

FRANCHISE RENEWAL AGREEMENT

THIS FRANCHISE RENEWAL, executed in triplicate this 21st day of September, 1995, by and between the Village of New Paltz, located in the County of Ulster, State of New York (hereinafter referred to as the "Municipality"), by the Mayor (hereinafter referred to as the "Mayor") acting in accordance with the authority of the duly empowered local governing body (hereinafter referred to as the "Board"), and Cablevision Industries, Inc., a New York general partnership, the principal place of business of which is located at Cablevision Center, P.O. Box 331, Liberty, New York 12754 (hereinafter referred to as the "Company"). The "Municipality" and the "Company" are hereinafter referred to as the "parties".

W I T N E S S E T H

WHEREAS, pursuant to all applicable laws, ordinances, regulations and rules, the Board has all requisite power and authority for and on behalf of the Municipality to grant cable television franchises and renewals and amendments thereof, providing for or involving the use of the Streets (as defined in Section 1 hereof), and all right and authority to give the consent of the Municipality to any franchisee for or relating to the occupation or use of the Streets as well as the rights and authorizations hereinbelow set forth; and

WHEREAS, the Municipality and the Company are desirous of renewing the existing franchise held by the Company in accordance with and subject to the terms and conditions of this Franchise Renewal (sometimes hereinafter referred to as the "Franchise"); and

WHEREAS, the Municipality and the Company pursuant to applicable laws and regulations promulgated thereunder, have complied with all requisite procedures concerning the renewal, grant and execution of this Franchise; and

WHEREAS, the Municipality has conducted negotiations with the Company and has conducted one or more public hearings concerning this franchise, and all proposals on the part of the Company relating hereto, affording all interested parties due process including notice and the opportunity to be heard; said deliberations included consideration and approval of the Company's technical ability, financial condition, and character; said public hearing(s) also included consideration and approval of the Company's plans for constructing and operating, maintaining and repairing the herein described and referred to Cable Television System; and

XXI
I.N.N. 13

WHEREAS, following such public proceedings and such further opportunity for review, negotiations and other actions as deemed necessary and which are required by law, the Municipality desires to and does hereby renew the Franchise to the Company as provided hereinafter; and

WHEREAS, the Municipality, in granting and executing this Franchise embodies herein the results of its review and negotiations with the Company and has determined that this Franchise and the Company, respectively, meets the needs of the Municipality with respect to Cable Television Service referred to herein.

NOW, THEREFORE, in consideration of the foregoing clauses, which clauses are hereby made a part of this Franchise, and the mutual covenants and agreements herein contained, the parties hereby covenant and agree:

SECTION 1: DEFINED TERMS

Unless the context clearly indicates that a different meaning is intended:

- (a) "Basic service" means such Cable Television Service as is provided in the lowest-priced service tier of Video Programming, but in no event shall it fail to include the services required to be provided on basic by federal law.
- (b) "Board" means the duly empowered local governing body of the "Municipality".

"Cable Television Service" means

- (1) The one-way transmission to Subscribers of Video Programming, and other cable and communications services currently provided; and/or
 - (2) Subscriber interaction, if any, which is required for the selection of such Video Programming, or other said communication services.
- (d) "Cable Television System" means a facility, consisting of a set of closed transmission paths, including (without limitation) fiber optic or metal wires or lines, and associated signal generation, reception, amplification, and control equipment that is designed to provide Cable Television Service to multiple Subscribers within a community.
 - (e) "Company" means Cablevision Industries, Inc., its successors, assigns and transferees.
 - (f) "Effective Date" means that date above first written.

- (g) "Franchise" means the grant of authority given hereunder renewing the franchise previously given to the Company by the Municipality, which consent or authority is evidenced by regulation, ordinance, permit, this agreement, or any other authorization to conduct and operate a Cable Television System in the Municipality in accordance with the terms hereof.
- (h) "FCC" means the Federal Communications Commission, its designee, and any successor to it.
- (i) "Gross Revenues" means those revenues actually received, either directly or indirectly, from the operation of the Cable Television System within the Municipality pursuant to this Franchise, including revenues from sales of goods or services by home shopping channels.
- (j) "May" is permissive.
- (k) "Municipality" means the Village of New Paltz.
- (l) "New Paltz Community" means the entire territory and population of the Town of New Paltz, including the territory and population of the Village of New Paltz.
- (m) "NYSCCT" means the New York State Commission on Cable Television, its designee, and any successor to it.
- (n) "Person" means an individual, partnership, association, corporation, joint stock company, trust, corporation, or organization of any kind, the successors or assigns of the same.
- (o) "Service Tier" means a category of Cable Television Service provided by the Company over the Cable Television System for which category a separate rate is charged by the Company.
- (p) "Shall" and "will" are mandatory.
- (q) "Streets" means the surface of, as well as the space above and below, any and all streets, avenues, highways, boulevards, concourses, driveways, bridges, tunnels, parks, parkways, waterways, docks and public grounds and waters within or belonging to the Municipality.
- (r) "Subscriber" means any person lawfully receiving any Cable Television Service provided over the Cable Television System in the Municipality, or if the context so indicates, in the New Paltz Community.

- (s) "Video Programming" means any or all programming services provided by, or generally considered comparable to, programming provided by a television broadcast station.

SECTION 2: CONSENT TO FRANCHISE RENEWAL AND CONDITION PRECEDENT

Part A. The Municipality hereby grants to the Company the right to construct, erect, operate and maintain a Cable Television System within the Municipality, as it now exists and may hereafter be changed, and in so doing, to use the Streets of the Municipality by erecting, installing, constructing, repairing, replacing, reconstructing, maintaining and retaining in, on, over, under, upon, and across any and all said Streets such poles, wires, cables, conductors, ducts, conduits, vaults, manholes, amplifiers, appliances, attachments and other property as is deemed necessary or useful by the Company, subject to the Company's obligation to provide efficient Cable Television Service and to the exercise of Municipal police powers as provided below. Additionally, the Municipality hereby authorizes the Company to use any and all Municipal easements dedicated to compatible uses, such as electric, gas, telephone or other utility transmissions, for the purposes of erecting, installing, constructing, repairing, replacing, reconstructing, maintaining and retaining in, on, over, under, upon and across such easements such items of the Cable Television System as is deemed necessary or useful by the Company in order to provide Cable Television Service. Upon request by the Company, and subject to the prior approval of Municipal officials, the Municipality hereby agrees to assist the Company in gaining access to and using any such easements.

Part B. Without waiver or restriction of the rights available to the parties hereto under applicable law, this Franchise and the attachments hereto constitute the entire agreement between the parties and supersede any and all prior cable television agreements and other agreements or instruments by or between the parties hereto, as well as all rights, obligations and liabilities arising thereunder concerning or in any way relating to Cable Television Service.

Part C. This Franchise is non-exclusive, and shall not be construed as any limitation upon the rights of the Municipality to grant to other persons similar rights, privileges, or authority, using the same Streets. Municipality specifically reserves the right to grant, at anytime during the time of this Franchise, such additional franchises for cable communications systems as it deems appropriate.

Part D. However, in the event the Municipality grants to any other Person (referred to as "Grantee" in the below quoted paragraph) a franchise, consent, or other right to occupy or use the Streets, or any part thereof, for the construction, operation, or maintenance of all or part of a Cable Television System, the Municipality shall insert the following language into any such franchise, consent or other document, and/or promptly enact legislation, conditioning the use of the Streets or any part thereof by such Person, as follows:

"Grantee agrees that it shall not move, damage, penetrate, replace or interrupt any portion of the Cable Television System of the [Company] without the prior written consent of the [Company]. Grantee shall indemnify the [Company] against any damages or expenses incurred by the [Company] as a result of any such removal, damage, penetration, replacement or interruption of the services of the [Company] caused by the Grantee."

As used immediately above in the above quoted paragraph, the term "[Company]" shall mean the Company, as defined in this Franchise, and its successors, assigns and transferees. In addition, in the event any such grants of franchises, consents or other rights to occupy the Streets, or the provision of any service pursuant thereto, are on terms more favorable than those contained herein, the provisions of this Franchise shall be deemed modified without any further action so as to match any such less onerous provisions.

Company agrees that it shall not move, damage, penetrate, replace or interrupt any portion of existing cable or lines, with exception of Company-owned facilities, without the prior written consent of the Municipality. The Company shall indemnify the Municipality against any damages or expenses incurred by the Municipality as a result of any such removal, damage, penetration, replacement or interruption of the services of the Municipality caused by the Company. The Company shall not unnecessarily withhold the approval of another organization to occupy or use the streets, or any part thereof, for the construction, operation, or maintenance of cable or lines.

The phrase "occupancy or use of the Streets", or any similar phrase, shall not be limited to the physical occupancy or use thereof, but shall include any use above or below the Streets by any technology, including but not limited to infrared transmissions, but shall not include direct broadcast from satellites as a means of delivering Video Programming.

SECTION 3: APPROVAL OF COMPANY BY MUNICIPALITY

The Municipality hereby acknowledges and agrees that this Franchise has been approved and entered into by it in accordance with and pursuant to the Cable Communications Policy Act of 1984, 47 U.S.C. Sec. 521, et seq., as amended by the Cable Television Consumer Protection and Competition Act of 1992, (hereinafter the "Federal Cable Act") and all other applicable laws, rules and regulations including, but not limited to, Part 591 of the rules and regulations of the NYSCCT, and hereby represents and warrants that this Franchise has been duly approved and entered into in accordance with all applicable local laws. The Municipality hereby acknowledges that it, by duly authorized representatives, has met with the Company for the purposes of evaluating the Company and negotiating and consummating this Franchise.

The Municipality has determined, after affording the public all adequate and due notice and opportunity for comment in public proceedings affording due process, that the Company is likely to satisfy community cable television needs and has found the Company's technical ability, financial condition as demonstrated in its Financial Statements, and its character to be satisfactory and has also found to be adequate and feasible the Company's plans for continued construction and operation of the Cable Television System. In making said determination, the Municipality considered the past performance of the Company and its affiliated entities and the Company's likelihood of satisfactory performance of its obligations hereunder and other factors the Municipality deemed necessary for approval of the Company as the cable television franchisee.

SECTION 4: TERM AND THE RIGHTS ARISING HEREUNDER

The Franchise herein granted and the rights arising hereunder are for a term commencing on the "Effective Date" and expiring Ten (10) years therefrom.

SECTION 5: REVOCATION

Part A. The Municipality may revoke this Franchise and all rights of the Company hereunder in any of the following events or for any of the following reasons:

- (1) Company fails after sixty (60) days prior written notice from the Municipality to substantially comply or to take reasonable steps to comply with a material provision or material provisions of this Franchise. Notwithstanding the above, should Company comply or take said reasonable steps to comply with said sixty-day notice, the right to revoke this Franchise for the items identified in the notice shall be extinguished unless the Company thereafter fails to comply within a reasonable time period; or

- (2) Company is adjudged as bankrupt; or
- (3) Company attempts or does practice a material fraud or deceit in securing and operating this Franchise; or
- (4) Company fails to complete and energize extensions of the Cable Television System as called for in this Franchise; or
- (5) Company reports fraudulent information to Municipality or displays gross negligence in preparing, transmitting or maintaining information as required by this Franchise; or
- (6) Company intentionally fails to timely pay taxes or fees due the Municipality under this Franchise; or
- (7) Company fails to post any performance bond required by this Franchise.

Part B. If the revocation as proposed in Part A above depends upon the Municipality making a finding of fact, such finding of fact shall be made by the Municipality only after an administrative hearing providing the Company with a full and fair opportunity to be heard, including, without limitation, the right to introduce evidence, the right to the production of evidence, and the right to question witnesses. No revocation shall be effective unless and until the Municipality notifies the Company in writing setting forth the cause and reason for the revocation and the effective date thereof.

Part C. This Franchise shall not be revoked for a failure of the Company to comply with this Agreement as set forth in Section 5, Part A(1), if the failure is due to an Act of God or other circumstance beyond the control of the Company. The Municipality shall notify the Company within ten (10) days and the provisions of Part B above shall become effective to hold a hearing on the issue.

Part D. If this Franchise is revoked, the Municipality hereby agrees that the Company shall have the right to sell the same, and the assets relating thereto, to the Municipality or to any other party and that the purchase price for the same, in the sole discretion of the Company, shall be no less than an equitable price which for the purposes of this Franchise shall be the fair market value of the Cable Television System valued as an on-going business venture. Nothing herein shall obligate the Municipality to purchase the Franchise and the assets relating thereto. The Company may be afforded one year after revocation to effect the aforementioned right and during such time the Municipality may in its discretion permit the Company to operate the Cable Television System and provide Cable Television Service pursuant to the obligations of this Franchise Agreement.

Should the Company fail to make Franchise Fee payments otherwise legally due to Municipality after revocation, Municipality shall have the right to immediately terminate the Company's right to operate the Cable Television System under this Agreement.

Part E. Nothing contained in this Franchise is intended to or shall confer any rights or remedies on any third parties to enforce the terms of this Franchise.

SECTION 6: INDEMNIFICATION AND INSURANCE

Part A. The Company hereby agrees to indemnify the Municipality for, and hold it harmless from, all liability, damage, cost or expense (including reasonable attorneys' fees) arising from claims of injury to persons or damage to property caused by reason of any negligent conduct undertaken by the Company, its employees or agents in the construction, installation, and maintenance of the Cable Television System.

Part B. The Company shall as of the effective Date of this Franchise furnish to the Municipality evidence of a liability insurance policy or policies which policy or policies or replacements thereof shall remain in effect throughout the term of this Franchise at the cost and expense of the Company; said policy and replacements shall be in the combined amount of Three Million Dollars (\$3,000,000.00) for bodily injury and property damage, issued by a company authorized to do business in New York State which policy or policies shall provide for coverage of each and every liability specified in Part A, above, and shall name the Municipality as an additional insured. In addition, the Company shall carry Worker's Compensation insurance for its employees in such amounts as is required by the laws of the State of New York. At or before the Effective Date, the Company shall have obtained the above-referenced insurance policies and within 60 days after the Effective Date the Company shall deliver to the Municipality certificates of insurance evidencing that the above premiums for the current policy year have been paid and that the Municipality has been named as an additional insured on all liability insurance policies. The Company shall request of its insurance carriers that each such policy contain a provision to the effect that the insurance carrier shall use its best efforts to notify the Municipality of any cancellation or termination of any such policies not less than 30 days prior thereto. The insurance coverage hereinabove referred to may be included in one or more policies covering other risks of the Company or any of its affiliates, subsidiaries or assigns.

Part C. Notwithstanding any provision contained within this Franchise, the Municipality and Company hereby expressly agree that the Company shall not be liable for and shall not indemnify the Municipality in any manner and in any degree whatsoever from and against any action, demand, claims, losses, liabilities, suits or proceedings arising out of or related to any (i) programming carried over or transmitted by or through the Cable Television System (other than locally-originated programming produced by the Company), or (ii) the negligent or intentional wrongdoing of the Municipality or any of its employees, agents or officers.

SECTION 7: USE OF EXISTING POLES; UNDERGROUNDING OF FACILITIES

(a) The Company hereby agrees that when and wherever it deems it economical and reasonably feasible, it shall enter into agreements with telephone or electric or other utilities (hereinafter collectively "utilities") for the use of said utilities' poles whereby said utilities shall provide use of and access to said poles by the Company of the Company's lines and other equipment. Notwithstanding the above, where necessary to serve Subscribers and where attachment to the pole(s) of utilities is not economically reasonable or otherwise feasible, the Company may erect or authorize or permit others to erect any poles or any other facilities within the Streets of the Municipality pursuant to the issuance by the Municipality of any necessary authorizations.

(b) In such areas or subdivisions of the Municipality where it shall hereafter duly require that all utility lines and related facilities be installed underground, the Company shall install its lines and related facilities underground in accordance with such requirement of this section.

SECTION 8: RELOCATION OF PROPERTY

Whenever the Municipality or a public utility franchised or operating within the Municipality shall require the relocation or reinstallation of any property of the Company in or on any of the Streets of the Municipality as a result of the regrading or other improvements to any such Streets, it shall be the obligation of the Company, on written notice of such requirement, to remove and relocate or reinstall such property as may be reasonably necessary to meet the requirements of the Municipality or the public utility.

The Company shall, on request of a person holding a building or moving permit issued by the Municipality, temporarily raise or lower its wires or other property or relocate the same temporarily, within 30 days, so as to permit the moving or erection of buildings. The expenses of any such temporary removal, raising or lowering of wires or other property shall be paid in advance to the Company by the person requesting the same. The Company shall be given in such cases not less than five (5) working days prior written notice in order to arrange for the changes required.

SECTION 9: USE & INSTALLATION

The Company or any person authorized by the Company to erect, construct or maintain any of the property of the Company used in the transmission or reception of Cable Television Service shall at all times employ due care under the facts and circumstances and shall maintain and install said property of the Company in accordance with commonly accepted methods and principles in the cable television industry so as to prevent failures and accidents likely to cause damage or injury to members of the public. The installation and maintenance of said property shall also be subject to the approval of the Municipality. All Cable Television System equipment shall conform to those standards of the National Electrical Code of the National Board of Fire Underwriters which exist at the time said equipment is installed or replaced.

The Company agrees to use its best efforts to install all Cable Television System equipment in a manner to reasonably minimize interference to be expected with the usual use of the Streets and in no event shall any such Cable Television System equipment be located so as to substantially and regularly interfere with the usual public travel on any Street of the Municipality.

Whenever the Company shall cause, or any person on its behalf shall cause, any injury or damage to public property or Street, by or because of the installation, maintenance or operation of the Cable Television System equipment, such injury or damage shall be remedied within 24 hours after the earlier of notice to the Company from the Municipality or after the Company becomes aware of the same, or such longer period of time as may be reasonable under the circumstances, in such fashion as to restore the property or street to substantially its former condition. Subject to the prior approval of the Municipality, the Company is hereby granted the authority to trim trees upon and overhanging the Streets of, and abutting private property in, the Municipality to the extent it reasonably deems necessary so as to prevent the branches or growths from coming in contact with the wires, cables and other equipment of the Company's Cable Television System.

SECTION 10: REMOVAL AND ABANDONMENT OF PROPERTY

If the use of any part of the Company's Cable Television System occupying the Streets of the Municipality is discontinued for any reason for a continuous and uninterrupted period of twelve (12) months, the Company shall, on being given sixty (60) days written notice by the Municipality, remove that portion of its Cable Television System from the Streets of the Municipality which has been unused. The cost and expense of such removal shall be borne by the Company, and said Streets shall be returned to as good condition as they were in immediately before the removal. In the event the Company fails to remove the unused portion of its system in a timely manner, it shall be deemed abandoned and the Municipality may remove or cause to remove said portions of the Cable Television System from its Streets. It is understood that the cost of any such removal shall be borne by the Company.

SECTION 11: OPERATION AND MAINTENANCE

The Company shall maintain and operate its cable television system at all times in compliance with the duly promulgated and lawful provisions of Section 596 of the Rules and Regulations of the NYSCCT and the technical requirements of the FCC. The Company shall maintain staffing levels and support equipment to assure that telephone inquiries are responded to in less than one minute in order to minimize busy signals and hold time. The Company shall have, at all times, a person on call able to perform minor repairs or corrections to malfunctioning equipment of the cable system. The Company shall respond to individual requests for repair service no later than the next business day. System outages, and problems associated with channel scrambling, and switching equipment, shall be acted upon within 24 hours after notification. The Company shall maintain a means to receive repair service requests and notice of system outages at times when its business office is closed.

The Municipality shall have the right and authority to request an inspection or test of the cable system by the NYSCCT, the FCC, or to have such inspection or test performed, all at the Municipality's expense. The Company shall fully cooperate in the performance of such testing.

SECTION 12: SERVICE AREA; MANDATORY EXTENSION; CONSTRUCTION; LINE EXTENSION

Part A. The area of the Municipality currently served by the Cable Television System is shown bordered in red on Map A, which is attached hereto, and made part hereof, as "Map of Existing Primary Service Area and Mandatory Service Extension Area".

Part B. It is understood that the Company has completed an upgrade of the Cable Television System in the Municipality such that the system is capable of passing 550 MHz.

All construction of the System shall employ the use of good and durable materials. The Company shall within 30 days following the Effective Date, post performance bond with the Municipality written by a surety authorized to do business in New York State, in the amount of Fifteen Thousand (\$15,000) Dollars guaranteeing the Company's faithful performance of its construction obligations imposed by this Franchise. All material damages which are directly occasioned by the failure of the Company to perform such obligations under this Franchise, up to the principal amount of the bond, shall be recoverable from the principal and surety of said bond by the Municipality. The Company shall pay all premiums chargeable for the bond. The bond shall be subject to termination by Company upon completion of the aforesaid extension.

Part C. For the period after December 31, 1996, the Company hereby agrees to provide cable television service to any other areas of the Municipality which are contiguous to the then service area (outlined in blue on Map A), and contain at least 25 residential dwelling units per linear mile of cable television line needed to serve them, upon the written request of the Municipality.

Part D. In any area having fewer than 25 residential dwelling units per mile, the Company shall have the right to extend service thereto, and it shall be entitled to and shall receive from each Subscriber thereby served, or from the Municipality, as a condition precedent to its obligation to commence construction, a contribution-in-aid-of-construction in such amount as shall be determined by application of the NYSCCT formula provided in Part 595.5(b)(2) or any other formula developed by the Company pursuant to 595.5(b)(5)(ii).

Part E. Notwithstanding Parts A to D above, the Company may extend its service without contribution-in-aid-of-construction anywhere in the Municipality at any time during the life of this Franchise.

SECTION 13: RATES

Part A. No rate or charge shall be regulated by or for the Municipality, nor charged by the Company, which is inconsistent with applicable federal statutes or the rules and regulations of the FCC, including, without limitation, rates or charges concerning Cable Television Service. It is agreed that should such statutes or rules and regulations be modified to permit greater local regulation of rates, or to again permit local specification of signals carried, or arrangement of signals on the various tiers of service, this Franchise shall be read as permitting Municipality equal latitude. It is further agreed that if Municipality shall exercise its right to impose such rate regulation as permitted by law, or shall ask NYSCCT to exercise such authority on its behalf, the applicable rates charged hereunder shall be those determined in such a manner, in a public proceeding affording the Company full opportunity to be heard. The Company agrees to participate in any and all public hearings called by the Municipality or the NYSCCT that are related to any and all rate changes.

The Municipality further acknowledges that it may under current federal law exercise whatever rights it may have thereunder to object to or prohibit programming that is obscene or otherwise unprotected by the Constitution of the United States. To the extent not inconsistent with applicable laws, and notwithstanding any contrary provision of this Franchise, the Company may delete, add or rearrange Video Programming or other Cable Television Service, as well as Service Tiers, or portions thereof, as it deems necessary or desirable, provided it has first notified the Municipality and its subscribers in accordance with the terms of this Franchise consistent with applicable law.

Part B. The Company shall not unfairly discriminate against individuals in the establishment and application of rates and charges for Video Programming or other Cable Television Service generally available to subscribers.

This provision is not intended to, and shall not, prohibit:
(i) sales, promotions, or other discounts which the Company deems necessary or desirable to market its Video Programming and other Cable Television Service; (ii) the Company from providing any of its Cable Television Service (and at such rates) as it shall deem necessary or desirable to any or all subscribers where cable television service or any similar service is offered or provided in competition with the Company's services; or (iii) the Company from discounting rates to persons who subscribe to any Cable Television Service on a seasonal basis, or discounting rates to persons who subscribe to any Cable Television Service that is provided on a bulk-billed basis. The Company shall afford senior citizens the opportunity to receive a free month of service following any consecutive twelve (12) month period for which timely payment is made (no late payments).

Additionally, the Company agrees to implement any better senior citizen discount program from any of its franchised operations in the surrounding counties of Orange, Ulster, Sullivan, Dutchess and Putnam in the future during the term of this agreement as a most favored nation clause.

SECTION 14: PUBLIC ACCESS CHANNELS AND SERVICES

Part A. The Company shall comply with the public access provisions of the Federal Cable Act and of the laws of New York State, including Part 594 of the Regulations of the NYSCCT. If otherwise acceptable to regulators, the Municipality agrees to accept the continued availability on the lowest-priced service tier of Video Programming, the access channel currently offered as Channel 6 on the upgraded Cable Television System as operated by the Company. The Parties may, during the term of this Franchise Agreement, substitute any other form of public access mutually agreeable to them and acceptable to the regulators.

Part B. In addition to the public access channel discussed in Part A above, the Company agrees to hold two (2) other channels in reserve status for access programming on that tier, as follows:

1. An Educational Access Channel.
2. A Governmental Access Channel.

For the purposes of this section, "in reserve status" shall mean that upon the call of the Municipality, with ninety-days (90) prior written notice, the Company will make available for use as an Access Channel on the lowest-priced service tier of Video Programming, a channel transmitted from the local headend to all subscribers in the New Paltz Community for the purposes specified in Part B(1) and/or Part B(2) above. Unless or until the Municipality requests that an in-reserve-status channel be used for said purposes, the Company may program time available on that channel for any lawful purpose it desires, while that channel remains in reserve status.

Part C. To assist in the operation of this section, the Company agrees to contribute \$12,500.00 to the Municipality, without pass-through. In addition, the Company will provide at no cost to the Municipality, the capability to cablecast its various Board Meetings and Planning and Zoning Board Meetings from the Village Hall.

Part D. In the event that a Community Information Cable Channel (a leased access channel operated by SUNY-New Paltz, carrying the automated, character-generated text service of the governments of the Town and Village of New Paltz, *inter alia*) is separately negotiated between the Company and the State University of New York, College at New Paltz, which channel is continuously supplied at no additional cost to all subscribers in the New Paltz Community, the Municipality agrees not to request that either channel in reserve status (according to Part B hereof) be activated earlier than September 1, 2000. Nothing herein obligates the Municipality to request activation of either in-reserve-status channel at any time during the life of this Franchise.

Part E. Any channel described in Part D shall air at frequent intervals, the following disclaimer:

This channel is furnished cost-free to subscribers by SUNY-New Paltz subject to the First Amendment to the Constitution which protects all speech, no matter how offensive, that is not obscene, libelous, or inherently dangerous. Neither CVI, which has generously made this channel available, nor the Town and Village of New Paltz, are permitted to regulate its content, except that the local governments do regulate the content of their character-generated billboards and announcements. Address all comments to the Director of Radio & Television, State University of New York, College at New Paltz, Student Union Building, SUNY Campus, New Paltz, NY 12561.

Part F. The Community Information Cable Channel, if any, discussed in Part D hereof, shall operate at those times and in such manner as mutually agreed upon by the Company and SUNY-New Paltz, subject to any side Agreement between SUNY-New Paltz and the Municipality.

Part G. It is agreed that the Company shall not incur any liability under any federal, state, or local defamation, obscenity, privacy, advertising or other similar laws for programming shown on public, educational or governmental access, leased access or any other channels (other than any programming which shall have been produced by the Company); the Municipality hereby acknowledges that the Company has no control over the content of any programming not produced by the Company. Notwithstanding the foregoing or any other provision of this Franchise, nothing herein shall obligate or require the Company to make available programming which is obscene or otherwise unprotected by the Constitution.

Part H. Upon request to activate an in-reserve-status access channel, as defined in Part B hereof, and as a condition of its use, the Municipality shall furnish the Company a draft agreement setting forth with specificity the rights, obligations, duties and liabilities of the Municipality and the Company.

Prior to the activation of the channel, and in no event not later than ninety-days (90) after the draft is furnished, the Parties shall execute and sign such a formal access agreement in a form reasonably acceptable to both Parties. Should the Municipality desire to make available to any community group time on any activated access channel discussed in Part B, it shall develop in conjunction with the Town of New Paltz such rules and regulations to govern said allocation as guaranteed fair, first-come, first-served access, which will not be inconsistent with this Franchise or the laws governing cable television generally. In no event, shall rules and regulations impose additional burdens on the Company without the prior consent of the Company. The Company shall have no obligation whatsoever under this Section except to continue to make available the public access channel currently identified as Channel 6 (or any successor thereto), to provide the initial \$12,500 funding, connection, and access point specified above, and to activate up to two (2) additional access channels, if they are properly requested to do so.

Part I. In the event that the Company exercises any right of termination in a leased channel agreement with SUNY-New Paltz, if any, thereby terminating the carriage of the Community Information Cable Channel referred to in Part D above, the following provisions shall provide for a smooth transition, without cost or pass through from the Company to the Municipality, from carriage of the Community Information Cable Channel on leased access to carriage on a PEG access channel (in the lowest tier of Video Service, ie., channel 2 - 24) held in reserve pursuant to Section 14(B)(2) hereof:

1. The Company shall publicize in The Huguenot Herald and The New Paltz News, as well as by direct-mail notification to its customers at least ninety-days prior to surrender of the leased access channel, notice to subscribers in the New Paltz Community explaining the surrender of the leased access channel and informing them that the Community Information Cable Channel will become a governmental access channel on the cutover date, and will be continuously available, retaining its existing cable channel assignment.
2. For the purposes of this Part I only, the Company's obligation to make available PEG access channels during the term of the Franchise shall survive any change of law with regard to making PEG access channels available generally, provided such provisions are otherwise consistent with then-current Federal or State laws.

SECTION 15: SERVICE TO PUBLIC FACILITIES; ACCOUNTABILITY

Part A. The Company shall provide and maintain free-of-charge a single service outlet offering at a minimum, Full CVI Basic Service, in each school, firehouse, police station, and municipally-, county-, and state-owned or leased building located within the Municipality which is occupied for governmental purposes, as agreed to herein, or as may reasonably be requested by the Municipality within sixty days (60) after the Effective Date of this Franchise, provided that the point chosen by the Company for connection of such wire to the institution requires an aerial drop of no more than two hundred feet (200') from the closest feeder line of the Cable Television System. In addition to the above, and subject to the same drop length limitation, the Municipality may designate one more hook-up free-of-charge for any legitimate public purpose. If in any such service the distance to the feeder line is greater than 200 feet, or requires underground installation, the Company and the Municipality will negotiate a reasonable fee to defer the additional expense incurred by the Company. All such connections shall be above ground except where all utility lines and cables in the area are underground. The drops and in-coming service described in this Part are in addition to any signal origination points (outgoing or backfeed points) specified in this Franchise or subsequently agreed to by Company and Municipality.

Part B. The Company shall notify the Municipality of the generation, completion or filing of, and shall maintain and make available to the municipality upon thirty-days (30) request, the following reports:

1. All reports required by or voluntarily submitted to the NYSCCT and the FCC by the Company related to its operation of the cable system or its conduct of business in the New Paltz Community.
2. The following financial, system, and operational reports:
 - a. An ownership report indicating all persons who at any time during the preceding year controlled or held an ownership interest in the Company of five percent (5%) or more.
 - b. A copy of the annual report of the Company, if any.
 - c. A report on the placement of any limited partnership offering by the Company, if any.
 - d. An annual financial report (specifically the NYSCCT's AFR-1) signed by a representative of the Company, pertaining to the system.
 - e. An annual list of officers and members of the Board of the Company's corporate general partner.
 - f. Performance testing results as submitted to the FCC and NYSCCT.
 - g. A summary of the previous year's subscriber activity for the New Paltz Community.

- h. A summary of service requests and complaints received and handled for the New Paltz Community.
- i. A summary of the number of outages experienced during the previous year in the New Paltz Community.

Part C. The Company shall maintain and make available to the Municipality upon request the following records not greater than thirty (30) days from the request:

- 1. A record of all service orders received and especially those regarding subscriber complaints for the New Paltz Community since the last routine report under Part B(2)(h) above, including the date and time received, nature of complaint, date and time resolved, and action taken to resolve.
- 2. A log showing the date, approximate time and duration, type and probable cause of all cable system outages, whole or partial, experienced in the New Paltz Community since the last routine report under Part B(2)(i) above, due to causes other than routine testing or maintenance.

Part D. To the extent not inconsistent with or prohibited by the provisions of Section 631 of the Cable Act, 47 U.S.C. 551, and all other laws relating to subscriber privacy, the Municipality reserves the right to inspect any and all records the Company is required to maintain pursuant to this Franchise upon reasonable notice and during normal business hours. The Company shall promptly make such materials available at its local business office.

Part E. At the request and invitation of the Municipality, and at least once each calendar year during the term of this franchise, the Company's General Manager shall appear at a public session scheduled by the Municipality to answer the inquiries of representatives of the Municipality and the residents of the Municipality pertaining to the operation of the cable system in the Municipality.

SECTION 16: ADDITIONAL SUBSCRIBER SERVICES

Part A.

- 1. Payment for cable television service rendered to Subscribers is due and payable in advance. A late charge, consistent with applicable law, may be applied by the Company.
- 2. Payment for equipment provided by the Company to Subscribers and the installation, repairs and removal thereof shall be paid in accordance with lawful, standard, and customary practices.

Part B. The Company shall have the right to disconnect delinquent Subscribers, where:

1. At least five days have elapsed after written notice of discontinuance has been served personally upon a Subscriber; or
2. At least eight days have elapsed after mailing to the Subscriber written notice of discontinuance addressed to such person at the premises where the service is rendered.

Part C. Notice of the Company procedures for reporting and resolving billing disputes and the Company's policy and the Subscribers' rights in regard to "personally identifiable information", as that term is defined in Section 631 of the Cable Act, 47 U.S.C. 551, will be given to each Subscriber at the time of such person's initial subscription to the Cable Television System services, and thereafter to all Subscribers as required by federal or state law and pursuant to NYSCCT rules and regulations.

Part D. The Company shall offer to Subscribers, and shall notify them in writing of its offer, the availability of locking program control devices which enable the Subscriber to limit program reception in the Subscriber's premises. Any Subscriber requesting such device shall pay the Company in full upon receipt of the same the charge imposed by the Company therefor.

The notice called for herein shall be provided by the Company to new Subscribers at the time of installation, and thereafter to all new Subscribers as required by federal or state law.

Part E. The Company shall give credit for Cable Television System outages pursuant to Part 590.66 of NYSCCT regulations. Said regulations are attached hereto as Schedule I.

Part F. In accordance with the applicable requirements of federal and state law, the Company shall provide written notice to the Municipality and to the Subscribers of any increase in rates or charges for any Cable Television Service pursuant to Part 590.69 of NYSCCT rules and regulations.

Part G. The Administrator of this Franchise for the Municipality shall be the Mayor. All correspondence and communications between the Company and the Municipality pursuant to this Franchise shall be addressed by the Company to the Administrator.

Part H. It is agreed that all Cable Television Service offered to any Subscriber under this Franchise shall be conditioned upon the Company having legal access to any such Subscriber's dwelling units or other units wherein such Service is to be provided.

Part I. In addition to his appearance obligations defined in Section 15, Part E, the General Manager of the System will appear at the Municipal Hall on a semi-annual basis at an agreed upon time scheduled by the Municipality for the purposes of hearing subscribers' concerns relating to customer service provided by the Company. The Company will arrange for the recording of such public comments so as to gather and respond to requests or complaints made in this forum. If warranted by poor attendance at any such meeting, the Municipality may ask the Company to suspend the meeting schedule for a time.

Part J. The Company agrees to maintain a location in the Municipality which is accessible at least 20 hours per week for the payment of bills and the return or pickup of equipment.

SECTION 17: FRANCHISE FEES

Part A. The Company shall pay to the Municipality during the term of this Franchise a sum equal to three and one-half percent (3.5%) of total Gross Revenues, as adjusted hereinbelow, that are received by and paid to the Company during the preceding calendar year (or portion thereof as to the first Franchise Fee payment to be made hereunder). Such percentage of the Gross Revenues, as adjusted, shall hereinafter be referred to as the "Franchise Fee". If Federal or State Law allow Franchise Fees in excess of five (5) percent, this right shall be conferred to this agreement.

The Company shall have the right to pass-through to its customers one and one-half (1.5) percent of a five (5) percent franchise fee. However, within ninety (90) days from the end of the calendar year, the Municipality shall have the right, at its annual election, to receive the five (5) percent in full payment.

There shall be applied as a credit against the Franchise Fee the aggregate of: (i) all sums paid by the Company pursuant to Section 626 of the New York Real Property Tax Law; (ii) any taxes, fees or assessments of any kind imposed by the Municipality or other governmental entities on the Company or a Subscriber, or both, solely because of their status as such (such as, but not limited to, all sums paid to the NYSCCT by the Company); (iii) any taxes, fees or assessments imposed by the Municipality or other governmental entities on those who provide service over the Cable Television System at a charge for which the Company does not receive revenue (such as any service on a leased access channel for which the Company does not impose a charge); and (iv) any taxes, fees or assessments of general applicability imposed on the Company or any Subscribers, or both, which is discriminatory against the Company or any Subscribers.

Payment of the Franchise Fee shall be due semi-annually, every six months after the Effective Date. The Company shall submit to the Municipality along with each payment of said Fee, a report showing in reasonable detail the basis for the computation thereof.

Payments should cover all Company receipts ending not more than 90 days prior to the payment date.

Part B. Upon seven (7) calendar days notice and during normal business hours, the Municipality shall have the right to inspect all pertinent books, records, maps, plans, financial statements, and other like materials of the Company which relate to the Cable Television System and its operation; provided, however, that none of the Municipality, its officers, employees, executives, elected officials, agents nor any other person shall have any right to inspect or review "personally identifiable information" of or concerning any Subscribers, as that term is now or may hereafter be defined pursuant to Section 631 of the Federal Cable Act.

In the event of the improper collection or disclosure of personally identifiable information, as defined under either the Federal Cable Act or other applicable laws, by the Municipality or any of its employees or agents, and notwithstanding any other provision to the contrary in this Franchise, the Municipality shall be jointly liable for any and all damages, costs, and expenses arising out of its improper collection or disclosure.

SECTION 18: COMPLIANCE AND CONFLICT WITH STATE AND FEDERAL LAWS

The Company may apply to the Municipality for a temporary waiver of any provision of this Agreement or for an extension of time to comply with a provision of this Agreement. The Municipality may grant such waiver or extension for good cause shown.

The Municipality may require the submission of any information by the Company necessary to support the latter's request for waiver or extension.

Should any provision of this Agreement be held invalid by a court or regulatory agency, the remaining provisions of this Agreement shall remain in full force and effect. To the extent not inconsistent with or contrary to applicable federal law, the terms of this Franchise shall be governed and construed in accordance with the laws of the State of New York.

The Company and the Municipality shall comply with all laws, rules and regulations of both the federal government and of the State of New York concerning this Agreement and regarding the installation, construction, operation, and maintenance of the Company's Cable Television System, and the provision of Cable Television Service, provided said state laws are not in conflict with, are not preempted, superseded, or suspended by federal law, regulations or orders.

The parties agree to amend to their mutual satisfaction any provision of this Agreement that becomes invalid and unenforceable during the term of this Agreement because of a change in law or regulation, within one year of that change.

Nothing contained herein shall be construed to prohibit the Company from requesting a waiver by any State or Federal regulatory agency of any relevant law, rule, regulation, or provision contained in this Agreement provided that a copy of such request shall be served upon the Municipality in sufficient time for Municipality to reply in opposition.

The Company shall file requests for all necessary operating authorizations with the NYSCCT and FCC within sixty (60) days of the Effective Date of this Franchise.

The Municipality reserves the right to adopt in addition to the provisions contained in this Franchise Renewal Agreement, and existing applicable ordinances, if any, such additional regulations as it shall find necessary and lawful in the exercise of its police powers to protect the public health and safety; provided, however, that such regulations are reasonable and not in conflict with state or federal law, rules, regulation or order.

The Company shall not refuse to hire or employ and shall neither bar nor discharge from employment, and shall not discriminate against any person in compensation, terms, or conditions of employment because of age, race, creed, color, national origin, or sex.

SECTION 19: NOTICE

All notices required herein shall be in writing and shall be deemed delivered when received by United States certified mail, return receipt requested, or on the date of delivery to addressee when sent by express mail or by facsimile transmission or by any other means to the parties and locations:

When to the Company: Cablevision Industries of Orange County
Office of Franchising
Cablevision Center
PO Box 311
Liberty, NY 12754
Telecopy: (914) 295-2741
Telephone: (914) 295-2400

When to the Municipality: Village of New Paltz
Office of the Mayor
Village Hall
25 Plattekill Avenue
New Paltz, NY 12561
Telecopy: (914) 255-4305
Telephone: (914) 255-0130

SECTION 20: INTEGRATION

This Franchise supersedes all prior negotiations between the parties hereto and shall be binding upon and inure to the benefit of the parties hereto and each of their respective successors and permitted assigns. This Franchise may be amended (except as otherwise expressly provided for herein) only by an agreement in writing signed by duly authorized persons on behalf of both parties. To the extent required by state law, amendments hereto shall be confirmed or approved by the NYSCCT.

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

The headings of the various Sections of this Franchise are for convenience only, and shall not control or affect the meaning or construction of any of the provisions of this Franchise.

The rights and remedies of the parties pursuant to this Franchise are cumulative and shall be in addition to and not in derogation of any other rights or remedies which the parties may have with respect to the subject matter of this Franchise.

SECTION 21: NO JOINT VENTURE

Nothing herein shall be deemed to create a joint venture or any agency or employment relationship between the parties, and neither party is authorized to nor shall either party act toward any third parties or the public in any manner which would indicate any such relationship with the other.

SECTION 22: TRANSACTIONS AFFECTING OWNERSHIP OF THE FRANCHISE

Part A. This Franchise cannot in any event be sold, transferred, leased, assigned or disposed of, including but not limited to, by force or voluntary sale, merger, consolidation, receivership, or other means, without the prior written consent of the Municipality, which consent will not be unreasonably withheld or delayed. Notwithstanding the foregoing, this Section shall not apply to or restrict:

- i. Any assignment of this Franchise between any parent and subsidiary corporation or between entities when the controlling interest is held by the same person; or

ii. The mortgage, pledge, collateral assignment, transfer and trust or grant of a security interest by the Company to its lenders, and their successors and assigns, of and in this Franchise and all rights of the Company related thereto, to secure any indebtedness or obligations of the Company with respect to which a security interest has been, or hereafter is granted, or to the exercise by each of the secured parties of its rights as a secured party in the event of a default by the Company in the payment or performance of any of its indebtedness or obligations secured thereby.

Part B. The Company shall file a complete statement of ownership identifying each shareholder of the Company and the respective holdings of each shareholder whenever it seeks the Municipality's prior written approval of any transfer.

Part C. The Company shall promptly notify the Municipality of any proposed change, merger, transfer or acquisition of a controlling interest in the Company. A change in controlling interest is presumed to have occurred when fifty-one percent (51%) or more of the stock of the Company passes to an entity or individual that does not currently hold an ownership interest in the Company.

Part D. Because the prior written consent of the Municipality is required for every change, merger, transfer or acquisition of control of the Company, except as specified in Part A(i) and Part A(ii) hereof, the Municipality may inquire into the legal, financial, character, technical and any other public interest qualifications of the prospective controlling party, and the Company shall assist the Municipality in any such inquiry.

Part E. The Municipality hereby consents to the grant by Company of a security interest in this Franchise and all other assets of the Cable Television System to such lending institution or institutions as may be designated by the Company, which institution(s) shall have all rights and remedies of a secured party under the applicable provisions of the Uniform Commercial Code.

Part F. Notwithstanding anything to the contrary or otherwise contained in this franchise, the franchisee is hereby granted the right to assign this franchise or to transfer control of the franchisee (or of any entities affiliated with it) to Time Warner, Inc. or any entities affiliated or associated with it; provided, however, that the Municipality shall be promptly notified of any such transfer of control or any such assignment of the franchise.

SECTION 23: SURVIVING MUNICIPALITY

To the maximum extent practicable, and fully aware that the Town of New Paltz and the Village of New Paltz are separate franchising authorities whose cable television franchises have independent legal status, both governments have striven to coordinate their renewal procedures and produce near-identical franchise agreements.

They have done so in order to maximize efficient use of community resources, ease the process of assistance by the NYSCCT, and to lessen the burden on the Company. In addition, these steps were taken with an awareness that efforts to merge the two New Paltz governments may mean that these governmental entities may change form (or one may even cease to exist) during the life of any franchise renewal.

Should the Village of New Paltz be dissolved during the term of both franchises, this Franchise shall expire on the date dissolution becomes effective and the Franchise awarded by the Town of New Paltz to the Company shall apply to the entire New Paltz Community. Should the Town and Village become a coterminous Town/Village during the term of both franchises, this Franchise shall expire on the date a Unified Government takes power and the Franchise awarded by the Town of New Paltz to the Company will become the franchise of the merged governmental entity and apply to the entire New Paltz Community. Should the Village of New Paltz become a City, this Franchise will continue in effect.

In witness whereof, the parties hereto have caused this Franchise to be duly executed by their duly authorized representatives the day and year first written above.

Witness:

Cablevision Industries, Inc.

Brenda M. Pauls

By: Fred Schulte

Judith A. Ramsay

Name: Fred Schulte

Title: Chief Operating Officer

Date: 9/6/95

Witness:

Village of New Paltz

Thomas E. Nyquist

By: Thomas E. Nyquist

Bl. V. Jones

Name: THOMAS E. NYQUIST

Title: MAYOR

Date: AUGUST 25, 1995

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a complete copy of the application to the New York State Commission on Cable Television for the approval of franchise renewal for the Village of New Paltz was sent to the Village Clerk by first class mail on September 27, 1995.

Sworn to before me this
27th day of September 1995.

Brenda M. Pauls