

Cable Franchise Agreement
by and between
the Village of Hastings-on-Hudson
and
Verizon New York Inc.

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THIS CABLE FRANCHISE AGREEMENT (the “Franchise” or “Agreement”) is entered into by and between the Village of Hastings-on-Hudson, a validly organized and existing political subdivision of the State of New York (the “Local Franchising Authority” or “LFA”) and Verizon New York Inc., a corporation duly organized under the applicable laws of the State of New York (the “Franchisee”).

WHEREAS, Franchisee wishes to obtain and the LFA wishes to grant Franchisee a 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 is in the process of completing the upgrading of its existing telecommunications and information services network through the installation of a Fiber to the Premise Telecommunications Network (“FTTP Network”) in the Franchise Area which transmits the Non-Cable Services pursuant to authority granted by Section 27 of the New York Transportation Corporations Law, as amended, and Title II of the Communications Act, which Non-Cable Services are not subject to the Cable Law or Title VI of the Communications Act;

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

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

WHEREAS, the LFA has identified the future cable-related needs and interests of the LFA and its community, has considered and approved the character and the financial, technical and legal qualifications of Franchisee, and has determined that Franchisee’s plans for its Cable System are adequate and feasible in a full public proceeding affording due process to all parties;

WHEREAS, the LFA has determined that the Franchise complies with the provisions of the Cable Law and with NY PSC’s franchise standards, and that 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 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. *Agreement*: Shall be defined herein as it is set forth in the first paragraph hereof.

1.4. *Annual PEG Grant*: Shall be defined herein as it is set forth in Subsection 5.4.1.

1.5. *Basic Service*: The tier of Cable Service which includes, at a minimum, the retransmission of all local television broadcast signals provided to any Subscriber and any PEG Channels required by this Franchise or NY PSC rules, and which may also include any additional video programming signals as determined by Franchisee.

1.6. *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.

1.7. *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.

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

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

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

1.11. *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.

1.12. *EAS*: Shall be defined herein as it is set forth in Section 4.4.

1.13. *Educational Access Channel*: An Access Channel required by this Agreement to be designated by the Franchisee for noncommercial use 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.

1.14. *Effective Date*: Shall be defined herein as it is set forth in Section 2.3.

1.15. *EG*: Educational and Governmental.

1.16. *EG Access Channel Aggregation Site*: Shall be defined herein as it is set forth in Section 5.2.1.

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

1.18. *FOIL*: Shall be defined herein as it is set forth in Section 7.1.

1.19. *Force Majeure*: An event or events reasonably beyond the ability of Franchisee to anticipate and control that directly or indirectly results in Franchisee's non-compliance with, or delay in the performance of, any obligation hereunder. This may include, 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 utility providers' failure to service, monitor or maintain utility poles to which Franchisee's FTTP Network is attached, and unavailability of materials and/or qualified labor to perform the work necessary.

1.20. *Franchise*: Shall be defined herein as it is set forth in the first paragraph hereof.

1.21. *Franchise Area*: The incorporated area (entire territorial limits) of the LFA.

1.22. *Franchisee*: Verizon New York Inc. and its lawful and permitted successors, assigns and transferees.

1.23. *Franchise Fee*: Shall be defined herein as it is set forth in Section 6.1.

1.24. *FTTP Network*: Shall be defined herein as it is set forth in the third recital.

1.25. *Government Access Channel:* An Access Channel required by this Agreement to be designated by the Franchisee for noncommercial use of the LFA.

1.26. *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, including revenues from services provided to Subscribers in the Service Area that are Cable Services or are classified or will be classified by federal law, the FCC or a court of competent jurisdiction as Cable Services subject to Franchise Fees.

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

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 NY PSC rules, regulations, standards or orders, as may be amended from time to time; any revenue of Franchisee or any other Person which is received directly from the sale of merchandise through any Cable Service distributed over the Cable System, however, that portion of such revenue which represents or can be attributed to a Subscriber fee or a

payment for the use of the Cable System for the sale of such merchandise shall be included in Gross Revenue; the sale of Cable Services on the Cable System for resale in which the purchaser is required to collect cable Franchise Fees from purchaser's customer; the sale of Cable Services to customers, which are exempt, as required or allowed by the LFA including, without limitation, the provision of Cable Services to public institutions as required or permitted herein; any tax of general applicability imposed upon Franchisee or upon Subscribers by a city, state, federal or any other governmental entity and required to be collected by Franchisee and remitted to the taxing entity (including, but not limited to, sales/use tax, gross receipts tax, excise tax, utility users tax, public service tax, communication taxes and non-cable franchise fees); any foregone revenue which Franchisee chooses not to receive in exchange for its provision of free or reduced cost cable or other communications services to any Person, including without limitation, employees of Franchisee and public institutions or other institutions designated in the Franchise (provided, however, that such foregone revenue which Franchisee chooses not to receive in exchange for trades, barter, services or other items of value shall be included in Gross Revenue); sales of capital assets or sales of surplus equipment; program launch fees, i.e., reimbursement by programmers to Franchisee of marketing costs incurred by Franchisee for the introduction of new programming; directory or Internet advertising revenue including, but not limited to, yellow page, white page, banner advertisement and electronic publishing; or any fees or charges collected from Subscribers or other third parties for any PEG Grant payments.

1.27. *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.

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

1.29. *Local Franchise Authority (LFA)*: The Village of Hastings-on-Hudson, New York, or the lawful successor, transferee, or assignee thereof.

1.30. *Material Provision or Material Provisions*: Shall be defined herein as it is set forth in Section 12.9.

1.31. *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.

1.32. *Noncompliance Notice*: Shall be defined herein as it is set forth in Section 11.1.

1.33. *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.

1.34. *NYPSC*: The New York Public Service Commission.

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

1.36. *PEG Channel* or *PEG Channels*: Shall be defined herein as it is set forth in Subsection 5.1.1.

1.37. *PEG Channel Assignment Grant*: Shall be defined herein as it is set forth in Subsection 5.4.4.

1.38. *PEG Grants*: Shall be defined herein as it is set forth in Subsection 5.4.6.

1.39. *Performance Review*: Shall be defined herein as it is set forth in Section 12.17.

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

1.41. *Public Access Channel*: An Access Channel required by this Agreement to be designated by the Franchisee for noncommercial use by the residents in the Franchise Area on a first-come, first-served, nondiscriminatory basis.

1.42. *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.

1.43. *Service Area*: All portions of the Franchise Area where Cable Service is being offered, as described in Exhibit B to this Agreement.

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

1.45. *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.

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

1.47. *Transfer of the Franchise*:

1.47.1. Any transaction in which:

1.47.1.1. 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

1.47.1.2. 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.

1.47.2. However, notwithstanding Sub-subsections 1.47.1.1 and 1.47.1.2 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.

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

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

2.1. *Grant of Authority*: Subject to the terms and conditions of this Agreement and the Cable Law, the LFA hereby grants the Franchisee the right to own, construct, operate and maintain a Cable System along the Public Rights-of-Way within the Franchise Area, in order to provide Cable Service. 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 FTTP Network*: Notwithstanding that, upon delivery of Cable Service, Franchisee's mixed-use facilities become subject to the NY PSC's minimum franchise standards and the LFA's police power, the parties acknowledge that the LFA is not granted, as a consequence thereof, any broad new authority over the construction, placement and operation of Franchisee's mixed-use facilities.

2.3. *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 fifteen (15) 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, which notification shall become a part of this Franchise. If subsequent to the Effective Date, there is a change in federal or state law that eliminates the authority of the LFA to require, grant or maintain this Franchise, then to the extent permitted under law this Franchise shall survive such legislation and remain in effect for the term 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 has granted and 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 FTTP 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 lawful provisions of federal law and state law and FCC and NY PSC rules, regulations, standards and orders, as amended from time to time, 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 by the LFA.

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 by the Franchisee.

2.7. *Construction of Agreement:* 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:* Nothing in this Agreement shall be construed to prohibit the LFA's reasonable, necessary and lawful exercise of its police power 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 applicable federal and state laws, rules, 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 pre-existing condition at Franchisee's expense.

2.10. *Restoration of Subscriber Premises:* The Franchisee shall ensure, at Franchisee's expense, that Subscriber premises are restored to 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 Commitment:* Subject to the issuance of all necessary permits by the LFA, Franchisee shall offer Cable Service to significant numbers of Subscribers within residential areas of the Service Area and may make Cable Service available to businesses in the Service Area, within twelve (12) months and shall offer Cable Service to all residential areas of the Service Area within five (5) years, of the Effective Date of this Franchise, or, in both instances, such longer period as may be permitted by the Cable Law, except, in accordance with NY PSC rules and regulations: (A) for periods of Force Majeure; (B) for periods of delay caused solely 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; and (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.

3.1.1.1. *Density Requirement:* Franchisee shall make Cable Services available to residential dwelling units in all areas of the Service Area where the average density is equal to or greater than twenty-five (25) occupied residential dwelling units per mile as measured in strand footage from the nearest technically feasible point on the active FTTP Network trunk or feeder line. If, as a result of new construction, an area within the Service Area meets the density requirements after the time stated for providing Cable Service as set forth in Subsection 3.1.1, then 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:*

3.2.1. *Availability of Cable Service Generally:* 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 FTTP 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 twenty-five (25) occupied residential dwelling units per mile and the actual costs incurred to connect any non-residential dwelling unit Subscriber, provided, however, that Franchisee may seek a waiver of any requirement that it extend service to any party requesting the same in an area with a density of less than twenty-five

(25) occupied residential dwelling units per mile if such would not be possible within the limitations of economic feasibility. For underground installations, Franchisee shall charge the Subscriber Franchisee's actual cost. Such costs shall be submitted to said Subscriber in writing, before installation is begun.

3.2.2. *No Discrimination in the Availability of Cable Service:* Franchisee shall not deny access to Cable Service to any group of potential residential Subscribers because of the income of the residents of the local area in which such group resides.

3.3. *Contribution in Aid:* Notwithstanding the foregoing Sections 3.1 and 3.2, Franchisee shall comply at a minimum with the requirements of Section 895.5 of the NY PSC rules and regulations; provided, however, that the density requirement shall be as set forth in Sub-subsection 3.1.1.1.

3.4. *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 library and educational institution chartered or licensed by the New York State Department of Education or Board of Regents, and such other buildings used for municipal purposes, as designated initially by the LFA in Exhibit A to this Agreement, and, thereafter, during the Franchise term, as designated in writing upon the earlier to occur of (a) thirty (30) business days prior written notice to Franchisee or (b) approval of any amendment to Exhibit A to this Agreement in accordance with NY PSC rules; provided, however, that if it is necessary to extend Franchisee's trunk or feeder lines more than five hundred (500) feet solely to provide service to any such school or public building, the LFA shall have the option either of paying Franchisee's direct costs for such extension in excess of five hundred (500) feet, or of releasing Franchisee from the obligation to provide service to such school or public building. Furthermore, Franchisee shall be permitted to recover, from any school or public building owner entitled to free service, the direct cost of installing, when requested to do so, more than one outlet, or concealed inside wiring, or a service outlet requiring more than five hundred (500) feet of drop cable; provided, however, that Franchisee shall not charge for the provision of Basic Service to the additional service outlets once installed. For underground installations, Franchisee shall charge the recipient Franchisee's actual cost. Such costs shall be submitted to said recipient in writing, before installation is begun. Cable Service may not be resold or otherwise used in contravention of Franchisee's rights with third parties respecting programming. Equipment provided by Franchisee, if any, shall be replaced at retail rates if lost, stolen or damaged; provided, however, that if such equipment becomes defective, Franchisee shall replace it at no charge.

4. **SYSTEM FACILITIES**

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

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

4.2.1. The Cable System shall be designed and operated with an initial analog and digital carrier passband between 50 and 860 MHz and shall provide for a minimum channel capacity of not less than 77 channels on the Effective Date.

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

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

4.4. *Emergency Alert System:* Franchisee shall comply with the Emergency Alert System ("EAS") requirements of the FCC and the State of New York, including the NY PSC's rules and the New York EAS Plan, as amended from time to time, in order that emergency messages may be distributed over the System.

5. **PEG SERVICES**

5.1. *PEG Set Aside:*

5.1.1. In order to meet the ascertained cable-related needs established by the LFA and to ensure universal availability of Public, Educational and Government access programming, Franchisee shall provide capacity on its Basic Service tier for one (1) full time shared Public Access Channel, one (1) full-time, dedicated Educational Access Channel, and one (1) full-time, dedicated Government Access Channel (collectively, "PEG Channels"). The LFA has designated that the Public Access programming originating at the Public Access facility in the Town of Greenburgh shall be shown to Subscribers on the LFA's Public Access Channel. Therefore, the LFA's full time shared Public Access Channel will originate at Greenburgh Town Hall located at 177 Hillside Avenue in Greenburgh, NY 10607 (the "Public Access Channel Origination Site"), where Franchisee provides an upstream PEG Channel transmission connection to its video channel aggregation point which will permit such channel to be routed to the LFA for distribution to Subscribers. Franchisee shall provide such transmission to the LFA subject to (i) the LFA obtaining any necessary approval from the Town of Greenburgh for the use of such Public Access programming, and (ii) the continued availability of such programming originating within the Town of Greenburgh.

5.1.2. The PEG programming to be carried on each of the PEG Channels set aside by Franchisee is reflected in Exhibit C to this Agreement. 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.

5.1.3. 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 Access Interconnection:*

5.2.1. The LFA has designated the James Harmon Community Center located at 44 Main Street, Hastings-on-Hudson, New York 10706 as the sole interconnection site for PEG Access facilities with the Cable System (the “EG Access Channel Aggregation Site”), as identified in Exhibit D to this Agreement.

5.2.2. Subject to the successful completion of all required site preparation work by the LFA and provision of access to Franchisee for equipment installation and provisioning, Franchisee shall, without charge to the LFA, provide upstream EG Channel transmission connections between its video channel aggregation point and the EG Access Channel Aggregation Site in order to permit the EG signals originating at said EG Access Channel Aggregation Site to be correctly routed from the EG Access Channel Aggregation Site to the appropriate EG Access Channel for distribution to Subscribers. The EG Access Channel Aggregation Site shall be operable within six (6) months of the date on which Franchisee is provided access to the facility. Subject to the successful completion of all required site preparation work by the LFA and provision of access to Franchisee for equipment installation and provisioning, Franchisee shall, without charge to the LFA, provide Educational Access Channel auxiliary connections from the EG Access Channel Aggregation Site to two (2) locations: (1) Hastings High School/Farragut Middle School located at One Mount Hope Boulevard/27 Farragut Avenue, Hastings-on-Hudson, NY 10706; and (2) Hillside Elementary School located at 120 Lefurgy Avenue, Hastings-on-Hudson, NY 10706 (collectively, the “Educational Access Channel Auxiliary Connection Sites”), as identified in Exhibit D to this Agreement. Such auxiliary connections shall be operable within six (6) months of the date on which Franchisee is provided access to the Educational Access Channel Auxiliary Connection Sites, but not prior to the date on which the EG Access Channel Aggregation Site is operable for its intended purpose.

5.2.3. The LFA shall provide to Franchisee at the EG Access Channel Aggregation Site and each Educational Access Channel Auxiliary Connection Site a suitable video signal and a suitable audio signal for each EG Channel. Franchisee, upon receipt of the suitable video and audio signals, shall provide, install and maintain in good working order the equipment necessary for transmitting the EG signal to the Franchisee’s channel aggregation site for further processing for distribution to Subscribers. Franchisee’s obligations with respect to all PEG upstream transmission equipment and facilities in support of the PEG Channels defined in

Subsection 5.1.1 shall be subject to the availability, without charge to Franchisee, of suitable required space, environmental conditions, electrical power supply, access, pathway, and other facilities, any third-party consent that may be necessary to transmit PEG signals (including, without limitation, any consent that may be required with respect to third-party facilities), and such cooperation of the LFA as is reasonably necessary for Franchisee to fulfill such obligations. Should Franchisee determine that it cannot fulfill such obligations as a result of LFA's failure to cooperate or to provide suitable required space, environmental conditions, electrical power supply, access, pathway, or other facilities, it shall so notify LFA in a writing detailing the requirements of Franchisee that will enable it to fulfill its obligations hereunder. Notwithstanding the foregoing, the Franchisee shall not be obligated to provide the LFA with any other cablecast equipment or facilities or personnel responsible for maintaining and operating such equipment and facilities or generating any such PEG programming, except as necessary to implement the foregoing to the extent of Franchisee's responsibilities indicated above.

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

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

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

5.4. *PEG Grants:*

5.4.1. Franchisee shall provide to the LFA financial contributions for use in support of the production of local PEG programming. The financial contributions shall consist of the following:

(i) subject to Subsection 5.4.1(ii) below, an annual grant in the amount of FIFTY-FIVE CENTS (\$.55) per month, per Subscriber in the Service Area (the "Annual PEG Grant"); and

(ii) an advance payment in the amount of TWENTY-FIVE THOUSAND DOLLARS (\$25,000) credited against the Annual PEG Grant (\$.55 per month, per Subscriber in the Service Area as defined above).

The advance payment shall be payable within sixty (60) days of the Effective Date. The Franchisee shall be entitled to recoup the full amount of the advance payment of TWENTY-FIVE THOUSAND DOLLARS (\$25,000) from the Annual PEG Grant amounts. No further payments are due and payable to the LFA until the Franchisee has recouped the full advance payment amount. Once the Franchisee has recouped the TWENTY-FIVE THOUSAND DOLLAR (\$25,000) advance payment, the Annual PEG Grant shall be due and payable to the LFA on each subsequent anniversary of the Effective Date until the Franchise expires.

5.4.2. Each Annual PEG Grant payment shall be accompanied by a report prepared by a representative of Franchisee showing in detail the Subscriber information upon which it is based, including, but not limited to, the number of Subscribers in the Service Area for each period for which an Annual PEG Grant Payment was calculated and the amount of such payment attributable to each such period.

5.4.3. The Annual PEG Grant shall be used solely by the LFA for PEG access equipment, including, but not limited to, studio and portable production equipment, editing equipment and program playback equipment, or for renovation or construction of PEG access facilities.

5.4.4. Franchisee shall provide to the LFA an additional one-time grant in the amount of TWO THOUSAND FIVE HUNDRED DOLLARS (\$2,500.00) (the "PEG Channel Assignment Grant"). The PEG Channel Assignment Grant shall be payable to the LFA solely in the event that Franchisee makes a PEG Channel assignment change pursuant to Subsection 5.1.2.

5.4.5. Consistent with Section 895.3 of the NY PSC rules, notwithstanding the foregoing Subsections 5.4.1 and 5.4.4, the PEG Channel Assignment Grant and Annual PEG Grant shall be payable by Franchisee so long as all cable service providers in the Service Area provide at least substantially equivalent PEG financial contributions.

5.4.6. The grants identified above in this Section 5.4, specifically, the Annual PEG Grant and the PEG Channel Assignment Grant shall be collectively referred to as the "PEG Grants."

5.4.7. The LFA shall provide Franchisee with an annual report setting forth a summary of all expenditures for PEG access equipment and facilities from the PEG Grants paid to the LFA and the amounts, if any, reserved for future capital expenditures for such purposes.

5.5. *Indemnity for PEG:* The LFA shall require all local producers and users of any of the PEG facilities or Channels to agree in writing to authorize Franchisee to transmit programming consistent with this Agreement and to defend and hold harmless Franchisee and the LFA from and against any and all liability or other injury, including the reasonable cost of defending claims or litigation, arising from or in connection with claims for failure to comply with applicable federal laws, rules, regulations or other requirements of local, state or federal authorities; for claims of libel, slander, invasion of privacy, or the infringement of common law

or statutory copyright; for unauthorized use of any trademark, trade name or service mark; for breach of contractual or other obligations owing to third parties by the producer or user; and for any other injury or damage in law or equity, which result from the use of a PEG facility or Channel. The LFA shall establish rules and regulations for use of PEG facilities, consistent with, and as required by, 47 U.S.C. § 531.

5.6. *Recovery of Costs:* To the extent permitted by federal law, the Franchisee shall be allowed to recover from Subscribers the costs of PEG Grants or any other costs arising from the provision of PEG services and to include such costs as a separately billed line item on each Subscriber's bill. Without limiting the foregoing, if and to the extent permitted under federal and state law, 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:* Franchisee shall pay to the LFA a Franchise Fee of five percent (5%) of annual Gross Revenue (the "Franchise Fee"). 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 made. Late payments shall be subject to interest at a rate of nine percent (9%) per annum from the due date to the date the payment is made.

6.2. *Supporting Information:* Each Franchise Fee payment shall be accompanied by a 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 recovery of any Franchise Fee payable hereunder shall be six (6) years from the date on which payment by Franchisee is due.

6.4. *Section 626 Treatment:* Franchisee agrees that it will not apply the Franchise Fee as an offset against the special franchise tax payable to the LFA pursuant to N.Y. Real Property Tax Law Section 626 beginning in the next full calendar month following the issuance by the NY PSC of an order confirming this Agreement. The LFA agrees that it shall impose the same full and complete waiver of the special franchise tax offset upon all existing and 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 or the renewal of any existing franchise agreement of each respective 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 6.4 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 the operation of the Cable System or Franchisee's provision of Cable Service in the Franchise Area at any time during Normal Business Hours and in a manner so as not to unreasonably interfere with Franchisee's normal business operations, 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. Franchisee shall make the necessary books and records available for such inspection at a location within the state or at another mutually agreed upon site. 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 is 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 disclose it only to employees, representatives, and agents thereof who 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 Franchisee has designated as confidential, competitively sensitive, a trade secret or proprietary, the LFA shall notify 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 as soon as practicable before making the disclosure, to allow Franchisee 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 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 and estimated timetable to commence providing Cable Service.

7.3. *System-Wide Statistics:* Subject to the requirements of Section 895.1(t) of the NY PSC rule 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**

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 million dollars (\$5,000,000) combined single limit for property damage and bodily injury per occurrence and five million dollars (\$5,000,000) in the aggregate. 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.

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

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

8.1.1.4. Employers' Liability Insurance in the following amounts: (A) Bodily Injury by Accident: one hundred thousand dollars (\$100,000); and (B) Bodily Injury by Disease: one hundred thousand dollars (\$100,000) per employee limit; five hundred thousand dollars (\$500,000) policy limit.

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

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, Employer's Liability Insurance and excess liability or umbrella coverage. Such additional insured requirement shall be indicated on the Certificates of 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. Franchisee shall deliver to LFA Certificates of Insurance showing evidence of all required coverages under this Agreement within thirty (30) days of the Effective Date and providing for at least thirty (30) days prior written notice to be given to LFA of cancellation, intent not to renew or any adverse material change.

8.2. *Indemnification:*

8.2.1. Franchisee agrees to indemnify the LFA for, and hold it harmless from, all liability, damage, cost or expense arising from claims of injury to persons or damage to property occasioned by reason of any conduct undertaken pursuant to the Franchise, or by reason of any suit or claim for royalties, programming license fees or infringement of patent rights arising out of Franchisee's provision of Cable Services over the Cable System other than PEG facilities and Channels as provided in Section 5.5, provided that the LFA shall give Franchisee timely written notice of its obligation to indemnify the LFA, but in any event, the LFA shall provide such notice to Franchisee within a sufficient period of time from receipt of a claim or action pursuant to this Subsection to enable Franchisee to timely answer complaints, raise defenses and defend all claims. 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 acting in their official capacity on behalf of the LFA or for any activity or function conducted by any Person other than Franchisee on behalf of the LFA 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, subject to federal and state law, to decide the appropriateness and the amount of any such settlement. In the event that the terms of any such proposed settlement includes the release of the LFA and the LFA does not consent to the terms of any such settlement or compromise, Franchisee shall not settle the claim or action but its obligation to indemnify the LFA shall in no event exceed the amount of such settlement.

8.2.3. The LFA shall 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 acting in their official capacity on behalf of the LFA.

9. **TRANSFER OF FRANCHISE**

9.1. *LFA Consent Required:* 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.

9.2. *LFA Consent Not Required for Certain Transactions:* No prior consent of the LFA shall be required for a transfer in trust, by mortgage, by other hypothecation, by assignment of any rights, title, or interest of the Franchisee in the Franchise or Cable System in order to secure indebtedness, or for transactions otherwise excluded under Section 1.47 above.

9.3. *Each Transfer of the Franchise Subject to this Article:* Each Transfer of the Franchise shall be governed by and comply with the provisions of this Article 9.

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 timely 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) calendar 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 that 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, without limitation of any other lawful rights or remedies it may have:

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:* If the LFA seeks to revoke this Franchise after following the procedures set forth above in this Article, including the public hearing described in Section 11.3, then the LFA shall give written notice to Franchisee of such intent. The notice shall set forth the specific nature of the noncompliance. The Franchisee shall have ninety (90) days from receipt of such notice to object in writing and to state its reasons for such objection. In the event the LFA has not received a satisfactory response from Franchisee, it may then seek termination of the Franchise at a second public hearing. The LFA shall cause to be served upon the Franchisee, at least thirty (30) business days prior to such public hearing, a written notice specifying the time and place of such hearing and stating its intent to revoke the Franchise.

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

11.5.2. Following the second public hearing, Franchisee shall be provided up to thirty (30) days to submit its proposed findings and conclusions to the LFA in writing and 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 timely 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. The parties shall be entitled to such relief as the court finds appropriate. Such appeal must be taken within sixty (60) days of Franchisee's receipt of the written determination of the LFA.

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

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

12. MISCELLANEOUS PROVISIONS

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

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

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

12.4. *Force Majeure:* Franchisee shall not be held in default under, or in noncompliance with, the provisions of the Franchise, nor suffer any enforcement or penalty relating to noncompliance or default, where such noncompliance or alleged defaults occurred or were caused by a Force Majeure; provided, however, that in the event of a Force Majeure, the time specified for performance of Franchisee's obligations hereunder shall extend for such reasonable time thereafter as may be agreed by the LFA and Franchisee.

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 and was timely cured by Franchisee, or where strict performance would result in practical difficulties and hardship being placed upon Franchisee that outweigh the benefit to be derived by the LFA and/or Subscribers.

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

12.5.1. Notices to Franchisee shall be mailed to:

John S. Cullina
Vice President & Deputy General Counsel – Area Operations
Verizon
1320 N. Court House Road, 9th Floor
Arlington, Virginia 22201

Verizon New York Inc.
James J. Gerace
President – New York Region
140 West Street, Room 3010
New York, New York 10007

12.5.2. Notices to the LFA shall be mailed to:

Village Manager
Village of Hastings-on-Hudson
Hastings-on-Hudson Village Hall
7 Maple Avenue
Hastings-on-Hudson, New York 10706

12.5.3. with a copy to:

Village Attorney
Village of Hastings-on-Hudson
Hastings-on-Hudson Village Hall
7 Maple Avenue
Hastings-on-Hudson, New York 10706

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 and Modifications:* Amendments and/or modifications to this Franchise shall be mutually agreed to in writing by the parties after the adoption of proper authorizing resolution by the governing body of the LFA and as approved by the NY PSC.

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

12.9. *Severability:* If any section, subsection, sub-subsection, sentence, paragraph, term, or provision hereof is determined to be illegal, invalid, or unconstitutional by

any court of competent jurisdiction or by any state or federal regulatory authority having jurisdiction thereof, such determination shall have no effect on the validity of any other section, subsection, sentence, paragraph, term or provision hereof, all of which will remain in full force and effect for the term of the Franchise. For purposes of this Agreement, the term “Material Provision” or “Material Provisions” shall mean the terms set forth in Article 5 (PEG Services), Article 6 (Franchise Fees), and Article 8 (Insurance and Indemnification).

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. *FTTP 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 FTTP Network including, without limitation, the Cable System and any capacity used for Cable Service or otherwise, to the LFA or any third party. This provision is not intended to contravene leased access requirements under Title VI or PEG requirements set out in this Agreement. Franchisee shall not be required to remove the FTTP Network or to relocate the FTTP 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.

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:* Franchisee shall 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. *Performance Review:* The LFA may, at its discretion but not more than once per twelve-month period, hold a performance evaluation session (the “Performance Review”) to review Franchisee’s compliance with the terms and conditions of this Franchise. 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 subject to the confidentiality requirements set forth in Section 7.1 of this Franchise setting forth its determinations regarding Franchisee's compliance with the terms and conditions of this Franchise.

12.18. *LFA Official*: The Deputy Treasurer/Technical Director of the LFA is the LFA official that is responsible for the continuing administration of this Agreement.

12.19. *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.

12.20. *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.

12.21. *Bundled Services*: If the Franchisee bundles Cable Service with Non-Cable Service, the Franchisee agrees that it will not intentionally or unlawfully allocate any discount associated with purchasing bundled services for the purposes of evading the Franchise Fee payments under this Franchise. The parties agree that tariffed telecommunication service rates that cannot be discounted by law or regulation are to be excluded from the bundled discount allocation basis. Where pro rata allocation of bundled discounts is commercially practical for any bundled offering, the Franchisee will allocate the bundled discount such that the discount allocated to Cable Service revenues will not exceed the amount which would be allocated to Cable Service revenue on a pro rata basis.

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AGREED TO THIS ____ DAY OF _____, 2010.

LFA:

VILLAGE OF HASTINGS-ON-HUDSON

By: _____

Name: Peter Swiderski

Title: Mayor

FRANCHISEE:

VERIZON NEW YORK INC.

By: _____

Name: Tracey A. Edwards

Title: Vice President

Signature Page

Hastings-on-Hudson/Verizon New York Inc.
Franchise Agreement/May 2010

EXHIBITS

Exhibit A: Municipal Buildings to be Provided Free Cable Service

Exhibit B: Service Area

Exhibit C: PEG Channels

Exhibit D: PEG Access Interconnection

EXHIBIT A

MUNICIPAL BUILDINGS TO BE PROVIDED FREE CABLE SERVICE

- (1) Village Hall
7 Maple Avenue
Hastings-on-Hudson, NY 10706
- (2) Hastings Police Department
7 Maple Avenue
Hastings-on-Hudson, NY 10706
- (3) Hastings Public Library
7 Maple Avenue
Hastings-on-Hudson, NY 10706
- (4) Public Works Garage
69 Southside Avenue
Hastings-on-Hudson, NY 10706
- (5) Harmon Community Center (2 drops (one for Hastings Recreation Department))
44 Main Street
Hastings-on-Hudson, NY 10706
- (6) Chemka Pool
1 Chemka Road (intersection Hillside Avenue)
Hastings-on-Hudson, NY 10706
- (7) Hastings Ambulance Corps
49 Main Street
Hastings-on-Hudson, NY 10706
- (8) Protection Engine Co. No. 1
573 Warburton
Hastings-on-Hudson, NY 10706
- (9) Uniontown Hose Co. No. 2
25 Rose Street
Hastings-on-Hudson, NY 10706
- (10) Riverview Manor Hose Co. 3
83 Euclid Avenue
Hastings-on-Hudson, NY 10706

- (11) Hook and Ladder Co. No. 1
50 Main Street
Hastings-on-Hudson, NY 10706
- (12) Hastings High School
1 Mount Hope Boulevard
Hastings-on-Hudson, NY 10706
- (13) Hastings Middle School
29 Farragut Avenue
Hastings-on-Hudson, NY 10706
- (14) Hillside Elementary School
120 Lefurgy Avenue
Hastings-on-Hudson, NY 10706

EXHIBIT B

SERVICE AREA

The Service Area shall be the Franchise Area. For the avoidance of doubt, the Service Area does not include any islands or areas occupied by bodies of water. A map of the Service Area is attached hereto for the sole purpose of illustration.

The construction of the Franchisee's FTTP Network has been completed to approximately 80% of the current households in the Franchise Area. At present, Franchisee's anticipated schedule (with schedule dates measured from the month that the NY PSC issues the confirmation order approving this Franchise) calls for 81% deployment at six months, 82% deployment at twelve months, 85% deployment at eighteen months, 89% deployment at twenty four months, 91% deployment at thirty months, 93% deployment at thirty six months, 95% deployment at forty two months, 97% deployment at forty eight months, 99% deployment at fifty four months, and 100% deployment at sixty months. This schedule is subject to further review and modification by the Franchisee consistent with Section 895.5(b)(1) of the NY PSC rules and regulations; provided, however, that Franchisee shall provide notice to the LFA and the NY PSC of any material change in this schedule.

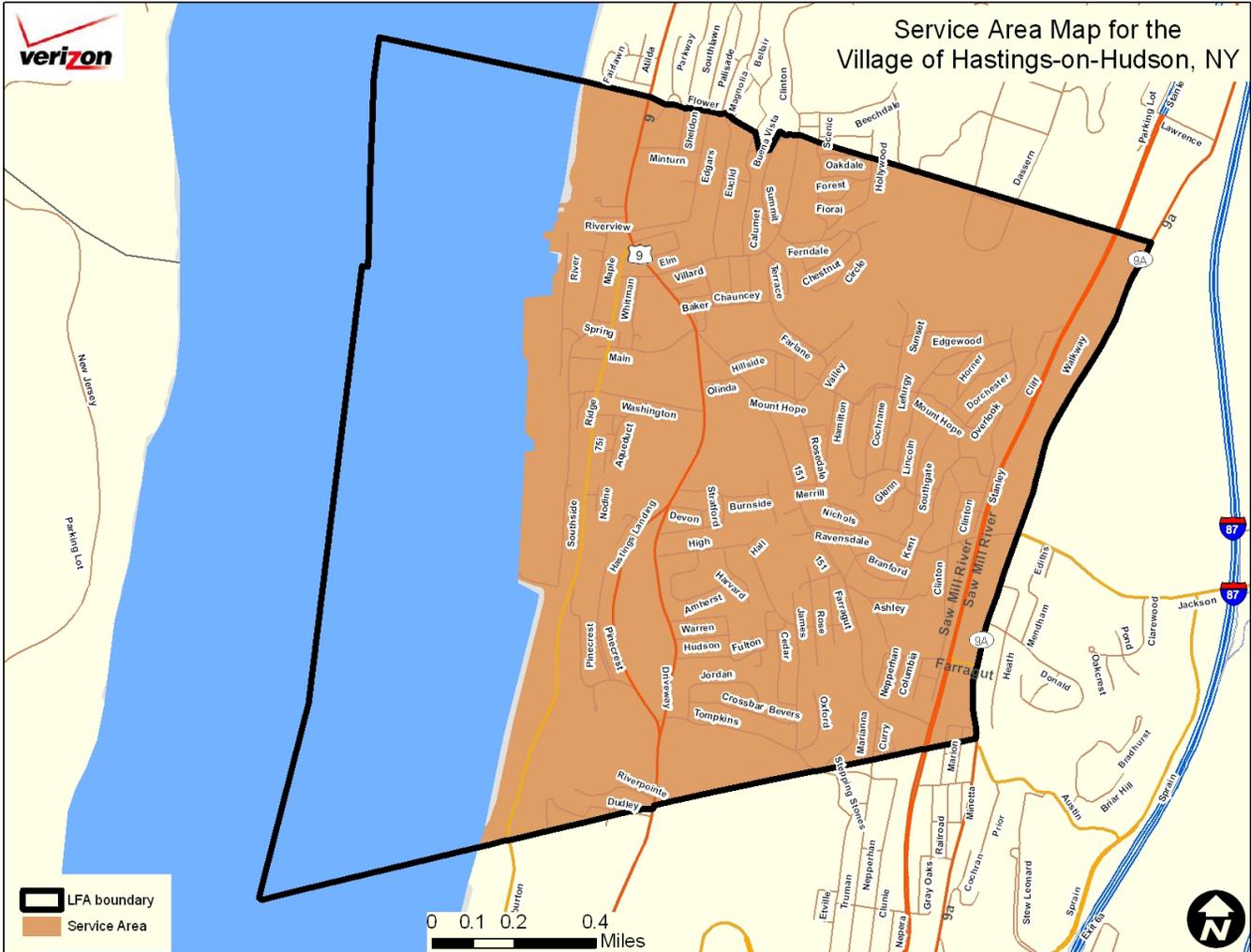


EXHIBIT C

PEG CHANNELS

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

EXHIBIT D

PEG ACCESS INTERCONNECTION

Subject to the requirements set forth in Subsections 5.2.2 and 5.2.3 of the Agreement, the following one (1) EG Access Channel Aggregation Site shall be operable within six (6) months of the date on which Franchisee is provided access to said facility:

James Harmon Community Center
44 Main Street
Hastings-on-Hudson, NY 10706

Subject to the requirements set forth in Subsections 5.2.2 and 5.2.3 of the Agreement, the following two (2) Educational Access Channel Auxiliary Connection Sites shall be operable within six (6) months of the date on which Franchisee is provided access to such sites, but not prior to the date on which the EG Access Channel Aggregation Site is operable for its intended purpose:

Hastings High School/Farragut Middle School
One Mount Hope Boulevard/27 Farragut Avenue
Hastings-on-Hudson, NY 10706

Hillside Elementary School
120 Lefurgy Avenue
Hastings-on-Hudson, NY 10706