APPENDIX C

COMMUNITY ACCESS ORGANIZATION

("CAO")

GRANT AND USE AGREEMENT

BY AND BETWEEN

CABLEVISION SYSTEMS NEW YORK CITY

CORPORATION

AND

BRONX COMMUNITY CABLE

PROGRAMMING

CORPORATION

CAO GRANT AND USE AGREEMENT

THIS AGREEMENT (the "Agreement") made on this 7-day of 7 is entered into by and between CABLEVISION SYSTEMS NEW YORK CITY CORPORATION, a corporation duly organized under the applicable laws of the State of New York ("Cablevision"), with a place of business at 1111 Stewart Avenue, Bethpage New York 11714 and Bronx Community Cable Programming Corporation, a New York not-for-profit corporation (the "CAO"), designated by the Borough President of the Bronx (the "Borough President"), with a place of business at 250 Bedford Park Boulevard West, Bronx, NY 10468.

WHEREAS, the City of New York (the "City"), pursuant to Section 363(a) of the City Charter and Resolution No. 538 of the City Council, is entering into a Franchise Agreement granting Cablevision a nonexclusive franchise ("Franchise Agreement") to operate a Cable System (the "System") throughout the entire territorial boundaries of the Borough of the Bronx ("Service Area"), and

WHEREAS, the City has determined that to facilitate open, nondiscriminatory access to the Cable System and to protect the public interest in the development of public services and programming, an independent not-for-profit organization should be created; and

WHEREAS, the Franchise Agreement requires Cablevision to place under the jurisdiction of the CAO Access Channels on the System, to be known as public access channels ("Public Access Channels"), to fulfill certain technical requirements with respect to such channels and to provide to the CAO such grants as have been independently agreed upon as a result of direct negotiations between the CAO and Cablevision and as described herein; and

WHEREAS, the CAO is a not-for-profit corporation organized pursuant to New York State law and has been designated by the Borough President as the CAO to receive such grants as shall be made available by Cablevision pursuant to this Agreement and to use such grants solely for the purpose of administering the Public Access Channels and developing, furthering and supporting public access programming for the Borough; and

WHEREAS, the CAO has been organized to operate for charitable and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1954, as amended (the "Code"), including, among other purposes, the administration and management of Public Access Channels in the Borough, and such other purposes which shall qualify the CAO as exempt under Section 501(c)(3) of the Code; and

WHEREAS, the CAO desires to obtain the funds necessary to carry out its purposes and objectives from the grants provided for herein and from any other lawful sources; and

WHEREAS, Cablevision desires to support the purposes and objectives of the CAO in the CAO's objectives of the development and production of public services and programming to be distributed on the Public Access Channels and to be made available to all cable television subscribers in the Bronx; and

WHEREAS, the CAO will engage in activities and will develop programming to be distributed on the Public Access Channels for the benefit of Subscribers to the System, thereby increasing the public service potential of cable television in the City;

WHEREAS, Cablevision has negotiated with the CAO and has agreed to provide the CAO with the grants and services pursuant to the terms hereof for the benefit of the Residents of the Borough of the Bronx;

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

SECTION I - DEFINITIONS

- 1.1 <u>Borough</u> The entire existing territorial boundaries of the Borough of the Bronx, and such additional areas as may be annexed or acquired.
- 1.2 All other capitalized terms used herein, but not otherwise defined, shall have the meanings ascribed to such terms in the Franchise Agreement.

SECTION II - GRANT OF SUPPORT TO THE CAO

2.1 Public Access Channel Grant

- 2.1.01 Cablevision shall make a Public Access Channel grant to the CAO to be used in support of the production of local public access programming ("Public Access Channel Grant").
- 2.1.02 The Public Access Channel Grant provided by Cablevision hereunder shall be in the form of a per month, per Subscriber grant subject to a cap on the number of Subscribers subject to the payment ("Subscriber Cap") for the Term of the Franchise Agreement in accordance with the schedule attached to this Agreement as Exhibit 1. The Public Access Channel Grant payment, along with a brief summary of the Subscriber information upon which it is based, certified by a financial representative of Cablevision, shall be delivered to the CAO within 45 days after the end of each calendar quarter. Cablevision shall file a copy of said statement with DoITT.
- 2.1.03 Each Public Access Channel Grant payment shall be non-refundable.

2.2 Cash Grants

In addition to the Public Access Channel Grant, Cablevision shall provide Cash Grants to the CAO for capital in the total amount of \$2,000,000 in three payments; \$1,000,000 to be paid by the end of Year 1 of the Agreement and two payments of \$500,000 each to be paid by the end of the 2nd Year of the Agreement and the end of the 5th Year of the Agreement respectively. Subject to Section 2.5 such Cash Grants shall be non-refundable.

2.3 Use of Funds.

Such Public Access Channel Grant shall be used by the CAO for public access costs, including, but not limited to, studio and portable production equipment, editing equipment and program playback equipment, cameras, office equipment, renovation or construction of Public Access Channel facilities, and other public access costs as may be ascertained by the CAO.

The failure of the CAO to fully allocate or expend any monies provided pursuant to this Section 2.1 or 2.2 shall not affect Cablevision's payment obligations under this Section.

2.4 Other Cable Services Providers

In the event that after the execution of this Agreement, the CAO and any provider of Cable Service holding a Cable franchise in the Borough as of the date of this Agreement enter into an amendment to an existing agreement in effect as of the date of this Agreement which contains obligations that are lesser in amount or aggregate value than the obligations imposed in Section 2.1, Cablevision's obligations under Section. 2.1 shall be reduced to an equivalent amount. Cablevision acknowledges that payments to the CAO by another provider of cable service in the Borough may be lowered pursuant to such other provider's existing agreement and this Section 2.1 such that the other provider pays less to the CAO than Cablevision. Cablevision's obligations under Section 2.1 in such event will not change.

2.5 Delivery of Payment; Interest

All payments by Cablevision to the CAO pursuant to this Agreement shall be made payable to the CAO and shall be delivered to the address designated in writing therefor by the Executive Director or Chief Financial Officer of the CAO. In the event that a Public Access Channel Grant or Cash Grant payment is not received by the CAO

by the respective due date set forth herein, following at least thirty (30) days written notice from the CAO that such payment has not been received, Cablevision shall pay interest on such overdue Public Access Channel Grant or Cash Grant at the then-current interest rate set forth in Section 5004 of the New York Civil Practice Law and Rules (which as of the date of execution of this Agreement is nine percent (9%) per annum) to the CAO retroactive to the first day that such Public Access. Channel Grant or Cash Grant payment was originally due. Cablevision shall be allowed to submit or correct any payments that were incorrectly omitted, and may offset against future payments any payments that were incorrectly submitted, within ninety (90) days after the close of the calendar year for which such payments were applicable.

2.6 Publicity for Public Access Services

2.8.01 Cablevision shall provide CAO with air time reasonably valued at up to \$500,000 to be reasonably spread over the term of the Agreement for cross channel promotional advertisements produced by CAO, provided that such advertisements shall not promote or be designed to promote in whole or in part any of Cablevision's competitors. CAO shall make good faith efforts to further a partnership with Cablevision that involves messaging on Cablevision's public affairs initiatives together with highlighting CAO contributions to the community.

2.8.02 Cablevision shall provide, at its cost, information to customers on the programming and activities of the CAO in a format and with copy mutually agreeable to Cablevision and the CAO in (i) materials provided to new subscribers (whether electronically or in hard copy) and (ii) on an annual basis in subscriber bills.

2.7 Additional Obligations of Cablevision

2.7.01 Each Public Access Channel shall be delivered with transmission quality at least the same as the transmission quality of any other channel delivered in the same format as broadcast stations carried under Section 614 of the federal Cable Act, provided, however, that Cablevision shall have no responsibility to improve upon or modify the quality of any Public Access Channel's content provided to Cablevision by the CAO.

2.7.02 Cablevision shall provide to the CAO, without charge, one service outlet activated for Basic Service and 13 set top boxes at the location of the CAO's master control with an address of 250 Bedford Park Boulevard West, Bronx, NY 10468. Cable Service may not be resold or otherwise used in contravention of Cablevision's rights with third parties respecting programming. Equipment provided by Cablevision, if any, shall be the responsibility of the CAO if lost, stolen or damaged.

2.7.03 Cablevision shall include Public Access Channel program content

titles in electronic on-screen channel listings in the same manner as it designates all other programming on the System, provided however, that Cablevision shall not be responsible for any inaccuracies in such information.

SECTION III - OBLIGATIONS OF THE CAO

3.1 Consideration for Cash Grant and Public Access Channel Grant

As consideration for the Cash Grant and Public Access Channel Grant by Cablevision to the CAO, the CAO shall: (i) administer and manage the Public Access Channels provided for its use by Cablevision and the use of the CAO's facilities, equipment, and supplies in a fair and reasonable manner; and (ii) develop and support programming to be cablecast on the Public Access Channels, which is responsive to the needs and interests of the Residents of the Borough. The CAO shall use the Public Access Channels and the Public Access Channel Grant provided by Cablevision to the CAO for Public Access as that term is defined in federal and state law.

3.2 Maintenance of Tax-Exempt Status

The CAO shall conduct its activities so as to maintain its tax exempt status under Section 501(c)(3) of the Code or other applicable laws. Failure to maintain said status would be a material breach of this Agreement such that Cablevision may terminate the Agreement with no further obligation to the CAO.

3.3 Public Access Channel Rules and Regulations

- 3.3.01 The CAO shall maintain reasonable rules and regulations to provide for open access to Public Access Channel time, facilities, equipment, supplies, and training on a non-discriminatory basis and to the extent required by applicable law. Said rules and regulations providing for open access may dedicate segments of Public Access Channel time and/or specific channels to particular or related subject matters or uses, provided that such allocation of channel time does not prohibit a Public Access user from having programming aired at a reasonable viewing time on a first come first served basis.
- 3.3.02 If the CAO provides programming grants, it shall establish reasonable rules and regulations governing the procedure for applying to the CAO for programming grants and the selection of grant recipients by the CAO.
 - 3.3.03 The CAO shall make all rules and regulations publicly available.

3.4 <u>Compliance with Privacy Law</u>

The CAO shall comply with the requirements of applicable law regarding privacy protection.

SECTION IV - PUBLIC ACCESS CHANNEL SERVICES

4.1 Compliance with Federal, State and Local Law

Cablevision and the CAO shall comply with all applicable local, state, and federal laws with respect to program content on the Public Access Channels.

4.2 Public Access Channel Set Aside

4.2.01 In order to ensure universal availability of public access programming, to the extent Cablevision offers a Basic Service Tier, Cablevision shall initially provide on the Basic Service Tier use of four (4) Public Access Channels to the CAO during the Term of the Franchise Agreement, subject to increase and carriage as provided in the Franchise Agreement. Cablevision shall carry the programming on each of the respective Public Access Channels as indicated in Appendix B to the Franchise Agreement. In the future, Cablevision shall assign the Public Access Channels on its channel line-up as configured elsewhere within the City to the extent such channel assignments do not interfere with any other channels or fall outside the range of Cablevision's respective channel lineup and pursuant to Section 8.1.6 of the Franchise Agreement. Cablevision shall not arbitrarily or capriciously change such channel assignments, and Cablevision shall minimize the number of such changes; provided, however, that Cablevision may change such channel assignments as it deems appropriate. Cablevision shall provide notice of the channel location change for 30 days on its electronic guide and by bill message. Cablevision shall provide the requisite notice of such changes to DoITT, the Public Service Commission, the CAO and all Subscribers as required by law.

4.2.02 The provisions of 16 NYCRR $\S 895.4$ (c)(12) shall apply to this Agreement.

4.3 High Definition Programming

At such time as CAO originally produces an amount of first or second run programming in high definition (e.g., programming with a resolution not less than 720p) ("HD") format (i.e., such programming is filmed in the HD format, not up converted) equal to or greater than ten percent (10%) of the monthly viewing hours between 12:00 pm and 12:00 am month over month (not in an individual month) of one of the Public Access Channels, Cablevision shall begin cablecasting such Public Access Channel in the HD format. CAO may designate which Public Access Channel shall be designated as the HD channel provided that Cablevision may determine the channel location of said channel.

4.4 Video on Demand Programming

After the end of the first nine months of this Agreement, if CAO demonstrates the ability (a) to provide 25 hours of unique original standard definition programming to Cablevision for distribution on a video on demand ("VOD") basis in a ready to transmit format in accordance herewith (such content, the "VOD Content") and (b) to refresh said programming such that at no time following the launch of such VOD Content no more than 5 hours of such VOD Content is more than 8 months old, and (c) if CAO can meet Cablevision's technical requirements provided by Cablevision upon request by CAO for the delivery of VOD content, Cablevision will provide CAO with 25 hours of VOD capacity. Cablevision reserves the right to determine the placement of the CAO VOD Content on its VOD menu and to drop programming more than 8 months old (other than the 5 allowed hours of "evergreen" programming") from the menu.

4.5 Indemnity for Public Access Channels

In accordance with 47 U.S.C. §558, Cablevision shall not incur any liability arising from or in connection with any program carried on the Public Access Channels. The rules and regulations adopted by the CAO for use of the Public Access Channels shall require all users of the channels to indemnify Cablevision for any programming content.

4.6 Standards for Public Access Channels

The provisions of 16 NYCRR §895.4 as it may be amended shall apply to this Agreement

4.7 Rights to Public Channel Programming

Cablevision shall have no rights to programming carried on the Public Access Channels by virtue of cablecasting or distributing such programming over its System, except for Cablevision's right to transmit such programming to its Subscribers. All rights to the programming content are intellectual property of the owner, regardless of the individual or entity requesting transmission. Cablevision shall have no editorial control over programming on the Public Access Channels except that Cablevision may refuse to retransmit any programming it deems to be obscene or invoking imminent violence.

4.8 Public Access Channel Interconnection

4.7.01 Cablevision, at its expense, shall interconnect its Cable System to the CAO's studio at 250 Bedford Park Boulevard West, Bronx, NY 10468. ("Public Access Channel Interconnection Site").

4.7.02 Cablevision shall construct up to three additional auxiliary connections designated by the CAO between the content originating locations (each, a "Public Access Channel Content Origination Site") and the Public Access Channel

Interconnection Site to enable additional programming to be inserted at the Public Access Channel Interconnection Site. In the event the CAO desires to substitute a location currently designated on Exhibit 2 with an alternate location, Cablevision agrees to commence good faith discussions with the CAO regarding the substitution of such Public Access Channel Content Origination Site within thirty (30) days. of Cablevision's receipt of written notice from the CAO of the CAO's desire to commence such discussions. The cost related to any substitution of a Public Access Channel Content Origination Site shall not exceed the cost to Cablevision for constructing the auxiliary connection for the original Public Access Channel Content Origination Site, as designated on Exhibit 2. Upon one hundred eighty (180) days written notice from the CAO to Cablevision that a Public Access. Channel Content Origination Site is fully functional for its intended purpose, an auxiliary connection shall be made operable by Cablevision, The CAO is obligated to furnish, install and maintain the equipment necessary to perform any switching or aggregation functions at the affected Public Access Channel Interconnection Site:

4.8.03 Subject to the successful completion of all required site preparation work by the CAO and provision of access to Cablevision for equipment installation and provisioning, Cablevision shall, without charge to the CAO, provide links between Cablevision's video channel aggregation site and the Public Access Channel Interconnection Site in order to permit the signals to be correctly routed from the Public Access Channel Interconnection Site to the appropriate Public Access Channel for distribution to Subscribers, provided, however, that neither Cablevision nor the required site work shall unreasonably or materially interfere with the CAO's operations or otherwise impose additional material burdens on the CAO.

4.8.04 The CAO shall provide to Cablevision at the Public Access. Channel Interconnection Site a suitable video and audio Signal(s) for each Public Access Channel. Cablevision, upon receipt of the suitable video signal(s), shall provide, install and maintain in good working order the equipment necessary for transmitting the Public Access Channel signals from the Public Access Channel Interconnection Site to Cablevision's video channel aggregation site for further processing for distribution to Subscribers. Cablevision's obligations with respect to such upstream transmission equipment and facilities shall be subject to the availability, without charge to Cablevision of suitable required space, environmental conditions, electrical power supply, access, pathway; and other facilities and such cooperation of the CAO as is reasonably necessary for Cablevision to fulfill such obligations, provided, however, that Cablevision shall not unreasonably or materially interfere with the CAO's operations or otherwise impose additional material burdens on the CAO.

4.8.05 The CAO hereby authorizes Cablevision to transmit all Public Access Channel programming within the Borough's jurisdictional boundaries and without the Borough's jurisdictional boundaries to the extent such programming is transmitted to the adjacent borough or the immediately adjacent local franchising authorities in the adjacent county provided that Cablevision provides service in that

SECTION V - MISCELLANEOUS. PROVISIONS

5.1 Effective Date and Term

- 5.1.01 This Agreement shall take effect on the date that the NY PSC issues a certificate of confirmation for the Franchise Agreement (the "Effective Date").
- 5.1.02 This Agreement shall remain in effect throughout the Term of the Franchise Agreement, as provided in the Franchise Agreement, provided that the designation of the CAO by the Borough President remains in effect.

5.2 Application to Successors

This Agreement shall bind Cablevision and its respective heirs, beneficiaries, administrators, executors, receivers, trustees, successors and assigns, and the promises and obligations herein shall survive the expiration date hereof. The CAO may not assign this Agreement except as approved by the Borough President. Any such assignment must be to an entity designated by the Borough President to operate the Public Access Channels and receive the grants set forth herein.

5.3 Confidential Information

Except as may be required by applicable law, the CAO shall treat any information disclosed by Cablevision (and so designated by Cablevision) as confidential and proprietary, and shall only disclose it to employees, directors, the Borough President, DoITT, the Comptroller, representatives, and agents thereof who have a need to know, or in order to enforce the provisions hereof. For purposes of this Agreement, "proprietary or confidential" information shall be defined as any information that is reasonably determined by Cablevision to be competitively sensitive. If the CAO receives a request for the disclosure of information that Cablevision has designated as confidential, trade secret or proprietary, the CAO shall notify Cablevision of such request.

5.4 Severability

If any section, subsection, sub-subsection, sentence, paragraph, term, or provision hereof is determined to be illegal, invalid, or unconstitutional by a final order of any court of competent jurisdiction or by a final order of 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 this Agreement. The provisions in Section 2.1..are material terms of the Agreement and are not separable. Should any portion of 2.1.be determined to be illegal, invalid or unconstitutional as set forth in this paragraph, this Agreement shall terminate in its

entirety.

5.5 Entire Agreement

This Agreement constitutes the entire agreement between Cablevision and the CAO and it supersedes 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.

5.6 Amendments and Modifications

Amendments and/or modifications to this Agreement shall not be effective unless mutually agreed to in writing by the parties.

5.7 <u>Captions and Headings</u>

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

5.8 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.

5.9 Construction of Agreement

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

5.10 Governing Law

This Agreement shall be deemed to be executed in the City of New York, State of New York, regardless of the domicile of Cablevision, and shall be governed by and construed in accordance with federal law and the laws of the State of New York.

5.11 No Third Party Beneficiaries

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. Nothing in this Agreement shall be interpreted to provide that Cablevision and the CAO are partners, joint venturers, agents or assignees of the other.

5.12 Force Majeure

Subject to the procedures set forth in the last sentence of this Section 5.12,

Cablevision shall not be held in default under, or in noncompliance with, the provisions of this Agreement, nor suffer any enforcement or penalty relating to noncompliance or default, where such noncompliance or alleged default occurred or were caused by a Force Majeure, provided, however, that in the event that any delay in performance resulting from such a Force Majeure affects only part of Cablevision's capability to perform, Cablevision shall perform to the extent it is able to do so and shall take all steps, reasonably within its ability, to minimize the length and effect of such Force Majeure delay. Cablevision shall notify the CAO in writing of the occurrence of an event of Force Majeure, or a series of related events constituting an event of Force Majeure, which resulted in or is resulting in a delay in performance, such notice to be provided within twenty (20) business days of the event or series of events, or if notification within such period is not practicable under the circumstances, as soon as practicable.

5.13 Enforceability

Each party represents and warrants to the other that this Agreement (I) has been duly executed and delivered by such party and (ii) constitutes the valid and legally binding obligation of such party, enforceable in accordance with its terms.

5.14 Counterparts

The parties hereby agree that this Agreement may be executed in Counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

5.15 Notices

Every notice, order, petition, document, or other direction or communication to be served upon the CAO or Cablevision shall be in writing and shall be sufficiently given if sent by registered or certified mail, return receipt requested, or by a nationally recognized overnight delivery service, to the following addresses:

If to Cablevision, to:

Cablevision Systems New York City Corporation 1111 Stewart Avenue Bethpage, NY 11714 ATTN: Legal Department

If to the CAO, to:

Executive Director
Bronx Community Cable Programming Corporation
250 Bedford Park Boulevard West
Bronx, NY 10468

Exhibit 1

| Year | Amount Per Subscriber Per Month | Subscriber Cap (Actual average number of Subscribers but not more than the Subscriber Cap) | Cash Grants | | |
|------|---------------------------------------|--|-------------|--|--|
| | | | 112 | | |
| 1 | \$1.40 | 161,000 | \$1,000,000 | | |
| 2 | \$1.40 | 175,000 | \$500,000 | | |
| 3 | \$1.40 | 210,000 | \$0 | | |
| 4 | \$1.40 | 230,000 | \$0 | | |
| 5 | \$1.40 | 230,000 | \$500,000 | | |
| 6 | \$1.40 | 265,000 | \$0 | | |
| 7 | \$1.40 | 265,000 | \$0 | | |
| 8 | \$1.40 | 265,000 | \$0 | | |
| 9 | \$1.40 | 265,000 | \$0 | | |

| | 2. | | | | | | |
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APPENDIX C

COMMUNITY ACCESS ORGANIZATION

GRANT AND USE AGREEMENT

BY AND BETWEEN

CABLEVISION SYSTEMS NEW YORK CITY CORPORATION

AND

BRIC ARTS | MEDIA | BKLYN, INC.

CAO GRANT AND USE AGREEMENT

THIS AGREEMENT (the "Agreement") made on this in day of find a corporation, is entered into by and between Cablevision Systems New York City Corporation, a corporation duly organized under the applicable laws of the State of New York ("Cablevision"), with a place of business at 1111 Stewart Avenue, Bethpage, New York 11714 and BRIC Arts | Media | Bklyn, Inc., a New York not-for-profit corporation (the "CAO"), designated by the Borough President of Brooklyn (the "Borough President"), with a place of business at 647 Fulton Street, Brooklyn, NY 11217.

WHEREAS, the City of New York (the "City"), pursuant to Section 363(a) of the City Charter and Resolution No. 538 of the City Council, is entering into a Franchise Agreement granting Cablevision a nonexclusive franchise ("Franchise Agreement") to operate a Cable System (the "System") within the territorial boundaries of the Borough of Brooklyn ("Service Area"), and

WHEREAS, the City has determined that to facilitate open, nondiscriminatory access to the Cable System and to protect the public interest in the development of public services and programming, an independent non-for-profit organization should be created; and

WHEREAS, the Franchise Agreement requires Cablevision to place under the jurisdiction of the CAO Access Channels on the System, to be known as public access channels ("Public Access Channels"), to fulfill certain technical requirements with respect to such channels and to provide to the CAO such grants as have been independently agreed upon as a result of direct negotiations between the CAO and Cablevision and as described herein; and

WHEREAS, the CAO is a not-for-profit corporation organized pursuant to New York State law and has been designated by the Borough President as the CAO to receive such grants as shall be made available by Cablevision pursuant to this Agreement and to use such grants solely for the purpose of administering the Public Access Channels and developing, furthering and supporting public access programming for the Borough; and

WHEREAS, the CAO has been organized to operate for charitable and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1954, as amended (the "Code"), including, among other purposes, the administration and management of Public Access Channels in the Borough, and such other purposes which shall qualify the CAO as exempt under Section 501(c)(3) of the Code; and

WHEREAS, the CAO desires to obtain the funds necessary to carry out its purposes and objectives from the grants provided for herein and from any other lawful sources; and

WHEREAS, Cablevision desires to support the purposes and objectives of the CAO in the CAO's objectives of the development and production of public services and programming to be distributed on the Public Access Channels and to be made available to all cable television subscribers in the Borough; and WHEREAS, the CAO will engage in activities and will develop programming to be distributed on the Public Access Channels for the benefit of Subscribers, to the System, thereby increasing the public service potential of cable television in the City; and

WHEREAS, Cablevision has negotiated with the CAO and has agreed to provide the CAO with the grants and services pursuant to the terms hereof for the benefit of the Residents of the Borough;

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

SECTION I - DEFINITIONS

- 1.1. <u>Borough</u> The entire existing territorial boundaries of the Borough of Brooklyn and such additional areas as may be annexed or acquired.
- 1.2. Other Terms All other capitalized terms used herein, but not otherwise defined, shall have the meanings ascribed to such terms in the Franchise Agreement.

SECTION II - GRANT OF SUPPORT TO THE CAO

2.1. Public Access Channel Grant

- 2.1.01. Cablevision shall make a Public Access Channel grant to the CAO to be used in support of the production of local public access programming ("Public Access Channel Grant").
- 2.1.02. The Public Access Channel Grant provided by Cablevision hereunder shall be in the form of a per month, per Subscriber grant subject to a cap on the number of Subscribers ("Subscriber Cap") for the Term of the Franchise Agreement in accordance with the schedule attached to this Agreement as Exhibit 1, including any adjustments thereto as set out in the attachment. The Public Access Channel Grant payment, along with a brief summary of the Subscriber information upon which it is based certified by a financial representative of Cablevision, shall be delivered to the CAO within forty-five (45) days after the end of each calendar quarter. Cablevision shall file a copy of said statement with DoITT.
- 2.1.03. In the event that Cablevision extends its Service Area in the Borough to areas not within the Initial Service Area, the Subscriber Cap in Exhibit 1 shall be adjusted proportionally to the number of homes passed in the Initial Service Area and the number of homes passed in the extended Service Area.
- 2.1.04. Subject to Section 2.5, each Public Access Channel Grant payment shall be non-refundable.

2.2. Cash Grants

In addition to the Public Access Channel Grant, Cablevision shall provide Cash Grants to the CAO for capital in the total amount of \$2,000,000 in three payments; \$1,000,000 to

be paid by the end of Year 1 of the Agreement and two payments of \$500,000 each to be paid by the end of the 2nd Year of the Agreement and the end of the 5th Year of the Agreement respectively. Subject to Section 2.5 such Cash Grants shall be non-refundable.

2.3. Use of Funds

Such Public Access Channel Grant and Cash Grants shall be used by the CAO in its discretion for public access costs, including, but not limited to, studio and portable production equipment, editing equipment and program playback equipment, cameras, office equipment, renovation or construction of Public Access Channel facilities, and other public access costs as may be ascertained by the CAO. Failure of the CAO to fully allocate or expend any monies provided pursuant to Section 2.1 and/or 2.2 shall not affect Cablevision's payment obligations under Section 2.1 or 2.2.

2.4. Other Cable Services Providers

In the event that any new agreement or any amended agreement between the CAO and any provider of Cable Service holding a Cable franchise in the Borough entered into subsequent to this Agreement (or the contemporaneous agreement with Time Warner) contains obligations that are lesser in amount or aggregate value than the obligations imposed in Section 2.1, Cablevision's obligations under Section. 2.1 shall be reduced to an equivalent amount. Cablevision acknowledges that the Subscriber Cap in Exhibit 1 may be adjusted upward or downward for other franchised cable service providers in proportion to the homes in the Borough required to be served (whether currently served or not) by the franchise for that provider. Notwithstanding the foregoing, Cablevision acknowledges that payments to the CAO by another provider of cable service in the Borough may be lower pursuant to Section 2.1 such that the other provider pays less to the CAO than Cablevision. Cablevision's obligations under Section 2.1 in such event will not change.

2.5. Delivery of Payment; Interest

All payments by Cablevision to the CAO pursuant to this Agreement shall be made payable to the CAO and shall be delivered to the address designated in writing by the Executive Director or Chief Financial Officer of the CAO. In the event that a Public Access Channel Grant or Cash Grants payment is not received by the CAO by the respective due date set forth herein, following at least thirty (30) days written notice from the CAO that such payment has not been received, Cablevision shall pay interest on such overdue Public Access Channel Grant or Cash Grant at the then-current interest rate set forth in Section 5004 of the New York Civil Practice Law and Rules (which as of the date of execution of this Agreement is nine percent (9%) per annum) to the CAO retroactive to the first day that such Public Access Channel Grant or Cash Grants payment was originally due. Cablevision shall be allowed to submit or correct any payments that were incorrectly omitted, and may offset against future payments any payments that were incorrectly submitted, within ninety (90) days after the close of the calendar year for which such payments were applicable.

2.6. Publicity for Public Access Services

- 2.6.01. Cablevision shall provide the CAO with air time reasonably valued at up to \$500,000 to be reasonably spread over the term of the Agreement for cross channel promotional advertisements produced by the CAO, provided that such advertisements shall not promote or be designed to promote in whole or in part any of Cablevision's competitors. The CAO shall make good faith efforts to further a partnership with Cablevision that involves messaging on Cablevision's public affairs initiatives together with highlighting the CAO's contributions to the community.
- 2.6.02. Cablevision shall provide, at its cost, information to customers on the programming and activities of the CAO in a format and with copy mutually agreeable to Cablevision and the CAO in (i) materials provided to new subscribers (whether electronically or in hard copy) and (ii) on an annual basis in subscriber bills.

2.7. Additional Obligations of Cablevision

- 2.7.01. Each Public Access Channel shall be delivered with transmission quality at least the same as the transmission quality of any other channel delivered in the same format as broadcast stations carried under Section 614 of the federal Cable Act provided, however, that Cablevision shall have no responsibility to improve upon or modify the quality of any Public Access Channel's content provided to Cablevision by the CAO.
- 2.7.02. Subject to the service availability requirements set forth in the Franchise Agreement, Cablevision shall provide to the CAO, or arrange for without charge, one service outlet at the location of the CAO's master control. Cable Service may not be resold or otherwise used in contravention of Cablevision's rights with third parties respecting programming. Equipment provided by Cablevision, if any, shall be the responsibility of the CAO if lost, stolen or damaged.
- 2.7.03. To the extent technically feasible and commercially reasonable, Cablevision shall display Public Access Channel program content titles in electronic on-screen channel listings in the same manner as it designates all other programming on the System. The CAO shall be responsible for providing the programming information to the third party utilized by Cablevision for such on screen channel listings. Cablevision shall not be responsible for any inaccuracies in such information.

SECTION III - OBLIGATIONS OF THE CAO

- 3.1. <u>Consideration for Cash Grant and Public Access Channel Grant; Use for Public Access</u>
 Purposes
- 3.1.01. As consideration for the Public Access Channel Grant and the Cash Grants by Cablevision to the CAO, the CAO shall: (i) administer and manage the Public Access Channels provided for its use by Cablevision and the use of the CAO's facilities, equipment, and supplies in a fair and reasonable manner; and (ii) develop and support programming to be cablecast on the

Public Access Channels, which is responsive to the needs and interests of the Residents of the Borough. The CAO shall use the Access Channels, facilities, equipment, supplies and capital grant and support payment provided by the Company to the CAO for Public Access purposes as set forth in state and federal law.

3.1.02. The CAO shall conduct its activities so as to maintain its tax exempt status under Section 501(c)(3) of the Code or other applicable laws. Failure to maintain said status would be a material breach of this Agreement such that Cablevision may terminate the Agreement with no further obligation to the CAO.

3.2. Public Access Channel Rules and Regulations

- 3.2.01. The CAO shall maintain reasonable rules and regulations to provide for open access to Public Access Channel time, facilities, equipment, supplies, and training on a non-discriminatory basis and to the extent required by applicable law, rule or regulation.
- 3.2.02. If the CAO provides programming grants, it shall establish reasonable rules and regulations governing the procedure for applying to the CAO for programming grants and the selection of grant recipients by the CAO.
 - 3.2.03. The CAO shall make all rules and regulations publicly available.

3.3. Compliance with Privacy Law

The CAO shall comply with the requirements of applicable law regarding privacy protection.

3.4. Other Activities of CAO

Nothing in this Agreement shall inhibit the right of the CAO to solicit sponsorships for its other activities not part of the Public Access Channels, nor inhibit the right of the CAO to solicit sponsorships for the Public Access Channels from entities that are not cable or telecommunications service providers.

3.5. Annual Report

The CAO shall prepare each year an annual income and expenditure report for the preceding year with respect to the operation of the Public Access Channels and provide a copy to Cablevision.

SECTION IV - PUBLIC ACCESS CHANNEL SERVICES

4.1. Compliance with Federal, State and Local Law

Cablevision and the CAO shall comply with all applicable local, state, and federal laws with respect to program content on the Public Access Channels.

4.2. Public Access Channel Set Aside

In order to ensure universal availability of public access programming, to the extent Cablevision offers a Basic Service Tier, Cablevision shall initially provide on the Basic Service Tier use of four (4) Public Access Channels to the CAO during the Term of the Franchise Agreement, subject to increase and carriage as provided in the Franchise Agreement. Cablevision may place the additional Public Access Channels in a tier as it deems appropriate. In the future, Cablevision shall assign the Public Access Channels on its channel line-up as configured elsewhere within the City to the extent such channel assignments do not interfere with any other channels or fall outside the range of Cablevision's respective channel lineup and pursuant to Section 8.1.6 of the Franchise Agreement. Cablevision shall not arbitrarily or capriciously change such channel assignments, and Cablevision shall minimize the number of such changes; provided, however, that Cablevision may change such channel assignments as it deems appropriate. Cablevision shall provide notice of the channel location change for 30 days on its electronic guide and by bill message. Cablevision will provide a copy of the required regulatory and subscriber notice of any change relating to the Public Access Channels to the CAO at the same time it provides notice to DoITT.

4.3. High Definition Programming

4.3.01. At such time as the CAO originally produces an amount of first or second run programming in the high definition (e.g., programming with a resolution not less than 720p) ("HD") format (i.e., such programming is filmed in the HD format, not up converted) equal to or greater than ten percent (10%) of the monthly viewing hours between 12:00 pm and 12:00 am month over month (not in an individual month) of one of the Public Access Channels, Cablevision shall begin cablecasting such Public Access Channel in the HD format. The CAO may designate which Public Access Channel shall be designated as the HD channel provided that Cablevision may determine the channel location of said channel.

4.3.02. After the end of the fourth year of the Agreement, if the CAO has filled the HD channel with first or second run programming originally filmed in HD and provides a showing that it needs an additional channel in HD, Cablevision will in good faith consider such request. If Cablevision provides a second HD channel, it may require the CAO to surrender more than one SD channel to account for the additional bandwidth used.

4.4. Video on Demand Programming

After the end of the first nine months of this Agreement, if the CAO demonstrates the ability (a) to provide 25 hours of unique original standard definition programming to Cablevision for distribution on a video on demand ("VOD") basis in a ready to transmit format in accordance herewith (such content, the "VOD Content") and (b) to refresh said programming such that at no time following the launch of such VOD Content no more than 5 hours of such VOD Content is more than 8 months old, and (c) if CAO can meet Cablevision's technical requirements provided by Cablevision upon request by CAO for the delivery of VOD content, Cablevision will provide CAO with 25 hours of VOD capacity. Cablevision reserves the right to determine the placement of the CAO VOD Content on its VOD menu and to drop programming more than 8 months old (other than the 5 allowed hours of "evergreen" programming") from the menu.

4.5. Standards for Public Access Channels

The provisions of 16 NYCRR §895.4 as it may be amended shall apply to this Agreement.

4.6. Indemnity for Public Access Channels

In accordance with 47 U.S.C. §558, Cablevision shall not incur any liability arising from or in connection with any program carried on the Public Access Channels. The rules and regulations adopted by the CAO for use of the Public Access Channels shall require all users of the channels to agree to indemnify Cablevision for any programming content.

4.7. Rights to Public Access Channel Programming

Cablevision shall have no rights to programming carried on the Public Access Channels by virtue of cablecasting or distributing such programming over its System, except for Cablevision's right to transmit such programming to its Subscribers. All rights to the programming content are intellectual property of the owner, regardless of the individual or entity requesting transmission. Cablevision shall have no editorial control over programming on the Public Access Channels except that Cablevision may, to the extent permitted by applicable law, refuse to retransmit any programming it deems to be obscene or invoking imminent violence. Cablevision has the right to notify CAO of any programming it deems to be commercial in nature and in violation of this Agreement and to the extent permitted by applicable law to refuse to continue to retransmit such programming.

4.8. Public Access Channel Interconnection

- 4.8.01. Cablevision, at its expense, shall interconnect its Cable System to the CAO's master control facility ("Public Access Channel Interconnection Site").
- 4.8.02. Cablevision will provide live feed fiber optic drops at its cost at four locations in its Service Area within the borough to be specified by CAO.
- 4.8.03. The CAO shall provide to Cablevision at the Public Access Channel Interconnection Site a suitable video and audio Signal(s) for each Public Access Channel. Cablevision, upon receipt of the suitable video signal(s), shall provide, install and maintain in good working order the equipment necessary for transmitting the Public Access Channel signals from the Public Access Channel Interconnection Site to Cablevision's video channel aggregation site for further processing for distribution to Subscribers. Cablevision's obligations with respect to such upstream transmission equipment and facilities shall be subject to the availability, without charge to Cablevision of suitable required space, environmental conditions, electrical power supply, access, pathway; and other facilities and such cooperation of the CAO as is reasonably necessary for Cablevision to fulfill such obligations, provided, however, that Cablevision shall not unreasonably or materially interfere with the CAO's operations or otherwise impose additional material burdens on the CAO. If Cablevision makes changes to its cable system that require improvements to the CAO's facilities to continue to be used as they were intended to under the terms of this Agreement and the franchise, then Cablevision shall, without charge to the CAO, make such changes in either the equipment and facilities at the CAO's master control location or at Cablevision's distribution equipment and facilities in order to permit the continuation of such intended use.

4.8.04. The CAO hereby authorizes Cablevision to transmit all Public Access Channel programming within the Borough's jurisdictional boundaries and without the Borough's jurisdictional boundaries to the extent such programming is transmitted to the adjacent borough or the immediately adjacent local franchising authorities in the adjacent county provided that Cablevision provides service in that area.

SECTION V - MISCELLANEOUS PROVISIONS

5.1. Effective Date and Term

- 5.1.01. This Agreement shall take effect on the date that the New York State Public Service Commission issues a certificate of confirmation for the Franchise Agreement (the "Effective Date"). Year 1 on Exhibit 1 shall be defined as commencing as of the Effective Date and ending at the end of the third complete calendar quarter after the calendar quarter in which the Agreement commenced if the commencement date is later than the first day of a calendar quarter.
- 5.1.02. This Agreement shall remain in effect throughout the Term of the Franchise Agreement, as provided in the Franchise Agreement, provided that the designation of the CAO by the Borough President remains in effect.
- 5.1.03. Nothing in this Agreement shall limit the authority of the New York State Public Service Commission ("PSC") to order the continuation of any rights and/or obligations in this Agreement during the pendency of a Temporary Operating Authority if the Franchise Agreement is not renewed upon its termination if the PSC deems it in the public interest.

5.2. Application to Successors

This Agreement shall bind Cablevision and its respective heirs, beneficiaries, administrators, executors, receivers, trustees, successors and assigns, and the promises and obligations herein to the extent they have not been fulfilled during the term of the Agreement shall survive the expiration date hereof. The CAO may not assign this Agreement except as approved by the Borough President. Any such assignment must be to an entity designated by the Borough President to operate the Public Access Channels and receive the Grants set forth herein. Notwithstanding the foregoing, Cablevision acknowledges and agrees that the CAO may assign the rights to receive the Cash Grant in Section 2.2 to its affiliate, The Fund for BRIC Community Media, Inc. provided that the Fund for BRIC Community Media, Inc. is approved by the Borough President and is a co-signatory to this Agreement and agrees to its terms.

5.3. Confidential Information

Except as may be required by applicable law, the CAO shall treat any information disclosed by Cablevision and so designated by Cablevision as confidential and proprietary, and shall only disclose it to employees, directors, the Borough President, DoITT, the Comptroller, representatives, and agents thereof who have a need to know, or in order to enforce the provisions hereof. For purposes of this Agreement, "proprietary or confidential" information shall be defined as any information that is reasonably determined by Cablevision to be competitively sensitive and so marked by Cablevision If the CAO receives a request for the

disclosure of information that Cablevision has designated as confidential, trade secret or proprietary, the CAO shall notify Cablevision of such request.

5.4. Severability

With the exception of Section 2.1.02, if any section, subsection, sub-subsection, sentence, paragraph, term, or provision hereof is determined to be illegal, invalid, or unconstitutional by a final order of any court of competent jurisdiction or by a final order of 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 this Agreement

5.5. Entire Agreement

This Agreement constitutes the entire agreement between Cablevision and the CAO and it supersedes 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.

5.6. Amendments and Modifications

Amendments and/or modifications to this Agreement shall not be effective unless mutually agreed to in writing by the parties.

5.7. Captions and Headings

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

5.8. 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.

5.9. Construction of Agreement

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

5.10. Governing Law

This Agreement shall be deemed to be executed in the City of New York, State of New York, regardless of the domicile of Cablevision, and shall be governed by and construed in accordance with federal law and the laws of the State of New York.

5.11. No Third Party Beneficiaries

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. Nothing in this Agreement shall be interpreted to provide that Cablevision and the CAO are partners, joint venturers, agents or assignees of the other.

5.12. Force Majeure

Subject to the procedures set forth in the last sentence of this Section 5.12, Cablevision shall not be held in default under, or in noncompliance with, the provisions of this Agreement, nor suffer any enforcement or penalty relating to noncompliance or default, where such noncompliance or alleged default occurred or were caused by a Force Majeure, provided, however, that in the event that any delay in performance resulting from such a Force Majeure affects only part of Cablevision's capability to perform, Cablevision shall perform to the extent it is able to do so and shall take all steps, reasonably within its ability, to minimize the length and effect of such Force Majeure delay. Cablevision shall notify the CAO in writing of the occurrence of an event of Force Majeure, or a series of related events constituting an event of Force Majeure, which resulted in or is resulting in a delay in performance, such notice to be provided within twenty (20) business days of the event or series of events, or if notification within such period is not practicable under the circumstances, as soon as practicable.

5.13. Enforceability

Each party represents and warrants to the other that this Agreement (i) has been duly executed and delivered by such party and (ii) constitutes the valid and legally binding obligation of such party, enforceable in accordance with its terms.

5.14. Counterparts

The parties hereby agree that this Agreement may be executed in Counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

5.15. Notices

Every notice, order, petition, document, or other direction or communication to be served upon the CAO or Cablevision shall be in writing and shall be sufficiently given if sent by registered or certified mail, return receipt requested, or by a nationally recognized overnight delivery service, to the following addresses:

If to Cablevision, to:

Cablevision Systems New York City Corporation 1111 Stewart Avenue Bethpage, NY 11714 ATTN: Legal Department

If to the CAO, to:

Executive Director
BRIC Arts | Media | Bklyn, Inc
647 Fulton Street
Brooklyn, NY 11217

Notwithstanding the foregoing, until further notice all payments and notices shall be delivered to:

Executive Director
BRIC Arts | Media | Bklyn, Inc.
45 Main Street
Suite 530
Brooklyn, NY 11201

Except as otherwise provided herein, the receipt of such notice, direction, or order shall be equivalent to direct personal notice and shall be deemed to have been given when received. Either party may change the above notice addresses by notice to the other party.

Exhibit 1

| Year | Amount Per Subscriber Per Month | Subscriber Cap (Actual average number of Subscribers but not more than the Subscriber Cap) | Cash Grant |
|-------|---|--|-------------|
| 1 | \$1.40 | 175,000 | \$1,000,000 |
| 2 | \$1.40 | 190,000 | \$500,000 |
| 3 | \$1.40 | 230,000 | \$0 |
| 4 | \$1.40 | 250,000 | \$0 |
| 5 | \$1.40 | 250,000 | \$500,000 |
| 6 | \$1.40 | 290,000 | \$0 |
| 7 | \$1.40 | 290,000 | \$0 |
| 8 | \$1.40 | 290,000 | \$0 |
| 9 | \$1.40 | 290,000 | \$0 |
| 3 311 | 6 page 2 | * | 12 |

At the end of each calendar year starting with the end of the third year, if during the previous consecutive two years, the number of Cablevision customers in the Borough has declined 20% or more, starting with the first quarter of the next year, the payment due will be reduced by the same percentage as the subscriber loss. Under no circumstances would this potential reduction take place before the fourth year of the term of this Agreement. Any such reduction must be the result of customer churn and not initiated by Cablevision's movement of its subscribers in the Service Area to a new multichannel video platform that it or an affiliated company operates. The CAO has the right to request, not more often than once a year, an independent audit at Cablevision's offices of the payment of the Public Access Channel Grant. The costs of such audit shall be borne by the CAO unless the audit shows that Cablevision has underpaid the Public Access Channel Grant by more than 5% in which case Cablevision shall be responsible for the costs of the audit.