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STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

At a session of the Public Service
Commission held in the City of
Albany on April 19, 2012

COMMISSIONERS PRESENT:

Garry A. Brown, Chairman
Patricia L. Acampora
Maureen F. Harris
Robert E. Curry, Jr.
James L. Larocca

CASE 11-V-0704 - Application of Time Warner NY Cable LLC for
Approval of the Renewal of its Cable Television
Franchise with the Town of Woodstock, Ulster
County.

ORDER APPROVING RENEWAL

(Issued and Effective April 27, 2012)

BY THE COMMISSION:

INTRODUCTION

On December 23, 2011, Time Warner NY Cable LLC submitted an application for approval of the renewal of its cable television franchise (franchise renewal) with the Town of Woodstock, Ulster County. The Town authorized renewal of the franchise by Resolution of the Town Board dated April 13, 2011, and an Amended Resolution dated April 20, 2011, after duly noticed public hearings held on December 8, 2009 and January 16, 2009. **The term of the renewal is ten years, beginning on the date that this Order is issued and effective.**

The franchise renewal will serve the public interest, because it continues the availability of cable service in the community. It is approved, subject to compliance with and governed by the obligations, requirements and standards in federal and state law, rules, regulations, standards and orders.

CABLE LAW AND RULES

No renewal of a franchise is effective without the approval of the Commission (Public Service Law (PSL) §222). Failure to conform to franchise standards established in Commission regulations does not preclude Commission approval, if the Commission finds that approval of the franchise renewal would serve the public interest; and, the Commission may approve the application contingent upon compliance with the statutory and regulatory standards, terms, or conditions that are not met by the franchise renewal (PSL §222(3) and (4)). Commission regulations (16 NYCRR §891.2 and Part 895) require an application for renewal to conform to minimum standards for required contents of franchises and set forth procedural requirements for municipal review of the franchise renewal, including public notice, opportunity for comment and a public hearing.

DISCUSSION

We determine that approval of the franchise renewal serves the public interest, as it results in the effective provision of cable service in the municipality. The franchise renewal may omit certain required provisions or contain provisions that may conflict with statutory and regulatory requirements. This Order does not identify and describe each specific omission and conflict because the principles and standards established in the law and rules apply to cable renewals, whether or not specifically identified in our orders, and a franchise agreement may not overrule, modify, or amend these minimum requirements.

Therefore, approval of the franchise renewal is conditioned upon full compliance at a minimum with these requirements, whether or not the provisions in this franchise

agreement specifically state or are in conflict with these requirements. Any franchise provision required in the Commission's rules that is omitted from the franchise agreement is added to it and is hereby incorporated in the franchise agreement; and, any federal and state law, rule, regulation and order, as amended, shall control the interpretation of and performance under this franchise renewal to the extent that any franchise provision does not meet the requirements in the Commission's rules or conflicts with or is inconsistent with federal and state laws, rules, regulations and orders.

The franchise renewal agreement may contain additional provisions that are not required by the Commission's rules. Our approval of these provisions is granted to the extent that they pertain to the provision of cable service and are, and remain, consistent with PSL Article 11, our regulations, policies and orders and applicable federal statutes and regulations. In the event of an ambiguity in any such provision or among separate provisions, the provision or provisions will be construed in the manner most favorable to the franchisor.

The Commission orders:

1. The application of Time Warner NY Cable LLC for renewal of its cable television franchise to provide cable television service in the Town of Woodstock (Ulster County) is approved, subject to the conditions set forth in this Order. The term of the renewal is ten years, beginning on the date that this Order is issued and effective.

2. This Order does not in any way confer rights or privileges other than those granted in the underlying franchise; and, the certificate holder remains subject to the obligations imposed by Public Service Law Article 11, the underlying franchise and all applicable rules, regulations and orders of this Commission.

3. This proceeding is closed.

By the Commission,

Jaclyn A. Brillling

Digitally Signed by Secretary
New York Public Service Commission

(SIGNED)

JACLYN A. BRILLING
Secretary

A FRANCHISE RENEWAL AGREEMENT
between the
Town of Woodstock, Ulster County, State of New York
and
Time Warner NY Cable LLC

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A FRANCHISE RENEWAL AGREEMENT
Between the
Town of Woodstock, Ulster County, State of New York
and
Time Warner NY Cable LLC

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

WHEREAS, Time Warner NY Cable LLC (hereinafter referred to as "Franchisee"), or, if applicable Franchisee's predecessor in interest, having previously secured the permission of the Municipality to use such streets, rights of way, and public grounds under a franchise Agreement, has petitioned the Municipality for a renewal of such franchise; and,

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

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

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

WHEREAS, this franchise renewal, as set out below, is non-exclusive and complies with the franchise standards of the New York State Public Service Commission,

THEREFORE

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

- (a) "Basic Service" means a separately available basic service tier to which subscription is currently required by federal law for access to any other tier of service. Such basic service tier shall, at a minimum, consist of the following:

such signals as may be required to be on basic service to by Federal law; any public, educational, and governmental access programming required in this Franchise, and additional signals may be added to the basic service by Franchisee.

The Municipality and Franchisee agree as follows:

1.0 DEFINITION OF TERMS

1.1 "Area Outage": a total or partial loss of video and/or audio carried on the "cable system" in a location affecting five or more subscribers.

1.2 "Cable Service": shall have the meaning provided in Federal law.

1.3 "Cable System": (herein also referred to as "System") shall have the meaning provided in Federal law.

1.4 "Capability": the ability of the "Franchisee" to activate a described technological or service aspect of the "cable system" without delay.

1.5 "FCC": the Federal Communications Commission, its successors, and any successor thereto.

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

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

1.8 "Franchisee": Time Warner NY Cable LLC, and its lawful successors and assignees.

1.9 "Gross Revenues": The total annual revenue derived by Franchisee from subscription payments (including payments made for pay television and pay-per-view services) paid to "Franchisee" by all subscribers resident within the Municipality for video programming cable services provided by "Franchisee" and collected by or on behalf of "Franchisee", and revenue received from the sale of advertising on cable services and home shopping channel commissions received by Franchisee for carriage

of home shopping cable services on the system, but not including amounts collected by "Franchisee" from subscribers for state and federal regulatory fees, taxes, franchise fees, or capital costs associated with public, education and government access that may be required by this "Agreement". Franchisee shall calculate the amount of Gross Revenues in accordance with generally accepted accounting principles ("GAAP") (insert method of calculation of ad revenues). Revenues from advertising and home shopping cable services shall be allocated to the Municipality based on the number of basic cable subscribers in the Municipality divided by the number of basic cable subscribers who receive the advertising or home shopping cable service.

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

1.11 "State": the State of New York.

PART I -- THE FRANCHISE

2.0 GRANT OF FRANCHISE

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

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

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

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

3.0 NON-EXCLUSIVE NATURE OF THIS FRANCHISE

3.1 This Agreement shall not be construed as any limitation upon the right of the Municipality to grant to other persons rights, privileges, or authorities similar to the rights, privileges, and authorities herein set forth, in the same or other streets, alleys, or other public ways or public places. The Municipality specifically reserves the right to grant at any time such additional franchises for this purpose as it deems appropriate; provided, however, that such other franchises be upon similar terms and conditions, and include similar burdens and obligations, as contained in this Agreement.

3.2 Notwithstanding any other provision in this Franchise: In the event any change to local, state or federal law occurring during the term of this Franchise eliminates the requirement for any persons desiring to construct, operate or maintain a cable system in the Municipality to obtain a franchise from the Municipality for the construction, operation or maintenance of a cable system, then, Franchisee shall have the right to terminate this Franchise and operate the system under the terms and conditions established in applicable law. If Franchisee chooses to terminate this Franchise pursuant to this provision, this Franchise shall be deemed to have expired by its terms on the effective date of any such change in law, whether or not such law allows existing franchise agreements to continue until the date of expiration provided in any existing franchise. Franchisee shall remain subject to all applicable laws and regulations with respect to abandonment of service. Furthermore, in the event any change to local, state or federal law occurring during the term of this Franchise materially alters the regime of cable franchising applicable to any persons desiring to construct, operate or maintain a cable system in the Municipality in a way that reduces the regulatory or economic burdens for such person, then, at Franchisee's request, the Municipality shall agree with Franchisee to amend this Franchise to similarly reduce the regulatory or economic burdens on Franchisee. It is the intent of this section that, at Franchisee's election, Franchisee shall be subject to no more burdensome regulation or provided lesser benefits under this Franchise than any other persons that might construct, operate or maintain a cable system in the Municipality. To the extent any acts pursuant to this section result in an amendment to the

Franchise, any such amendment shall be subject to such approval by the NYSPSC as required by law and regulation.

4.0 TERRITORIAL LIMITS

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

5.0 FRANCHISE SUBJECT TO LAW AND REGULATION

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

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

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

5.4 Within sixty (60) days of receipt of formal notification of the Municipality's approval of this Franchise, Franchisee shall file a request for certification of this franchise with the NYSPSC and shall provide the Municipality with evidence of such filing.

5.5 The Supervisor, or other person as designated by the Municipality, shall have responsibility for the continuing

administration of the rights and interests of the Municipality under this Franchise. Notwithstanding the foregoing, however, any award or denial of a franchise, revocation, termination or final notice of default shall require vote of the Municipality's governing body.

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

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

6.2 No poles, underground conduits or other wire-holding structures shall be erected by Franchisee without any generally required approval of the appropriate municipal official through established permit procedures to the extent that same now or hereafter may exist, with regard to the location, height, type and any other pertinent aspect of such wire-holding facilities; provided however, such approval may not be unreasonably withheld or delayed.

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

6.4 All structures, lines and equipment erected by Franchisee within the Municipality shall be so located as to cause minimum interference with the proper use of streets, alleys, easements and other public ways and places, and to cause minimum interference with rights or reasonable convenience of property owners who adjoin any of the said streets, alleys or other public ways and places. If available on reasonable terms and conditions existing poles, posts and other structures of the electric power company or any telephone company or any other public utility which may be available to Franchisee shall be used to the extent practicable in order to minimize interference with travel. Where both power and telephone utilities are

placed underground, Franchisee's cable also shall be placed underground.

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

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

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

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

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

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

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

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

7.0 ASSIGNMENT OR TRANSFER OF FRANCHISE

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

7.2 At least one-hundred twenty (120) days before a proposed change of control or transfer requiring consent is scheduled to become effective, Franchisee shall petition in writing for the Municipality's written consent of such proposal. If the Municipality fails to render a final decision on the

request for a change of control within one-hundred twenty (120) days after receipt by the Municipality, such request shall be deemed granted unless the Franchisee and the Municipality jointly agree to an extension of time.

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

- a) the experience of proposed assignee or transferee;
- b) the managerial and technical qualifications of proposed assignee or transferee;
- c) the legal integrity of proposed assignee or transferee;
- d) the financial ability and stability of the proposed assignee or transferee;
- e) the commitment of the proposed assignee or transferee to comply with the terms of this Franchise.

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

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

7.6 No consent from the Municipality shall be required for a transfer in trust, mortgage, or other instrument of hypothecation, in whole or in part, to secure an indebtedness, or for a transfer to a corporation, partnership or other entity controlling, controlled by or under common control with the Franchisee. In the event of such transfer, Franchisee shall provide reasonable notice of the new entity holding the Franchise in the Municipality.

8.0 DEFAULT, REVOCATION, TERMINATION, ABANDONMENT

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

- a) Franchisee fails, after sixty days (60) prior written notice from the Municipality, to comply or to take reasonable

steps to comply with a material provision or material provisions of this Agreement; or

b) Franchisee takes the benefit of any present or future insolvency statute, or makes a general assignment for the benefit of creditors, or files a voluntary petition in bankruptcy, or files a petition or answer seeking an arrangement or reorganization or readjustment of its indebtedness under Federal bankruptcy laws or under any other law or statute of the United States or any state thereof, or consents to the appointment of a receiver, trustee or liquidator of all or substantially all of its property, or is adjudged bankrupt by order of decree of a court, or an order is made approving a petition filed by any of its creditors or stockholders seeking reorganization or readjustment of its indebtedness under any law or statute of the United States or of any state thereof; or

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

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

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

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

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

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

hearing held on the proposed adoption of such ordinance or resolution.

8.3 In no event, and notwithstanding any contrary provision in this section or elsewhere in this Agreement, shall this Agreement be subject to default, revocation or termination, or Franchisee be liable for noncompliance with or delay in the performance of any obligation hereunder, where its failure to cure or to take reasonable steps to cure is directly attributable to formal U.S. declaration of war, government ban on the affected obligation, U.S. government sponsored or supported embargo, civil commotion, strikes or work stoppages—fires, any acts of God or of nature, or other events beyond the immediate control of Franchisee.

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

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

8.6 Upon expiration without right of renewal, termination or revocation of this Franchise, Franchisee, at its sole cost and expense and upon direction of the Municipality, shall remove the cables and appurtenant devices constructed or maintained in connection with the services authorized herein, unless Franchisee, its affiliated entities or assignees should, within six (6) months after the latter of such expiration, termination or revocation or a final decision of a court or other government entity having appropriate authority rejecting a challenge to such termination or revocation to obtain certification from any other federal or state authority to provide cable service.

9.0 **SEVERABILITY**

9.1 Should any other provision of this Agreement be held invalid by a court of competent jurisdiction or rendered a nullity by Federal or State legislative or regulatory action,

the remaining provisions of this Agreement shall remain in full force and effect.

10.0 EFFECTIVE DATE AND TERM

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

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

PART II -- THE SYSTEM

11.0 COMPLIANCE WITH FEDERAL AND STATE LAW AND REGULATIONS

11.1 Franchisee shall comply with all applicable federal, State, and, to the extent not inconsistent with the terms of the Franchise, local laws and regulations pertaining to the construction, erection, installation, operation, maintenance, and/or repair of the System, including the regulations of the FCC and the NYSPSC, federal and State occupational safety and health regulations, and applicable codes including the National Electric Code, and National Electric Safety Code, all as may now exist or hereinafter amended. In addition, the System shall meet or exceed all applicable technical and performance standards of federal and State law, including those of the FCC and the NYSPSC, as now exist or hereinafter amended.

12.0 SYSTEM SPECIFICATIONS

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

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

12.3 Franchisee's System shall provide for a minimum channel capacity of not less than 73 channels on the effective

date of this Agreement. In accordance with the requirements of the NYSpsc, the exercise of this Agreement shall include reasonable efforts in good faith to maximize the number of energized channels available to subscribers, subject to the rights and obligations granted and imposed by Federal law and regulation, and to the extent economically reasonable and commercially practicable, including Franchisee's right to consider how such actions may impact upon its commercially reasonable rate of return on investment over the remaining term of the Franchise.

12.4 The System shall incorporate equipment capable of providing standby powering of the System so as to minimize Area Outages caused by interruption of power furnished by the utility company. The standby powering equipment shall provide for automatic cut-in upon failure of the AC power and automatic reversion to the AC power upon resumption of AC power service. The equipment also shall be so designed as to prevent the standby power source from powering a "dead" utility line.

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

13.0 SYSTEM PERFORMANCE STANDARDS

13.1 All signals carried by the System shall be transmitted with a degree of technical quality not less than that prescribed by the rules and regulations of the federal and state regulatory agencies having jurisdiction.

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

14.0 SYSTEM MAINTENANCE AND REPAIR

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

14.2 When interruption of service is necessary for the purpose of making repairs, adjustments, or installations,

Franchisee shall do so at such time and in such manner as will reasonably minimize the inconvenience to subscribers.

14.3 Franchisee shall have a local or toll-free telephone number so that requests for repairs or adjustments can be received at any time, twenty-four (24) hours per day, seven (7) days per week.

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

PART III -- THE SERVICE

15.0 GENERAL SERVICE OBLIGATION

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

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

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

c) Franchisee shall extend the System to serve all areas of the Municipality along public rights-of-way which have a density of twenty (20) homes per linear mile of aerial cable or greater, or areas with less than 20 homes per linear mile of aerial cable where residents agree to a contribution-in-aid-of construction as per the standards established in Section 895.5 of the rules and regulations of the NYSPSC.

d) In addition to the extensions described in §15.1c, Franchisee shall extend the existing System along and within the Town's rights of way, without a contribution-in-aid-of construction, within the first five (5) years of the renewal agreement, approximately six (6) miles of cable plant; which

shall be dictated and approved by the Town, in writing, prior to June 1 of the preceding calendar year and provided to the Franchisee.

It has been agreed by between the Town and the Franchisee that the first extension will include Silver Hollow Road for approximately 2.5 miles, pending the renewal.

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

16.0 MUNICIPAL AND SCHOOL SERVICE

16.1 Franchisee shall provide one (1) standard installation of basic cable television service without monthly service charge to one (1) receiver location in each municipal office building, public school, and library passed by its system, subject to the applicable rules and regulations of the FCC and the NYSPSC, as set forth below.

Where Franchisee is serving the area but the premises to be connected with an aerial installation is located more than 150 feet from the nearest trunk or feeder cable, the cost of the aerial cable installation beyond 150 feet will be paid by the recipient. For underground installations, Franchisee shall charge the recipient its actual cost. Such costs shall be submitted to said recipient, in writing, before installation is begun.

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

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

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

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

16.2 The Franchisee will maintain a return path from the five existing sites (Town Hall, Comeau meeting room, Community Center, Village Green area, and Onteora School) originating programming on the effective date of this Franchise.

16.3 The Franchisee, within one year after the Effective Date of this Agreement, shall install a new fiber-optic modulator in the public access facility in the Community Center, provided that the Municipality insures that the conditions at the Community Center, including the temperature, allow the proper functioning of the modulator. In particular the temperature in the Center will be maintained at 80 degrees or lower.

16.4 When and if it becomes necessary for the Municipality to move its operation to another program insertion location within the central commercial district of the Town of Woodstock so as to permit the upstream insertions of access programming on the system from such location, the Franchisee shall during the course of this agreement contribute a one time amount of \$6,000.00 with the Town responsible for all other costs. Also during the term of this franchise Time Warner shall on a one time basis make available upon request of the Town such technical expertise as Franchisee's local staff may have to assist in preparing engineered schematic design work, provide advice concerning equipment use and purchases and training seminars for studio use in the event the Town upgrades its existing facility, or moves to a new facility.

16.5 By agreement among the Townships of Shandaken, Hurley, Olive and Woodstock, and by agreement of the Onteora School District, and within provisions of franchise renewals properly accepted and signed by the townships of Shandaken and Woodstock, the Franchisee will connect the Town of Woodstock's cable system to the newly constructed fiber network permitting the upstream insertions of educational access programming originating from the Onteora High School in Boiceville, New York such that those Time Warner Cable subscribers currently looped together in each of the townships named above shall receive such programming. The Franchisee shall assume the cost of making available on its system the so-called SHOW (Shandaken, Hurley, Olive Woodstock) educational channel. The Onteora School District shall be the designated entity to administer the educational channel. The Municipality shall not be responsible for any other costs.

17.0 PUBLIC, EDUCATIONAL, AND GOVERNMENTAL ACCESS

17.1 Franchisee, the Municipality and all PEG channel users shall comply with applicable Federal and State law, rules, and

regulations pertaining to non-commercial public, educational, and governmental (PEG) access to the System.

17.2 Control of any PEG channels provided on Franchisee system in the Municipality shall be shared with other municipalities served by the system. Should Franchisee's policies be inconsistent with the standards established in Section 895.4 of the rules of the NYSPSC pertaining to non-commercial governmental, educational or public access, such rules shall govern.

17.3 The Municipality may request and Franchisee shall on one occasion during the term of this Franchise install one (1) remote access return line for the transmission of upstream programming from the Town Offices at the Comeau property, or in the case of relocation to the address designated as the Town Offices provided such address is passed by Franchisee's system. Upon receipt of a written request, Franchisee shall install such return line within ninety (90) days. Such access return line shall be used for origination of non-commercial governmental and educational access programming by the Municipality for the benefit of Franchisee's subscribers in the Town.

17.4 The Franchisee shall provide capital contributions for video production equipment, for the Town's exclusive use, to be utilized exclusively for the production of education/government access programming. The value of the contribution shall not exceed Thirty Thousand Dollars (\$30,000.). The list of equipment to be provided by the Franchisee is detailed in Exhibit B. Which amount shall be itemized on the customer's bills for the term of the agreement and distributed to the Municipality on the same schedule as the franchise fees.

PART IV -- FRANCHISEE'S OBLIGATIONS TO THE MUNICIPALITY

18.0 FRANCHISE FEE

18.1 Franchisee shall pay to the Municipality during the term of this Agreement an annual sum equal to five percent (5%) of Franchisee's Gross Receipts for the preceding year. Such payment shall be made on a quarterly basis for the periods ending March 31, June 30, September 30 and December 31. Each such payment shall be due no later than forty-five (45) days after the close of each such period.

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

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

19.6 Franchisee shall obtain all insurance required pursuant to this Agreement from companies authorized to do business within the state of New York and approved by the Superintendent of Insurance, which companies shall maintain a rating of at least Best's A-. The Municipality may, at any time after reasonable notice, review Franchisee's compliance with the provisions of this Agreement. Should the certificates of insurance provided by Franchisee hereunder differ from accepted insurance industry forms, the Municipality shall have the right to review and approve such certificates, provided such approval shall not be unreasonably withheld.

20.0 **RATES AND CHARGES**

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

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

21.0 **EMPLOYMENT PRACTICES**

21.1 Franchisee will not refuse to hire, nor will it bar or discharge from employment, nor discriminate against any person in compensation or in terms, conditions, or privileges of employment because of age, race, creed, color, national origin, or sex.

22.0 **MUNICIPALITY'S RIGHT TO INQUIRE ABOUT AND INSPECT SYSTEM**

22.1 The Municipality, at any time, may make reasonable inquiries related to its regulatory responsibilities concerning the operation of the System. Franchisee shall respond to such inquiries within 30 days of the written request.

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

The testing indicates that Franchisee's system is in compliance with applicable standards the cost of such testing shall be borne by Municipality. In the event that the testing indicates that Franchisee's system is not in compliance with applicable standards, Franchisee shall bear the costs of the testing.

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

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

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

23.1 The Municipality reserves the right to inspect all—books, records, maps, plans, financial statements and other like material of Franchisee relevant to Franchisee's compliance with the terms of this Franchise, upon reasonable notice and during normal business hours, subject to the provisions of Section 25.4.

23.2 If any of such information is not kept in the Municipality, or upon notice Franchisee is unable to provide the records in the Municipality, and if the Municipality shall

determine that an examination of such maps or records is necessary or appropriate to the performance of the Municipality's responsibilities under this Agreement, then all travel and maintenance expenses, in excess of one-hundred miles (100) miles per day, necessarily incurred in making such examination shall be paid by Franchisee.

24.0 **REPORTS TO BE FILED BY FRANCHISEE WITH THE MUNICIPALITY**

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

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

25.0 **MANDATORY RECORD KEEPING**

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

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

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

25.4 If any of the records described in this Franchise are proprietary in nature or must be kept confidential under federal, State, or local law, upon written request by the Franchisee, such information shall be treated as confidential, and to the extent consistent with applicable law, such records shall be made available for inspection purposes only to those

persons within the Municipality who must have access to such information in order to perform their duties on behalf of the Municipality.

26.0 MUNICIPAL EMERGENCIES

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

27.0 REPORTING REQUIREMENTS

27.1 Per Section 895.1(T), any valid reporting requirements contained in the Franchise may be satisfied with system-wide statistics, except for reporting requirements related to Franchise fees and customer complaints.

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

28.0 COMPLIANCE WITH FEDERAL AND STATE LAW AND REGULATION

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

29.0 EMPLOYEE IDENTIFICATION/TRAINING

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

29.2 Franchisee shall provide proper training for employees and shall institute policies and procedures that foster courteous and professional conduct.

30.0 MISCELLANEOUS PROVISIONS

30.1 Franchisee shall ensure that the subscriber's premises are restored to their pre-existing condition, within a

reasonable time, if damaged by Franchisee's employees or agents in any respect in connection with the installation, repair, or disconnection of Cable Service. The Franchisee shall be liable for any breach of provisions of this Agreement by its contractors, subcontractors or agents.

PART VI -- GUARANTEE OF FRANCHISEE'S PERFORMANCE

31.0 PERIODIC PERFORMANCE EVALUATION SESSIONS

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

31.2 Topics which may be discussed at any performance evaluation session may include, but not be limited to, System performance, compliance with this Agreement and applicable law, customer service and complaint response, services provided, fees described in this Agreement, free services, applications of new technologies, and judicial, federal or State filings.

31.3 During review and evaluation, Franchisee shall fully cooperate with the Municipality and shall provide such information, and documents relevant to Franchisee's compliance with the terms of this Franchise, as the Municipality may reasonably need to perform its review.

32.0 EFFECT OF MUNICIPALITY'S FAILURE TO ENFORCE FRANCHISE PROVISIONS

32.1 Franchisee shall comply with any and all provisions of this Agreement and applicable State, Federal and, to the extent not inconsistent with this Franchise, local law and regulation.

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

33.0 **LEVEL TERMS**

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

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

34.0 **APPROVAL OF THE NYSPC**

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

Time Warner Cable
April 4, 2011

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

Town of Woodstock
BY: [Signature]
Supervisor
Date: APRIL 12, 2011

Time Warner NY Cable LLC
By: John F. Herbert Jr.
Vice President
Date: 12/17/2011

CFO - EAST REGION