as follows: (1) one standard installation per School or Public Library campus; (2) one cable modem per installation; (3) cable modem service the term of this Agreement for each installation; (4) subject to the terms, conditions and use policies of the provider of the cable modem service as those policies may exist and be modified from time to time.

16.4 As used in this Agreement, the terms:

16.4.1 "School" shall mean those educational institutions within the Town chartered by the New York State Board of Regents pursuant to the New York Education Law.

16.4.2 "Public Library" shall mean a library established for free public purposes by official action of a Town, district, or the legislature, where the whole interest belongs to the public, provided, however, that the term shall not include a professional, technical or public school library.

16.4.3 "Municipal office buildings" shall mean the Municipality's Town Hall, its police, fire or ambulance corps buildings, and such other municipal buildings as specifically designated in **Exhibit A** herein but shall not include County and State office buildings.

17.0 PUBLIC, EDUCATIONAL, AND GOVERNMENTAL ACCESS

17.1 Franchisee shall comply with applicable Federal and State law, rules, and regulations pertaining to non-commercial public, educational, and governmental (PEG) access to the System.

17.2 In order to ensure availability of public, educational and government programming, Franchisee shall provide to Municipality up to one (1) dedicated Public Access Channel, up to one (1) dedicated Educational Access Channel, and up to one (1) dedicated Government Access Channel (collectively, PEG Channels).

17.2.1 If a PEG Channel is not being utilized by the Municipality, Franchisee may utilize such PEG Channel, in its sole discretion, until such time as the Municipality elects to utilize the PEG Channel for its intended purpose. In the event that the Municipality determines to use PEG capacity, the Municipality shall provide Franchisee with prior written notice of such request in accordance with NYPSC rules and regulations.

17.3 Franchisee shall provide the Municipality and the residents of the Municipality with equitable access to all non-commercial PEG access services provided by Franchisee as part of its PEG access policies, rules, and procedures. Should Franchisee's said policies, rules, and procedures be inconsistent with the standards established in Section 895.4 of the rules of the NYPSC pertaining to non-commercial governmental, educational or public access, such rules shall govern.

17.4 All PEG channels provided by Franchisee may be offered in any format using any transmission method.

17.5 Franchisee shall continue to maintain an insertion point at Town Hall, which shall include a fiber-optic transmitter, for the purpose of permitting the Municipality to originate non-commercial government/education access programming on the lowest digitally transmitted service tier on System from such location.

17.6 In consideration of the grant of the rights in this Agreement for the term described herein, and subject to Sections 17.6.1 through 17.6.3 below, Franchisee shall tender to Municipality, for the support of PEG access capital needs, a total of fifty thousand dollars (\$50,000.00) (the "PEG Grant") payable in two (2) installments as follows: (i) the first installment of the PEG Grant in the amount of Twenty Five Thousand Dollars (\$25,000) shall be due and payable within forty five (45) days of the effective date of this Agreement; and (ii) the final installment of the PEG Grant in the amount of Twenty Five Thousand Dollars (\$25,000) shall be due and payable by the fifth anniversary of the effective date of this Agreement. Municipality shall use the PEG Grant only for PEG access capital support. All capital equipment and improvements purchased with the PEG Grant shall be the property of the Municipality and for the sole benefit of Franchisee's subscribers.

17.6.1 Upon thirty (30) days prior written request, Municipality shall provide Franchisee with a written report detailing Municipality's PEG-related expenditures for the prior

calendar year, certified by a representative of Municipality or the third-party organization administering access PEG activities, as applicable.

17.6.2 In accordance with 16 NYCRR 895.1(f), The Municipality shall impose the same obligations as those in this Section 17.6 on all new and renewed providers of Cable Service in the Municipality.

17.6.3 In any event, if any new or renewed franchise agreement contains obligations that are lesser in amount than the obligations imposed in this Section 17.6, Franchisee's aggregate obligations under Section 17.6 shall be reduced to an equivalent amount. To the extent such a reduction is not sufficient to make the total obligations of this Franchise equivalent to the new or renewed franchise, Franchisee may deduct from future Franchise Fee payments an amount sufficient to make the obligations of this Franchise equivalent to the new or renewed franchise.

17.7 To the extent permitted by and consistent with applicable law, Franchisee may, in its sole discretion, pass through to subscribers the costs of support for PEG access provided in this Agreement.

17.8 The Franchisee shall have no copyright, trademark or other intellectual property right in any government/education programming produced by the Municipality.

PART IV -- FRANCHISEE'S OBLIGATIONS TO THE MUNICIPALITY

18.0 FRANCHISE FEE

18.1 Beginning sixty (60) days after the effective date of this Agreement, Franchisee shall pay to the Municipality during the term of this Agreement an annual sum equal to five percent (5%) of Franchisee's Gross Receipts for the preceding year, provided however that any obligation (including applicable definitions) specified herein shall be consistent with limits on Franchise Fees established under applicable law and demanded, imposed and enforced against all other providers of Cable Service doing business in the Municipality. Such payment shall be made on a quarterly basis for the periods ending March 31, June 30, September 30 and December 31. Each such payment shall be due no later than thirty (30) days after the close of each such period.

18.1.1 The Municipality shall impose a Franchise Fee of at least the same amount as in this Section 18.1 on all new and renewed providers of Cable Service in the Municipality. In the event any new or renewed franchise agreement contains a Franchise Fee that is lesser in amount than the obligations imposed in this Section 18.1, Franchisee's obligations under this Section 18.1 shall thereafter be reduced to an equivalent amount

18.2 Franchisee agrees that it will not apply the Franchise Fee as a deduction against the special franchise tax payable to the Municipality, pursuant to N.Y. Real Property Tax Law Section 626, provided the Municipality obtains and enforces a written complete waiver of the full amount of the special franchise tax deduction (whether in the form of a reduction in the franchise fee amount paid to the Municipality or as a credit against the special franchise tax) from such existing and any new provider of Cable Service or cable service (as such term may be

defined by other providers) in the Service Area. The operation of this Section 18.2 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.

18.3 Franchisee may use electronic funds transfer to make any payments to the Municipality required under this Agreement.

18.4 A brief report prepared by a representative of the Franchisee showing the basis for the Franchise Fee computation shall be provided to the Municipality.

18.5 Franchisee shall maintain all records necessary to confirm the accurate payment of Franchise Fees to the Municipality for a period of no more than three (3) years from the date of payment to the Municipality. The Municipality shall not conduct an audit more frequently than once every three (3) years. The parties agree that the period of limitation for the commencement of any action for recovery of any Franchise Fee payable hereunder shall be six (6) years from the date on which payment by Franchisee is due..

19.0 INDEMNITY AND INSURANCE

19.1 Franchisee shall purchase and maintain the following minimum coverage levels of commercial general liability insurance during the term of this Agreement that will protect Franchisee and the Municipality from any claims against either or both which may arise directly or indirectly as a result of Franchisee's performance hereunder:

- 19.1.1** Personal injury or death: \$500,000 per person
\$1,000,000 per occurrence
- 19.1.2** Property damage: \$1,000,000 per occurrence
- 19.1.3** Excess liability or umbrella coverage: \$10,000,000

19.2 The Municipality shall impose at least the same insurance obligations as those in this Section 19 on all new and renewed providers of Cable Service in the Municipality. In the event any new or renewed franchise agreement contains insurance requirements that are lesser in amount than the obligations imposed in this Section 19, Franchisee's obligations under this Section 19 shall thereafter be reduced to an equivalent amount.

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

Agreement. Municipality shall promptly notify Franchisee of any claim for which it seeks indemnification, afford Franchisee the opportunity to fully control the defense of such claim and any compromise, settlement resolution or other disposition of such claim, including selection of counsel and by making available to Franchisee all relevant information under Municipality's control. Notwithstanding any provision contained herein and to the contrary, Franchisee shall have no obligation to indemnify or defend the Municipality with respect to any programming provided by the Municipality or from the Municipality's negligence.

19.4 Each insurance policy shall bear the name of the Municipality as an additional insured. The insurance coverage referred to in this Section 19 may be included in one or more policies covering other risks of Franchisee or any of its parent companies, affiliates, subsidiaries or assigns.

19.5 All Franchisee insurance policies and certificates of insurance shall stipulate that the coverage afforded under the policies will not be canceled until at least thirty (30) days prior written notice has been given to the Municipality. If any policy is canceled, it shall be replaced forthwith with insurance that meets the requirements of this Agreement so that there is no lapse in coverage.

19.6 Not later than sixty (60) days after the effective date of this Agreement and on written request, Franchisee shall furnish to the Municipality copies of certificates of insurance in conformity with the requirements of this Franchise.

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

20.0 RATES AND CHARGES

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

20.2 Franchisee shall comply with all notice requirements contained in federal and State law, rules, and regulations pertaining to rates and charges for cable television service.

21.0 EMPLOYMENT PRACTICES

21.1 Franchisee will not unlawfully refuse to hire, nor will it unlawfully 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.

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 operation of the System. Franchisee shall respond to such inquiries in a timely fashion.

22.2 When repeated subscriber complaints cause the Municipality to question the reliability or technical quality of Cable Service, the Municipality shall have the right and authority to test or require Franchisee to test, analyze, and report on the performance of the System consistent with the requirements of NYSPSC Rule 896 (or any subsequently enacted rule relating to testing and reporting of such tests). Franchisee shall cooperate fully with the Municipality in performing such testing.

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

22.3.1 The Municipality may request that the NYSPSC test the System at any time and Franchisee will cooperate fully in the performance of such tests.

22.3.2 The Municipality shall have the right to inspect all construction work subject to the provisions of this Agreement and to make such tests as it shall find necessary to ensure compliance with the terms of this Agreement and other pertinent provisions of law. Municipality shall notify Franchisee prior to conducting any inspection of the System, and Franchisee may require that it be present when the Municipality conducts such inspection.

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

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

23.1 The Municipality reserves the right to inspect all pertinent books, records, maps, plans, financial statements and other like material of Franchisee, upon reasonable notice and during normal business hours, subject to the provisions of Section 25.

23.2 If any of such information is not kept in the Municipality, or upon notice 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 Agreement, then all travel and maintenance expenses, in excess of one-hundred miles (100) miles per day, necessarily incurred in making such examination shall be paid by Franchisee.

24.0 REPORTS TO BE FILED BY FRANCHISEE WITH THE MUNICIPALITY

24.1 Upon request of the Municipality, Franchisee shall make available to the Municipality a copy of any technical, operational, or financial report Franchisee submits to the NYSPSC, the FCC, or other governmental entities that concern Franchisee's operation of the System in the Municipality, subject to the provision of Section 25.

24.2 Upon request, Franchisee shall furnish to the Municipality such additional information and records with respect to the operation of the System in the Municipality, and the Cable Service provided to the Municipality under this Agreement, 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 Agreement.

24.3 Subject to the requirements of Section 895.1(t) of the NY PSC rules and regulations, any valid reporting requirement in this Franchise may be satisfied with system-wide statistics, except those related to Franchise Fees and consumer complaints.

25.0 MANDATORY RECORD KEEPING

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

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. Municipality specifically recognizes that "as built" maps submitted pursuant to this Section 25.2 shall be treated as confidential and proprietary, in accordance with the provisions of this Section 25 and applicable law.

25.3 All records, logs, and maps maintained pursuant to this Agreement shall be made available to the Municipality or its designee during Franchisee's regular business hours upon reasonable request, subject to the provisions of Section 25.4 through 25.6 and applicable privacy laws.

25.4 All materials submitted to the Municipality by Franchisee are subject to Article 6 of the New York Public Officers Law (the Freedom of Information Law "FOIL"). To the extent consistent with applicable law, Municipality will accommodate Franchisee's requests for confidential treatment of information submitted pursuant to this Franchise that Franchisee requests be afforded confidential treatment.

25.5 If Franchisee determines in its sole discretion that information requested by Municipality contains proprietary or confidential data, or if records requested by Municipality must be kept confidential under applicable law, Franchisee may present redacted versions of documents responsive to Municipality's request. If the Municipality, in its sole discretion, determines that the information provided by the Franchisee is not sufficient in the redacted form,

the Municipality may request that the information be provided in a form that is not redacted, provided that such disclosure would not violate federal, state or local law and provided that the information sought is relevant to the Municipality's enforcement of this Franchise.

26.0 MUNICIPAL EMERGENCIES

26.1 Franchisee shall comply with the Emergency Alert System (“EAS”) requirements of the FCC and the State of New York, including the NYSPSC’s rules and regulations and the current New York EAS Plan in order that emergency messages may be distributed over the System.

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

27.0 COMPLIANCE WITH FEDERAL AND STATE LAW AND REGULATION

27.1 To the extent not preempted, Franchisee shall comply with all applicable and lawful Federal and State laws and regulations that regulate Franchisee’s customer service responsibilities. Current regulations are listed herein as **Exhibit B**.

28.0 EMPLOYEE IDENTIFICATION/TRAINING

28.1 Each employee of Franchisee entering upon private property, including employees of contractors and subcontractors employed by Franchisee, shall have on their person, and shall produce upon request, picture identification that clearly identifies the person as a representative of Franchisee and, notwithstanding any local law, shall display such identification when entering upon private property for the purpose of installing, repairing, soliciting or removing services.

28.2 Franchisee shall provide proper training for employees and shall institute policies and procedures that foster courteous and professional conduct.

29.0 REQUIREMENT FOR ADEQUATE TELEPHONE SYSTEM

29.1 Franchisee shall utilize a telephone system that shall meet, at a minimum, the customer service standards set by federal and State law.

29.2 Franchisee shall have the ongoing responsibility to take reasonable measures to ensure that the telephone system utilized meets the reasonable customer service needs of its subscribers. In evaluating the performance of Franchisee under this section, the Municipality may review telephone systems in use in other 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, and other relevant factors.

30.0 MISCELLANEOUS PROVISIONS

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

30.2 The Municipality shall have the right to promulgate new, revised or additional reasonable consumer protection standards, and penalties for 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 Nothing in this Agreement is intended to or shall confer any rights or remedies on any third parties to enforce the terms of this Agreement.

30.4 Municipality shall, without further consideration, execute and deliver such further instruments and documents and do such other acts and things as Franchisee may reasonably request in order to effect and confirm this Agreement and the rights and obligations contemplated herein.

30.5 This Agreement and the Exhibits hereto constitute the entire agreement between Franchisee and Municipality and they supersede all prior or contemporaneous agreements, representations or understandings (whether written or oral) of the parties regarding the subject matter hereof and shall be binding upon and inure to the benefits of the parties and their respective successors and assigns.

30.6 This Agreement may be executed in one or more counterparts, all of which taken together shall be deemed one original.

31.0 NOTICE

31.1 Notices required under this Agreement shall be in writing and shall be mailed, first class, postage prepaid, to the addresses below. Either party may change the place where notice is to be given by providing such change in writing at least thirty (30) days prior to the time such change becomes effective. The time to respond to notices under this Agreement shall run from receipt of such written notice.

Notices to the Franchisee shall be mailed to:

Altice USA, Inc.
1 Court Square West
Long Island City, NY 11101
Attention: Senior Vice President, Government Affairs

With a copy to:

Cablevision of Wappingers Falls, Inc.
c/o Altice USA, Inc.

1 Court Square West
Long Island City, NY 11101
Attention: Legal Department

Notices to the Municipality shall be mailed to:

Town of Hyde Park
67 Albany Post Road
Hyde Park, NY 12638
Attention: Supervisor

Notwithstanding anything herein to the contrary, regulatory notices from the Franchisee to the Municipality which are required pursuant to 47 C.F.R. Part 76 may be served electronically upon the Municipality, instead of by first class mail as described above, to an email address provided by the Municipality.

PART VI – GUARANTEE OF FRANCHISEE’S PERFORMANCE

32.0 PERIODIC PERFORMANCE EVALUATION SESSIONS

32.1 Upon sixty (60) days prior notification by the Municipality, Franchisee shall be prepared to participate in a meeting or series of meetings evaluating the performance of its Cable Service under this Agreement. The timing of such performance evaluation sessions shall be solely in the discretion of the Municipality; however, each such evaluation shall not be initiated sooner than one year after the close of a previously conducted performance evaluation, absent repeated and material customer complaints. All performance evaluation meetings shall be open to the public.

32.2 Not less than thirty (30) days prior to any performance evaluation, Municipality shall provide notice to Franchisee of the topics that it wishes to address. Topics which may be discussed at any performance evaluation shall be within the regulatory authority of Municipality and reasonably related to the offering of Cable Service in the Municipality, and may include System performance, compliance with this Agreement and applicable law, customer service and complaint response, services provided, fees described in this Agreement, free services, applications of new technologies, and judicial, federal or State filings.

32.3 During review and evaluation, Franchisee shall reasonably cooperate with the Municipality and shall provide such information, and documents, as the Municipality may reasonably need to perform its review, subject to the provisions of Section 25 of this Agreement.

32.4 Each performance evaluation session shall be deemed to have been completed as of the date the Municipality issues a final report on its findings.

32.5 No evaluation session may be the basis of a revocation proceeding, nor shall notice to Franchisee of such a session constitute the notice required under Section 8.3 of this Agreement.

33.0 EFFECT OF MUNICIPALITY'S FAILURE TO ENFORCE FRANCHISE PROVISIONS

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

33.2 Any claims arising out of any actual breach of this Agreement shall be effective from the date such breach is found to have commenced and notice is provided as in Section 8. Franchisee's responsibility to cure any such breach shall not be diminished by the failure of the Municipality to enforce any provision of this Agreement, provided however that any action for past liability based on Franchisee's failure to cure such breach, pursuant to the procedures outlined in Section 8 and provided however that the claimed breach has occurred no later than three (3) years prior to Municipality providing notice to Franchisee.

34.0 COMPETITIVE FAIRNESS

34.1 In the event that the Municipality grants or renews another franchise(s), or similar authorization(s), for the construction, operation and maintenance of any communication facility which shall offer substantially equivalent services to those offered by Franchisee over the System, it shall not make the grant or renewal on more favorable or less burdensome terms than are contained herein. The Municipality shall provide Franchisee written notice of any public hearing or other official action related to such proposed grant or renewal of a franchise or similar authorization. If Franchisee finds that a proposed franchise, franchise renewal or similar authorization contains provisions imposing less burdensome or more favorable terms than are imposed by the provisions of this Agreement, then Franchisee will identify those terms to the Municipality in writing in advance of any vote to adopt the franchise, franchise renewal or similar authorization and, if the Municipality approves such franchise, franchise renewal or similar authorization for the other provider with the identified terms, or any subsequent modification thereof, then those terms shall become the operative terms in this Agreement, in lieu of existing terms, upon the effective date of the other franchise, franchise renewal or similar authorization.

34.2 In the event that a non-franchised multi-channel video programmer/distributor provides service to residents of the Municipality, the Franchisee shall have a right to petition for Franchise Agreement amendments that relieve the Franchisee of burdens that create a competitive disadvantage to the Franchisee. Such petition shall: i) indicate the presence of a non-franchised competitor(s); ii) identify the basis for Franchisee's belief that certain provisions of the Franchise Agreement place Franchisee at a competitive disadvantage; iii) identify the provisions of this Agreement to be amended or repealed in order to eliminate the competitive disadvantage. The Municipality shall not unreasonably deny Franchisee's petition.

34.3 Nothing in this Section 34 shall be deemed a waiver of any remedies available to Franchisee under federal, state or Municipal Law, including but not limited to Section 625 of the Cable Act, 47 U.S.C. Section 545.

35.0 AMENDMENTS AND MODIFICATIONS

35.1 Amendments and/or modifications to this Franchise shall be mutually agreed to in writing by the parties and subject to the approval of the NYSPSC.

36.0 APPROVAL OF THE NYSPSC

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

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

Town of Hyde Park

BY: _____

Supervisor

Date: _____

CABLEVISION OF WAPPINGERS FALLS, INC.

By: _____

Pat Hayes
Senior Vice President, Government Affairs

Date: _____

EXHIBITS

Exhibit A: Municipal Buildings to be Provided Free Cable Service

Exhibit B: Customer Service Standards

EXHIBIT A

MUNICIPAL BUILDINGS TO BE PROVIDED FREE CABLE SERVICE

Ralph Smith School, 16 Smith Ct, Hyde Park, NY

Hyde Park Library, 2 Main Street, Hyde Park, NY

Hyde Park Fire Department, 4308 Albany Post Rd, Hyde Park, NY

Hyde Park Town Hall, 4383 Albany Post Rd, Hyde Park, NY

North Park Elementary, 1593 Route 9G, Hyde Park, NY

Roosevelt High School, 156 Cross Rd, Hyde Park, NY

Hyde Park Central School District(Former HP Elementary), 4327 Albany Post Rd, Hyde Park, NY

Hyde Park Central School District Administrative Offices, 11 Boice Road, Hyde Park, NY

Town of Hyde Park Highway Department, 1146 Route 9G, Hyde Park, NY

The John & Gloria Golden Police Court Facility, 3 Cardinal Road, Hyde Park, NY

Roosevelt Fire District:

Roosevelt Station #1 9 Cardinal Road, Hyde Park, NY

Roosevelt Station #2 256 Cream Street, Hyde Park, NY

Roosevelt Station #3 Administrative Offices, R 830 Violet Avenue, Hyde Park, NY

Roosevelt Station #4 159 South Cross Road, Staatsburg, NY

Roosevelt Station #5 47 Old Post Road, Staatsburg, NY

EXHIBIT B

CUSTOMER SERVICE STANDARDS

890.90 Telephone availability and answer standards; customer service centers.

(a) Every cable television company shall maintain a local, toll-free or collect call telephone access line which will be available to its subscribers 24 hours a day, seven days a week, provided that after normal business hours, the access line may be answered by an answering service or an automated response system, including an answering machine. Inquiries received after normal business hours must be responded to by a trained company representative on the next business day. Trained company representatives must be available to respond to callers during normal business hours.

(b) Every cable television system, except a small cable television system, under normal operating conditions, shall meet the following telephone answer standards no less than 90 percent of the time, measured on a quarterly basis:

(1) telephone answer time by trained company representatives, including wait-time, shall not exceed 30 seconds from when the connection is made;

(2) if a call needs to be transferred, transfer time shall not exceed 30 seconds;

(3) callers will receive a busy signal less than three percent of the time.

(c) Information to demonstrate compliance with the telephone answer standards in subdivision (b) of this section shall be reported to the commission for normal business hours on an annual basis and shall include:

(1) the total number of days trained company representatives were available to receive incoming calls;

(2) the total number of calls received on such days;

(3) the average length of time a caller waits on hold before reaching a trained company representative;

(4) the total number of calls abandoned by incoming callers;

(5) the percentage of time callers received a busy signal; or

(6) such other information that will document compliance with such standards.

(d) Every cable television company required to file the information specified in subdivision (c) of this section must maintain for a period of one year, a summary of records sufficient to measure and verify compliance with telephone answer standards on a quarterly basis.

(e) Annual reports on telephone answer standards shall be filed with the commission on or before January 31st of each year for the previous calendar year. Any cable television system that routinely meets or exceeds the standard in subdivisions (a) and (c) of this section may petition the commission for a waiver of the reporting requirements of this section. This waiver does not excuse a cable company from maintaining service records, subject to review by the Commission, on a quarterly basis.

(f) A cable television system will not be required to acquire equipment or perform surveys to measure compliance with telephone answer and service standards unless an historical record of complaints indicates a clear failure to comply.

(g) Customer service centers and bill payment sites shall be conveniently located and open at least during normal business hours.