

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

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**A FRANCHISE RENEWAL AGREEMENT
between the
Town of Fishkill, Dutchess County, State of New York
and
Cablevision of Wappingers Falls, Inc.**

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

WHEREAS, Cablevision of Wappingers Falls, Inc. (hereinafter referred to as "Franchisee"), or, if

applicable Franchisee's predecessor in interest, having previously secured the permission of the Municipality to use such streets, rights of way, and public grounds under a franchise Agreement that has since expired, has petitioned the Municipality for a renewal of such franchise; and,

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

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

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

WHEREAS, this franchise renewal, as set out below, is non-exclusive and complies with the franchise standards of

the New York State Public Service Commission,

THEREFORE

The Municipality and Franchisee agree as follows:

1.0 DEFINITION OF TERMS

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

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

1.3 "Capability": the ability of the "Franchisee" to activate a described technological or service aspect of the "Communications System" without delay.

1.4 "**Communications System**" (herein also referred to as "System"): the facility, which is the subject of this franchise, consisting of antennae, wire, coaxial cable, amplifiers, towers, microwave links, wave guide, optical fibers, optical transmitters and receivers, satellite receive/transmit antennae, and/or other equipment designed and constructed for the purpose of producing, receiving, amplifying, storing, processing, or distributing analog and/or digital audio, video, or other forms of electronic, electromechanical, optical, or electrical signals.

1.5 "**FCC**": the Federal Communications Commission.

1.6 "**Franchise**": the rights and obligations described in this document, and used interchangeably with the term "Agreement".

1.7 "**Franchise Fee**": the fee paid by the "Franchisee" to the "Municipality" in exchange for the rights granted pursuant to the "Franchise."

1.8 "**Franchisee**": Cablevision of Wappingers Falls, Inc., and its lawful successors and assignees.

1.9 "Gross Receipts": The total annual subscription payments (including payments made for pay television and pay-per-view services) paid to "Franchisee" by all subscribers resident within the Municipality for video programming services provided by "Franchisee" and collected by or on behalf of "Franchisee", and revenue received from the sale of advertising and home shopping channel commissions generated within the Municipality, but not including amounts collected by "Franchisee" from subscribers for state and federal regulatory fees, taxes, franchise fees, or capital costs associated with public, education and government access that may be required by this "Agreement". The term "Gross Receipts" shall not include revenue received by Franchisee for the provision of cable modem services over the Cable System. The Franchisee and the Municipality agree, however, that should the FCC decide that cable modem services over a cable system are "cable services" as defined under applicable federal law, or should a court of competent jurisdiction make a final judicial determination finding the same, after the exhaustion of all appeals related thereto, the Franchisee shall have the obligation to provide the Municipality notice of such determination within 30 days thereafter. Such notice shall be addressed to both the Town Supervisor and the Town Clerk at the following address:

Town of Fishkill
Town Hall
807 Route 52
Fishkill, NY 12524

Copy of the notice shall also be sent to the Town Attorney. The notice shall include the following language, set out as a separate paragraph, in bold type, having a font of not lesser than 16 point:

"This notice is to inform the Municipality that a final administrative or judicial determination has been made that cable modem services over a cable system are "cable services." The Municipality may exercise its right to collect franchise fees from the revenue of Cablevision generated by cable modem services by providing Cablevision with the requisite notice as provided by the Franchise Agreement between the parties."

Upon notice to Franchisee of election of the Franchisor, the Agreement shall be deemed to include recurring monthly subscriber receipts from the provision of such services as

"Gross Receipts," on a going forward basis effective upon the first day of the quarter as defined in 18.1, immediately following such notice.

1.10 "NYSpsc": the New York State Public Service Commission or any successor State agency with similar responsibilities.

1.11 "State": the State of New York.

PART I -- THE FRANCHISE

2.0 GRANT OF FRANCHISE

2.1 Franchisee is hereby granted, subject to the terms and conditions of this Agreement, the non-exclusive right, privilege, and authority to construct, operate, and maintain a Communications System within the streets, alleys, and public ways of the Municipality. The grant of this Franchise is non-exclusive.

2.2 Franchisee may erect, install, extend, repair, replace, and retain in, on, over, under, or upon, across and along the public streets, alleys, and ways within the Municipality, such wires, cables, conductors, ducts, conduits, vaults, manholes, amplifiers, appliances, pedestals, attachments, and other property and equipment as are necessary and appurtenant to the operation of the System in conformance with the Municipality's generally applicable local laws, ordinances, rules and regulations.

2.3 Nothing in this Agreement shall be deemed to waive the requirements of the various generally applicable codes and ordinances of the Municipality regarding permits, fees to be paid to the Municipality for permits or construction, or the manner of construction.

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

3.0 **NON-EXCLUSIVE NATURE OF THIS FRANCHISE**

3.1 This Agreement shall not be construed as any

limitation upon the right of the Municipality to grant to other persons rights, privileges, or authorities similar to the rights, privileges, and authorities herein set forth, in the same or other streets, alleys, or other public ways or public places. The Municipality specifically reserves the right to grant at any time such additional franchises for this purpose as it deems appropriate; provided, however, that such other franchises be upon similar terms and conditions, and include similar burdens and obligations, as contained in this Agreement.

4.0 TERRITORIAL LIMITS

4.1 The rights and privileges awarded pursuant to this Agreement shall relate to and cover the entire present territorial limits of the Municipality. In the event that any area outside the territorial limits of the Municipality is annexed during the term of this Agreement, the Franchisee shall be authorized to serve such area and, at its option, may extend service therein under the same general terms and conditions that exist in this Agreement.

5.0 FRANCHISE SUBJECT TO LAW AND REGULATION

5.1 All terms and conditions of this Agreement are subject to Federal and State law and to the rules and

regulations of the FCC and the NYSPSC.

5.2 All terms and conditions of this Agreement are subject to the approval of the NYSPSC.

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

5.4 Within thirty (30) days of receipt of formal notification of the Municipality's approval of this Franchise, Franchisee shall file a request for

certification of this franchise with the NYSPSC and shall provide the Municipality with evidence of such filing.

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

6.0 **CONDITIONS ON USE OF STREETS AND PUBLIC GROUNDS**

6.1 Any work which requires the disturbance of any street or which will interfere with traffic shall be undertaken in accordance with the generally applicable ordinances, local laws and regulations of the Municipality.

6.2 No poles, underground conduits or other wire-holding structures shall be erected by Franchisee without the approval of the appropriate municipal official through established permit procedures to the extent that same now or hereafter may exist, with regard to the location, height, type and any other pertinent aspect of such wire-

holding facilities; provided however, such approval may not be unreasonably withheld or delayed.

6.3 Provided there is an offer of dedication of public ways to the Municipality, which guarantees that such streets and other public rights of way within a planned residential subdivision will become publicly owned and under the exclusive control of the Municipality, Franchisee shall install its cable and other underground facilities at the same time as the public utilities, such as telephone and electric. Franchisee shall not be subject to this requirement in the event that it cannot obtain consent from the developer to access its property.

6.4 All structures, lines and equipment erected by Franchisee within the Municipality shall be so located as to cause minimum interference with the proper use of streets, alleys, easements and other public ways and places, and to cause minimum interference with rights or reasonable convenience of property owners who adjoin any of the said streets, alleys or other public ways and places. Existing poles, posts and other structures of the electric power company or any telephone company or any other public utility which may be available to Franchisee shall be used

to the extent practicable in order to minimize interference with travel. Where both power and telephone utilities are placed underground, Franchisee's cable also shall be placed underground.

6.5 Franchisee shall have the right and authority to remove, trim, cut, and keep clear trees and bushes upon and overhanging all streets, alleys, easements, sidewalks, and public places in the Municipality to the minimum extent necessary to keep same clear of poles, wires, cables, conduits and fixtures utilized in its System.

6.6 In the case of any disturbance of pavement, sidewalk, driveway or other surfacing, Franchisee shall, at its own cost and expense in accordance with the generally applicable local laws and ordinances, rules and regulations, and within ten (10) business days of completion, replace and restore such pavement, sidewalk, driveway or surfacing so disturbed to as good a condition as existed before said work was commenced. In the event that any municipal property is damaged or destroyed by Franchisee, such property shall be repaired or replaced by Franchisee within ten (10) business days and restored to as good a condition as existed before said work was commenced.

All such repair or replacement work shall be performed to the reasonable satisfaction of the Municipality.

6.7 All structures and all lines, equipment and connections, in, over, under and upon streets, sidewalks, alleys and public ways and places of the Municipality, wherever situated or located, shall at all times be kept and maintained in a safe, suitable, and substantial condition, and in good order and repair.

6.8 In exercising rights pursuant hereto, Franchisee shall not endanger or interfere with the lives of persons, nor interfere with any installations of the Municipality, any public utility serving the Municipality or any other person permitted to use the streets and public grounds, nor unnecessarily hinder or obstruct the free use of the streets and public grounds. The grant of this Franchise does not establish priority for use over other present or future permit or Agreement holders or the Municipality's own use of the streets and public grounds. The Municipality shall at all times control the distribution of space in, over, under or across all streets and public grounds that are occupied by the System. All rights granted for the construction and operation of the System

shall be subject to the continuing right of the Municipality to require such reconstruction, relocation, or change of the facilities and equipment used by Franchisee in the streets, alleys, avenues, and highways of the Municipality, as shall be reasonable under the circumstances and necessary in the public interest.

6.9 Nothing in this Agreement shall hinder the right of the Municipality or any governmental authority to perform or carry on, directly or indirectly, any public works or public improvements of any description. Should the System in any way interfere with the construction, maintenance, or repair of such public works or public improvements, Franchisee shall, at its own cost and expense, protect or relocate its System, or part thereof, within ten (10) day notice or as reasonably directed by the Municipality.

6.10 Upon notice and payment as set forth herein by a person holding a building or moving permit issued by the Municipality, Franchisee shall temporarily raise or lower its wires or other property or relocate the same temporarily so as to permit the moving or erection of buildings. The expenses of any such temporary removal,

raising or lowering of wires or other property shall be paid in advance to Franchisee by the person requesting same. In such cases, Franchisee shall be given not less than five (5) working days prior written notice in order to arrange for the changes required.

6.11 With the exception of routine maintenance, the Franchisee shall give notice to the Municipality and to the residents and commercial establishments in the vicinity of proposed construction, excavation, laying or stringing of cable under streets or on poles for projects more than 1,500 feet, not less than three (3) calendar days before the commencement of such work.

7.0 ASSIGNMENT OR TRANSFER OF FRANCHISE

7.1 No change in control of Franchisee, or this Franchise shall occur without the prior written consent of the Municipality, which consent shall not be unreasonably withheld or delayed.

7.2 At 1 one-hundred twenty (120) days before a proposed change of control is scheduled to become effective, Franchisee shall petition in writing for the Municipality's written consent of such proposal. If the Municipality fails to render a final decision on the request for a change of control within one-hundred twenty (120) days after receipt by the Municipality, such request shall be deemed granted unless the Franchisee and the Municipality jointly agree to an extension of time.

7.3 The Municipality may consider the following in determining the ability of the proposed assignee or transferee to meet the obligations of the Franchise hereunder and in deciding whether to grant the petition:

- a) the experience of proposed assignee or transferee;
- b) the managerial and technical qualifications of proposed assignee or transferee;
- c) the legal integrity of proposed assignee or transferee;
- d) the financial ability and stability of the proposed assignee or transferee;
- e) the plans of the proposed assignee or transferee as to operation and maintenance of the System;

f) the likely effects of the transfer or assignment on the health, safety, and welfare of the citizenry of the community relative to the operation of the System.

7.4 Franchisee's written petition shall be filed with the Municipality using FCC Form 394, or such similar form as hereinafter may be provided by the FCC for such purposes, and such other information as is required pursuant thereto. Franchisee shall also supply, if so requested by the Municipality, such other information that may be reasonably requested in connection with its review of the transfer or assignment.

7.5 In the event that the Municipality refuses to grant the aforementioned petition, it shall set forth the specific reasons for its decision in writing by municipal resolution.

7.6 No consent from the Municipality shall be required for a transfer in trust, mortgage, or other instrument of hypothecation, in whole or in part, to secure an indebtedness, or for a transfer to a corporation, partnership or other entity controlling, controlled by or

under common control with the Franchisee, including a change of ownership or control of Franchisee or of this Franchise to Cablevision Systems Corporation, CSC Holdings, Inc., or to another subsidiary of Cablevision Systems Corporation. In the event of such transfer, Franchisee shall provide reasonable notice of the new entity holding the Franchise in the Municipality.

8.0 DEFAULT, REVOCATION, TERMINATION, ABANDONMENT

8.1 The Municipality may revoke this Franchise and all rights of Franchisee hereunder for any of the following reasons:

a) Franchisee fails, after sixty days (60) prior written notice from the Municipality, to comply or to take reasonable steps to comply with a material provision or material provisions of this Agreement; or

b) Franchisee takes the benefit of any present or future insolvency statute, or makes a general assignment for the benefit of creditors, or files a voluntary petition in bankruptcy, or files a petition or answer seeking an arrangement or reorganization or readjustment of its indebtedness under Federal bankruptcy laws or under any other law or statute of the United States or any state thereof, or consents to the appointment of a receiver,

trustee or liquidator of all or substantially all of its property, or is adjudged bankrupt by order of decree of a court, or an order is made approving a petition filed by any of its creditors or stockholders seeking reorganization or readjustment of its indebtedness under any law or statute of the United States or of any state thereof; or

c) Franchisee attempts or does practice a fraud or deceit in its securing of this Franchise; or

d) Franchisee practices fraud or displays repeated negligence in the accurate reporting of information to the Municipality, including but not limited to information pertaining to Franchisee's calculation of the Municipality's franchise fee; or

e) Franchisee fails to pay any legally owed taxes or fees due the Municipality, unless the amount of such payment is part of a good faith dispute; or

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

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

8.2 Notwithstanding the above, no default, revocation or termination shall be effective unless and until the

Municipality shall have adopted an ordinance or resolution setting forth the cause and reason for the revocation and the effective date thereof. Such ordinance or resolution shall not be adopted until after the expiration of sixty (60) days prior written notice to Franchisee and a reasonable opportunity for Franchisee to cure the alleged violation, or provide a cure plan that reasonably satisfies the Municipality. If Franchisee has failed to cure after the expiration of said sixty (60) day period or fails to provide a cure plan that reasonably satisfies the Municipality, the Municipality shall promptly schedule a public hearing no sooner than fourteen (14) days after written notice to the Franchisee. Franchisee shall be provided an opportunity to offer evidence and be fully and fairly heard at said public hearing held on the proposed adoption of such ordinance or resolution.

8.3 In no event, and notwithstanding any contrary provision in this section or elsewhere in this Agreement, shall this Agreement be subject to default, revocation or termination, or Franchisee be liable for non-compliance with or delay in the performance of any obligation hereunder, where its failure to cure or to take reasonable steps to cure is directly attributable to formal U.S.

declaration of war, government ban on the affected obligation, U.S. government sponsored or supported embargo, civil commotion, strikes or work stoppages (except those against Franchisee and its affiliates), fires, any acts of God or of nature, or other events beyond the immediate control of Franchisee.

8.4 In the event of such circumstances as described in 8.3, Franchisee may be excused from its obligations herein during the course of any such events or conditions, only upon notice to the Municipality. Such notice shall include clear evidence as to how such events have prevented Franchisee from meeting its obligations. The time specified for performance of Franchisee's obligations hereunder shall extend for such reasonable time thereafter as may be agreed by the Municipality and Franchisee.

8.5 Franchisee shall not abandon any service or portion thereof required to be provided pursuant to the terms of this Agreement without the prior written consent of the Municipality.

8.6 Upon expiration, termination or revocation of this Franchise, Franchisee, at its sole cost and expense and upon direction of the Municipality, shall remove the

cables and appurtenant devices constructed or maintained in connection with the services authorized herein, unless Franchisee, its affiliated entities or assignees should, within six (6) months after such expiration, termination or revocation obtain certification from the FCC to operate an Open Video System or any other federal or state certification to provide telecommunications.

9.0 SEVERABILITY

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

10.0 EFFECTIVE DATE AND TERM

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

10.2 The term of this Agreement shall be ten (10) years from the effective date.

PART II -- THE SYSTEM

11.0 **COMPLIANCE WITH FEDERAL AND STATE LAW AND**
REGULATIONS

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

12.0 **SYSTEM SPECIFICATIONS**

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

section.

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

12.3 Franchisee's System shall provide for a minimum channel capacity of not less than 73 channels on the effective date of this Agreement. In accordance with the requirements of the NYSPSC, the exercise of this Agreement shall include reasonable efforts in good faith to maximize the number of energized channels available to subscribers, subject to the rights and obligations granted and imposed by Federal law and regulation, and to the extent economically reasonable and commercially practicable, including Franchisee's right to consider how such actions may impact upon its commercially reasonable rate of return on investment over the remaining term of the Franchise.

12.4 The System shall incorporate equipment capable of providing standby powering of the System so as to minimize Area Outages caused by interruption of power furnished by

the utility company. The standby powering equipment shall provide for automatic cut-in upon failure of the AC power and automatic reversion to the AC power upon resumption of AC power service. The equipment also shall be so designed as to prevent the standby power source from powering a "dead" utility line.

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

12.6 The System shall be so designed as to enable Franchisee to provide service throughout the territorial limits of the Municipality. The System shall be so constructed so as to be capable of providing service to all residential housing units throughout the territorial limits of the Municipality at Franchisee's costs and expense, subject to the provisions of Section 15.1. The Franchisee shall extend the System to any commercial or business customer which Franchisee is authorized to serve, subject to the provisions of Section 15.1(b).

13.0 **SYSTEM PERFORMANCE STANDARDS**

13.1 All signals carried by the System shall be transmitted with a degree of technical quality not less

than that prescribed by the rules and regulations of the federal and state regulatory agencies having jurisdiction.

13.2 Operation of the System shall be such that no interference will be caused to broadcast and satellite television and radio reception, telephone communication, amateur radio communication, aircraft and emergency communications, or other similar installation or communication within the Municipality.

14.0 **SYSTEM MAINTENANCE AND REPAIR**

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

14.2 When interruption of service is necessary for the purpose of making repairs, adjustments, or installations, Franchisee shall do so at such time and in such manner as will cause the 1 possible inconvenience to subscribers. Unless such interruption is unforeseen or immediately necessary, Franchisee shall give reasonable notice thereof to subscribers.

14.3 Franchisee shall have a local or toll-free

telephone number so that requests for repairs or adjustments can be received at any time, twenty-four (24) hours per day, seven (7) days per week.

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

PART III -- THE SERVICE

15.0 GENERAL SERVICE OBLIGATION

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

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

b) All commercial structures within the territorial

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

c) Franchisee shall extend the System to serve all areas of the Municipality along public rights-of-way which have a density of twenty-four (24) homes per linear mile of aerial cable or greater, or areas with less than 24 homes per linear mile of aerial cable where residents agree to a contribution-in-aid-of construction as per the standards established in Section 595.5 of the rules and regulations of the NYSPSC.

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

16.0 **MUNICIPAL AND SCHOOL SERVICE**

16.1 Franchisee shall provide one (1) installation of broadcast basic cable television service without monthly

service charge to one (1) receiver location in each municipal office building, school, and library, subject to the applicable rules and regulations of the FCC and the NYSPSC, as set forth below:

(a) Franchisee shall, without charge, make one (1) aerial connection for basic service, as provided below, into the internal R.F. distribution system of each municipal office building, library and school within the Municipality (hereinafter singly or collectively referred to as the "premises"). Franchisee shall make a connection at one outlet in each such premise for the purpose of enabling the said premises to distribute the basic cable television service. Where such premises consist of more than one building, only one tie-in and connection shall be made.

(b) Franchisee shall make such tie-in and connection at the location designated by the appropriate official as the location of the internal R.F. distribution system of the premises. The responsibility of Franchisee shall terminate when the tie-in and connection to the internal R.F. distribution system is completed, and the responsibility for performance of the internal R.F. distribution system, and for distribution of the transmissions throughout such system shall be solely that of the premises. Franchisee makes no representation or warranty as to the ability of such distribution system to carry the programs transmitted over its Cable System. However, Franchisee will offer, without charge, technical consulting services to the premises in order to make the internal System work effectively for the purpose intended herein.

(c) Where Franchisee is serving the area but the premises to be connected with an aerial installation is located more than 500 feet from the nearest trunk or feeder cable, the cost of the aerial cable installation beyond 500 feet will be paid by the recipient. For underground installations, Franchisee shall charge the recipient its actual cost. Such costs shall be submitted to said recipient, in writing, before installation is begun.

(d) As used in this Agreement, the terms:

(i) "school" shall mean those educational institutions within the Municipality chartered by the New York State Board of Regents pursuant to the New York Education Law; and

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

(iii) "municipal office buildings" shall mean the Municipality's Town hall, its police, fire or ambulance corps buildings, and such other municipal buildings as designated in Exhibit A herein.

16.2 The Franchisee shall provide to the Municipality, free of charge, one (1) high-speed cable modem and monthly Internet access service, including installation, to the Town Hall. The Municipality shall be permitted, at its own cost, to network up to three (3) additional personal computer terminals in the designated building (four computers in

total) to the cable modem provided by Franchisee.

17.0 PUBLIC, EDUCATIONAL, AND GOVERNMENTAL ACCESS

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

17.2 Franchisee shall provide the Municipality, and the residents of the Municipality with equitable access to all non-commercial PEG access services provided by Franchisee as part of its PEG access policy. Should Franchisee's said policies be inconsistent with the standards established in Section 595.4 of the rules of the NYSPSC pertaining to non-commercial governmental, educational or public access, such rules shall govern.

17.3 The Municipality may request and Franchisee shall install one (1) remote access return line for the transmission of upstream programming from Town Hall. Upon receipt of a written request, Franchisee shall install such return line within ninety (90) days. Such access return line shall be used for origination of non-commercial governmental and educational access programming by the Municipality for the benefit of Franchisee's subscribers in

the Town.

17.4 In consideration for the rights granted in this Agreement, the Franchisee shall provide capital contributions of video production equipment, for the Town's exclusive use, to be utilized with the Municipality's education/government access channel. The value of the contribution shall not exceed Thirty Thousand Dollars (\$30,000.). The list of equipment to be provided by the Franchisee is detailed in Exhibit B.

PART IV -- FRANCHISEE'S OBLIGATIONS TO THE MUNICIPALITY

18.0 FRANCHISE FEE

18.1 Franchisee shall pay to the Municipality during the term of this Agreement an annual sum equal to five percent (5%) of Franchisee's Gross Receipts for the

preceding year. Such payment shall be made on a quarterly basis for the periods ending March 31, June 30, September 30 and December 31. Each such payment shall be due no later than Thirty (30) days after the close of each such period.

18.2 Each quarterly payment shall be accompanied by a report prepared by Franchisee setting out in detail the basis for the computation of the payment.

19.0 **INDEMNITY AND INSURANCE**

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

a) Personal injury or death: \$1,000,000 per person

\$1,000,000 per occurrence

b) Property damage: \$1,000,000 per occurrence

c) Excess liability or umbrella coverage: \$10,000,000.

19.2 Franchisee shall indemnify and hold harmless the Municipality, its officers, employees, and agents from and against all losses and claims, demands, payments, suits, actions, recoveries, and judgments of every nature and description, resulting from bodily injury, property damage or personal injury, brought or recovered, by any act or omission of Franchisee, its agents, employees, contractors and subcontractors in the construction, operation, maintenance, service or repair of the communications System or any portion thereof, or of any failure to comply with any law, ordinance, or regulation, or by reason of any suit or claim for royalties, license fees, or infringement of patent rights arising from Franchisee's performance under this Agreement. Notwithstanding any provision contained herein and to the contrary, Franchisee shall have no obligation to indemnify or defend the Municipality with respect to any programming provided by the Municipality or from any claim arising from the Municipality's sole negligence.

19.3 Each insurance policy shall bear the name of the Municipality as an additional insured.

19.4 All Franchisee insurance policies and

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

19.5 Upon the effective date of this Agreement, Franchisee shall furnish to the Municipality certificates of insurance in conformity with the requirements of this Franchise, in a form reasonably satisfactory to the Municipality's attorney.

19.6 Franchisee shall obtain all insurance required pursuant to this Agreement from companies authorized to do business within the state of New York and approved by the Superintendent of Insurance, which companies shall maintain a rating of at least Best's A-. The Municipality may, at any time after reasonable notice, review Franchisee's compliance with the provisions of this Agreement. Should the policies or certificates of insurance provided by Franchisee hereunder differ from accepted insurance industry forms, the Municipality shall have the right to

review and approve such policies or certificates, provided such approval shall not be unreasonably withheld.

20.0 RATES AND CHARGES

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

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

21.0 EMPLOYMENT PRACTICES

21.1 Franchisee will not 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.

22.0 MUNICIPALITY'S RIGHT TO INQUIRE ABOUT AND INSPECT SYSTEM

22.1 The Municipality, at any time, may make

reasonable inquiries related to its regulatory responsibilities concerning the operation of the System. Franchisee shall respond to such inquiries in a timely fashion.

22.2 When repeated subscriber complaints cause the Municipality to question the reliability or technical quality of Cable Service, the Municipality shall have the right and authority to test or require Franchisee to test, analyze, and report on the performance of the System. Franchisee shall cooperate fully with the Municipality in performing such testing.

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

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

22.3 The Municipality shall have the right to inspect all construction work subject to the provisions of this Agreement and to make such tests as it shall find necessary to ensure compliance with the terms of this Agreement and other pertinent provisions of law.

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

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

23.1 The Municipality reserves the right to inspect all pertinent books, records, maps, plans, financial statements and other like material of Franchisee, upon reasonable notice and during normal business hours, subject to the provisions of Section 25.4.

23.2 If any of such information is not kept in the Municipality, or upon notice Franchisee is unable to provide the records in the Municipality, and if the Municipality shall determine that an examination of such maps or records is necessary or appropriate to the performance of the Municipality's responsibilities under this Agreement, then all travel and maintenance expenses,

in excess of one-hundred miles (100) miles per day, necessarily incurred in making such examination shall be paid by Franchisee.

24.0 REPORTS TO BE FILED BY FRANCHISEE WITH THE MUNICIPALITY

24.1 Upon request of the Municipality, Franchisee shall make available to the Municipality a copy of any technical, operational, or financial report Franchisee submits to the NYSPSC, the FCC, or other governmental entities that concern Franchisee's operation of the System in the Municipality, subject to the provision of Section 25.4.

24.2 Franchisee shall furnish to the Municipality such additional information and records with respect to the operation, affairs, transactions or property of the System and the service provided to the Municipality under this Agreement, as may be reasonably necessary and appropriate to the performance of any of the rights, functions or duties of the Municipality in connection with this Agreement.

25.0 MANDATORY RECORD KEEPING

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

25.2 The Franchisee shall maintain a full and complete set of plans, records, and "as built" maps showing the exact location of all cable installed or in use in the Municipality, exclusive of subscriber service drops.

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

25.4 If any of the records described in this Franchise are proprietary in nature or must be kept confidential under federal, State, or local law, upon written request by the Franchisee, such information shall be treated as confidential, and to the extent consistent with applicable law, such records shall be made available for inspection purposes only to those persons within the Municipality who must have access to such information in order to perform their duties on behalf of the Municipality.

26.0 **MUNICIPAL EMERGENCIES**

26.1 Franchisee shall participate, to the extent required by law, rule or regulation in national or regional emergency alert Systems. Such facilities shall, to the extent required by law, rule or regulation, be made available to the Municipality on a shared basis with other municipalities in the region.

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

**27.0 COMPLIANCE WITH FEDERAL AND STATE LAW AND
REGULATION**

27.1 Franchisee shall comply with all Federal and State laws and regulations that regulate Franchisee's customer service responsibilities.

28.0 EMPLOYEE IDENTIFICATION/TRAINING

28.1 Each employee of Franchisee entering upon private property, including employees of contractors and subcontractors employed by Franchisee, shall have on their person, and shall produce upon request, picture identification that clearly identifies the person as a representative of Franchisee.

28.2 Franchisee shall provide proper training for

employees and shall institute policies and procedures that foster courteous and professional conduct.

29.0 REQUIREMENT FOR ADEQUATE TELEPHONE SYSTEM

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

29.2 Franchisee shall have the ongoing responsibility to insure that the telephone system utilized meets the customer service needs of its subscribers. In evaluating the performance of Franchisee under this section, the Municipality may review telephone systems in use in other jurisdictions by other cable companies, cable industry-established codes and standards, pertinent regulations in other jurisdictions, evaluations of telephone system performance commonly used in the industry, and other relevant factors.

30.0 MISCELLANEOUS PROVISIONS

30.1 Franchisee shall ensure that the subscriber's premises are restored to their pre-existing condition, within a reasonable time, if damaged by Franchisee's employees or agents in any respect in connection with the installation, repair, or disconnection of Cable Service.

The Franchisee shall be liable for any breach of provisions of this Agreement by its contractors, subcontractors or agents.

30.2 The Municipality shall have the right to promulgate new, revised or additional consumer protection standards, and penalties for Franchisee's failure to comply therewith, consistent with the authority granted under Section 632 of the Cable Act (47 U.S. C. Sec. 552).

PART VI -- GUARANTEE OF FRANCHISEE'S PERFORMANCE

31.0 PERIODIC PERFORMANCE EVALUATION SESSIONS

31.1 Upon thirty (30) day notification by the Municipality, Franchisee shall be prepared to participate in a meeting or series of meetings evaluating the performance of Franchisee under this Agreement. The timing of such performance evaluation sessions shall be solely in the discretion of the Municipality; however, each such session shall not be initiated sooner than one year after the close of a previously conducted performance evaluation session. All performance evaluation meetings shall be open to the public.

31.2 Topics which may be discussed at any performance evaluation session may include, but not be limited to,

System performance, compliance with this Agreement and applicable law, customer service and complaint response, services provided, fees described in this Agreement, free services, applications of new technologies, and judicial, federal or State filings.

31.3 During review and evaluation, Franchisee shall fully cooperate with the Municipality and shall provide such information, and documents, as the Municipality may reasonably need to perform its review.

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

32.0 EFFECT OF MUNICIPALITY'S FAILURE TO ENFORCE FRANCHISE PROVISIONS

32.1 Franchisee shall comply with any and all provisions of this Agreement and applicable local, State and Federal law and regulation.

32.2 Any claims arising out of any actual breach of this Agreement shall be effective from the date such breach is found to have commenced. Franchisee's responsibility to cure any such breach shall not be diminished by the failure of the Municipality to enforce any provision of this Agreement.

33.0 LEVEL TERMS

33.1 In the event that the Municipality grants one (1) or more franchise(s), or similar authorization(s), for the construction, operation and maintenance of any communication facility which shall offer services substantially equivalent to services offered by the System, it shall not make the grant on more favorable or less burdensome terms. If Franchisee finds that the agreement(s) granting said other franchise(s) contain provisions imposing lesser obligations or more favorable terms on the company(s) thereof than are imposed by the provisions of this Agreement, then Franchisee may petition the Municipality for a modification of this Agreement. Franchisee shall be entitled with respect to said lesser obligations or more favorable terms to such modification(s) of this Agreement as may be determined to be necessary to insure fair and equal treatment by this Agreement and said other Agreements.

33.2 In the event that a non-franchised multi-channel video programmer/distributor provides service to residents of the Municipality, the Franchisee shall have a right to request Franchise Agreement amendments that relieve the

Franchisee of regulatory burdens that create a competitive disadvantage to the Franchisee. In requesting amendments, the Franchisee shall file a petition seeking to amend the Franchise. Such petition shall: i) indicate the presence of a non-franchised competitor(s); ii) identify the basis for Franchisees belief that certain provisions of the Franchise Agreement place Franchisee at a competitive disadvantage; iii) identify the regulatory burdens to be amended or repealed in order to eliminate the competitive disadvantage. Upon written receipt of a petition seeking such relief, the Municipality shall provide the Franchisee with an opportunity to be heard on its request for amendments to the Franchise. The Municipality shall not unreasonably withhold granting the Franchisee's petition and so amending the Franchise Agreement.

34.0 APPROVAL OF THE NYSPC

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

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

Town of Fishkill

BY: _____

Supervisor

Date: _____

CABLEVISION OF WAPPINGERS FALLS, INC.

By: _____

Vice President

Date: _____

Exhibit A

(with reference to Section 16.1 (d)iii)

To be determined

Exhibit B

(with reference to Section 17.4)

Video Production Equipment

- 6 Character Generator (Community Bulletin Board system)
- 7 Video Camera w/ tripod, microphone and accessories
- 8 Video Post-Production equipment (to edit video)
- 9 (2-3) Video Players(in various formats, i.e.: VHS, DV, DVD)
- 10 Event Controller
- 11 Monitor/ Receiver
- 12 Racks, wiring and connectors