

**Cable Franchise Agreement**  
**by and between**  
**The Village of Freeport, NY**  
**and**  
**Cablevision Systems Long Island Corporation**

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FOR DISCUSSION PURPOSES  
SUBJECT TO FINAL APPROVAL BY ALTICE USA MANAGEMENT

THIS CABLE FRANCHISE AGREEMENT (the “Franchise” or “Agreement”) is entered into by and between the Village of Freeport, a validly organized and existing political subdivision of the State of New York (the “Local Franchising Authority” or “LFA”) and Cablevision Systems Long Island Corporation, a corporation duly organized under the applicable laws of the State of New York (the “Franchisee”).

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

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

WHEREAS, Franchisee’s existing telecommunications and information services network (“Fiber Network”) transmits both Cable and Non-Cable Services, which Non-Cable Services are not subject to the Cable Law or Title VI of the Communications Act;

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

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

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 Franchise/Service Area of the LFA pursuant to and consistent with the Cable Law (as hereinafter defined), pursuant to the terms and conditions set forth herein, the promises and undertakings herein, and other good and valuable consideration, the receipt and the adequacy of which are hereby acknowledged,

THE SIGNATORIES DO HEREBY AGREE AS FOLLOWS:

**1. DEFINITIONS**

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

1.1 *Access Channel:* 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 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, 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 available for noncommercial use solely by local public schools and public school districts in the Franchise Area and other not-for-profit educational institutions chartered or licensed by the New York State Department of Education or Board of Regents in the Franchise Area as specified by the LFA pursuant 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 or 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 waiting for utility providers 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.

1.15 *Franchisee:* Cablevision Systems Long Island 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 System to provide Cable Service in the Service Area.

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) pay-per-view and video on demand Cable Service over the Cable System; (iv) revenues from the sale or lease of access channel(s) or channel capacity; (v) compensation received by Franchisee that is derived from the operation of Franchisee's Cable System to provide Cable Service with respect to commissions that are paid to Franchisee as compensation for promotion or exhibition of any products or services on the Cable System, such as "home shopping" or a similar channel, subject to the exceptions below. Gross Revenue includes a pro rata portion of all revenue derived by Franchisee pursuant to compensation arrangements for advertising derived from the operation of Franchisee's Cable System to provide Cable Service within the Service Area, subject to the

exceptions below. The allocation shall be based on the number of Subscribers in the Service Area divided by the total number of subscribers in relation to the relevant local, regional or national compensation arrangement. Advertising commissions paid to third parties shall not be netted against advertising revenue included in Gross Revenue. Subject to Section 12.21 of this Agreement, for the purpose of calculating Franchise Fees paid to the LFA, Gross Revenue shall include Cable Service subscriber revenue in the Franchise Area from DVR functionality.

Gross Revenue 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 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 revenues classified, in whole or in part, as Non-Cable Services revenue under federal or state law including, without limitation, revenue received from Telecommunications Services; revenue received from Information Services, including, without limitation, Internet Access service, electronic mail service, electronic bulletin board service, or similar online computer services; charges made to the public for commercial or cable television that is used for two-way communication; and any other revenues attributed by Franchisee to Non-Cable Services in accordance with FCC or state public utility regulatory commission rules, regulations, standards or orders; any revenue of Franchisee or any other Person which is received directly from the sale of merchandise through any Cable Service distributed over the Cable System, however, that portion of such revenue which represents or can be attributed to a Subscriber fee or a payment for the use of the Cable System for the sale of such merchandise shall be included in Gross Revenue; the sale of Cable Services on the Cable System for resale in which the purchaser is required to collect cable Franchise Fees from purchaser's customer; the sale of Cable Services to customers, which are exempt, as required or allowed by the LFA including, without limitation, the provision of Cable Services to public institutions as required or permitted herein; any tax of general applicability imposed upon Franchisee or upon Subscribers by a city, state, federal or any other governmental entity and required to be collected by Franchisee and remitted to the taxing entity (including, but not limited to, sales/use tax, gross receipts tax, excise tax, utility users tax, public service tax, communication taxes and non-cable franchise fees); any foregone revenue which Franchisee chooses not to receive in exchange for its provision of free or reduced cost cable or other communications services to any Person, including without limitation, employees of Franchisee and public institutions or other institutions designated in the Franchise (provided, however, that such foregone revenue which Franchisee chooses not to receive in exchange for trades, barter, services or other items of value shall be included in Gross Revenue); sales of capital assets or sales of surplus equipment; program launch fees, i.e., reimbursement by programmers to Franchisee of marketing costs incurred by Franchisee for the introduction of new programming; directory or Internet advertising revenue including, but not limited to, yellow page, white page, banner advertisement and electronic publishing; or any fees or charges collected from Subscribers or other third parties for any expenses or payments made pursuant to Article 5 of this Agreement.

1.18 *Information Services*: Shall be defined herein as it is defined under Section 3 of the Communications Act, 47 U.S.C. §153(24), 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 Freeport, New York, or the lawful successor, transferee, or assignee thereof.

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

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

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

1.24 *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(53), 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 other 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.

1.32.2 However, notwithstanding Sub-subsections 1.32.1.1 and 1.32.1.2 above, a *Transfer of the Franchise* shall not include transfer of an ownership or other interest in Franchisee to the parent of Franchisee or to another Affiliate of Franchisee; transfer of an interest in the Franchise or the rights held by the Franchisee under the Franchise to the parent of Franchisee or to another Affiliate of Franchisee; any action which is the result of a merger of the parent of the Franchisee; or any action which is the result of a merger of another Affiliate of the Franchisee.

1.33 *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 and such other areas within the Franchise Area where authorized by private or public property owners or applicable law, if such authorization is necessary. 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.

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 or terminated as provided herein. The Franchisee shall memorialize the Effective Date by notifying the LFA in writing of the same, which notification shall become a part of this Franchise.

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

2.5 *Franchise Subject to Federal and State Law*: Notwithstanding any provision to the contrary herein, this Franchise is subject to and shall be governed by all applicable provisions of federal and State law as may be amended, including but not limited to the Communications Act.

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.

2.7.3 Should any change to state or federal law, rules or regulations have the lawful effect of materially altering the terms and conditions of this Franchise, then the parties shall use best efforts to modify this Franchise to the mutual satisfaction of both parties to ameliorate the negative effects on the Franchisee of the material alteration. Any modification to this Franchise shall be in writing and shall be subject to Section 222 of the New York Public Service Law and Title 16, Chapter VIII, Part 892, Subpart 892-1, Section 892-1.4 of the Official Compilation of Codes, Rules and Regulations of the State of New York requiring application to the NY PSC and approval of any modification.

2.8 *Police Powers:* The LFA shall not subject the Franchisee to any local laws that are inconsistent with this Franchise, or any restrictions or conditions on the construction, location, or siting of the System, except for generally applicable requirements consistent with law, provided, however that nothing in this Franchise shall be construed to prohibit the LFA's reasonable, necessary and lawful exercise of the police powers including, without limitation, in addition to the implementation and enforcement of the provisions of this Agreement and existing applicable laws and regulations, the enactment, adoption, implementation and enforcement of such additional laws and regulations as the LFA may deem necessary in the exercise of its police power; provided, however, that such laws and regulations are reasonable, not materially in conflict with the privileges granted in this Franchise and consistent with all federal and state laws, regulations and orders. Furthermore, to the extent that 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 LFA pursuant to the necessary and reasonable exercise of its police power, 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) or otherwise permitted by law), for the right and/or privilege to install, repair or maintain such component. In approving the placement of any such component, the LFA shall limit the basis of its decision to pedestrian and traffic safety, or any other factor permitted by law that are reasonable and considered in a timely manner.

2.9 *Restoration of Municipal Property:* Any municipal property damaged or destroyed shall be promptly repaired or replaced by the Franchisee and restored to pre-existing condition.

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

### **3. PROVISION OF CABLE SERVICE**

#### **3.1 *Service Area:***

3.1.1 *Service Area:* Franchisee shall continue to offer Cable Service to all residential areas of the Service Area, except, in accordance with NY PSC rules and regulations: (A) for periods of Force Majeure; (B) for periods of delay caused by the LFA; (C) for periods of delay resulting from Franchisee's inability to obtain authority to access rights-of-way in the Service Area; (D) in areas where developments or buildings are subject to claimed exclusive arrangements with other providers; (E) in areas, developments or buildings where Franchisee cannot gain access after good faith efforts; (F) in areas, developments or buildings where the provision of Cable Service is economically infeasible because such provision requires nonstandard facilities which are not available on a commercially reasonable basis; (G) in areas where the occupied residential household 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 or prospective 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 35 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, Franchisee shall provide Cable Service to such area within twelve (12) months of receiving notice from the LFA that the density requirements have been met.

3.2 *Availability of Cable Service:* Franchisee shall make Cable Service available to all residential dwelling units and may make Cable Service available to businesses within the Service Area in conformance with Section 3.1, and Franchisee shall not discriminate between or among any individuals in the availability of Cable Service or based upon the income in a local area. In the areas in which Franchisee shall provide Cable Service, Franchisee shall be required to connect, at Franchisee's expense, other than a standard installation charge, all

residential dwelling units that are within 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 feasibility. For underground installations, the Franchisee shall charge the recipient the Franchisee's actual cost. Such costs shall be submitted to said recipient in writing, before installation is begun.

3.2.1 Within the Service Area, subject to the other terms of this Agreement, the Franchisee will make Cable Service available to business locations , provided the owners or tenants of such locations, and such locations themselves, meet the reasonable requirements and conditions of Franchisee, including any line extension charge for the provision of said Service.

3.3 *Cable Service to Public Buildings:* Subject to Section 3.1, and applicable federal law and FCC rules and regulations, Franchisee shall provide, without charge within the Service Area, one service outlet activated for the tier of Service that includes the PEG channels, and any associated equipment (not including any television receiver) required to receive such tier , to each public school, private school accredited by the New York State Board of Regents, 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 one thousand (1000) 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 aerial extension in excess of one thousand (1000) 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 thousand (1000) feet of drop cable; provided, however, that Franchisee shall not charge for the provision of Basic Service or equipment (other than a television receiver) necessary to receive Basic Service to the additional service outlets once installed. For underground installations, the Franchisee shall charge the recipient the 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.

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

#### **4. SYSTEM FACILITIES**

4.1 *Quality of Materials and Work:* Franchisee shall construct and maintain its System using materials of good and durable quality, and all work involved in the construction,

installation, maintenance and repair of the Cable System shall be performed in a safe, thorough and reliable manner.

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

4.2.1 On the Effective Date, the System shall be an active two-way plant designed to provide for a minimum channel capacity of not less than 77 channels including video-on-demand, pay-per-view, and other premium Cable Services.

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 and permissible under law and voluntarily agreed upon by Franchisee or directed by a lawful order of the PSC after all time to appeal such order has run.

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 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 digital Subscriber, and where technologically feasible, the Franchisee shall provide such requesting digital 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:* Franchisee shall provide capacity for one (1) dedicated Public Access Channel, one (1) dedicated Educational Access Channel, and 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. 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 the event that the LFA determines to use PEG capacity, the LFA shall provide Franchisee with prior written notice of such request in accordance with NY PSC rules and regulations.

5.1.1 Subject to Article 3 hereof, Subscribers within the Freeport School District located within the jurisdictional boundaries of the LFA shall receive the PEG Channels set aside by Franchisee pursuant to this Franchise.

5.1.2 To the extent the Franchisee is providing an Educational Access Channel to Subscribers in the unincorporated areas of the Town of Hempstead residing in the Baldwin Union Free School District pursuant to the Franchisee's cable franchise agreement with the Town of Hempstead, the Franchisee shall also provide such Educational Access Channel to Subscribers residing in those areas within the jurisdictional boundaries of the LFA that are within the Baldwin Union Free School District. Franchisee shall provide the technical ability to play back pre-recorded 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 *PEG Grant:* Franchisee shall provide a grant to the LFA to be used in support of the production of local PEG programming (the "PEG Grant"). The PEG Grant shall be used solely by the LFA for PEG access equipment, including, but not limited to, studio and portable production equipment, editing equipment and program playback equipment, for renovation or construction of PEG access facilities, or for other PEG capital purposes.

5.2.1 The PEG Grant provided by Franchisee hereunder shall be paid as follows:

i. The first installment of the PEG Grant in the amount of Twenty Five Thousand Dollars (\$25,000) shall be paid within forty five (45) days of the Effective Date.

ii. If, on or before the Fifth (5<sup>th</sup>) anniversary of the Effective Date, Verizon NY, Inc. has executed a franchise renewal agreement with the LFA for a term of at least five (5) years, which contains at least the same PEG grant obligations to the one contained in this Agreement (as determined on an annually prorated basis of at least Five Thousand Dollars (\$5,000) per year), then Franchisee shall pay to the LFA a second installment of the PEG Grant in the amount of Twenty Five Thousand Dollars (\$25,000) within thirty (30) days of the fifth (5<sup>th</sup>) anniversary of the Effective Date.

iii. If, on the seventh (7<sup>th</sup>) anniversary of the Effective Date, Franchisee: (A) is the only franchised provider of Cable Service in the Franchise Area; and (B) has not made the installment payment pursuant to Subsection 5.2.1(ii) of this Agreement; then Franchisee shall pay to the LFA a second installment of the PEG Grant in the amount of Fifty Thousand Dollars (\$50,000) within thirty (30) days of the seventh (7<sup>th</sup>) anniversary of the Effective Date.

5.2.2 Upon request, the LFA shall provide Franchisee with a complete accounting of the distribution of funds granted pursuant to this Section 5.2.

5.2.3 The LFA shall impose an obligation of at least the same aggregate annual value as the PEG Grant obligation contained in this Section 5.2 on each new and renewed providers of Cable Service in the Service Area. In any event, if any new or renewed franchise agreement between the LFA and any other provider of Cable Service in the Service Area contains obligations that are lesser in annual amount or aggregate value than the PEG Grant obligation imposed in this Section 5.2, Franchisee's PEG Grant obligations under Section 5.2 shall thereafter be reduced to an equivalent annual 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.

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 Grant or any other costs arising from the provision of PEG services from Subscribers and to include such costs as a separately billed line item on each Subscriber's bill. Without limiting the forgoing, if allowed under state and federal laws, Franchisee may externalize, line-item, or otherwise pass-through interconnection and any franchise-related costs to Subscribers.

## **6. FRANCHISE FEES**

6.1 *Payment to LFA:* Beginning sixty (60) days after the Effective Date, Franchisee shall pay to the LFA a Franchise Fee of five percent (5%) of annual Gross Revenue (the "Franchise Fee"); provided however that until such time as Franchisee shall pay a Franchise Fee in accordance with this Franchise, it shall continue to pay a franchise fee in accordance with its previous franchise renewal agreement with the LFA. 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 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 *Delivery of Payments:* Franchisee may use electronic funds transfer to make any payments to the LFA required under this Agreement.

6.3 *Supporting Information:* A brief report prepared by a representative of the Franchisee showing the basis for the Franchise Fee computation shall be provided to the LFA.

6.4 *Audit of Franchise Fee Payments:* The LFA, or its designee, may conduct an audit or other inquiry in relation to payments made by Franchisee no more than once every two (2) years during the Term. As a part of the audit process, LFA or LFA's designee may inspect Franchisee's books of accounts relative to LFA at any time during regular business hours and after thirty (30) calendar days prior written notice.

6.4.1 All records deemed by LFA or LFA's designee to be reasonably necessary for such audit shall be made available by Franchisee in a mutually agreeable format and location, including, at the LFA's request, Franchisee's offices in Nassau County. Franchisee agrees to give its full cooperation in any audit and shall provide responses to inquiries within thirty (30) calendar days of a written request. Franchisee may provide such responses within a reasonable time after the expiration of the response period above so long as Franchisee has made a good faith effort to procure any such tardy response.

6.4.2 If the results of any audit indicate that Franchisee (i) paid the correct franchise fee, (ii) overpaid the franchise fee and is entitled to a refund or credit, or (iii) underpaid the franchise fee by five percent (5%) or less, then LFA shall pay the LFA's costs of the audit. If the results of the audit indicate Franchisee underpaid the franchise fee by more than five percent (5%), then Franchisee shall pay the reasonable, documented, third-party costs of the audit, which costs shall be limited to Fifteen Thousand Dollars (\$15,000).

6.4.3 Any auditor employed by LFA shall not be compensated on a success based formula, e.g., payment based on a percentage on underpayment, if any. Franchisee shall be provided a reasonable opportunity to review the results of any audit and to dispute any audit results which indicate an underpayment to Village.

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

6.5 *Bundled Services:* If 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. Notwithstanding the foregoing, if the Franchisee bundles Cable Service with Non-Cable Service, the Franchisee agrees that it will not intentionally or unlawfully allocate such revenue for the purpose of evading Franchise Fee payments under this Franchise. The parties agree that tariffed telecommunications services that cannot be discounted by state or federal law or regulation are to be excluded from the bundled discount allocation basis.

6.6 *Section 626 Set-Of:* Franchisee agrees that it will not apply the Franchise Fee as an offset against the special franchise tax provided for in N.Y. Real Property Tax Law Section 626 for each tax period that the Franchisee receives from the LFA a written, signed

confirmation that each other provider of Cable Service or cable service (as such term may be defined by other providers) in the Service Area did not use its special franchise tax offset right for such tax period. Further, provided the LFA obtains and enforces a full and complete waiver of the special franchise tax offset in writing in the amended or renewal agreement of each existing provider, the Franchisee agrees that it will not apply the Franchise Fee as an offset against the special franchise tax. In addition, the LFA agrees that it shall impose the same special franchise tax offset restriction upon all new providers of Cable Service or cable service (as such term may be defined by other providers) in the Service Area to be expressed in writing in the franchise agreement of each new cable provider. Notwithstanding the above, if an existing or new cable provider begins at some future date to use its offset right against the special franchise tax, then Franchisee may also use its offset right and the above waiver is no longer in effect. The operation of this Section 6.5 shall be strictly limited to Franchise Fees lawfully imposed upon Cable Service, and shall not be construed to affect the Franchisee's rights under any provision of State or Federal law regarding the provision of services other than Cable Service.

## **7. REPORTS AND RECORDS**

7.1 *Open Books and Records:* Upon reasonable written notice to the Franchisee and with no less than thirty (30) business days written notice to the Franchisee, the LFA shall have the right to inspect Franchisee's books and records pertaining to Franchisee's provision of Cable Service in the Franchise Area at any time during Normal Business Hours and on a nondisruptive basis, as are reasonably necessary to ensure compliance with the terms of this Franchise. Such notice shall specifically reference the section or subsection of the Franchise which is under review, so that Franchisee may organize the necessary books and records for appropriate access by the LFA. Any such inspection by the LFA shall be completed in an expeditious and timely manner. Franchisee shall not be required to maintain any books and records for Franchise compliance purposes longer than five (5) years. Notwithstanding anything to the contrary set forth herein, Franchisee shall not be required to disclose information that it reasonably deems to be proprietary or confidential in nature, nor disclose any of its or an Affiliate's books and records not relating to the provision of Cable Service in the Service Area. The LFA shall treat any information disclosed by Franchisee as proprietary and confidential under Section 87(2)(d) of the New York Public Officers Law, and shall only disclose it to employees, representatives, and agents thereof who the LFA deems to have a need to know, or in order to enforce the provisions hereof. For purposes 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; 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. If the LFA determines in good faith that public disclosure of the requested information is required under FOIL, the LFA shall so notify Franchisee and, before making the disclosure, shall give Franchisee a reasonable period of time to seek to obtain judicial redress to preclude disclosure. 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 three (3) 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 three (3) 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 three (3) 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 three (3) years after the request was fulfilled by Franchisee, indicating the date of request, date of acknowledgment, and the date and time service was extended; and

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

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

## **8. INSURANCE AND INDEMNIFICATION**

### **8.1 *Insurance:***

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

8.1.1.1 Commercial General Liability Insurance in the amount of five hundred thousand dollars (\$500,000) combined single limit for property damage and bodily injury. Such insurance shall cover the construction, operation and maintenance of the Cable System, and the conduct of Franchisee’s Cable Service business in the LFA applicable to a standard form general liability policy.

8.1.1.2 Workers’ Compensation Insurance in conformity with all legal requirements of the State of New York.

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

8.1.2 The LFA shall be designated as an additional insured under each of the insurance policies required in this Article 8 except Worker’s Compensation Insurance, and excess liability or umbrella coverage.

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

8.1.5 Within thirty days after the confirmation of this agreement by the PSC, Franchisee shall deliver to the LFA copies of Certificates of Insurance showing evidence of the required coverage.

8.2 *Indemnification:* Franchisee agrees to indemnify the LFA, its officers, agents, boards, elected officials, and employees, for, and hold it harmless from, all liability, damage, cost or expense arising from claims of injury to persons or damage to property occasioned by reason of any conduct undertaken pursuant to the Franchise, provided that the LFA shall give Franchisee written notice of the LFA's request for indemnification within ten (10) days of receipt of a claim or action pursuant to this Subsection. 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.

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

8.2.2 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.

8.2.3 The LFA shall be responsible for its own acts of willful misconduct, negligence, or breach, subject to any and all defenses and limitations of liability provided by law. The Franchisee shall not be required to indemnify the LFA for acts of the LFA which constitute

willful misconduct or negligence on the part of the LFA, its officers, employees, agents, attorneys, consultants, independent contractors or third parties.

## **9. TRANSFER OF FRANCHISE**

9.1 *Transfer:* Subject to Section 617 of the Communications Act, 47 U.S.C. § 537, as amended, no Transfer of the Franchise shall occur without the prior consent of the LFA, provided that such consent shall not be unreasonably withheld, delayed or conditioned. In considering an application for the Transfer of the Franchise, the LFA may consider the applicant's: (i) technical ability; (ii) financial ability; (iii) good character; and (iv) other qualifications necessary to continue to operate the Cable System consistent with the terms of the Franchise. No such consent shall be required, however, for a transfer in trust, by mortgage, by other hypothecation, by assignment of any rights, title, or interest of the Franchisee in the Franchise or Cable System in order to secure indebtedness, for any transaction in which Franchisee retains the right, title or interest in the Franchise granted to it herein, for any transaction that is subject to approval by the NY PSC, 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, 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 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:* Consistent with Section 11.6 below, (i) if Franchisee fails to respond to the Noncompliance Notice pursuant to the procedures required by this Article, or (ii) if Franchisee has not remedied the alleged noncompliance within sixty (60) days or the date projected pursuant to Section 11.2(iii) above, the LFA shall provide Franchisee at least thirty (30) business days prior written notice of a public hearing, which will specify the time, place and purpose of such public hearing, including, whether revocation of this Franchise is a possible consequence at such hearing, and provide Franchisee the opportunity to be heard and to present evidence.

11.4 *Enforcement:* Subject to Section 12.11 below and applicable federal and state law, in the event the LFA, after the public hearing set forth in Section 11.3, determines that Franchisee is in default of any provision of this Franchise, the LFA may:

11.4.1 Seek specific performance, or other equitable relief with respect to any provision, which reasonably lends itself to such remedy, as an alternative to or in addition 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 Hearing:* At any designated public hearing at which the LFA has informed the Franchisee that revocation is a possible consequence, in accordance with the written notice requirements set forth in Section 11.4 hereof, Franchisee shall be provided a fair opportunity for full participation, including the rights to be represented by legal counsel, to introduce relevant evidence, and to require the production of evidence. A complete verbatim record and transcript shall be made of such hearing.

11.5.1 Following any public hearing at which revocation is a possible consequence, Franchisee shall be provided up to thirty (30) days to submit its proposed findings and conclusions to the LFA in writing and promptly thereafter the LFA shall provide a written determination to the Franchisee setting forth: (i) whether an event of default has occurred under this Franchise; (ii) whether such event of default is excusable; and (iii) whether such event of default has been cured or will be cured by the Franchisee. The LFA shall also determine whether it will revoke the Franchise based on the information presented, or, where applicable, grant additional time to the Franchisee to effect any cure. If the LFA determines that it will revoke the Franchise,

the LFA shall promptly provide Franchisee with a written determination setting forth the LFA's reasoning for such revocation. Franchisee may appeal such written determination of the LFA to an appropriate court, which shall, to the extent permitted under applicable law, have the power to review the decision of the LFA *de novo*. Franchisee shall be entitled to such relief as the court finds appropriate. Such appeal must be taken within sixty (60) days of Franchisee's receipt, of the written determination of the LFA.

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

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

## **12. MISCELLANEOUS PROVISIONS**

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

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

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

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

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

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

12.5.1 Notices to Franchisee shall be mailed to:

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

12.5.2 With a copy to:

Cablevision Systems Long Island Corporation  
c/o Altice USA, Inc.  
1 Court Square West  
City, NY 11101  
Attention: Legal Department

12.5.3 Notices to the LFA shall be mailed to:

Village Clerk  
Incorporated Village of Freeport  
46 North Ocean Avenue  
Freeport, New York 11520

12.5.4 with a copy to:

Office of the Mayor  
Incorporated Village of Freeport  
46 North Ocean Avenue  
Freeport, New York 11520

Notwithstanding anything herein to the contrary, regulatory notices from Franchisee to the LFA which are required pursuant to state and/or federal rules and regulations may be served electronically upon the LFA, instead of by first class mail as described above, to an email address provided by the LFA.

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.

12.7 *Amendments:* Amendments to this Franchise shall be mutually agreed to in writing by the parties.

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:* With the exception of the “material provisions” of this Agreement, if any section, subsection, sub-subsection, sentence, paragraph, term, or provision hereof is determined to be illegal, invalid, or unconstitutional by any court of competent jurisdiction or by any state or federal regulatory authority having jurisdiction thereof, such determination shall have no effect on the validity of any other section, subsection, sentence, paragraph, term or provision hereof, all of which will remain in full force and effect for the term of the Franchise. For purposes of this Agreement, the term “material provision” or “material provisions” shall mean the following: Section 2.3 (Term), Section 2.5 (Franchise Subject to State and Federal Law), Article 3 (Provision of Cable Service) in its entirety, Section 4.1 (System Facilities), Section 6.1 (Payment of Franchise Fees), Article 9 (Transfer of Franchise) and Section 11.6 (Abandonment of Service).

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 *Modification:* This Franchise shall not be modified except by written instrument executed by both parties.

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

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

12.14 *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.

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

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

12.17 *Identification of Franchisee's Employees, Vehicles & Contractors:* The Franchisee shall require all the Franchisee personnel, contractors and subcontractors contacting Subscribers or potential Subscribers outside the office of the Franchisee to wear a clearly visible identification card bearing their name and photograph.

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

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

12.17.4 Except if prohibited by law written and approved after the effective date of the Agreement regulating door-to-door solicitation or other sales activities undertaken on public or private property within the LFA, including any licensing or permit obligations required for such activities, the obligations set forth in Section 12.17 of this Agreement 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 offered by Franchisee to residents of the LFA. Notwithstanding anything herein to the contrary, Franchisee agrees that it employees, agents, contractors and subcontractors shall not enter upon any private property for purposes of solicitation where the property is posted "no soliciting", or is similarly posted, or where the property is included on a non-solicitation list maintained by the LFA and provided to Franchisee

12.18 *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

12.19 *LFA Official:* The Mayor of the LFA, or a person designated by the Mayor in writing to exercise such authority, is the LFA official that is responsible for the continuing administration of this Agreement.

12.20 *Level Playing Field:*

12.20.1 Franchisee and the LFA agree that, as of the Effective Date, the terms and conditions of this Agreement are in compliance with the level playing field requirements of the NY PSC.

12.20.2 In the event that the LFA 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 LFA 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 LFA in writing in advance of any vote to adopt the franchise, franchise renewal or similar authorization; and, if the LFA approves such franchise, franchise renewal or similar authorization for the other provider with the identified terms, or any subsequent modification thereof, then those terms identified in writing by the Franchisee 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, subject to written acknowledgment of such modification of the Agreement by the LFA issued prior to the effective date of the other franchise, franchise renewal or similar authorization. Such acknowledgement by the LFA shall not be unreasonably withheld or delayed by the LFA, and the Parties agree to negotiate in good faith a resolution of any disputes over the modification of the Agreement, consistent with applicable law and the Franchise, within thirty (30) days after the LFA's approval of such other franchise, franchise renewal or similar authorization.

12.20.3 In the event that a non-franchised multi-channel video service provides service to residents of the LFA, the Franchisee shall have a right to petition for amendments to the Franchise 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 this 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 LFA shall not unreasonably deny Franchisee's petition.

12.20.4 Nothing in this Section 12.20 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.

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

AGREED TO THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2022.

**The Incorporated Village of Freeport**

By: \_\_\_\_\_  
Mayor Robert T. Kennedy

**Cablevision Systems Long Island Corporation**

By: \_\_\_\_\_  
Chrissey Buteas, Vice President, Government Affairs

**EXHIBITS**

Exhibit A: Municipal Buildings to be Provided Free Cable Service

Exhibit B: Service Area

Exhibit C: PEG Channels

## **EXHIBIT A**

### **MUNICIPAL BUILDINGS TO BE PROVIDED FREE CABLE SERVICE**

Subject to the provisions of Article 3 hereof, Franchisee shall provide, without charge within the Service Area, one service outlet for Basic Service to each public school, private school accredited by the New York State Board of Regents, public library, and such other buildings as designated in writing by the LFA.

## **EXHIBIT B**

### **FRANCHISE AREA/SERVICE AREA**

The Service Area shall be the Franchise Area. A map of the Service Area is attached hereto.

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.

In the event any additional territory is annexed to the Village subsequent to the commencement of this Agreement, such additional territory shall be deemed a part of the Service Area and Franchise Area upon the effective date of such annexation, and service shall be offered and made available in such territory pursuant to Section 3.1.1 hereof within twelve (12) months after the effective date of annexation.

**EXHIBIT C**  
**PEG CHANNELS**

PEG Channels to be provided in accordance with the Cable Law.