

COMMUNITY ACCESS ORGANIZATION
GRANT AGREEMENT
BETWEEN
CABLEVISION SYSTEMS NEW YORK CITY CORPORATION
AND
BROOKLYN COMMUNITY ACCESS TELEVISION

GRANT AGREEMENT

THIS AGREEMENT (the "Agreement") made on this 8th day of October, 1998, between Brooklyn Information and Culture, Inc., a New York not-for-profit corporation, acting through its division, Brooklyn Community Access Television, the Community Access Organization (the "CAO") designated by the Borough President of Brooklyn (the "Borough President"), with a place of business at 57 Rockwell Place, 2nd Floor, Brooklyn, New York 11217, and Cablevision Systems New York City Corporation (the "Company"), with a place of business at One Media Crossways, Woodbury, New York 11797.

WHEREAS, the City of New York (the "City") has entered into a Franchise Agreement granting the Company a franchise to construct, operate, and maintain a cable television system (the "System") in the Borough of Brooklyn (the "Borough"); and

WHEREAS, the Franchise Agreement requires the Company to place under the jurisdiction of the CAO at least four (4) channels on the System, to be known as Access Channels, and to supply to the CAO any ongoing support payments and capital grant as may be agreed upon between the CAO and the Company; and

WHEREAS, the City has determined that to facilitate open, nondiscriminatory access to the 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 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 ongoing support payments and capital grants as shall be made available by the Company pursuant to this Agreement; 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 shall obtain the funds necessary to carry out its purposes and objectives from the ongoing support payments and capital grants provided for herein and from any other lawful sources; and

WHEREAS, the Company desires to support the purposes and objectives of the CAO and to cooperate and participate in the development and production of public services and programming to be distributed on the Access Channels and to be made available to all cable television subscribers; and

WHEREAS, the, CAO will engage in activities and will develop programming to be distributed on the Access Channels for the benefit of Subscribers, as defined in the Franchise Agreement, to the System, thereby enhancing the value of the franchise and the System to the Company and increasing the public service potential of cable television in the City;

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 — GRANT OF SUPPORT TO THE CAO

1.1 Requirements of Franchise Agreement

Pursuant to the Franchise Agreement, the Company shall make available to the CAO the ongoing support payments and capital grant provided for herein.

1.2 Ongoing Support for Operations and Programming

1.2.01. The Company shall make annual ongoing contributions to the CAO: (1) to assist in defraying the operating expenses of the CAO and the expenses of the activities that the CAO may undertake and (2) to be used by the CAO to make grants to qualified persons for the development of programming for the Access Channels and to support the programming initiatives of the CAO. From the effective date of this Agreement through December 31, 2003, the Company shall pay to the CAO an annual ongoing contribution equal to Three Dollars and Fifty Cents (\$3.50) per Subscriber to Basic Service. From January 1, 2004 through the remainder of the term of this agreement, the Company shall pay to the CAO an annual ongoing contribution equal to Three Dollars and Seventy Five Cents (\$3.75) per Subscriber to Basic Service. In addition, the Company agrees to continue annual support for staffing at the level of Sixty Cents (\$0.60) per Subscriber to Basic Service per year, payable quarterly on February 1, May 1, August 1, and November 1. The Company will also continue annual support for equipment maintenance needs at the level of Fifth Cents (\$0.50) per Subscriber to Basic Service per year, payable quarterly on February 1, May 1, August 1, and November 1.

1.3 Payment Schedule

The Company shall pay to the CAO each annual ongoing contribution required by Section 1.2 hereof in quarterly installments. Said quarterly installments shall be calculated by multiplying one-fourth (1/4th) of the per Subscriber amount required by Section 1.2 hereof times the average number of Subscribers during the three (3) month period preceding the date on which the installment is due. The Company shall pay the appropriate quarterly installment within twenty-one (21) days of the last day of each calendar quarter.

1.4 Full Payment Obligation

The Company shall pay to the CAO the full amount of each annual ongoing contribution, as provided in Section 1.2 hereof, irrespective of whether the CAO has allocated or expended the full amount of any ongoing contribution previously made by the Company to the CAO.

1.5 Capital Grant Payment

The Company shall make a one-time capital grant payment to the CAO of One Million Four Hundred Fifty Eight Thousand Dollars (\$1,458,000.00), payable upon execution of this Agreement, for facilities and equipment and for any replacement or repair of such facilities and equipment needed during the term of this Agreement. Such payment shall satisfy any obligations of the Company to repair or replace facilities and equipment.

1.6 Delivery of Contributions

All contributions or payments by the Company to the CAO pursuant to this Agreement shall be made payable to the CAO and shall be delivered to the address designated therefor by the Treasurer of the CAO.

1.7 Publicity for Access Services

1.7.01. At no charge, the Company shall: (i) include, in a printed or alphanumeric program guide of the Company, a schedule of programming distributed on the Access Channels; (ii) devote to the CAO at least one (1) page in any printed program guide it may publish to publicize programming distributed on the Access Channels and the activities of the CAO; and (iii) cooperate with the CAO in publicizing the programming distributed on the Access Channels and the activities of the CAO.

1.7.02. If the Company distributes any materials to Subscribers describing or promoting Basic Service, as defined in the Franchise Agreement, then the Company shall devote to the CAO reasonable and sufficient space in appropriate materials to enable the insertion of similar information with respect to programming distributed on the Access Channels and the activities of the CAO.

1.8 Mailing to Subscribers

At least once each year, if requested by the CAO, the Company shall mail, consistent with the privacy protection plan of the company, at its own expense, in regular billing statements to Subscribers, such materials provided by the CAO with respect to programming on the Access Channels and the activities of the CAO, as may be reasonably specified by the CAO.

1.9 Analyses, Studies or Research

Consistent with the privacy protection plan of the Company, the Company may undertake ascertainment studies to determine the access programming needs and interests of the residents of the Borough; shall consult with the CAO on the development of said studies; and shall make available to the CAO the results of any analyses, studies, or research undertaken by the Company. Should the CAO undertake such ascertainment studies, it shall consult with the Company on the development of said studies and shall make available to the Company the results of any analyses, studies, or research undertaken by the CAO.

1.10 Censorship Prohibited

The Company and the CAO shall comply with applicable local, state, and federal law with respect to program content.

SECTION II — OBLIGATIONS OF THE CAO

2.1 Consideration for Capital Grant and Support Payments; Use for Educational or Charitable Purposes

As consideration for the capital grant and support payments by the Company to the CAO, the CAO shall: (i) administer and manage the Access Channels and the use of the facilities, equipment, and supplies provided by the Company to the CAO in connection with the Access Channels, in a fair and reasonable manner, and (ii) develop and support programming to be distributed on the 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 payments provided by the Company to the CAO primarily for educational or charitable purposes within the meaning of Section 501(c)(3) of the Code.

2.2 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.

2.3 Access Channel Rules and Regulations

2.3.01. The CAO shall maintain reasonable rules and regulations to provide for open access to Access Channel time, facilities, equipment, supplies, and training on a nondiscriminatory basis. Said rules and regulations providing for open access may dedicate segments of Access Channel time to particular or related subject matters or uses.

2.3.02. 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 on a competitive basis.

2.3.03. The CAO shall publish all rules and regulations in a pamphlet, copies of which shall be available to the public at the office of the CAO.

2.4 Compliance with Company Rules

The CAO shall comply with reasonable rules and regulations of the Company relating to the operation and use of facilities, equipment, and supplies made available to the CAO by the Company.

2.5 Compliance with Privacy Plan

The CAO shall comply with the requirements of applicable law regarding privacy protection and any plan or procedures of the Company for protection of privacy.

2.6 Annual Expenditure Report

The CAO shall publish each year an annual income and expenditure report showing the sources of its funds and the uses of those funds during the preceding year and describing proposed activities and support for the coming year. The annual report shall be published and made available for public inspection at the offices of the CAO no later than ninety (90) days after the close of each fiscal year of the CAO and a copy shall be provided to the Company at the same time.

SECTION III — SUNDRY PROVISIONS

3.1 Effective Date and Term

3.1.01. This Agreement shall take effect on the date first written above, which date shall be "the effective date of this Agreement."

3.1.02. This Agreement shall remain in effect throughout the term of the franchise, as provided in the Franchise Agreement, provided that the designation of the CAO by the Borough President remains in effect. The period of time during which this Agreement is in effect shall be "the term of this Agreement." If the Franchise Agreement is renewed without renegotiation, this Agreement shall be renewed for the same period of time as the term of the renewal of the Franchise Agreement.

3.2 Request for Renegotiation

The CAO or the Company may request the renegotiation of the terms of this Agreement every four (4) years throughout the term of this Agreement, independent of any other review by the City.

3.3 Application to Successors

All of the provisions of this Agreement shall apply to the Company, its successors, and assigns.

3.4 Separability

If any section, subsection, sentence, clause, phrase, or other portion of this Agreement is, for any reason declared invalid in whole or in part, by any court, agency, commission, legislative body, or other authority of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent portion. Such declaration shall not affect the validity of the remaining portions hereof, which other portions shall continue in full force and effect.

3.5 Headings

The headings contained in this Agreement are to facilitate reference only, do not form a part of this Agreement, and shall not in any way affect the construction or interpretation hereof.

3.6 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 the Company, and shall be governed by and construed in accordance with the laws of the State of New York.

3.7 Additional CAO Rights

The Company agrees to abide by all the provisions of the Franchise Agreement which affect the providing of public access or the Access Channels or affect the CAO. Notwithstanding any provision to the contrary contained in the Franchise Agreement, the Company agrees that the CAO may bring any action or proceeding at law or in equity to enforce any rights or benefits provided under the Franchise Agreement to the CAO.

IN WITNESS WHEREOF, this Agreement has been executed and delivered as of the date first above written.

BROOKLYN COMMUNITY ACCESS
TELEVISION, a Division of BROOKLYN
INFORMATION AND CULTURE, INC.

ATTEST:

BY: _____
Nanette Rainone, President

CITY

CABLEVISION SYSTEMS NEW YORK
CORPORATION

ATTEST:

BY: _____
Sheila A. Mahony, Senior Vice President,
Communications