

Cable Franchise Renewal Agreement

by and between

The Village of Great Neck, NY

and

Verizon New York Inc.

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EXHIBIT

Exhibit A: Municipal Buildings to be Provided Cable Service Subject to Section 3.3

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

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

WHEREAS, the LFA is a member of the Great Neck/North Shore Cable Commission (the “Commission”), made up of the following fifteen villages: Flower Hill Village, Great Neck Village, Great Neck Estates Village, Great Neck Plaza Village, Kensington Village, Kings Point Village, Lake Success Village, Munsey Park Village, North Hills Village, Plandome Village, Plandome Heights Village, Plandome Manor Village, Russell Gardens Village, Saddle Rock Village and Thomaston Village (each, a “Member” and collectively, “the Members”);

WHEREAS, the LFA granted to Franchisee effective as of March 19, 2008, a nonexclusive initial Franchise to install, maintain, extend, and operate a Cable System in the LFA for a term of ten (10) years and each other Member granted to Franchisee a substantially similar franchise agreement for the provision of Cable Service (each, an “Initial Franchise” and collectively, the “Initial Franchises”);

WHEREAS, each of the Members has heretofore determined that the Initial Franchises are interrelated, that administration and renewal of the Initial Franchises can be best performed through a cooperative arrangement between and among the Members, and that the ability of each Member to ensure that its residents have adequate cable television service would be enhanced by such a cooperative arrangement;

WHEREAS, the LFA has delegated to the Commission the power and authority to act on behalf of the LFA pursuant to and relating to negotiating the terms and conditions of this renewal Franchise between the LFA and Franchisee, pursuant to the intergovernmental agreement (the “Resolution”) among the Members executed on or about December 3, 1997, as it exists on the Effective Date;

WHEREAS, Franchisee has operated a Cable System in accordance with the Initial Franchise as of its effective date on its existing Telecommunication Services facilities consisting of a Fiber to the Premises Telecommunications Network (“FTTP Network”) in the Franchise Area which also transmits Non-Cable Services pursuant to authority granted by Section 27 of the New York Transportation Corporations Law, as amended, and Title II of the Communications Act, which Non-Cable Services are not subject to the Cable Law or Title VI of the Communications Act;

WHEREAS, pursuant to and in accordance with applicable federal and state law, the LFA undertook a process to determine whether it should renew the Initial Franchise and the terms for such a renewal;

WHEREAS, the LFA has examined the past performance of Franchisee and has identified its future cable-related community needs and interests in accordance with applicable law;

WHEREAS, the LFA has considered the financial, technical and legal qualifications of Franchisee, and has determined that Franchisee's Cable System is adequate in a full public proceeding affording due process to all parties;

WHEREAS, pursuant to and in accordance with applicable federal and state law, the Franchisee submitted to the LFA a proposal to renew the Initial Franchise to operate a Cable System in the Franchise Area;

WHEREAS, following good faith negotiations between the parties, the Local Franchise Authority and Franchisee have agreed on the terms for a renewal of the Franchise under which Franchisee will continue to operate its Cable System in the Franchise Area; and

WHEREAS, the LFA has determined that in accordance with the provisions of the Cable Law, this Franchise complies with NY PSC's franchise standards and the grant of a nonexclusive franchise to Franchisee is consistent with the public interest.

NOW, THEREFORE, in consideration of the LFA's grant of a franchise to Franchisee, Franchisee's promise to continue to provide Cable Service to residents of the LFA pursuant to and consistent with the Cable Law (as hereinafter defined), pursuant to the terms and conditions set forth herein, the promises and undertakings herein, and other good and valuable consideration, the receipt and the adequacy of which are hereby acknowledged,

THE SIGNATORIES DO HEREBY AGREE AS FOLLOWS:

1. **DEFINITIONS**

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

1.1. *Access Channel*: One or more video Channels, which Franchisee shall continue to make available to the LFA and/or the PEG Access Designee without charge for Public, Educational, or Governmental noncommercial use for the transmission of video programming as directed by the LFA.

1.2. *Affiliate*: Any Person who, directly or indirectly, owns or controls, is owned or controlled by, or is under common ownership or control with, the Franchisee.

1.3. *Basic Service*: Any service tier, which includes the retransmission of local television broadcast signals as well as the PEG Channels required by this Franchise.

1.4. *Cable Law*: Article 11 of the New York Public Service Law, as amended, and Title 16, Chapter VIII, Parts 890.60 through 899, of the Official Compilation of Codes, Rules and Regulations of the State of New York, as amended, to the extent authorized under and consistent with federal law.

1.5. *Cable Service* or *Cable Services*: Shall be defined herein as it is defined under Section 602 of the Communications Act, 47 U.S.C. § 522(6), as amended, meaning as of the Effective Date, (A) the one-way transmission to subscribers of (i) video programming, or (ii) other programming service, and (B) subscriber interaction, if any, which is required for the selection or use of such video programming or other programming service.

1.6. *Cable System* or *System*: Shall be defined herein as it is defined under Section 602 of the Communications Act, 47 U.S.C. § 522(7), as amended, meaning as of the Effective Date, a facility, consisting of a set of closed transmission paths and associated signal generation, reception, and control equipment that is designed to provide cable service which includes video programming and which is provided to multiple subscribers within a community, but such term does not include (A) a facility that serves only to retransmit the television signals of one (1) or more television broadcast stations; (B) a facility that serves subscribers without using any Public Rights-of-Way; (C) a facility of a common carrier which is subject, in whole or in part, to the provisions of Title II of the Communications Act [47 USCS §§ 201 et seq.], except that such facility shall be considered a Cable System (other than for purposes of 47 USCS § 541(c)) to the extent such facility is used in the transmission of video programming directly to subscribers, unless the extent of such use is solely to provide interactive on-demand services; (D) an open video system that complies with 47 USCS § 573 or (E) any facilities of any electric utility used solely for operating its electric utility systems.

1.7. *Channel*: Shall be defined herein as it is defined under Section 602 of the Communications Act, 47 U.S.C. § 522(4), as amended, meaning as of the Effective Date, a portion of the electromagnetic frequency spectrum which is used in a cable system and which is capable of delivering a television channel (as television channel is defined by the FCC by regulation).

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

1.9. *Control*: The ability to exercise *de facto* or *de jure* control over day-to-day policies and operations or the management of Franchisee's affairs.

1.10. *Educational Access Channel*: One or more educational Access Channels available for noncommercial use solely by local public schools and public school districts in the Franchise Area and other not-for-profit educational institutions chartered or licensed by the New York State Department of Education or Board of Regents in the Franchise Area and/or the PEG Access Designee as specified by the LFA.

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

1.12. *Force Majeure*: An event or events reasonably beyond the ability of Franchisee to anticipate and control. This includes, but is not limited to, severe or unusual weather conditions, strikes, war or act of war (whether an actual declaration of war is made or not),

insurrection, riots, act of public enemy, incidences of terrorism, acts of vandalism, epidemics, actions or inactions of any government instrumentality or public utility including condemnation, accidents for which the Franchisee is not primarily responsible, fire, flood, or other acts of God, or work delays caused by waiting for utility providers to service or monitor utility poles to which Franchisee's FTTP Network is attached, and unavailability of materials and/or qualified labor to perform the work necessary.

1.13. *Franchise Area*: The incorporated area (entire existing territorial limits) of the LFA, and such additional areas as may be annexed or acquired.

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

1.15. *Government Access Channel*: One or more governmental Access Channels available for the sole noncommercial use of the LFA and/or the PEG Access Designee.

1.16. *Gross Revenue*: All revenue, as determined in accordance with generally accepted accounting principles, which is derived by Franchisee from the operation of the Cable System to provide Cable Service in the Franchise Area, subject to the following inclusions and exclusions.

1.16.1. *Gross Revenue includes, without limitation*: all Subscriber and customer revenues earned or accrued net of bad debts including revenue for: (i) Basic Service; (ii) all fees charged to any Subscribers for any and all Cable Service provided by Franchisee over the Cable System in the Franchise Area, including without limitation Cable Service related program guides, the installation, disconnection or reconnection of Cable Service; revenues from late or delinquent charge fees; Cable Service related or repair calls; the provision of converters, remote controls, additional outlets and/or other Cable Service related Subscriber premises equipment, whether by lease or fee; (iii) revenues from the sale or lease of access channel(s) or channel capacity; (iv) video-on-demand and pay-per-view; and (v) compensation received by Franchisee that is derived from the operation of Franchisee's Cable System to provide Cable Service with respect to commissions that are paid to Franchisee as compensation for promotion or exhibition of any products or services on the Cable System, such as "home shopping" or a similar channel, subject to the exceptions below. Gross Revenue includes a pro rata portion of all revenue derived by Franchisee pursuant to compensation arrangements for advertising derived from the operation of Franchisee's Cable System to provide Cable Service within the Franchise Area, subject to the exceptions below. The allocation of home shopping and advertising revenue shall be based on the number of Subscribers in the Franchise Area divided by the total number of subscribers in relation to the relevant local, regional or national compensation arrangement. Advertising commissions paid to third parties shall not be netted against advertising revenue included in Gross Revenue. Gross Revenue also includes Franchise Fees imposed on Franchisee by the LFA that are passed through from Franchisee as a line item paid by Subscribers, provided that LFA requires all cable service providers in the Franchise Area to include cable franchise fees in such providers' gross revenue calculations for the purpose of determining cable franchise fees due and payable to the LFA. Upon sixty (60) days' written notice from the LFA confirming that the franchise agreements of all cable service providers in the Franchise Area require the inclusion of cable franchise fees in their gross revenue calculations, then Franchisee shall include Franchise Fees in its Gross Revenue

calculations. If at any time any cable service provider in the Franchise Area no longer includes cable franchise fees in its gross revenue calculations, then LFA shall promptly notify Franchisee in writing and Franchisee may exclude Franchise Fees from its Gross Revenue calculations on a going-forward basis.

Gross Revenue shall not include:

1.16.1.1. revenues received by any Affiliate or other Person in exchange for supplying goods or services used by Franchisee to provide Cable Service over the Cable System; bad debts written off by Franchisee in the normal course of its business (provided, however, that bad debt recoveries shall be included in Gross Revenue during the period collected); refunds, rebates or discounts made to Subscribers or other third parties; any revenue of Franchisee or any other Person which is received directly from the sale of merchandise through any Cable Service distributed over the Cable System, however, that portion of such revenue which represents or can be attributed to a Subscriber fee or a payment for the use of the Cable System for the sale of such merchandise shall be included in Gross Revenue; the sale of Cable Services on the Cable System for resale in which the purchaser is required to collect cable Franchise Fees from purchaser's customer; the sale of Cable Services to customers, which are exempt, as required or allowed by the LFA including, without limitation, the provision of Cable Services to public institutions as required or permitted herein; any tax of general applicability imposed upon Franchisee or upon Subscribers by a city, state, federal or any other governmental entity and required to be collected by Franchisee and remitted to the taxing entity (including, but not limited to, sales/use tax, gross receipts tax, excise tax, utility users tax, public service tax, communication taxes and non-cable franchise fees); any foregone revenue which Franchisee chooses not to receive in exchange for its provision of free or reduced cost cable or other communications services to any Person, including without limitation, employees of Franchisee and public institutions or other institutions designated in the Franchise (provided, however, that such foregone revenue which Franchisee chooses not to receive in exchange for trades, barter, services or other items of value shall be included in Gross Revenue); sales of capital assets or sales of surplus equipment; program launch fees, i.e., reimbursement by programmers to Franchisee of marketing costs incurred by Franchisee for the introduction of new programming; directory or Internet advertising revenue including, but not limited to, yellow page, white page, banner advertisement and electronic publishing; or any fees or charges collected from Subscribers or other third parties for any Initial PEG Grant, Quarterly PEG Grant or Quarterly PEG Support payments.

1.16.1.2. Except as otherwise provided in Subsection 1.16.1, any revenues classified, in whole or in part, as Non-Cable Services revenue under federal or state law including, without limitation, revenue received from Telecommunications Services; revenue received from Information Services, including, without limitation, Internet Access service, electronic mail service, electronic bulletin board service, or similar online computer services; charges made to the public for commercial or cable television that is used for two-way communication; fees, taxes and surcharges on Non-Cable Services, including, but not limited to the NY Municipal Construction Surcharge; and any other revenues attributed by Franchisee to Non-Cable Services in accordance with federal law, rules, regulations, standards or orders. Should revenue from any service provided by Franchisee over the Cable System be classified as Cable Service revenue by a final determination or ruling of any agency or court having jurisdiction, after the exhaustion of all appeals related thereto, the LFA shall be entitled, after notification to

Franchisee, to amend this Agreement in the manner prescribed under applicable state law or this Franchise to include revenue from Franchisee's provision of such service as Gross Revenue, and Franchisee shall include revenue from such service as Gross Revenue on a going forward basis commencing with the next available billing cycle following the date of issuance of an order from the NY PSC approving such amendment.

1.17. *High-Definition (HD) PEG Access Channel*: A PEG Access Channel in the high-definition display format for digital television transmissions with video transmitted in a 16:9 aspect ratio with a resolution of 720p or 1080i.

1.18. *Information Services*: Shall be defined herein as it is defined under Section 3 of the Communications Act, 47 U.S.C. §153(24), as amended, meaning, as of the Effective Date, the offering of a capability for generating, acquiring, storing, transforming, processing, retrieving, utilizing, or making available information via telecommunications, and includes electronic publishing, but does not include any use of any such capability for the management, control, or operation of a telecommunications system or the management of a telecommunications service.

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

1.20. *Local Franchise Authority (LFA)*: The Village of Great Neck, New York, or the lawful successor, transferee, or assignee thereof.

1.21. *Non-Cable Services*: Any service that does not constitute the provision of Cable Service including, but not limited to, Information Services and Telecommunications Services.

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

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

1.24. *PEG Access Designee*: Any entity designated by the LFA for the purpose of owning and/or operating the equipment and facilities used in the production and/or broadcast of PEG Access Channel programming for the LFA; the LFA's PEG Access Designee shall continue to be North Shore TV (NSTV).

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

1.26. *Public Access Channel*: One or more public Access Channels available for the noncommercial use solely by the residents in the Franchise Area on a first-come, first-served, nondiscriminatory basis and/or the PEG Access Designee.

1.27. *Public Rights-of-Way*: The surface and the area across, in, over, along, upon and below the surface of the public streets, roads, bridges, sidewalks, lanes, courts, ways, alleys, and boulevards, including, public utility easements and public lands and waterways used as Public Rights-of-Way, as the same now or may thereafter exist, which are under the jurisdiction or control

of the LFA. Public Rights-of-Way do not include the airwaves above a right-of-way with regard to cellular or other non-wire communications or broadcast services.

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

1.29. *Telecommunication Services*: Shall be defined herein as it is defined under Section 3 of the Communications Act, 47 U.S.C. § 153(53), as amended, meaning, as of the Effective Date, the offering of telecommunications for a fee directly to the public, or to such classes of users as to be effectively available directly to the public, regardless of the facilities used.

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

1.31. *Transfer of the Franchise*:

1.31.1. Any transaction in which:

1.31.1.1. a fifty percent (50%) ownership or other interest in Franchisee is transferred, directly or indirectly, from one Person or group of Persons to another Person or group of Persons, so that Control of Franchisee is transferred; or

1.31.1.2. the rights held by Franchisee under the Franchise and the certificate of confirmation issued therefor by the NY PSC are transferred or assigned to another Person or group of Persons.

1.31.2. However, notwithstanding Subsections 1.31.1.1 and 1.31.1.2 above, a *Transfer of the Franchise* shall not include transfer of an ownership or other interest in Franchisee to the parent of Franchisee or to another Affiliate of Franchisee; transfer of an interest in the Franchise or the rights held by the Franchisee under the Franchise to the parent of Franchisee or to another Affiliate of Franchisee; any action which is the result of a merger of the parent of the Franchisee; or any action which is the result of a merger of another Affiliate of the Franchisee.

1.32. *Video Programming*: Shall be defined herein as it is defined under Section 602 of the Communications Act, 47 U.S.C. § 522(20), as amended, meaning, as of the Effective Date, programming provided by, or generally considered comparable to programming provided by, a television broadcast station.

1.33. *Video Service Provider or VSP*: Any entity using wired facilities occupying any portion of the Public Rights-of-Way to provide Video Programming services to multiple subscribers within the territorial boundaries of the LFA. A VSP shall include, but is not limited to, any entity that provides Cable Services within the territorial boundaries of the LFA.

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

2.1. *Grant of Authority*: Subject to the terms and conditions of this Agreement and the Cable Law, the LFA hereby grants the Franchisee the right to own, construct, operate and maintain a Cable System along the Public Rights-of-Way within the Franchise Area, in order to

provide Cable Service. No privilege or power of eminent domain is bestowed by this grant; nor is such a privilege or power bestowed by this Agreement.

2.2. *The FTTP Network:* Upon delivery of Cable Service, by subjecting Franchisee's mixed-use facilities to the NY PSC's minimum franchise standards and the LFA's police power, the LFA has not been granted broad new authority over the construction, placement and operation of Franchisee's mixed-use facilities.

2.3. *Effective Date and Term:* This Franchise shall become effective on the date that the NY PSC issues an order approving renewal for this Franchise (the "Effective Date"), following its approval by the LFA's governing authority authorized to grant franchises and its acceptance by the Franchisee. The term of this Franchise shall be five (5) years from the Effective Date unless the Franchise is earlier terminated by Franchisee pursuant to the terms of Sections 2.4 or 2.5 or revoked by the LFA as provided herein. The Franchisee shall memorialize the Effective Date by notifying the LFA in writing of the same, which notification shall become a part of this Franchise.

2.4. *Termination Generally:* Notwithstanding any provision herein to the contrary, Franchisee may terminate this Agreement and all obligations hereunder at any time during the term of this Agreement for any reason, in Franchisee's sole discretion, upon twelve (12) months written notice to the LFA.

2.5. *Modification/Termination Based on VSP Requirements:*

2.5.1. If there is a change in federal, state, or local law that reduces any material financial and/or operational obligation that the LFA has required from or imposed upon a VSP, or if the LFA enters into any franchise, agreement, license, or grant of authorization to a VSP to provide Video Programming services to residential subscribers in the LFA and the agreement, license or grant of authorization, taken as a whole upon consideration of all of its material obligations, is less burdensome than those imposed by this Franchise, Franchisee and the LFA shall, within sixty (60) days of the LFA's receipt of Franchisee's written notice, commence negotiations to modify this Franchise to create reasonable competitive equity between Franchisee and such other VSPs. Any modification of the Franchise pursuant to the terms of this section shall not trigger the requirements of Subpart 892-1 of the NY PSC rules and regulations.

2.5.2 Franchisee's notice pursuant to Section 2.5.1. shall specify either the change in law or the lesser burdens in an authorization to a competitive VSP and the resulting change in obligations. Franchisee shall respond within a reasonable period to reasonable information requests from the LFA, as may be necessary to review the change in obligations resulting from the cited law.

2.5.3 In the event the parties do not reach mutually acceptable agreement on a modification requested by Franchisee, Franchisee shall, at any time and in its sole discretion, have the option of exercising any of the following actions:

a. If agreed by both parties, submit the matter to commercial arbitration by a mutually-selected arbitrator in accordance with the rules of the American Arbitration Association; or

b. Submit the matter to mediation by a mutually-acceptable mediator.

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

2.7. *Franchise Subject to State and Federal Law:* Notwithstanding any provision to the contrary herein, this Franchise is subject to and shall be governed by all applicable provisions of state and federal law as it may be amended; provided, however, that nothing herein shall be deemed to restrict the LFA from the reasonable, necessary and lawful exercise of its police powers as referenced in Section 2.10 of this Agreement.

2.8. *No Waiver:*

2.8.1. The failure of the LFA on one or more occasions to exercise a right under this Franchise, the Cable Law or other applicable state or federal law, or to require compliance or performance under this Franchise, shall not be deemed to constitute a waiver of such right or a waiver of compliance or performance of this Agreement, nor shall it excuse Franchisee from compliance or performance, unless such right or such compliance or performance has been specifically waived in writing.

2.8.2. The failure of the Franchisee on one or more occasions to exercise a right under this Franchise, the Cable Law or other applicable state or federal law, or to require performance under this Franchise, shall not be deemed to constitute a waiver of such right or a waiver of performance of this Agreement, nor shall it excuse the LFA from performance, unless such right or such performance has been specifically waived in writing.

2.9. *Construction of Agreement:*

2.9.1. The provisions of this Franchise shall be liberally construed to effectuate their objectives.

2.9.2. Nothing herein shall be construed to limit the scope or applicability of Section 625 of the Communications Act, 47 U.S.C. § 545, as amended.

2.10. *Police Powers:* The LFA shall not enact any local laws that are inconsistent with this Franchise, provided, however, that nothing in this Franchise shall be construed to prohibit the LFA's reasonable, necessary and lawful exercise of its police powers, including, without limitation, in addition to the implementation and enforcement of the provisions of this Agreement and existing applicable laws and regulations, the enactment, adoption, implementation and enforcement of such additional laws and regulations as the LFA may deem necessary in the exercise of its police power; provided, however that such laws and regulations are reasonable, not

materially in conflict with the privileges granted in this Franchise and consistent with all federal and state laws, regulations and orders.

2.11. *Restoration of Municipal Property:* Any municipal property damaged or destroyed by Franchisee's employees or agents in connection with the installation, repair, or disconnection of Cable Service shall be promptly repaired or replaced by the Franchisee and restored to preexisting condition in accordance with the Cable Law.

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

2.13. *LFA Designation of Representative:* The LFA's Mayor or designated representatives or representative of the Mayor will be responsible for the continuing administration of the rights and interests of the LFA in the franchise. However, the Franchisee agrees that the LFA may transfer or delegate any such responsibilities to the Commission pursuant to the Resolution; provided, however, that in the event the Commission acts on behalf of the LFA on a particular matter the LFA may not simultaneously exercise its rights on the same matter under this Franchise.

2.14. *Compliance with Federal and State Privacy Laws:* Franchisee shall comply with the privacy provisions of Section 631 of the Communications Act and all other applicable federal and state privacy laws and regulations. The parties agree that, during the term hereof, Franchisee shall not be subject to any local laws or ordinances which conflict with such applicable federal and/or state privacy laws, or which would impose additional or distinct requirements upon Franchisee with respect to Subscriber privacy.

3. **PROVISION OF CABLE SERVICE**

3.1. *Franchise Area:* Subject to the issuance of all necessary permits by the LFA, Franchisee shall continue to offer Cable Service to all residential households of the Franchise Area and may make Cable Service available to businesses in the Franchise Area, except: (A) for periods of Force Majeure; (B) for periods of delay caused by the LFA; (C) for periods of delay resulting from Franchisee's inability to obtain authority to access rights-of-way in the Franchise Area; (D) in areas where developments or buildings are subject to claimed exclusive arrangements with other providers; (E) in areas, developments, buildings or other residential dwelling units where Franchisee cannot gain access after good faith efforts, including, but not limited to, circumstances where Franchisee cannot access the area, development, or building by using Franchisee's existing network pathways and which would thus require the construction of new trunk, feeder, or distribution lines in accordance with NY PSC rules and regulations; (F) in areas, developments, buildings or other residential dwelling units where the provision of Cable Service is economically infeasible because such provision requires nonstandard facilities which are not available on a commercially reasonable basis, in accordance with NY PSC rules and regulations; (G) in areas, developments, buildings or other residential dwelling units where the occupied residential dwelling unit density does not meet the density and other requirements set forth in Section 3.2. and Section 3.3; and (H) in areas, developments,

buildings, or other residential dwelling units that are not habitable or have not been constructed as of the Effective Date.

3.2. *Density Requirement:* Subject to Subsection 3.1, Franchisee shall make Cable Services available to residential dwelling units in all areas of the Franchise Area where the average density is equal to or greater than twenty-five (25) occupied residential dwelling units per mile as measured in strand footage from the nearest technically feasible point on the active FTTP Network trunk or feeder line.

3.3. *Availability of Cable Service:* Franchisee shall make Cable Service available to all residential dwelling units and may make Cable Service available to businesses within the Franchise Area in conformance with Section 3.1, and Franchisee shall not discriminate between or among any individuals in the availability of Cable Service or based upon the income of the residents in a local area. In the areas in which Franchisee shall provide Cable Service, Franchisee shall be required to connect, at Franchisee's expense, other than a standard installation charge, all residential dwelling units that are within five hundred (500) feet of trunk or feeder lines, measured from the property line of a Subscriber (including those on private roads), not otherwise already served by Franchisee's FTTP Network. Franchisee shall be allowed to recover, from a Subscriber that requests such connection, the actual costs incurred for residential dwelling unit connections that exceed five hundred (500) feet or are in an area with a density of less than twenty-five (25) occupied residential dwelling units per mile and the actual costs incurred to connect any non-residential dwelling unit Subscriber, provided, however, that Franchisee may seek a waiver of any requirement that it extend service to any party requesting the same in an area with a density of less than twenty-five (25) occupied residential dwelling units per mile if such would not be possible within the limitations of economic feasibility.

3.4. *Cable Service to Public Buildings:* In accordance with applicable provisions of the FCC's 2019 Third Report and Order In the Matter of Implementation of Section 621 of the Cable Act (the "621 Order") and the Sixth Circuit Court of Appeals decision on appeal in the matter (the "Sixth Circuit Ruling"), within a reasonable period of time following the Effective Date, the Franchisee shall provide written notice to the LFA regarding the manner and process by which the parties shall implement the 621 Order's requirements regarding the provision of free or discounted Cable Service to public buildings under a franchise agreement consistent with the Sixth Circuit Ruling. If requested in writing by the LFA, Franchisee shall provide, without charge within the Franchise Area, one service outlet activated for Basic Service to each municipal building, public school and public library as designated by the LFA as provided in Exhibit A attached hereto. Franchisee may charge for such Basic Service in accordance with applicable law, which as of the Effective Date is Franchisee's marginal cost of providing such service; provided, however, that if it is necessary to extend Franchisee's trunk or feeder lines more than five hundred (500) feet solely to provide service to any such municipal building, school or public library, the LFA shall have the option either of paying Franchisee's direct costs for such extension in excess of five hundred (500) feet, or of releasing Franchisee from the obligation to provide service to such municipal, school or public building. Furthermore, Franchisee shall be permitted to recover, from any municipal, school or public building owner entitled to free service, the direct cost of installing, when requested to do so, more than one outlet, or concealed inside wiring, or a service outlet requiring more than five hundred (500) feet of drop cable; provided, however, that Franchisee shall not charge for the provision of Basic Service to the additional service outlets

once installed. Cable Service may not be resold or otherwise used in contravention of Franchisee's rights with third parties respecting programming. Equipment provided by Franchisee, if any, shall be replaced at retail rates if lost, stolen or damaged. The parties hereto agree that the exercise of any conditional obligations set forth in this Section 3.4 shall not constitute a modification or amendment of the Franchise within the meaning of Subpart 892-1 of the NY PSC rules and regulations.

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

4. **SYSTEM FACILITIES**

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

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

4.2.1 The System shall be operated with an initial digital carrier passband between 50 and 860 MHz and shall provide for a minimum channel capacity of not less than 86 channels on the Effective Date.

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

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

4.4. *Emergency Alert System:* Franchisee shall comply with the Emergency Alert System ("EAS") requirements of the FCC and applicable state and local EAS Plans, in order that emergency messages may be distributed over the System.

4.5. *Parental Control:* The Franchisee shall comply with all applicable requirements of federal law(s) governing Subscribers' capability to control the reception of any channels being received on their television sets.

5. **PEG SERVICES**

5.1. *PEG Set Aside:*

5.1.1. In order to ensure universal availability of public, educational and government programming, Franchisee shall continue to make available to the LFA and/or the PEG Access Designee, as designated in writing by the LFA, one (1) full-time shared Public Access Channel, one (1) full-time shared Educational Access Channel, and two (2) full-time shared Government Access Channels transmitted in the standard definition display format for digital

television transmissions with video transmitted in a 4:3 aspect ratio with a resolution up to 480i. (individually, an “SD PEG Access Channel” and collectively, the “SD PEG Access Channels”). Notwithstanding the foregoing, the LFA may elect to replace all or fewer SD PEG Access Channels with the replacement in High Definition (“HD”) display format for digital television transmissions with video transmitted in a 16:9 aspect ratio with a resolution up to 720p (each, an “HD PEG Access Channel” and, collectively with the SD PEG Access Channels, the “PEG Access Channels”) by providing written notice to Franchisee. Franchisee shall make each HD PEG Access Channel available to the LFA or the PEG Access Designee to replace each SD PEG Access Channel within two hundred seventy (270) days of Franchisee’s receipt of a written request from the LFA and/or the PEG Access Designee specifying the SD PEG Access Channel to be replaced with an HD PEG Access Channel. The HD PEG Access Channels may not be available at all times during the term of this Agreement on Franchisee’s Basic Service Tier, and a Subscriber may be required to upgrade equipment for an additional charge in order to view the HD PEG Access Channels. All programming content for the HD PEG Access Channels shall be transmitted to Franchisee in HD-SDI format with a resolution of 720p or 1080i. To the extent permitted by law, the Franchisee shall be allowed to recover from Subscribers applicable costs incurred to transmit HD PEG Access Channel programming of any type.

5.1.2. The LFA hereby authorizes Franchisee to transmit PEG Access Channel programming within and without LFA jurisdictional boundaries. Franchisee specifically reserves the right to make or change PEG Access Channel assignments in its sole discretion. Franchisee shall provide the LFA with at least thirty (30) day’s prior written notice of such change in PEG Access Channel assignments. If a PEG Access Channel provided under this Article is not being utilized by the LFA or the PEG Access Designee, Franchisee may utilize such PEG Access Channel, in its sole discretion, until such time as the LFA and/or the PEG Access Designee elects to utilize the PEG Access Channel for its intended purpose. In the event that the LFA subsequently determines to use PEG capacity, the LFA shall provide Franchisee with prior written notice of such request in accordance with NY PSC rules and regulations and Franchisee shall comply with such request.

5.1.3. The LFA shall have complete control over the content, scheduling, administration and all other programming aspects of the PEG Access Channels, and may delegate such functions, or a portion of such functions, to a PEG Access Designee. Franchisee shall not exercise any editorial control over PEG Access Channels programming. LFA hereby designates North Shore Television (“NSTV”) as its PEG Access Designee.

5.1.4. The Franchisee shall monitor the PEG Access Channels for technical quality consistent with applicable FCC technical standards, as such standards may be amended from time to time, and shall ensure that they are maintained at standards the same or better than those which apply to the Cable System’s commercial channels of similar format and resolution, provided, however, that the Franchisee is not responsible for the production quality of PEG Access Programming productions, nor for any deficiencies in the source signal it receives from any party over which the Franchisee has no control.

5.1.5. If the Franchisee lists PEG Access Channel program content titles on its electronic program guide in any other municipality in New York State other than on a test or trial basis, then it shall, upon written request of the LFA, discuss with the LFA or the PEG

Access Designee, the technical feasibility and commercial reasonability of listing the LFA's PEG Access Channel program content titles on the Franchisee's electronic program guide and the provision thereof by the Franchisee; however, the Franchisee shall not be required by this Section to list the LFA's PEG Access Channel program content titles on its electronic program guide.

5.2. *PEG Access Connections:*

5.2.1 The Franchisee shall continue to connect to equipment owned by the LFA and/or the PEG Access Designee at NSTV, 1111 Marcus Avenue, Suite LL27, Lake Success, NY 11042 and Great Neck South Middle School, 349 Lakeville Road, Great Neck, NY 11020 (each, a "PEG Connection Site" and collectively, the "PEG Connection Sites"). The LFA or, if designated by the LFA in writing to Franchisee, the PEG Access Designee, shall be required to pay Franchisee for all costs associated with installing any new connection if initiated by the LFA or PEG Access Designee; provided, however, that the LFA's and/or PEG Access Designee's responsibility for the foregoing costs is subject to the LFA's express written consent, and subject further to Franchisee's prior disclosure of such costs and prior consent to same by the LFA or PEG Access Designee.

5.2.2 Within one hundred eighty (180) days of a written request by the LFA, Franchisee shall relocate during the term of this Agreement one (1) PEG Connection Site as follows: (1) the LFA shall request the relocation in writing to Franchisee; (2) the new location must be a standard installation and situated within five hundred (500) aerial feet of Franchisee's FTTP Network trunk or feeder line measured from the property line of the new location; (3) Franchisee's obligation shall be subject to the same conditions that apply to the PEG Connection Sites as set forth in this Section; (4) the LFA shall provide access to such site at least ninety (90) days prior to anticipated use of any new PEG origination site; and (5) Franchisee shall charge LFA for such relocation based on Franchisee's actual costs. The timeline for relocation of the PEG origination site shall be subject to LFA's timely granting of any and all required permits, make ready, and the detection of all underground utilities.

5.2.3 The demarcation points between the Franchisee's signal processing equipment (which the Franchisee shall own, install and maintain) and the LFA's PEG equipment shall be at the output of the LFA's signal processing equipment at the PEG Connection Sites. The LFA and/or the PEG Access Designee shall be solely responsible for operating its switching equipment and the picture and audio quality of all PEG access programming up to the demarcation points and for ensuring all PEG access programming is inserted on the appropriate upstream PEG Channel. All PEG access programming shall be transmitted to the Franchisee in baseband, SD-SDI or HD-SDI format with either mono or stereo audio signals, and with signals received by Franchisee in stereo cablecast by Franchisee in stereo. Notwithstanding the foregoing, the Franchisee shall not be obligated to provide the LFA or PEG Access Designee with either cablecast equipment and facilities or the personnel responsible for maintaining and operating equipment and facilities on the LFA's side of the demarcation points and used to generate or administer any PEG access signals, except as necessary to implement the Franchisee's responsibilities specified herein. The LFA and the Franchisee shall work together in good faith to resolve any connection issues. If the LFA issues a franchise to, or renews a franchise with, a competing Cable Service provider, the competing Cable Service provider may not connect its system to Franchisee's System

for the purposes of obtaining PEG access programming from the PEG Channels transmitted on Franchisee's System without Franchisee's prior written consent.

5.2.4 The LFA shall provide to Franchisee at the demarcation points a suitable video signal and a suitable audio signal for each PEG Channel. Franchisee, upon receipt of the suitable video and audio signals, shall provide, install and maintain in good working order the equipment necessary for transmitting the PEG signal to the channel aggregation site for further processing for distribution to Subscribers. Franchisee's obligations with respect to such upstream transmission equipment and facilities shall be subject to the availability, without charge to Franchisee, of suitable required space, environmental conditions, electrical power supply, access, pathway, and other facilities and such cooperation of the LFA as is reasonably necessary for Franchisee to fulfill such obligations.

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

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

5.2.7 Subject to Section 5.2, Franchisee shall design, build, and maintain all PEG upstream feeds, connections, and distribution facilities in order that such feeds function as reliably as Franchisee's Cable System as a whole within the Franchise Area.

5.3. *PEG Access Channel Support:*

5.3.1 Franchisee shall provide for use in support of the production of local PEG Access Channel programming and on behalf of all Members combined, an initial PEG grant in the total amount of One Hundred Fifty Thousand Dollars (\$150,000.00), payable no later than forty-five (45) days of the Effective Date (the "Initial PEG Grant"), and a quarterly PEG grant in the total amount of One Million Dollars (\$1,000,000.00) payable in twenty (20) quarterly installments of Fifty Thousand Dollars (\$50,000.00) each (the "Quarterly PEG Grant"). The Quarterly PEG Grant shall be paid on or before forty-five (45) days following the end of the calendar quarter. Specifically, payments shall be due and payable on or before May 15 (for the first quarter), August 15 (for the second quarter), November 15 (for the third quarter) and February 15 (for the fourth quarter). The Initial PEG Grant and Quarterly PEG Grant payments shall be paid directly to NSTV. If Franchisee terminates the Agreement, Franchisee will pay all outstanding Quarterly PEG Grant installments within forty-five (45) days of its written termination notice to the LFA. The Initial PEG Grant and Quarterly PEG Grant shall be used solely by the LFA for PEG access equipment, including, but not limited to, studio and portable production equipment, editing equipment and program playback equipment, or for renovation or construction of PEG access facilities. The LFA and/or PEG Access Designee, as determined by the LFA, shall own all facilities and equipment purchased with the Initial PEG Grant and Quarterly PEG Grant,

and Franchisee shall have no obligation to maintain, repair, replace or insure any equipment or facilities purchased with the Initial PEG Grant and Quarterly PEG Grant.

5.3.2 In addition to the Initial PEG Grant and Quarterly PEG Grant, the Franchisee shall provide continuing PEG access support in the amount of one percent (1%) of the Franchisee's annual Gross Revenues ("Continuing PEG Support") to each Commission municipality by making payment directly to NSTV. The Continuing PEG Support shall be used to support ongoing operations of PEG access programming. Each Continuing PEG Support payment shall be accompanied by a brief report prepared by a representative of Franchisee showing the basis for the computation. The Continuing PEG Support payment shall be calculated on a quarterly basis and made no later than forty-five (45) days following the end of each calendar quarter during the franchise term. Specifically, such payments shall be due and payable on or before May 15 (for the first quarter), August 15 (for the second quarter), November 15 (for the third quarter) and February 15 (for the fourth quarter).

5.3.3 If a majority of the Members of the Commission decide in writing to change the PEG Access Designee from NSTV to another entity, they shall provide notice of such change to Franchisee, and within forty-five (45) days of receipt of such written notice, Franchisee shall remit Quarterly PEG Grant and Continuing PEG Support payments to the new PEG Access Designee.

5.3.4 If at any time during the term of this Agreement, any other Cable Service provider(s) in the LFA cease(s) to provide cash grants to the LFA in support of the production of local PEG programming as may be required in the franchise agreement(s) between the LFA and such other Cable Service provider(s), then Franchisee's Initial PEG Grant, Quarterly PEG Grant and Continuing PEG Support obligations shall cease. If such other Cable Service provider(s) subsequently resumes the payment of such cash grants as required in its franchise agreement, then Franchisee shall also resume payments of any of the Initial PEG Grant, Quarterly PEG Grant and Continuing PEG Support payments outstanding. Equipment, services and other in-kind, non-monetary contributions to the LFA by such other Cable Service provider shall not count towards the cash grants referenced in the preceding sentence.

5.3.5 Upon Franchisee's written request, the LFA shall provide Franchisee with a copy of the most recent annual report of the PEG Access Designee.

5.4. *Indemnity for PEG:* The LFA shall require all local producers and users of any of the PEG facilities or Channels to agree in writing to authorize Franchisee to transmit programming consistent with this Agreement and to defend and hold harmless Franchisee, the LFA and the PEG Access Designee from and against any and all liability or other injury, including the reasonable cost of defending claims or litigation, arising from or in connection with claims for failure to comply with applicable federal laws, rules, regulations or other requirements of local, state or federal authorities; for claims of libel, slander, invasion of privacy, or the infringement of common law or statutory copyright; for unauthorized use of any trademark, trade name or service mark; for breach of contractual or other obligations owing to third parties by the producer or user; and for any other injury or damage in law or equity, which result from the use of a PEG facility or Channel. The LFA shall establish rules and regulations for use of PEG facilities, consistent with, and as required by, 47 U.S.C. §531.

5.5. *Recovery of Costs:* To the extent permitted by federal law, the Franchisee shall be allowed to recover from Subscribers the costs of interconnection, the Initial PEG Grant, the Quarterly PEG Grant and Quarterly PEG Support or any other costs arising from the provision of PEG services and to include such costs as separately billed line items on each Subscriber's bill.

5.6. *PEG Liability.* In accordance with 47 U.S.C. §558, the Franchisee shall not incur any liability arising from any program carried on or in connection with any PEG Channels.

6. **FRANCHISE FEES**

6.1. *Payment to LFA:* Franchisee shall continue to pay to the LFA a franchise fee (the "Franchise Fee") of three percent (3%) of annual Gross Revenue; provided, however, that Franchisee shall pay a Franchise Fee of four percent (4%) of annual Gross Revenue, with three percent (3%) paid directly to the LFA and one percent (1%) paid directly to NSTV on a going forward basis upon ninety (90) days written notice to Franchisee that all other franchisees providing Cable Service in the Franchise Area are also required to pay a franchise fee of four percent (4%) of annual gross revenue. If at any time during the term, all cable operators providing cable service in the Franchise Area pay the LFA a lower Franchise Fee, Franchisee agrees to pay the same decreased Franchise Fee to the extent permitted by law. If all other cable operators cease the provision of cable service in the Franchise Area during the term, Franchisee agrees that it will continue to pay the highest Franchise Fee assessed during the time that all cable operators provided cable service. In accordance with Title VI, the twelve (12) month period applicable under the Franchise for the computation of the Franchise Fee shall be a calendar year. Franchise Fee payments shall be calculated on a quarterly basis and made no later than forty-five (45) days following the end of each calendar quarter. Specifically, payments shall be due and payable on or before May 15 (for the first quarter), August 15 (for the second quarter), November 15 (for the third quarter) and February 15 (for the fourth quarter). Franchisee shall be allowed to submit or correct any payments that were incorrectly omitted, and shall be refunded any payments that were incorrectly submitted, in connection with the quarterly Franchise Fee remittances within ninety (90) days following the close of the calendar year for which such payments were applicable. No acceptance of any payment shall be construed as an accord that the amount paid is the correct amount. Late payments shall be subject to interest at a rate of six percent (6%) per annum from the due date to the date the payment is made.

6.2. *Supporting Information:* Each Franchise Fee payment shall be accompanied by a brief report prepared by a representative of Franchisee showing the basis for the computation.

6.3. *Audit:*

6.3.1 LFA may conduct an audit related to the Franchise Fee payments required under this Agreement no more than once every three (3) years during the term. Any audit shall be initiated through written notice to Franchisee by LFA, and LFA or auditor employed by LFA shall submit its complete request for records within one (1) month of LFA providing written notice of an audit. Subject to the confidentiality provisions of Section 7.1, and execution of a non-

disclosure agreement with an auditor directly employed by LFA, all records necessary for an audit shall be made available in a timely manner by Franchisee to LFA or its auditor for inspection at an office of Franchisee during Franchisee's regular business hours. The parties shall work cooperatively on an ongoing basis during the audit review if the LFA or its designated auditor identifies reasonable follow up requests to the extent necessary to complete the audit.

6.3.2 Any such audit conducted by LFA or auditor employed by the LFA shall be completed in an expeditious and timely manner. If upon completion of the audit, LFA does not make a claim for additional payments, then LFA shall provide Franchisee with written documentation of closure of the audit within sixty (60) days of the completion of the audit. If the LFA or the auditor employed by the LFA does not have any open requests and does not provide written documentation of closure of audit, the audit will be deemed closed after ninety (90) days of inactivity.

6.3.3 If the results of an audit indicate an overpayment or underpayment of Franchise Fees, as indicated in a report to be provided by the auditor to Franchisee, the parties agree that such overpayment or underpayment plus interest at a rate of six percent (6%) per annum from the due date to the date the payment is made shall be returned to the proper party within sixty (60) days of written notice.

6.3.4 All audits conducted by an independent third party should be performed using Generally Accepted Auditing Standards promulgated by the Auditing Standards Board of the American Institute of Certified Public Accountants and who shall not be permitted to be compensated on a success based formula, *e.g.*, payment based on an underpayment of fees, if any.

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

6.5. *Bundled Services:* If Cable Services subject to the Franchise Fee required under this Article 6 are provided to Subscribers in conjunction with Non-Cable Services, then the calculation of Gross Revenue shall be adjusted, if needed, to include only the value of the Cable Services billed to Subscribers, as reflected on the books and records of Franchisee in accordance with FCC rules, regulations, standards or orders. Notwithstanding the foregoing, if the Franchisee bundles Cable Service with Non-Cable Service, the Franchisee agrees that it will not intentionally or unlawfully allocate such revenue for the purpose of evading Franchise Fee payments under this franchise. The parties agree that tariffed telecommunications services that cannot be discounted by state or federal law or regulation are to be excluded from the bundled discount allocation basis.

6.6. *Section 626 Set-Off:*

6.6.1. Except as provided in 6.6.2. below, the Franchise Fee shall not constitute a set off against the special franchise tax as provided for in N.Y. Real Property Tax Law Section 626. The operation of this subparagraph shall be strictly limited to Franchise Fees lawfully

imposed upon Cable Service, and shall not be construed to affect the Franchisee's rights under any provision of state or federal law regarding the provision of services other than Cable Service.

6.6.2. Section 6.6.1 will no longer be valid and Franchisee may immediately begin applying the Franchise Fee as an off-set to the special franchise tax as provided for in N.Y. Real Property Tax Law Section 626 if (a) the LFA enters into a new or renewal cable franchise agreement with a Cable Service provider and does not include a provision in the agreement that is substantially similar to Section 6.6.1, above, in restricting the use of a Franchise Fee as an off-set to the special franchise tax; (b) the LFA otherwise permits a Cable Service provider to use a Franchise Fee as an off-set to the special franchise tax; or (c) a Cable Service provider subject to a Franchise Fee by the LFA uses the Franchise Fee as an off-set to the special franchise tax with the knowledge of the LFA.

6.7. *Maximum Franchise Fee Obligation:* The Franchisee shall not be liable for a total Franchise Fee pursuant to this Franchise and applicable law in excess of five percent (5%) of annual Gross Revenue.

7. **REPORTS AND RECORDS**

7.1. *Open Books and Records:* Upon no less than forty-five (45) days written notice to the Franchisee, the LFA shall have the right to inspect Franchisee's books and records pertaining to this Agreement governing Franchisee's provision of Cable Service in the Franchise Area at any time during Franchisee's regular business hours at an office of the Franchisee and on a nondisruptive basis, as are reasonably necessary to ensure compliance with the terms of this Franchise. Such notice shall specifically reference the section or subsection of the Franchise which is under review, so that Franchisee may organize the necessary books and records for appropriate access by the LFA. Any such inspection by the LFA shall be completed in an expeditious and timely manner. Franchisee shall not be required to maintain any books and records for Franchise compliance purposes longer than three (3) years. Notwithstanding anything to the contrary set forth herein, Franchisee shall not be required to disclose information that it reasonably deems to be proprietary or confidential in nature, nor disclose any of its or an Affiliate's books and records not relating to this Agreement governing the provision of Cable Service in the Franchise Area. For purposes of this Section, "proprietary or confidential" information includes, but is not limited to: information related to the Cable System design; trade secrets; Subscriber lists; marketing plans; financial information unrelated to the calculation of Franchise Fees; or other information that is reasonably determined by the Franchisee to be competitively sensitive. Any information disclosed to the LFA that the Franchisee reasonably identifies as confidential or competitively sensitive (including, without limitation, financial information related to the calculation of Franchise Fees) shall be treated by the LFA as confidential subject to applicable law and the LFA shall disclose such information only to employees, representatives, and agents thereof who have a need to know, or in order to enforce the provisions hereof. Franchisee shall not be required to provide Subscriber information in violation of Section 631 of the Communications Act, 47 U.S.C. §551.

7.2. *Records Required:* Franchisee shall at all times maintain:

7.2.1. Records of all written complaints for a period of six (6) years after receipt by Franchisee. The term "complaint" as used herein refers to complaints about any aspect

of the Cable System or Franchisee's cable operations, including, without limitation, complaints about employee courtesy. Complaints recorded will not be limited to complaints requiring an employee service call;

7.2.2. Records of outages for a period of six (6) years after occurrence, indicating date, duration, area, and the number of Subscribers affected, type of outage, and cause;

7.2.3. Records of service calls for repair and maintenance for a period of three (3) years after resolution by Franchisee, indicating the date and time service was required, the date of acknowledgment and date and time service was scheduled (if it was scheduled), and the date and time service was provided, and (if different) the date and time the problem was resolved;

7.2.4. Records of installation/reconnection and requests for service extension for a period of six (6) years after the request was fulfilled by Franchisee, indicating the date of request, date of acknowledgment, and the date and time service was extended; and

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

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

8. **INSURANCE AND INDEMNIFICATION**

8.1. *Insurance*:

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

8.1.1.1. Commercial General Liability Insurance in the amount of eleven million dollars (\$11,000,000) per occurrence for property damage and bodily injury and eleven million dollars (\$11,000,000) general aggregate. Such insurance shall cover the construction, operation and maintenance of the Cable System, and the conduct of the Franchisee's Cable Service business in the Village.

8.1.1.2. Automobile Liability Insurance in the amount of eleven million dollars (\$11,000,000) combined single limit each accident for bodily injury and property damage coverage.

8.1.1.3. Workers' Compensation Insurance meeting the statutory requirements of the State of New York and Employers' Liability Insurance in the following amounts: (A) Bodily Injury by Accident: \$100,000; and (B) Bodily Injury by Disease-each employee: \$100,000; \$500,000 disease-policy limit.

8.1.2. The LFA shall be included as an additional insured as their interests may appear under this Franchise on the Commercial General Liability Insurance and Automobile Liability Insurance required herein.

8.1.3. Upon receipt of notice from its insurer(s), the Franchisee shall provide the LFA with thirty (30) days' prior written notice of cancellation of any required coverage. Franchisee shall not cancel any required insurance policy without obtaining alternative insurance in conformance with this Section 8 and without submitting insurance certificates to the LFA verifying that Franchisee has obtained such alternative insurance.

8.1.4. Each of the required insurance policies shall be with insurers qualified to do business in the State of New York, with an A.M. Best Financial Strength rating of A- or better.

8.1.5. Within thirty (30) days of the Effective Date and upon written request, the Franchisee shall deliver to the LFA Certificates of Insurance showing evidence of the required coverage.

8.2. *Indemnification:*

8.2.1. Franchisee agrees to indemnify the LFA, its officers, agents, boards, elected and appointed officials and employees, for, and hold it harmless from, all liability, damage, cost or expense arising from claims of injury to persons or damage to property occasioned by reason of any conduct undertaken pursuant to the Franchise, or by reason of any suit or claim for royalties, programming license fees, or infringement of copyright or patent rights arising from Franchisee's provision of Cable Services over the Cable System other than PEG facilities and channels, provided that the LFA shall give Franchisee timely written notice of a claim or action for which it seeks indemnification pursuant to this Subsection; and in any event, the LFA shall provide Franchisee with such written notice within a period of time that allows Franchisee to take action to avoid entry of a default judgment and does not prejudice Franchisee's ability to defend the claim or action. Notwithstanding the foregoing, Franchisee shall not indemnify the LFA for any damages, liability or claims resulting from the willful misconduct or negligence of the LFA, its officers, agents, employees, attorneys, consultants, or contractors for any activity or function conducted by any Person unaffiliated with the Franchisee in connection with PEG Access or EAS.

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

9. **TRANSFER OF FRANCHISE**

Subject to Section 617 of the Communications Act, 47 U.S.C. § 537, as amended, no Transfer of the Franchise shall occur without the prior written consent of the LFA, provided that such consent shall not be unreasonably conditioned. In considering an application for the Transfer of the Franchise, the LFA may consider the applicant's: (i) technical ability; (ii) financial ability; (iii) good character; and (iv) other qualifications necessary to continue to operate the Cable System consistent with the terms of the Franchise. No such consent shall be required, however, for a transfer in trust, by mortgage, by other hypothecation, by assignment of any rights, title, or interest of the Franchisee in the Franchise or Cable System in order to secure indebtedness, or for transactions otherwise excluded under Subsection 1.31 above.

10. **RENEWAL OF FRANCHISE**

10.1. *Governing Law:* The LFA and Franchisee agree that any proceedings undertaken by the LFA that relate to the renewal of this Franchise shall be governed by and comply with the provisions of Section 12.12 below, the Cable Law and Section 626 of the Communications Act, 47 U.S.C. § 546, as amended.

10.2. *Needs Assessment:* In addition to the procedures set forth in Section 626 of the Communications Act, 47 U.S.C. §546, the LFA shall notify Franchisee of any of its assessments regarding the identity of future cable-related community needs and interests, as well as the past performance of Franchisee under the then current Franchise term. Such assessments shall be provided to Franchisee by the LFA.

10.3. *Informal Negotiations:* Notwithstanding anything to the contrary set forth herein, Franchisee and the LFA agree that at any time during the term of the then current Franchise, while affording the public appropriate notice and opportunity to comment, the LFA and Franchisee may agree to undertake and finalize informal negotiations regarding renewal of the then current Franchise and the LFA may grant a renewal thereof.

10.4. *Consistent Terms:* Franchisee and the LFA consider the terms set forth in this Article 10 to be consistent with the express provisions of Section 626 of the Communications Act, 47 U.S.C. §546, and the Cable Law.

11. **ENFORCEMENT AND TERMINATION OF FRANCHISE**

11.1. *Notice of Violation:* If at any time the LFA believes that Franchisee has not complied with the terms of the Franchise, the LFA shall informally discuss the matter with Franchisee. If these discussions do not lead to resolution of the problem in a reasonable time, the LFA shall then notify Franchisee in writing of the nature of the alleged noncompliance in a reasonable time (for purposes of this Article, the "Noncompliance Notice").

11.2. *Franchisee's Right to Cure or Respond:* Franchisee shall have forty-five (45) days from receipt of the Noncompliance Notice to: (i) respond to the LFA, if Franchisee contests (in whole or in part) the assertion of noncompliance; (ii) cure such noncompliance; or (iii) in the event that, by its nature, such noncompliance cannot be cured within such forty-five (45) day period, initiate reasonable steps to remedy such noncompliance, notify the LFA of the steps

being taken and the date by which Franchisee reasonably projects that it will complete cure of such noncompliance and diligently pursue such cure to completion. Upon cure of any noncompliance, the LFA shall provide written confirmation that such cure has been effected.

11.3. *Liquidated Damages:* For the violation of any of the following provisions of this Franchise, liquidated damages shall be paid by the Franchisee to the LFA. Any such liquidated damages shall be assessed as of the date that is forty-five (45) days from the Franchisee’s receipt of the Noncompliance Notice, provided that the Franchisee has not cured the noncompliance upon which the Noncompliance Notice was issued, in accordance with the procedures set forth in Sections 11.1 and 11.2 above. On an annual basis from the Effective Date, the Franchisee shall not be liable for liquidated damages that exceed fifteen thousand dollars (\$15,000) in the aggregate for all Members of the Commission combined. Liquidated damages shall be assessed as follows.

| | |
|---|---|
| For failure to provide Cable Service as set forth in Sections 3.1-3.3..... | \$150 per day for each day the violation continues; |
| For failure to maintain the system standards as set forth in Section 4..... | \$150 per day for each day the violation continues; |
| For failure to provide PEG Services to residents of the LFA specified in Section 5 | \$150 per day for each day the violation continues; |
| For failure to provide LFA with any reports or records required by the Agreement within the time period required..... | \$150 per day for each day the violation continues; |
| For failure to carry the insurance specified in Subsection 8.1.1 | \$150 per day for each day the violation continues; |
| For a transfer specified in Article 9 without required approval..... | \$150 per day for each day the violation continues. |

11.3.1. Any liquidated damages assessed pursuant to this section shall not be a limitation upon the LFA taking other action it deems appropriate pursuant to any other provisions of this Franchise and applicable law, including revocation, or any other statutorily or judicially imposed penalties or remedies; provided, however, that in the event that the LFA collects liquidated damages for a specific breach for a specific period of time, pursuant to Section 11.3 above, the collection of such liquidated damages shall be deemed to be the exclusive remedy for that specific breach for such specific period of time only.

11.3.2. The parties agree that each case of non-compliance as set forth in this Section 11.3. shall result in damage to the LFA, compensation for which will be difficult to ascertain. The parties agree that the liquidated damages in the amounts set forth in this Section 11.3. are fair and reasonable compensation for such damage with respect to those violations for which a specific liquidated damage is listed in Section 11.3.

11.4. *Public Hearing:* Pursuant to Section 11.6 below, (i) if Franchisee fails to respond to the Noncompliance Notice pursuant to the procedures required by this Article, or (ii) if Franchisee has not remedied the alleged noncompliance within forty-five (45) days or the date projected pursuant to Section 11.2(iii) above, the LFA shall provide Franchisee at least thirty (30) business days prior written notice of a public hearing, which will specify the time, place and purpose of such public hearing, including, whether revocation of this Franchise is a possible consequence at such hearing, and provide Franchisee the opportunity to be heard and to present evidence.

11.5. *Enforcement:* Subject to Section 12.12 below and applicable federal and state law, in the event the LFA, after the public hearing set forth in Section 11.4, determines that Franchisee is in default of any provision of this Franchise, the LFA may:

11.5.1. Seek specific performance of any provision, which reasonably lends itself to such remedy, as an alternative to damages; or

11.5.2. Commence an action at law for monetary damages or seek other equitable relief; or

11.5.3. Assess liquidated damages in accordance with the schedule set forth in Section 11.3 above; or

11.5.4. In the case of a substantial noncompliance with a material provision of this Franchise, seek to revoke the Franchise in accordance with Section 11.6.

11.6. *Revocation:* Should the LFA seek to revoke this Franchise after following the procedures set forth above in this Article, including the public hearing described in Section 11.4, the LFA shall give written notice to Franchisee of such intent. The notice shall set forth the specific nature of the noncompliance. The Franchisee shall have sixty (60) days from receipt of such notice to object in writing and to state its reasons for such objection. In the event the LFA has not received a satisfactory response from Franchisee, it may then seek termination of the Franchise at a second public hearing. The LFA shall cause to be served upon the Franchisee, at least thirty (30) days prior to such public hearing, a written notice specifying the time and place of such hearing and stating its intent to revoke the Franchise.

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

11.6.2. Following the public hearing, Franchisee shall be provided up to thirty (30) days to submit its proposed findings and conclusions to the LFA in writing and promptly thereafter the LFA shall provide a written determination to the Franchisee setting forth: (i) whether an event of default has occurred under this Franchise; (ii) whether such event of default is excusable; and (iii) whether such event of default has been cured or will be cured by the Franchisee. The LFA shall also determine whether it will revoke the Franchise based on the information presented, or, where applicable, grant additional time to the Franchisee to effect any cure. If the LFA determines that it will revoke the Franchise, the LFA shall promptly provide Franchisee with a written determination setting forth the LFA's reasoning for such revocation. Franchisee may appeal such written determination of the LFA to an appropriate court, which shall, to the extent permitted under applicable law, have the power to review the decision of the LFA de novo. Franchisee shall be entitled to such relief as the court finds appropriate. Such appeal must be taken within sixty (60) days of Franchisee's receipt of the written determination of the LFA.

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

11.7. *Abandonment of Service*: Franchisee shall not abandon any Cable Service or portion thereof without the LFA's prior written consent as provided in the Cable Law. Notwithstanding the foregoing, in the event Franchisee invokes Section 2.4 of this Franchise (*Termination Generally*), the parties agree that only written notice from the Franchisee to the LFA consistent with Section 2.4 will be required.

12. **MISCELLANEOUS PROVISIONS**

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

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

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

12.4. *Force Majeure*: Franchisee shall not be held in default under, or in noncompliance with, the provisions of the Franchise, nor suffer any enforcement or penalty

relating to noncompliance or default, where such noncompliance or alleged defaults occurred or were caused by a Force Majeure.

12.5. *Delivery of Payments:* Franchisee may use electronic funds transfer to make any payments to the LFA required under this Agreement.

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

Notices to Franchisee shall be mailed to:

Verizon
1300 I St. NW
Suite 500 East
Washington, DC 20005
Attention: Tonya Rutherford, VP and Deputy General Counsel

Notices to the LFA shall be mailed to:

Office of the Mayor
Great Neck Village Hall
61 Baker Hill Road
Great Neck, NY 11023

with a copy to:

Office of the Village Clerk
Great Neck Village Hall
61 Baker Hill Road
Great Neck, NY 11023

12.7. *Entire Agreement:* This Franchise and the Exhibit hereto constitute the entire agreement between Franchisee and the LFA and supersede all prior or contemporaneous agreements, representations or understandings (whether written or oral) of the parties regarding the subject matter hereof. Any local laws or parts of local laws that materially conflict with the provisions of this Agreement are superseded by this Agreement.

12.8. *Amendments and Modifications:* Amendments and/or modifications to this Franchise shall be mutually agreed to in writing by the parties and subject to the approval of the NY PSC, pursuant to the Cable Law, except as provided herein.

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

12.10. *Severability*: If any section, subsection, sub-subsection, sentence, paragraph, term, or provision hereof is determined to be illegal, invalid, or unconstitutional by any court of competent jurisdiction or by any state or federal regulatory authority having jurisdiction thereof, such determination shall have no effect on the validity of any other section, subsection, sentence, paragraph, term or provision hereof, all of which will remain in full force and effect for the term of the Franchise.

12.11. *Recitals*: The recitals set forth in this Agreement are incorporated into the body of this Agreement as if they had been originally set forth herein.

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

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

12.14. *Rates and Charges*: The rates and charges for Cable Service provided pursuant to this Franchise shall be subject to regulation in accordance with federal law.

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

12.16. *Customer Service*: Franchisee shall comply with the consumer protection and customer service standards set forth in Parts 890 and 896 of the NY PSC rules and regulations.

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

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

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

12.18.2. The Franchisee shall require all the Franchisee representatives to wear appropriate clothing while working at a Subscriber's premises.

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

12.19. *No Third Party Beneficiaries:* Except as expressly provided in this Agreement, this Agreement is not intended to, and does not, create any rights or benefits on behalf of any Person other than the parties to this Agreement.

12.20. *LFA Official:* The Mayor of the LFA, or the designated representative or representatives of the Mayor, will be responsible for the continuing administration of this Agreement.

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

12.22. *Independent Review; Agreement:* The LFA and the Franchisee each acknowledge that they have received independent legal advice in entering into this Agreement. In the event that a dispute arises over the meaning or application of any term(s) of this Agreement, such term(s) shall not be construed by the reference to any doctrine calling for ambiguities to be construed against the drafter of this Agreement.

12.23. *Counterparts:* This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument. Further, this Agreement may be executed by facsimile, email, electronic signature or other electronic means, and so executed shall have the full force and legal effect as an executed original of this Agreement.

[Signature Page Follows]

AGREED TO THIS ____ DAY OF _____, 2025.

The Village of Great Neck

By: _____
Pedram Bral, Mayor

Verizon New York Inc.

Approved as to Form:

By: _____
Paul Sullivan, Region President –
Consumer & Mass Business Markets

Verizon Law Department

EXHIBIT A

MUNICIPAL BUILDINGS TO BE PROVIDED CABLE SERVICE SUBJECT TO SECTION 3.3 (All in Great Neck, NY 11023)

1. Great Neck Village Hall, 61 Baker Hill Road
2. Village Garage, 765 Middle Neck Road
3. Village Sewer Plant, 265 East Shore Road
4. Great Neck Housing Authority, 700 Middle Neck Road
5. Parkwood Tennis Facility, 65 Arrandale Ave
6. Great Neck House, 14 Arrandale Ave
7. Park District Office, 5 Beach Road
8. Parkwood Pool & Rink Facility, 65 Arrandale Ave
9. Great Neck North High School, 35 Polo Road
10. Great Neck North Middle School, 77 Polo Road
11. Village School, 614 Middle Neck Rd.
12. Elizabeth Mellick Baker School, 69 Baker Hill Road