

Proposed Agreement by Cablevision

Cable Franchise Agreement

by and between

the Incorporated Village of Asharoken

and

Cablevision Systems Huntington Corporation

CABLEVISION DRAFT – VILLAGE OF ASHAROKEN 04/04/2013
For Discussion Purposes
Subject to Cablevision Management Review & Approval

TABLE OF CONTENTS

<u>ARTICLE</u>	<u>PAGE</u>
1. DEFINITIONS.....	3
2. GRANT OF AUTHORITY; LIMITS AND RESERVATIONS	8
3. PROVISION OF CABLE SERVICE	10
4. SYSTEM FACILITIES	11 ¹²
5. PEG SERVICES	12 ¹³
6. FRANCHISE FEES	13 ¹⁴
7. REPORTS AND RECORDS	14 ¹⁵
8. INSURANCE AND INDEMNIFICATION	15 ¹⁷
9. TRANSFER OF FRANCHISE.....	18 ¹⁹
10. RENEWAL OF FRANCHISE.....	18 ¹⁹
11. ENFORCEMENT AND TERMINATION OF FRANCHISE	18 ²⁰
12. MISCELLANEOUS PROVISIONS.....	20 ²¹

EXHIBITS

EXHIBIT A: MUNICIPAL BUILDINGS TO BE PROVIDED FREE CABLE SERVICE

EXHIBIT B: SERVICE AREA

EXHIBIT C: PEG CHANNELS

CABLEVISION DRAFT – VILLAGE OF ASHAROKEN 04/04/2013
For Discussion Purposes
Subject to Cablevision Management Review & Approval

THIS CABLE FRANCHISE AGREEMENT (the “Franchise” or “Agreement”) is entered into by and between the Incorporated Village of Asharoken, a validly organized and existing political subdivision of the State of New York (the “Local Franchising Authority” or “LFA”) and Cablevision Systems Huntington Corporation, a corporation duly authorized to do business 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, Franchisee has completed the upgrade of its existing telecommunications and information services network through the installation of a hybrid fiber coaxial network (“Fiber Network”) in the Franchise Area which transmits both Cable and Non-Cable Services pursuant to applicable law, , which Non-Cable Services are not subject to the Cable Law or Title VI of the Communications Act;

WHEREAS, the Fiber Network occupies 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 that’ its Cable System is adequate and feasible in a full public proceeding affording due process to all parties;

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

WHEREAS, the LFA has found Franchisee to be financially, technically and legally qualified to continue 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

CABLEVISION DRAFT – VILLAGE OF ASHAROKEN 04/04/2013
For Discussion Purposes
Subject to Cablevision Management Review & Approval

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 grant of a renewal franchise to Franchisee, Franchisee's promise to provide Cable Service to residents of the 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*: A video Channel, 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*: The tier of Cable Service which includes, at a minimum, the retransmission of primary local television broadcast signals provided to any Subscriber and, to the extent required by applicable law, any PEG Channels required by this Franchise, and which may also include any additional video programming signals as determined by Franchisee.

1.4. *Bundled Service*: The offering of Cable Services 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 the facility, which is the subject of this Franchise, consisting of antennae, wire, coaxial cable, amplifiers, towers,

CABLEVISION DRAFT – VILLAGE OF ASHAROKEN 04/04/2013
For Discussion Purposes
Subject to Cablevision Management Review & Approval

microwave links, wave guide, optical fibers, optical transmitters and receivers, satellite receiver/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, data or other forms of electronic, electromechanical, optical or electrical signals.

1.8. *Channel*: Shall be defined herein as a portion of the electromagnetic frequency spectrum which is used in the Cable System, and which is capable of delivering a television channel.

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*: An Access Channel designated 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 in Exhibit C to this Agreement.

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 resulting from unaffiliated providers' failure to service, monitor or maintain 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 Huntington Corporation and its lawful and permitted successors, assigns and transferees.

1.16. *Government Access Channel*: An Access Channel 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

CABLEVISION DRAFT – VILLAGE OF ASHAROKEN 04/04/2013
For Discussion Purposes
Subject to Cablevision Management Review & Approval

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) video on demand and pay-per-view; (iv) revenues from the sale or lease of access channel(s) or channel capacity; 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 of advertising revenue 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: 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,

CABLEVISION DRAFT – VILLAGE OF ASHAROKEN 04/04/2013
For Discussion Purposes
Subject to Cablevision Management Review & Approval

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, Franchise Support Grant, Annual Franchise Grant or other franchise grant payments; and

1.17.2.1. 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; DVR functionality; 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 as amended. 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 Asharoken, 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.

CABLEVISION DRAFT – VILLAGE OF ASHAROKEN 04/04/2013
For Discussion Purposes
Subject to Cablevision Management Review & Approval

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

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

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

1.26. *Public Access Channel*: An Access Channel available for noncommercial use solely by the residents in the Franchise Area on a first-come, first-served, nondiscriminatory basis.

1.27. *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.

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

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

1.30. *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.

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

1.32. *Transfer of the Franchise*:

1.32.1. Any transaction in which:

1.32.1.1. 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

1.32.1.2. 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.

1.32.1.3. However, notwithstanding Sub-sections 1.32.1.1. and 1.32.1.2. above, a *Transfer of the Franchise* shall not include transfer of an ownership or other

CABLEVISION DRAFT – VILLAGE OF ASHAROKEN 04/04/2013
For Discussion Purposes
Subject to Cablevision Management Review & Approval

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.

1.33. *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. 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 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; provided however, that nothing herein shall be construed to limit the LFA's existing authority with respect to the Franchisee's mixed use facilities pursuant to applicable law, including any lawful right to compel relocation of such facilities in the event of road widening and other similar adjustments to the Public Rights-of-Way, consistent with the NY PSC rules and regulations and orders..

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 ten (10) years from the Effective Date 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, and by providing a copy of the certificate of confirmation, 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 be non-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 Federal and State Law*: Notwithstanding any provision to

CABLEVISION DRAFT – VILLAGE OF ASHAROKEN 04/04/2013
For Discussion Purposes
Subject to Cablevision Management Review & Approval

the contrary herein, this Franchise is subject to and shall be governed by all applicable provisions of federal and state law as it may be amended, including but not limited to the Communications Act and the Cable Law.

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 reasonable, necessary and lawful exercise of the police powers of the LFA 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 its pre-existing condition.

2.10. *Restoration of Subscriber Premises:* The Franchisee shall ensure that Subscriber's premises are restored to their pre-existing condition in a reasonable period of time if damaged by the Franchisee's employees or agents in any respect in connection with the

CABLEVISION DRAFT – VILLAGE OF ASHAROKEN 04/04/2013
For Discussion Purposes
Subject to Cablevision Management Review & Approval

installation, repair, or disconnection of Cable Service.

3. PROVISION OF CABLE SERVICE

3.1. *Service Area:*

3.1.1. *Service Area:* Franchisee shall continue to offer Cable to all residential Subscribers in 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 Service Area; (D) in developments or buildings that 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; (G) in areas where the occupied residential dwelling unit density does not meet the density and other requirements set forth in Sub-subsection 3.1.1.1. and Section 3.2; and (H) to Subscribers who fail to abide by the Franchisee's terms and conditions of service.

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 fifteen (15) 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 of the residents 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 one hundred fifty (150) feet of aerial trunk or feeder lines 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 one hundred fifty (150) feet or are in an area with a density of less than thirty-five (35) 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 thirty-five (35) occupied residential dwelling units per mile if such would not be possible within the limitations of economic

CABLEVISION DRAFT – VILLAGE OF ASHAROKEN 04/04/2013
For Discussion Purposes
Subject to Cablevision Management Review & Approval

feasibility. For underground installations, Franchisee shall charge the Subscriber Franchisee's actual cost. Such cost shall be submitted to said Subscriber in writing before the installation is begun.

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 may be designated by the LFA as provided in Exhibit A attached hereto; provided, however, that if it is necessary to extend Franchisee's aerial 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. For underground installations, Franchisee shall charge the recipient Franchisee's actual cost. Such cost 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; provided, however that if such equipment becomes defective, Franchisee shall replace it consistent with the Franchisee's terms and policies for the provision of equipment.

3.4. *Internet Service to Village Hall.* Franchisee shall continue to provide without charge basic cable modem service to Village Hall, located at One Asharoken Avenue, Northport, NY 11768, provided as follows: (1) one standard installation; (2) one cable modem per installation; (3) cable modem service the term of this Agreement per 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.

3.5. *Contribution in Aid:* Notwithstanding the foregoing, Franchisee shall comply, at a minimum, with the requirements of Section 895.5 of the 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

CABLEVISION DRAFT – VILLAGE OF ASHAROKEN 04/04/2013
For Discussion Purposes
Subject to Cablevision Management Review & Approval

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 77 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, to the extent required by law and voluntarily agreed upon by Franchisee.

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. 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. Franchisee shall provide capacity for 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”). If required by applicable law, the PEG Channels shall be provided on Franchisee’s Basic Service tier.

5.1.2. The programming to be carried on each of the PEG Channels set aside by Franchisee is reflected in Exhibit C attached hereto. The LFA hereby authorizes Franchisee to transmit such programming within and outside LFA jurisdictional boundaries. Franchisee specifically reserves the right to make or change channel assignments in its sole discretion. If a PEG Channel provided under this Article is not being utilized by the LFA, Franchisee 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 accordance with NY PSC rules and regulations.

5.1.3. Franchisee shall provide the technical ability to play back pre-recorded

CABLEVISION DRAFT – VILLAGE OF ASHAROKEN 04/04/2013
For Discussion Purposes
Subject to Cablevision Management Review & Approval

programming provided to Franchisee consistent with this Section. Franchisee shall transmit programming consistent with the dedicated uses of PEG Access Channels. Franchisee shall comply at all times with the requirements of Section 895.4 of the NY PSC rules and regulations.

5.2. *Franchise Support Grant:* Franchisee shall pay a franchise support grant in the amount of Four Thousand Dollars (\$4,000.00) (the “Franchise Support Grant”), which shall be payable in two (2) installments as follows: (i) The first installment of Two Thousand Dollars (\$2,000) shall be due within sixty (60) days of the Effective Date; and (ii) the second and final installment of Two Thousand Dollars (\$2,000) shall be due on the third (3rd) anniversary of the Effective Date.

5.3. *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.

5.4. *Recovery of Costs:* To the extent permitted by federal law, the Franchisee shall be allowed to recover the costs of the Franchise Support Grant and 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 and any franchise-related costs to Subscribers.

6. FRANCHISE FEES

6.1. *Payment to LFA:* Beginning sixty (60) days after the effective date of this Agreement, Franchisee shall pay to the LFA a Franchise Fee of five percent (5%) of annual Gross Revenue (the “Franchise Fee”); provided, however, that at such time as the LFA requires all cable service providers in the Service Area, as may be permitted by law, to pay a higher percentage of Franchise Fee, the LFA shall, upon ninety (90) days’ prior written notice to the Franchisee, require Franchisee to pay a percentage greater than five percent (5%) and Franchisee agrees to pay such percentage on a going forward basis, so long as all cable service providers in the Service Area are paying the same percentage of franchise fee; provided, further, that if at any time any cable service provider in the Service Area pays a lower percentage of Franchise Fee than Franchisee is paying, then the LFA shall promptly notify Franchisee and Franchisee shall be

CABLEVISION DRAFT – VILLAGE OF ASHAROKEN 04/04/2013
For Discussion Purposes
Subject to Cablevision Management Review & Approval

entitled to pay the lowest percentage of Franchise Fee being paid by any cable service provider in the Service Area. 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 made on a quarterly basis for the periods January 1 through March 31; April 1 through June 30; July 1 through September 30; and October 1 through December 31. Each payment shall be due 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. *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. *Limitation on Franchise Fee Actions:* 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, but cannot exceed the date of records retention reflected in Article 7.

6.4. *Bundled Services:* If Franchisee provides a Bundled Service to Subscribers, the Franchise Fee shall be applied only to the value of the Cable Services, as reflected on the books and records of Franchisee in accordance with FCC or state public utility regulatory commission rules, regulations, standards or orders.

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 within one hundred (100) miles of the territorial limits of 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. Subject to the requirements of the New York Freedom of Information Law ("FOIL"), the LFA shall treat any information disclosed by Franchisee as proprietary and confidential under Section 87 (2) (d) of the New York Public Officers Law, and shall only disclose it to employees,

CABLEVISION DRAFT – VILLAGE OF ASHAROKEN 04/04/2013
For Discussion Purposes
Subject to Cablevision Management Review & Approval

representatives, and agents thereof who the LFA deems to have a need to know, or in order to enforce the provisions hereof. For the purpose of this section, “proprietary and confidential” information includes, but is not limited to: information related to the Cable System design, trade secrets, subscriber lists, marketing plans, financial information unrelated to the calculation of Franchise Fees; or other information that is reasonably determined by the Franchisee to be competitively sensitive. If the LFA receives a request under FOIL, or similar law for the disclosure of information that the Franchisee has designated as confidential, trade secret or proprietary, the LFA shall notify the Franchisee of such request and cooperate with Franchisee to enforce the provisions of this Section to the fullest extent permitted by law. The LFA shall not make public disclosure of such information if it is exempt from mandatory disclosure under FOIL or unless required by court order. 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:* Subject to the requirements of Section 895.1(t) of the NY PSC rules and regulations, 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

CABLEVISION DRAFT – VILLAGE OF ASHAROKEN 04/04/2013
For Discussion Purposes
Subject to Cablevision Management Review & Approval

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 (\$1,000,000.00) combined single limit for property damage and bodily injury, including death. Such insurance shall cover the construction, operation and maintenance of the Cable System.

8.1.1.2. Automobile Liability Insurance in the amount of one million dollars (\$1,000,000.00) combined single limit for bodily injury and property damage coverage.

8.1.1.3. Workers' Compensation Insurance in conformity with legal requirements of the State of New York.

8.1.1.4. Employers' Liability Insurance in the following amounts: (A) Bodily Injury by Accident: \$100,000.00; and (B) Bodily Injury by Disease: \$100,000.00 employee limit; \$500,000.00 policy limit.

8.1.1.5. Excess liability or umbrella coverage of not less than ten million dollars (\$10,000,000.00).

8.1.1.6. The limits required above may be satisfied with a combination of primary and excess coverage.

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.

8.1.3. Each of the required insurance policies shall be noncancellable 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 insurers authorized or permitted 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.

8.1.5. Upon written request, Franchisee shall deliver to the LFA copies of Certificates of Insurance showing evidence of the required coverage.

8.1.6. The insurance coverage maintained by Franchisee shall be primary and

CABLEVISION DRAFT – VILLAGE OF ASHAROKEN 04/04/2013
For Discussion Purposes
Subject to Cablevision Management Review & Approval

non-contributory to insurance coverage maintained by the LFA, the LFA's Board of Trustees, and its employees acting on behalf of the LFA.

8.2. *Indemnification:*

8.2.1. Franchisee agrees to indemnify the LFA, its Board of Trustees, its officers, employees, attorneys, consultants, independent contractors or third parties acting on its behalf 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, by the Franchisee, its agents, assigns, contractors and subcontractors, or by reason of any suit or claim for royalties, programming license fees, or infringement of patent rights arising out of 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 sufficient 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 as long as there is no monetary contribution or item of value required to be paid or provided by the LFA as part of the 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

CABLEVISION DRAFT – VILLAGE OF ASHAROKEN 04/04/2013
For Discussion Purposes
Subject to Cablevision Management Review & Approval

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, for any transaction in which Franchisee retains the right, title or interest in the Franchise granted to it herein, or for transactions otherwise excluded under Section 1.32 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, in the event that the LFA decides to conduct an assessment, 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 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 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

CABLEVISION DRAFT – VILLAGE OF ASHAROKEN 04/04/2013
For Discussion Purposes
Subject to Cablevision Management Review & Approval

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 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. *Public Hearing:* The LFA shall schedule a public hearing if the LFA seeks to continue its investigation into the alleged noncompliance (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 or commenced to remedy 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 sixty (60) business days prior written notice of such public hearing, which will specify the time, place and purpose of such public hearing, and provide Franchisee the opportunity to be heard.

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 Section 11.3, 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 Section 11.3, 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

CABLEVISION DRAFT – VILLAGE OF ASHAROKEN 04/04/2013
For Discussion Purposes
Subject to Cablevision Management Review & Approval

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 thereafter the LFA shall determine (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 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.

11.5.4. *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, in accordance with Section 626 of the Communications Act and applicable state and federal law.

12.3. *Preemption:* In the event that federal or state law, rules, regulations, or final determination by a court of competent jurisdiction, after the exhaustion of all appeals related

CABLEVISION DRAFT – VILLAGE OF ASHAROKEN 04/04/2013
For Discussion Purposes
Subject to Cablevision Management Review & Approval

thereto, 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, regulation or final determination by a court of competent jurisdiction 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.

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.

12.5.1.1. Notices to Franchisee shall be mailed to:

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

With a copy to:

Cablevision Systems Huntington Corporation
1111 Stewart Avenue
Bethpage, NY 11714
Attention: Legal Department

12.5.1.2. Notices to the LFA shall be mailed to:

Village Clerk
Village of Asharoken Village Hall
One Asharoken Avenue
Northport, NY 11768

CABLEVISION DRAFT – VILLAGE OF ASHAROKEN 04/04/2013
For Discussion Purposes
Subject to Cablevision Management Review & Approval

12.5.1.3. with a copy to:

Village Attorney
Asharoken Village Hall
One Asharoken Avenue
Northport, NY 11768

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. The LFA shall not subject Franchisee to any local laws or parts of local laws that materially conflict with the provisions of 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, sub-subsection, sentence, paragraph, term or provision hereof, all of which will remain in full force and effect for the term of the 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.

CABLEVISION DRAFT – VILLAGE OF ASHAROKEN 04/04/2013
For Discussion Purposes
Subject to Cablevision Management Review & Approval

12.12. *NY PSC Approval:* This Franchise and any amendment or modification hereof 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. *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.

12.16. *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.

12.17. *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.

12.18. *LFA Official:* The Mayor of the LFA is the LFA official that is responsible for the continuing administration of this Agreement.

12.19. *Identification of Franchisee's Employees, Contractors and Subcontractors:* Each employee of the Franchisee who routinely comes into contact with members of the public at their places of residence must wear a picture identification card clearly indicating his or her employment with the Franchisee. The photograph on the identification card shall prominently show the employee's name and/or identification number. Such employee shall prominently display such identification card and shall show it to all such members of the public. Each employee of any contractor or subcontractor of the Franchisee who routinely comes into contact with members of the public at their places of residence must wear a picture identification card clearly indicating his or her name, the name of such contractor or subcontractor and the name of the Franchisee.

12.19.1. Notwithstanding any other provision of law regulating door-to-door solicitation or other sales activities undertaken on public or private property within the Village, including any licensing or permit obligations required for such activities, the obligations set forth in this section shall be the sole conditions governing the authorization and identification required for the entrance onto public or private property imposed upon Franchisee or its employees, agents, contractors or subcontractors for the purpose of selling, marketing or promoting services

CABLEVISION DRAFT – VILLAGE OF ASHAROKEN 04/04/2013
For Discussion Purposes
Subject to Cablevision Management Review & Approval

offered by Franchisee to residents of the Village.

12.20. *Performance Review*: The LFA may, at its discretion but not more than once per twelve (12) month period, hold an informal performance evaluation session (the “Performance Review”) that is not open to the public to review Franchisee’s compliance with the terms and conditions of this Franchise. The information disclosed to the LFA by the Franchisee at the Performance Review shall be treated by the LFA as confidential. The LFA shall provide Franchisee with at least thirty (30) days prior written notice of the Performance Review to be held at a mutually agreeable time. Franchisee shall have the opportunity to participate in and be heard at the Performance Review. Within thirty (30) days after the conclusion of the Performance Review, the LFA shall provide Franchisee written documentation (the “Performance Review Report”) setting forth its determinations regarding Franchisee’s compliance with the terms and conditions of this Franchise. The Performance Review Report shall not contain any confidential information disclosed by the Franchisee during the Performance Review.

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.

[balance of page intentionally left blank]

CABLEVISION DRAFT – VILLAGE OF ASHAROKEN 04/04/2013
For Discussion Purposes
Subject to Cablevision Management Review & Approval

AGREED TO THIS _____ DAY OF _____, 2013.

LFA:

VILLAGE OF ASHAROKEN

By: _____

Name: Gregory Letica

Title: Mayor

FRANCHISEE:

CABLEVISION SYSTEMS HUNTINGTON CORPORATION

By: _____

Name: Adam Falk

Title: Vice President, Government Affairs

CABLEVISION DRAFT – VILLAGE OF ASHAROKEN 04/04/2013
For Discussion Purposes
Subject to Cablevision Management Review & Approval

EXHIBITS

Exhibit A: Municipal Buildings to be Provided Free Cable Service

Exhibit B: Service Area

Exhibit C: PEG Channels

CABLEVISION DRAFT – VILLAGE OF ASHAROKEN 04/04/2013
For Discussion Purposes
Subject to Cablevision Management Review & Approval

EXHIBIT A

MUNICIPAL BUILDINGS TO BE PROVIDED FREE CABLE SERVICE

Village Hall
Village of Asharoken
One Asharoken Avenue
Northport, NY 11768

Village Police Department
Village of Asharoken
One Asharoken Avenue
Northport, NY 11768

In the event that the physical address of one or both of the approved sites listed above changes over the term of this Agreement, the LFA shall notify the Franchisee in writing and the Franchisee will substitute the existing service outlet(s) with replacement service outlet(s) installed pursuant to the terms in Section 3.3 at the new site(s); provided however, that the new sites must be located within the Service Area and that the Franchisee's feeder or trunk lines have already been upgraded for the Fiber Network at these sites.

CABLEVISION DRAFT – VILLAGE OF ASHAROKEN 04/04/2013
For Discussion Purposes
Subject to Cablevision Management Review & Approval

EXHIBIT B

SERVICE AREA

The Service Area is the Franchise Area.

The construction of the Franchisee's Fiber Network has been completed throughout the Franchise Area subject only to Subsection 3.1.1. and Section 3.2. of the Franchise, and accordingly it is not necessary to provide any additional details concerning the construction and/or deployment time tables and areas within the Service Area, nor is a map of the Service Area necessary.

CABLEVISION DRAFT – VILLAGE OF ASHAROKEN 04/04/2013
For Discussion Purposes
Subject to Cablevision Management Review & Approval

EXHIBIT C

PEG CHANNELS

Franchisee shall provide PEG Access Channels pursuant to the Cable Law.