

# **ATTACHMENT D**

**DOCUMENTS SUBMITTED BY VERIZON AS PART OF,  
OR IN SUPPORT OF, ITS APPLICATION**

1. 10/23/08 Correspondence from Verizon's outside counsel, Gabrielle Stormo of McGuireWoods LLP, to City Chamberlain, Karen Burke, enclosing Verizon's application for a cable television franchise and proposed franchise agreement
2. 10/31/08 Correspondence from Verizon's Senior Vice President, Andrés Irlando, to City Mayor, John Tkazyik, regarding the November 6 public hearing and enclosing information outlining the benefits of Verizon FiOS TV service
3. 11/3/08 Correspondence from Verizon's consultant, Scott Parr of Telecommunications Insight Group, to City Administrator, Michael Long, regarding PEG
4. 11/6/08 Correspondence from Verizon's outside counsel, Gabrielle Stormo of McGuireWoods LLP, to Corporation Counsel, Brian Morgan, and City Administrator, Michael Long, enclosing final franchise agreement

# Tab 1

McGuireWoods LLP  
77 West Wacker Drive  
Suite 4100  
Chicago, IL 60601-1818  
Phone: 312.849.8100  
Fax: 312.849.3690  
www.mcguirewoods.com

Gabrielle S. Stormo  
Direct: 312.750.5737

McGUIREWOODS

gstormo@mcguirewoods.com  
Direct Fax: 312.698.4563

October 23, 2008

**VIA FEDERAL EXPRESS**

Ms. Karen Burke  
City Chamberlain  
City of Poughkeepsie  
62 Civic Center Plaza  
Poughkeepsie, NY 12601

**Re: Application of Verizon New York, Inc. for a Cable Television Franchise**

Dear Ms. Burke:

Pursuant to the requirements of 16 N.Y.C.R.R. Section 894.5, please find enclosed the application of Verizon New York Inc. to the City of Poughkeepsie for a cable television franchise. Also enclosed is the proposed Cable Franchise Agreement by and between the City of Poughkeepsie and Verizon New York Inc.

Please make both documents available for public inspection at City Hall.

Please contact Scott Parr at (603) 860-2116 or me at (312) 750-5737 should you have any questions.

Very truly yours,



Gabrielle S. Stormo

GSS/ajrw

Enclosures

cc: Brian Morgan, Esq.  
Verizon New York Inc.

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**APPLICATION FOR A CABLE TELEVISION FRANCHISE**  
**BY VERIZON NEW YORK INC.**

Verizon New York Inc. (“Verizon NY”) respectfully submits this application form (“Application”) and requests the award of a cable television franchise from the City of Poughkeepsie (“Municipality”). In this application, Verizon NY answers the questions set forth in Title 16, Chapter VIII, Part 894, Section 894.5, of the Official Compilation of Codes, Rules and Regulations of the State of New York, as amended.

- (1) A description of the cable television system proposed to be constructed including information regarding (a) channel capacity, including both the total capability of the proposed system and the number of channels to be energized immediately; (b) television and radio broadcast signals which Verizon NY intends to carry on its system initially; (c) the extent and type of any origination cable casting to be undertaken, and the facilities, equipment and staff to be employed therein; and (d) the system layout or design, including where applicable: (i) location of antennae and headends; (ii) plans for a two-way capability including a proposed schedule indication when two-way capability will become available from particular points; (iii) location or origination points and origination facilities; (iv) extent and type of automated services to be provided; and (v) number of channels to be utilized for access cablecasting and the facilities, equipment, staff and other support to be available to access users including access utilization or production costs.

**In response to the information requested in subsections 1(a) and (d)(i-ii), please see attached Exhibit 1, “Proposed Service Overview, Product Offers and Architecture.” In response to question 1(b), please see the sample channel line up set forth in Exhibit 2, “Verizon FiOS TV – New York Area Channel Lineup.”**

**In response to the information requested in subsection 1(c) and 1(d)(iii), Verizon is considering alternatives for origination cablecasting, but at this point it is not clear when or if the company will offer origination cablecasting in this franchise area.**

**In response to the information sought in subsection 1(d)(v), upon request of the Municipality, Verizon NY intends to provide capacity on its basic service tier for up to one (1) dedicated Public Access Channel, one (1) dedicated Educational Access Channel, and up to one (1) dedicated Government Access Channel.**

- (2) The terms and conditions under which service is to be provided to educational and governmental entities.

**Verizon NY will provide channel capacity to educational and governmental entities under terms and conditions consistent with applicable law, and as may be required by the Municipality.**

- (3) The terms concerning rates and construction schedules.

**Verizon NY's cable television service rates and available packages are attached as Exhibit 3.**

**Verizon NY has completed the construction of its fiber to the premises ("FTTP") network to approximately 55% of the households in the Municipality. A full discussion of the construction requirements and central office conversion requirements to bring FTTP and cable television service to the Municipality is contained in Exhibit 1.**

**On June 15, 2005, the New York Public Service Commission ("NY PSC") "declared that Verizon NY's FTTP upgrade is authorized under its existing state telephone rights because the upgrade furthers the deployment of telecommunications and broadband services, and is consistent with state and federal law and in the public interest." The NY PSC determined that, unlike a company seeking to build an unfranchised cable television system, Verizon NY already has the necessary authority to use the rights-of-way to provide telecommunications service over its existing network. See Declaratory Ruling on Verizon Communication, Inc.'s Built-Out of its Fiber to the Premises Network, NY Public Service Commission, Case 05-M-0520/05-M-0247, June 15, 2005 at 4.**

**Verizon NY will continue to adhere to applicable lawful customary time, place and manner permitting requirements of the Municipality.**

- (4) An indication of whether Verizon NY will provide service on the same terms and conditions as contained in the existing franchise in effect.

**Verizon NY will provide service on terms and conditions consistent with the needs and interests of the Municipality and the level playing field requirement set forth in Title 16, Chapter VIII, Part 895, Section 895.3, of the Official Compilation of Codes, Rules and Regulations of the State of New York, as amended, in that the Verizon NY proposed franchise is comparable in its totality with the incumbent cable television provider's agreement. Verizon NY is applying for a cable television franchise in the Municipality in order to provide the residents of the Municipality with competitive choice.**

**As more fully described in Exhibit 1, Verizon NY is constructing its FTTP network pursuant to its authority as a common carrier under Title II of the Communications Act of 1934, as amended, and Section 27 of the New York Transportation Corporations Law. For this reason and others, certain terms and conditions may differ between the incumbent cable provider's franchise and Verizon NY's franchise.**

- (5) A statement of Verizon NY's experience in the cable television field including, if applicable, the names and professional experience of the persons or organizations who will be responsible for the construction, installation and operation of the proposed system.

**Verizon NY and its predecessor entities have provided telecommunications services in the State of New York for over one hundred years. Consequently, Verizon NY has extensive experience and expertise in the telecommunications field. Generally, the current cable service operation of Verizon NY is similarly based on an extensive history. Specifically, Verizon NY has applied the comprehensive knowledge of current Verizon NY employees in the provision of telecommunications service, including in-depth knowledge and experience of employees who were involved in affiliated enterprises.**

**Verizon NY was awarded a cable television franchise by the following municipalities: (1) Village of Massapequa Park (Nassau County); (2) Village of Nyack (Rockland County); (3) Village of South Nyack (Rockland County); (4) Village of Upper Nyack (Rockland County); (5) Town of Hempstead (Nassau County); (6) Village of Cedarhurst (Nassau County); (7) Town of Oyster Bay (Nassau County); (8) Village of Laurel Hollow (Nassau County); (9) Village of Grand View-on-Hudson (Rockland County); (10) Village of Lynbrook (Nassau County); (11) Town of Clarkstown (Rockland County); (12) Village of Mineola (Nassau County); (13) Village of East Rockaway (Nassau County); (14) Town of Greenburgh (Westchester County); (15) Town of Smithtown (Suffolk County); (16) Village of Irvington (Westchester County); (17) Village of Valley Stream (Nassau County); (18) Town of Huntington (Suffolk County); (19) Village of Farmingdale (Nassau County); (20) Village of Ardsley (Westchester County); (21) Village of Freeport (Nassau County); (22) Village of Dobbs Ferry (Westchester County); (23) Village of Tarrytown (Westchester County); (24) Town of Eastchester (Westchester County); (25) Town of Mount Kisco (Westchester County); (26) Village of Elmsford (Westchester County); (27) Village of Port Chester (Westchester County); (28) Village of Tuckahoe (Westchester County); (29) Town of Orangetown (Rockland County); (30) Village of Piermont (Rockland County); (31) City of White Plains (Westchester County); (32) Village of Airmont (Rockland County); (33) Village of Williston Park (Nassau County); (34) Town of North Hempstead (Nassau County); (35) Village of Rye Brook (Westchester County); (36) Town of Haverstraw (Rockland County); (37) Village of New Hyde Park (Nassau County); (38) Village of West Haverstraw (Rockland County); (39) Town of North Castle (Westchester County); (40) Village of Chestnut Ridge (Rockland County); (41) Village of Bayville (Nassau County); (42) Village of Sands Point (Nassau County); (43) Town of Mount Pleasant (Westchester County); (44) Village of Old Field (Suffolk County); (45) Village of Mount Vernon (Westchester County); (46) Village of Spring Valley (Rockland County); (47) Village of Suffern (Rockland County); (48) Village of Scarsdale (Westchester County); (49) Village of Bronxville (Westchester County); (50) Village of Yonkers (Westchester County); (51) Village of Floral Park (Nassau County); (52) Town of Islip (Suffolk County); (53) Village of South Floral Park**

(Nassau County); (54) City of New Rochelle (Westchester County); (55) Town of Cortlandt (Westchester County); (56) Village of Haverstraw (Rockland County); (57) Village of Garden City (Nassau County); (58) Village of Nissequogue (Suffolk County); (59) Village of Poquott (Suffolk County); (60) City of Peekskill (Westchester County); (61) Village of East Williston (Nassau County); (62) Village of Head of the Harbor (Suffolk County); (63) Village of Hillburn (Rockland County); (64) Village of Mill Neck (Nassau County); (65) Village of Buchanan (Westchester County); (66) Town of Newburgh (Orange County); (67) Village of Stewart Manor (Nassau County); (68) Town of Mamaroneck (Westchester County); (69) City of Rye (Westchester County); (70) Village of Centre Island (Nassau County); (71) Village of Malverne (Nassau County); (72) Village of Mamaroneck (Westchester County); (73) Village of Larchmont (Westchester County); (74) Village of Pelham Manor (Westchester County); (75) Village of the Branch (Suffolk County); (76) Village of Huntington Bay (Suffolk County); (77) Town of Ossining (Westchester County); (78) Village of Oyster Bay Cove (Nassau County); (79) Village of Sleepy Hollow (Westchester County); (80) Village of Briarcliff Manor (Westchester County); (81) Village of Ossining (Westchester County); (82) Town of Ramapo (Rockland County); (83) Village of Bellerose (Nassau County); (84) Village of Kensington (Nassau County); (85) Village of Lake Success (Nassau County); (86) Village of Munsey Park (Nassau County); (87) Village of North Hills (Nassau County); (88) Village of Plandome (Nassau County); (89) Village of Saddle Rock (Nassau County); (90) Village of Thomaston (Nassau County); (91) Village of Russell Gardens (Nassau County); (92) Village of Plandome Heights (Nassau County); (93) Village of Flower Hill (Nassau County); (94) Village of Kings Point (Nassau County); (95) Village of Great Neck Plaza (Nassau County); (96) Village of Great Neck Estates (Nassau County); (97) Village of Plandome Manor (Nassau County); (98) Village of Great Neck (Nassau County); (99) Village of East Hills (Nassau County); (100) Village of Lloyd Harbor (Suffolk County); (101) Village of Roslyn Harbor (Nassau County); (102) Town of Wappinger (Dutchess County); (103) Village of Hamburg (Erie County); (104) Village of Roslyn Estates (Nassau County); (105) Town of Stony Point (Rockland County); (106) Village of Wappingers Falls (Dutchess County); (107) Village of Orchard Park (Erie County); (108) Town of Orchard Park (Erie County); (109) Town of New Castle (Westchester County); (110) Village of Wesley Hills (Rockland County); (111) Village of Baxter Estates (Nassau County); (112) Town of Tonawanda (Erie County); (113) Town of West Seneca (Erie County); (114) Village of Blasdell (Erie County); (115) Village of Montebello (Rockland County); (116) Village of Roslyn (Nassau County); (117) City of New York (Counties of Bronx, Kings, New York, Queens and Richmond); (118) Village of Manor Haven (Nassau County); (119) Town of Babylon (Suffolk County); (120) Town of Hamburg (Erie County); (121) Village of Lawrence (Nassau County); (122) Town of Amherst (Erie County); (123) Village of Northport (Suffolk County); (124) Village of Rockville Centre (Nassau County); (125) Town of Kent (Putnam County); (126) Village of Amityville (Suffolk County); (127) City of Newburgh (Orange County); (128) Village of Fishkill (Dutchess County); (129) Village of New Hempstead (Rockland County); (130) Village of Kenmore (Erie County); (131) Village of Hempstead (Nassau County); (132) Village of Lake Grove (Suffolk



County); (133) Village of Port Washington North (Nassau County); (134) Village of Brightwaters (Suffolk County); (135) Village of Cove Neck (Nassau County); (136) Village of Pomona (Rockland County); (137) Village of Hewlett Bay Park (Nassau County); (138) Village of Lindenhurst (Suffolk County); and (139) Town of Yorktown (Westchester County).

The NY PSC granted the following Orders and Certificates of Confirmation for Verizon NY's approved franchises: (1) Massapequa Park - December 14, 2005; (2) Nyack – February 8, 2006; (3) South Nyack – February 8, 2006; (4) Upper Nyack – May 18, 2006; (5) Hempstead – May 18, 2006; (6) Cedarhurst – June 22, 2006; (7) Oyster Bay – June 23, 2006; (8) Laurel Hollow – August 24, 2006; (9) Grand View-on-Hudson – August 24, 2006; (10) Lynbrook – September 21, 2006; (11) Clarkstown – September 21, 2006; (12) Mineola – September 21, 2006; (13) East Rockaway – October 19, 2006; (14) Greenburgh – October 19, 2006; (15) Smithtown – November 10, 2006; (16) Irvington – November 10, 2006; (17) Valley Stream – November 10, 2006; (18) Huntington – November 10, 2006; (19) Farmingdale – November 10, 2006; (20) Ardsley – December 15, 2006; (21) Dobbs Ferry – December 15, 2006; (22) Freeport – December 15, 2006; (23) Tarrytown – December 15, 2006; (24) Eastchester – January 19, 2007; (25) Mount Kisco – January 19, 2007; (26) Elmsford – February 16, 2007; (27) Port Chester – March 23, 2007; (28) Tuckahoe – March 23, 2007; (29) Orangetown – April 20, 2007; (30) Piermont – April 20, 2007; (31) White Plains – May 17, 2007; (32) Airmont – May 17, 2007; (33) Williston Park – May 17, 2007; (34) Rye Brook – May 17, 2007; (35) North Hempstead – June 22, 2007; (36) West Haverstraw – June 22, 2007; (37) Haverstraw – June 22, 2007; (38) New Hyde Park – June 22, 2007; (39) North Castle – June 22, 2007; (40) Bayville – June 22, 2007; (41) Chestnut Ridge – June 22, 2007; (42) Sands Point – June 22, 2007; (43) Mount Pleasant – July 19, 2007; (44) Mount Vernon – July 19, 2007; (45) Old Field – July 19, 2007; (46) Spring Valley – July 19, 2007; (47) Bronxville – August 22, 2007; (48) Floral Park – August 22, 2007; (49) Scarsdale – August 22, 2007; (50) Islip – August 22, 2007; (51) South Floral Park – August 22, 2007; (52) Yonkers – August 22, 2007; (53) New Rochelle – September 21, 2007; (54) Haverstraw – September 21, 2007; (55) Cortlandt – September 21, 2007; (56) Nissequogue – September 21, 2007; (57) Poquott – September 21, 2007; (58) Garden City – September 21, 2007; (59) Suffern – September 21, 2007; (60) Head of the Harbor – October 18, 2007; (61) Peekskill – October 18, 2007; and (62) Hillburn – October 18, 2007; (63) Mill Neck – November 8, 2007; (64) Buchanan – November 8, 2007; (65) Newburgh – December 13, 2007; (66) Stewart Manor – December 13, 2007; (67) Rye – December 13, 2007; (68) Malverne – December 13, 2007; (69) Larchmont – December 13, 2007; (70) Pelham Manor – December 13, 2007; (71) East Williston – December 14, 2007; (72) Mamaroneck (Town) – December 14, 2007; (73) Mamaroneck (Village) – December 14, 2007; (74) Centre Island – December 14, 2007; (75) Village of the Branch – December 14, 2007; (76) Huntington Bay – January 18, 2008; (77) Ossining (Town) – January 18, 2008; (78) Oyster Bay Cove – January 18, 2008; (79) Sleepy Hollow – January 18, 2008; (80) Briarcliff Manor – January 18, 2008; (81) Ossining (Village) – January 18, 2008; (82) Bellerose – February 14, 2008; (83) Ramapo – February 14, 2008; (84)

**Kensington - March 19, 2008; (85) Russell Gardens - March 19, 2008; (86) Plandome Heights - March 19, 2008; (87) Great Neck Plaza - March 19, 2008; (88) Great Neck Estates - March 19, 2008; (89) Great Neck - March 19, 2008; (90) Flower Hill - March 20, 2008; (91) Kings Point - March 20, 2008; (92) Munsey Park - March 20, 2008; (93) Plandome Manor - March 20, 2008; (94) Saddle Rock - March 20, 2008; (95) Thomaston - March 21, 2008; (96) East Hills - March 21, 2008; (97) Lake Success - March 21, 2008; (98) Lloyd Harbor - March 21, 2008; (99) North Hills - March 21, 2008; (100) Plandome - March 21, 2008; (101) Wappinger - April 25, 2008; (102) Roslyn Harbor - April 25, 2008; (103) Hamburg (Village) - April 25, 2008; (104) Roslyn Estates - May 22, 2008; (105) Stony Point - May 22, 2008; (106) Wappingers Falls - May 22, 2008; (107) Orchard Park (Town) - May 22, 2008; (108) Orchard Park (Village) - May 22, 2008; (109) Wesley Hills - June 20, 2008; (110) New Castle - June 20, 2008; (111) Baxter Estates - June 20, 2008; (112) West Seneca - June 20, 2008; (113) Tonawanda (Town) - June 20, 2008; (114) Montebello - June 20, 2008; (115) Blasdell - June 20, 2008; (116) Babylon - June 20, 2008; (117) Roslyn Village - July 18, 2008; (118) Manor Haven - July 18, 2008; (119) Town of Hamburg - July 18, 2008; (120) Lawrence - July 18, 2008; (121) Town of Amherst - July 18, 2008; (122) Northport - July 18, 2008; (123) Rockville Center - July 18, 2008; and (124) New York City (New York, Bronx, Queens, Kings and Richmond Counties) - July 18, 2008.**

**Furthermore, other subsidiaries of Verizon Communications Inc. were awarded cable television franchises by 1,070 franchising authorities in California, Delaware, Florida, Maryland, Massachusetts, New Jersey, Pennsylvania, Texas, Indiana, Oregon, Rhode Island, and Virginia.**

- (6) A statement indicating whether Verizon NY or any of its principals owns or operates any other cable television system, directly or indirectly, and a statement indicating the name of any such operations and the name and address of the chief executive officer of the franchising authority in which such system or station is located.

**Verizon NY does not own or operate any other cable television system, directly or indirectly.**

- (7) A documented plan for financing the proposed system, which plan shall indicate specifically every significant anticipated source of capital and any and all limitations or conditions with respect to the availability of the indicated sources of capital.

**Verizon NY intends to finance the construction of the FTTP system and the provision of cable services over the FTTP system through a variety of internally and externally generated funds. Verizon NY is a financially stable company which has provided telecommunications services in New York State for more than a century. Its parent company, Verizon Communications Inc., is a Fortune 20 company, a Dow 30 Industrials company, and had 2007 revenues of \$93.5 billion. A copy of The 2007 Form 10-K of Verizon Communications Inc. can be accessed via the following internet address:**

[http://investor.verizon.com/sec/sec\\_frame.aspx?FilingID=5765095](http://investor.verizon.com/sec/sec_frame.aspx?FilingID=5765095)

**A copy of the Verizon Communications Inc. 2007 Annual Report to Shareholders can be accessed via the following internet address:**

[http://investor.verizon.com/financial/quarterly/pdf/07\\_annual\\_report.pdf](http://investor.verizon.com/financial/quarterly/pdf/07_annual_report.pdf)

- (8) A statement indicating whether Verizon NY or any of its officers, directors and persons having a legal or equitable interest in 10% or more of the voting stock: (a) has ever been convicted of a crime involving moral turpitude (including criminal fraud) or is presently under indictment charging such a crime; (b) has ever been held liable by any court of competent jurisdiction in any civil action based on fraud, deceit or misrepresentation; or (c) has ever been punished or censured in any jurisdiction for any violation or attempted violation of any law, rule or order relating to cable television operations.

**Verizon NY has no knowledge of any such finding of guilt toward Verizon NY, any person controlling Verizon NY, or any officer, director or major stockholder of Verizon NY.**

## **PROPOSED SERVICE OVERVIEW, PRODUCT OFFERS AND ARCHITECTURE**

- Overview of Fiber to the Premises (FTTP) Deployment
- Service Overview
  - Product Offer
  - Service Delivery/Connection Method
- FTTP System Architecture
  - End-to-End Architecture
  - Wide Area Transport

### **Overview of Fiber To The Premises (FTTP) Deployment**

Fiber to the Premises (FTTP) is a key Verizon corporate initiative to provide voice, cable television and very high speed data services. FTTP uses fiber-optic cable and optical electronics to directly link homes and many businesses to the Verizon network. The fiber network being deployed can support cable television and, where appropriate, Verizon will seek to provide cable service to customers. Key objectives include, but are not limited to, the delivery of higher customer satisfaction, superior performance (network, applications & technical support), and an installation process that surpasses the Cable, DBS and DSL experience today.

- Verizon Communications companies began deploying FTTP in twelve states in 2004. Verizon passed 9.3 million homes and businesses with FTTP in parts of seventeen states by the end of 2007.
- Cable television services deployment will be a subset that is ancillary to the voice and data FTTP services. Select FTTP-enabled wire centers will be deployed for cable service in the first instance.

### **Service Overview**

The FTTP Network will enable provision of a feature rich and fully competitive cable television offering. The major components of the cable television services which Verizon will offer to consumers will include:

- Basic tier, including local and Public, Educational and Government (PEG) channels as requested by and as negotiated with the community
- Expanded Service tiers
- Premium channel tiers
- Pay Per View (PPV)
- HDTV channels

- Digital music channels
- Digital Video Recorder (DVR)
- Interactive programming guide (IPG)
- Inside coax cable wire installation

### **Product Offers**

For residential customers, Verizon will initially offer Broadcast Television, High Definition TV (HDTV), Digital Video Recorders (DVR), Interactive Programming Guide (IPG) and Pay Per View (PPV) Movies and Events. The Broadcast Television offering will consist of both a Basic Service tier and an Expanded Service tier. The Basic Service tier will include local, public and educational/government (PEG) channels and select cable channels. The Expanded Service tier will include all channels carried on the Basic Service tier as well as additional cable channels, premium cable channels, Spanish language channels, international channels, digital music channels, an interactive program guide (IPG), HDTV programming (for subscribers with an HD STB) and PPV programming. Customers will be charged a monthly recurring fee for each set top box (STB) based upon model. The customer will be offered the option to upgrade STBs to include support for HDTV, or a combined HD DVR STB for additional monthly fees.

In addition to organizing and informing the customer of the programming line-up, the system is designed from its outset to be an active two-way system for subscriber interaction, if any, required for the selection or use of cable service. The IPG will support on-screen program control, parental controls, timers, search, and ordering of PPV services. Pay Per View allows subscribers to pay for and watch prescheduled programming events on an on-demand basis. PPV movies or events will be selected from the IPG. Authorization for billing will occur at the time of purchase. Events begin at pre-scheduled intervals (i.e., programming is not immediately available). Customers will purchase PPV either as discrete events or in pre-defined packages.

### **Service Delivery/Connection Method**

#### Connection Method

At initial deployment, an installation and maintenance (I&M) technician will connect the Optical Network Terminal (ONT) to a central point of demarcation where a cable television I&M technician will make final connections to provide the cable television service. After the installation of the ONT, a cable television field technician will test the existing in-home coaxial cable to determine if it is technically acceptable and will connect the service. If no coaxial cable exists or the coaxial cable is unacceptable, the technician will install wiring to the first cable outlet, and will install new coaxial wiring to other locations identified by the customer **at** the customer's request and expense. The customer may choose to self-install such wiring, or to obtain inside wiring installation service from a third party or Verizon.

#### Connection Method – Set Top Box

The technician will have a set top box that will need to be installed near the TV. The technician will connect a coaxial cable from the wall outlet to the set top and another coaxial cable from the set top box to the TV. The technician will also connect the customer's VCR and/or DVD device

and check for proper operation. A fee may be charged for non-standard installations involving multiple components such as surround sound systems or other electronic equipment. This process will be followed for any boxes installed.

When a set top box is installed the technician will call the service center at which point certain services previously ordered by the customer will be activated. A remote command will be issued to the set top box in real time to turn the purchased service(s) on.

Connection Method: - PPV

The set top box provides access to the service. Customers will use their remote control to purchase the programming they desire. Purchases will appear on the monthly bill.

Equipment Changes and Re-Configurations

When a customer changes the in-home configuration (e.g., moving a set top box from one TV to another), the customer will be able to accomplish this change without reconfiguring the set top box.

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## Technical Information

### FTTP System Architecture

#### End-to-End Architecture

Figure 1 shows the architecture topology for supporting service across multiple market areas. A brief summary of the end-to-end architecture follows. Subsequent sections provide more information on each major component within the planned Verizon FTTP overlay architecture.

Figure 2 shows full build and overlay architecture. FTTP will be built instead of copper facilities in new communities. In existing communities, the existing copper network will continue to serve those customers who have not migrated to the FTTP network. The fiber is deployed from a Central Office location within a wire center area.

Figure 1-High Level End to End Architecture

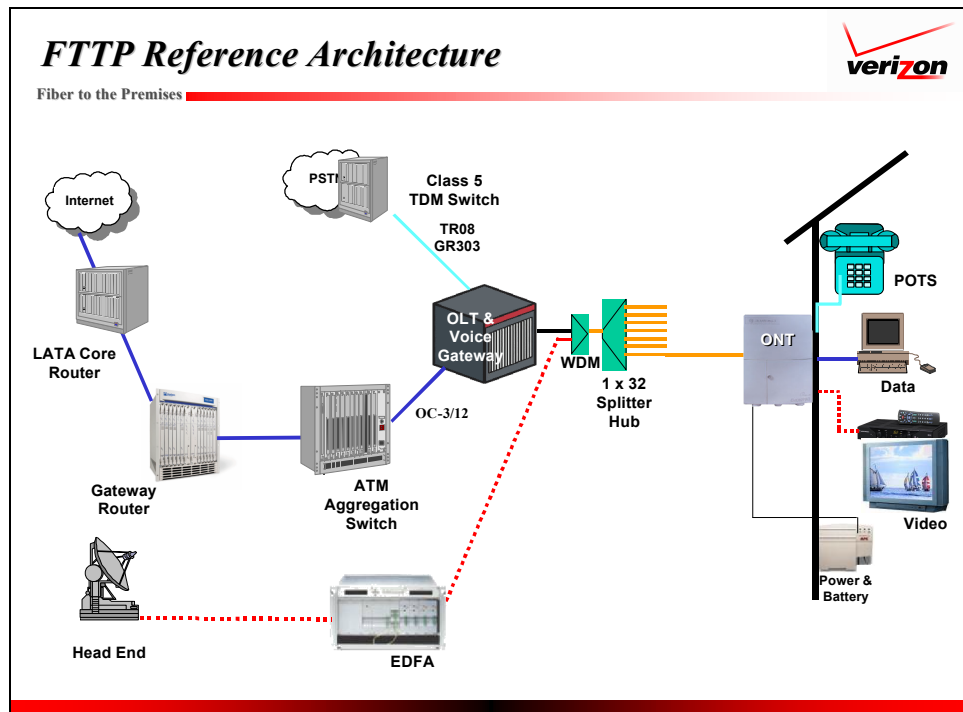
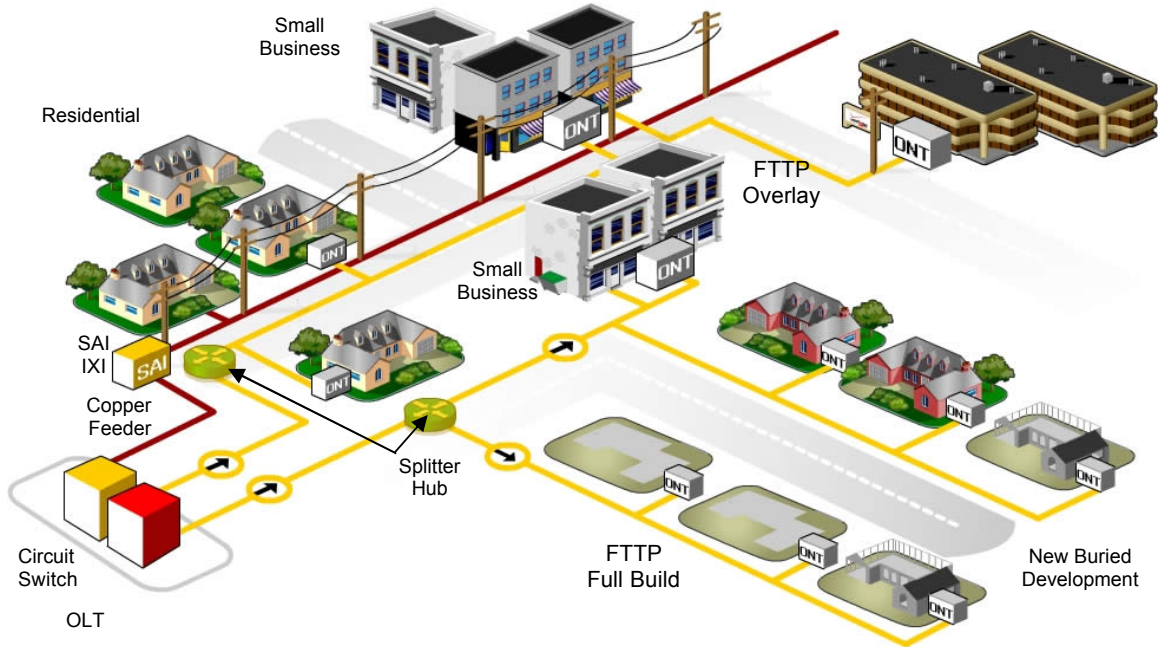


Figure 2-FTTP Full Build and Overlay Architectures



At the national or regional level, a “super” headend (SHE) shall serve as the single point of national content aggregation (see Figure 1). All content shall be encoded into MPEG2 streams and transported over nationwide SONET and/or ROADM services. In each market where Verizon seeks to offer service, the broadcast cable television traffic is off loaded from the long haul network and terminated at a Video Hub Office (VHO). Network redundancy and route diversity shall extend from the SHE to the VHO.

The VHO serves as the metro or local point of aggregation. It is here that off-air and public, education, and government (PEG) channels (where appropriate) are combined with the broadcast cable television coming from the SHE. Interactive Program Guides (IPG) shall be controlled from this site, also. The service that exits the VHO shall look like the final product viewed by the end user subscriber.

Cable television traffic is converted to optical signals at the VHO and transported over Verizon’s metro area, inter-office facilities (IOF) to Video Serving Offices (VSOs). Voice and high-speed data signals are combined with the cable television at this location for final transport to the subscriber premises over Verizon’s FTTP Passive Optical Network (PON).

At the premise, the optical cable television signal is de-multiplexed and converted to an electrical signal, which meets cable television industry standards for cable services. Standard home wiring



practices, using coaxial cables, as well as alternative media, shall distribute the signal to cable ready TVs and standard set top boxes (STB).

There will be 24x7 control and surveillance of the cable television platform from a remote location. This Network Operations Center (NOC) will be centrally located and shall be responsible for the operation and maintenance of the Conditional Access System (CAS), which directs the encryption functions performed back at the VHO.

### Super Headend (SHE)

A “super” headend (SHE) shall serve as the single point of national content aggregation. At general service availability, Verizon shall deploy a primary SHE and an additional SHE for redundancy.

Both the primary and redundant SHEs will be strategically located to ensure technical and environmental requirements are met.

The key functions of the SHE include:

Content Reception

Signal Processing

Encoding

Network Interface

The majority of cable television sources shall be individual content provider programming. A mix of standard and high definition formats shall be supported. All content shall be encoded into MPEG2 streams, formatted for SONET and/or ROADM, and transported via a SONET and/or ROADM transport facilities to a local point-of-presence (POP) for wide area (national) transport.

### **Wide Area Transport**

In support of the cable television service, Verizon will use SONET and/or ROADM network facilities in the POPs serving target cable markets. Where multiple POPs exist within a market, redundancy options shall dictate if a single or multiple POPs shall be designated for supporting the cable television traffic.

In most cases, it is expected that the cable television traffic shall traverse multiple interconnected rings between the SHE and the destination market. Once the cable traffic reaches a POP located in a target market, it will be forwarded to a SONET and/or ROADM interface connected to metro/local SONET and/or ROADM facilities. These facilities shall connect the POP to a Video Hub Office (VHO). VHOs are capable of serving multiple communities within a target market. If more than one VHO is required, the metro SONET and/or ROADM ring(s) would be deployed to cover multiple sites.

### Video Hub Office (VHO)

The VHO serves as the metro or local point of aggregation. The VHO location is based on a combination of technical factors, metro fiber/IOF availability, local channel reception characteristics, and municipal regulations (e.g., zoning ordinances).

Under current network design plans, the anticipated functions of the VHO include:

WAN Interface for Cable television Transport

Ad Insertion

PEG Content

Signal Grooming and Multiplexing

Emergency Alert Service

Interactive Program Guide

Conditional Access

Local Content

The VHO shall aggregate three basic sources of content: national broadcast channels, local broadcast channels, and public, education, & government (PEG) channels. The national content is the traffic sent from the SHE and is delivered via a SONET interface from the SONET POP. The local broadcast channels shall be received off-air via antennas or terrestrial fiber transport located at the VHO site. The PEG channels shall be collected via terrestrial connections from each local franchising area (LFA) served by the VHO. Finally, based on Verizon service tiering requirements to support an analog tier, a certain subset of channels shall be converted from digital to analog signals at the VHO (or kept in analog format if local or PEG).

The final collection of content is placed into the RF spectrum between 50 – 870 MHz as either an analog AM-VSB signal or, as part of a digital multiplex, into a 256-QAM modulated carrier. Digital content requiring encryption by the CAS shall also be multiplexed into QAM modulators and combined with other analog and digital carriers. In addition, an out-of-band downstream channel is generated which carries the Interactive Program Guide (IPG), provisioning, and management messages to STBs. The combined RF signal is converted to optics and fed into EDFAs at egress from the VHO. These optical cable television signals are transported on the 1550 nm wavelength of the G.983-specified Enhancement band to Verizon Video Serving Offices (VSOs).

As noted previously, it is intended that the broadcast cable television traffic/service that exits the VHO shall look like the final product viewed by the end user subscriber.

### Metro Area Transport

The optical cable television signals coming from the VHO are transported on the 1550 nm wavelength over fiber available within Verizon's inter-office facilities (IOF).

### Video Serving Office (VSO) & Passive Optical Network (PON)

The Video Serving Office (VSO) is a location within the central office containing FTTP equipment. If technically feasible or otherwise appropriate, PEG insertion may occur at this location in the network.

The key function of the VSO is to combine Broadcast Cable television into the Voice and High Speed Data FTTP Network

Once in the VSO, the optical cable television signal is sent through an EDFA and then to a Wave Division Multiplexer (WDM) combiner and splitter, which is used to add the cable signal to the voice and high-speed data signals' wavelength (1490nm) – coming from the Optical Line Terminal (OLT) – together with the cable wavelength onto a single optical source. This optical signal is then sent towards the subscriber premises via a PON. The VSO will also play a role in supporting upstream signals from the customer premises for pay-per-view services. Pay-per-view usage data uses the data service's 1310nm upstream wavelength. The upstream data communications shall be sent back to a subscriber database located in the Operations Center located in the VHO.

### Customer Premises

At the premise, an Optical Network Terminal (ONT) de-multiplexes the 1550nm optical signal and simply converts it to a voice, data and cable television electrical signal, which meets cable television industry standards for cable services.

It is expected that, in many cases, standard home wiring practices, using coaxial cables, will distribute the signal to cable ready televisions and to STBs for digital subscribers.

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## **LEGAL AUTHORITY TO CONSTRUCT FIBER TO THE PREMISES**

Verizon New York Inc. (“Verizon”), as a common carrier under Title II of the Communications Act of 1934 (the “Act”), is constructing its Fiber To The Premises (FTTP) network as an upgrade to its existing telecommunications network. Verizon has the requisite authority to upgrade its network for enhanced voice and broadband services for the reasons discussed, in part, below.

Verizon has the necessary Federal, state and local authorizations to upgrade its Title II telecommunications network, subject to customary time, place and manner permitting requirements. Specifically, Section 27 of the New York Transportation Corporations Law (“New York Telecom Law”) grants Verizon the right to place its facilities upon, over or under any public streets within the State of New York. See New York Tel. Co. v. Town of North Hempstead, 41 N.Y.2d 691, 363 N.E.2d 694 (1977); New York Tel. Co. v. Village of Amsterdam, 613 N.Y.S.2d 993, 994 (App. Div. 1994) (stating that Section 27 grants “an unconditional privilege to install, maintain and repair” telephone facilities in public streets).

The Title II services to be provided over Verizon’s FTTP network are not subject to Title VI of the Act or Article 11 of the New York State Public Service Law (“New York Cable Law”), which regulate cable television service. Verizon plans to utilize FTTP to offer its customers enhanced voice and broadband data services. While FTTP may give Verizon the future capability of providing video service, the network is not subject to Title VI of the Act or the New York Cable Law (including any construction requirements that may be set forth therein) unless and until the network constitutes a “cable system” as defined in Section 602(7) of the Act or a “cable television system” as defined in Section 212(2) of the New York Cable Law. This is triggered only when cable services, such as video programming, are provided to multiple subscribers within a community. As stated in Section 602(7) the Act, “the term ‘cable system’ ... does not include ... (C) a facility of a common carrier which is subject, in whole or in part, to the provisions of title II of this Act, except ... to the extent that such facility is used in the transmission of video programming directly to subscribers....” (emphasis added) 47 U.S.C. § 522(7)(C). See Nat’l Cable Television Ass’n v. FCC, 33 F.3d 66 (D.C. Cir. 1994) (concluding that the FCC “reasonably interpreted the Act to require that an entity obtain a cable franchise only when that entity selects or provides the video programming to be offered.”) Moreover, Section 621(b)(3) of the Act (47 U.S.C. § 541(b)(3)) further specifically prohibits franchising authorities from requiring cable franchises for the provision of telecommunications service or in any way restricting or impeding the provision of such service.

Verizon has the requisite authority as a common carrier under Title II of the Act and Section 27 of the NY Telecom Law to construct its FTTP network. It need not seek supplemental authority to construct the network. However, as provided in Title VI of the Act and the New York Cable Law, a cable franchise would be required prior to Verizon using the FTTP network to provide video programming to multiple subscribers in a local franchise area.

Furthermore, on June 15, 2005, the New York Public Service Commission ruled that Verizon does not need to obtain a cable franchise before constructing its FTTP network. The Commission found that unlike cable companies, Verizon already has the necessary authority under state law to use the public rights-of-way. Thus, the Commission concluded that Verizon has the right to upgrade its telecommunications network to make it capable of providing cable service. See Declaratory Ruling on Verizon Communication, Inc.’s Built-Out of its Fiber to the Premises Network, NY Public Service Commission, Case 05-M-0520/05-M-0247, June 15, 2005

EXHIBIT 2  
*APPLICATION FOR A CABLE TELEVISION FRANCHISE*  
*CITY OF POUGHKEEPSIE /VERIZON NEW YORK INC.*

VERIZON NEW YORK INC.

VERIZON FiOS TV – NEW YORK AREA CHANNEL LINEUP

NOTE: ALL INFORMATION PROVIDED  
IS FOR THE NEW YORK AREA  
AND IS SUBJECT TO CHANGE FOR THE MUNICIPALITY





EXHIBIT 3  
*APPLICATION FOR A CABLE TELEVISION FRANCHISE  
CITY OF POUGHKEEPSIE /VERIZON NEW YORK INC.*

FiOS TV – RATES & PACKAGES



1. In all-digital service areas, FIOS TV Local requires a Digital Adapter or Set Top Box and Router for access. Listed monthly price does not include Digital Adapter or Set Top Box fees.
2. If service is cancelled within the first 12 months, Router must be returned or \$99.99 equipment fee applies.
3. In order to be eligible for Movies or Sports, FIOS TV Premier or La Conexión is required. The Spanish Language package cannot be combined with La Conexión. 30-day minimum billing period required for all Packages.
4. 30-day minimum billing period required for all Premiums.
5. A service repair visit charge is assessed when a technician visit is required for general service education, to repair problems related to in-home wiring, or to connect or reconnect the service to customer-owned equipment. A service visit charge is not assessed when a technician visit is required to install or retrieve a Set Top Box or when the repair or maintenance is related to the service itself or Verizon-owned equipment.

Service/program availability varies by location and the number of channels within each package is an approximation. Pricing applies to residential use only within the United States and is subject to change. Taxes, franchise fees and other terms apply. FIOS TV customers purchasing Verizon voice service receive both services over fiber. Non-IP voice service comes with up to 8 hours battery backup.

# FiOS®

## Rates & Packages



**It's the Network**

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CCF70038-TVEB-01/08

**Verizon FIOS**  
 tv | internet | phone



Here's everything you need to create your perfect Verizon FIOS® TV package. First, choose your service. Then, add to it from our selection of digital packages and premium channels below.

Refer to the Channel Lineup for a complete listing of the channels included in each package.

Service	Number of Channels	Monthly Price
FIOS TV Local <sup>1</sup>	15-35	\$12.99
Digital Service (Requires Set Top Box (STB) and Router <sup>2</sup> )		
FIOS TV Premier	228 + FIOS TV Local	\$47.99
La Conexión	162 + FIOS TV Local	\$37.99

*Now, add more channels for just a few dollars more.*

Packages <sup>3</sup> (Requires STB)	Number of Channels	Monthly Price
Sports	13	\$7.99
Movies	45	\$14.99
Spanish Language	25	\$11.99

Premiums <sup>4</sup> (Requires STB)	Number of Channels	Monthly Price
HBO <sup>5</sup>	14	\$15.99
Cinemax <sup>6</sup>	12	\$15.99
Playboy TV/Playboy TV en Español	2	\$16.99
here!	1	\$7.99

International Premiums <sup>4</sup> (Requires STB)	Number of Channels	Monthly Price
International Premium Channels	14	Individually Priced

Video On Demand (VOD) and Pay Per View (PPV) (Requires STB)	Price
<b>On Demand Movies</b>	
New Releases & Library	Varies
On Demand Adult	Varies

On Demand Subscriptions	Price
WWE 24/7	\$9.99/mo.
Karaoke	\$7.99/mo.
PPV Events	Varies
PPV Sports	Varies
ESPN GamePlan — NCAA Football	Varies
ESPN FullCourt — NCAA Basketball	Varies

Set Top Box (STB)	Monthly Price
Cable Card	\$3.99
Digital Adapter	\$3.99
Standard Definition (SD)	\$5.99
High Definition (Includes HD channels)	\$9.99
Standard Definition Digital Video Recorder	\$12.99
High Definition Digital Video Recorder (Includes HD channels)	\$15.99
SD Home Media DVR (features Multiroom DVR & Media Manager)	\$17.99
HD Home Media DVR (features Multiroom DVR & Media Manager)	\$19.99

Initial Installation	One-Time Charges
Existing Outlet Hookup (up to 3)	No Charge
Additional Outlet/Set Top Box Hookup (per existing outlet)	\$19.99
New Outlet Install/Existing Outlet Rewire (per outlet)	\$54.99
Outlet Relocation (per outlet)	\$54.99
Free	Free
FIOS TV Activation Fee with FIOS TV/Internet/Voice Bundle	Free
FIOS TV Activation Fee with FIOS Internet	\$19.99
FIOS TV Activation Fee without FIOS Internet	\$29.99

Subsequent Installations/Charges	One-Time Charges
New Outlet Installation/Outlet Relocation (per outlet)	\$54.99
Set Top Box Installation/Retrieval (one new/relocated outlet included, if required)	\$79.99
Free	Free
Set Top Box Addition (Self-Install)	Free
Set Top Box Return with equipment drop-off at Verizon authorized locations/UPS location with prepaid mailer	Free
Service Repair Visit Charge <sup>7</sup>	\$79.99

Other Services and Charges	One-Time Charges
Seasonal Service Suspension (charged at initiation, 1-6 months) <sup>8</sup>	\$24.99
Replacement Remote	\$6.99 + Shipping & Handling
Unreturned/Damaged — Cable Card	\$100.00
Unreturned/Damaged STB — Digital Adapter	\$175.00
Unreturned/Damaged STB — Standard Definition	\$240.00
Unreturned/Damaged STB — High Definition	\$350.00
Unreturned/Damaged STB — SD Digital Video Recorder (DVR)	\$475.00
Unreturned/Damaged STB — HD Digital Video Recorder (DVR)	\$550.00

**Cable Franchise Agreement**  
**by and between**  
**the City of Poughkeepsie**  
**and**  
**Verizon New York Inc.**

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### EXHIBITS

Exhibit A: Municipal Buildings to be Provided Free Cable Service

Exhibit B: Service Area

Exhibit C: PEG Channels

Exhibit D: PEG Access Origination Point

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

WHEREAS, the LFA wishes to grant Franchisee a nonexclusive franchise to construct, install, maintain, extend and operate a cable system in the Franchise Area as designated in this Franchise;

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

WHEREAS, Franchisee is in the process of completing the upgrading of its existing telecommunications and information services network through the installation of a Fiber to the Premise Telecommunications Network (“FTTP Network”) in the Franchise Area which transmits the Non-Cable Services pursuant to authority granted by Section 27 of the New York Transportation Corporations Law, as amended, and Title II of the Communications Act, which Non-Cable Services are not subject to the Cable Law or Title VI of the Communications Act;

WHEREAS, the FTTP Network occupies the Public Rights-of-Way within the LFA, and Franchisee desires to use portions of the FTTP Network to provide Cable Services (as hereinafter defined) in the Franchise Area;

WHEREAS, the LFA has identified the future cable-related needs and interests of the LFA and its community, has considered and approved the financial, technical and legal qualifications of Franchisee, and has determined that Franchisee’s plans for its Cable System are adequate and feasible in a full public proceeding affording due process to all parties;

WHEREAS, the LFA has found Franchisee to be financially, technically and legally qualified to operate the Cable System;

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

WHEREAS, the LFA and Franchisee have reached agreement on the terms and conditions set forth herein and the parties have agreed to be bound by those terms and conditions.

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

THE SIGNATORIES DO HEREBY AGREE AS FOLLOWS:

1. **DEFINITIONS**

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

1.1. *Access Channel*: A video Channel, which Franchisee shall make available to the LFA without charge for Public, Educational, or Governmental noncommercial use for the transmission of video programming as directed by the LFA.

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

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

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

1.5. *Cable Service* or *Cable Services*: Shall be defined herein as it is defined under Section 602 of the Communications Act, 47 U.S.C. § 522(6), as amended.

1.6. *Cable System* or *System*: Shall be defined herein as it is defined under Section 602 of the Communications Act, 47 U.S.C. § 522(7), as amended.

1.7. *Channel*: Shall be defined herein as it is defined under Section 602 of the Communications Act, 47 U.S.C. § 522(4), as amended.

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

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

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

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

1.12. *Force Majeure*: An event or events reasonably beyond the ability of Franchisee to anticipate and control that directly or indirectly results in Franchisee's non-compliance with, or delay in the performance of, any obligation hereunder. This includes, but is

not limited to, severe or unusual weather conditions, strikes, labor disturbances and disputes, war or act of war (whether an actual declaration of war is made or not), insurrection, riots, act of public enemy, incidences of terrorism, acts of vandalism, actions or inactions of any government instrumentality or public utility including condemnation, accidents for which the Franchisee is not primarily responsible, fire, flood, or other acts of God, or work delays resulting from unaffiliated utility providers' failure to service, monitor, or maintain utility poles to which Franchisee's FTTP Network is attached, and unavailability of materials and/or qualified labor to perform the work necessary.

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

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

1.15. *Government Access Channel*: An Access Channel available for the sole noncommercial use of the LFA.

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

1.16.1. Gross Revenue includes, without limitation: all Subscriber and customer revenues earned or accrued net of bad debts including revenue for:

(i) Basic Service;

(ii) all fees charged to any Subscribers for any and all Cable Service provided by Franchisee over the Cable System in the Service Area, including without limitation Cable Service related program guides, the installation, disconnection or reconnection of Cable Service; revenues from late or delinquent charge fees; Cable Service related or repair calls; the provision of converters, remote controls, additional outlets and/or other Cable Service related Subscriber premises equipment, whether by lease or fee;

(iii) revenues from the sale or lease of access channel(s) or channel capacity;

(iv) video on demand and pay-per-view;

(v) compensation received by Franchisee that is derived from the operation of Franchisee's Cable System to provide Cable Service with respect to commissions that are paid to Franchisee as compensation for promotion or exhibition of any products or services on the Cable System, such as "home shopping" or a similar channel, subject to the exceptions below. Gross Revenue includes a pro rata portion of all revenue derived by Franchisee pursuant to compensation arrangements for advertising derived from the operation of Franchisee's Cable System to provide Cable Service within the Service Area, subject to the exceptions below. The allocation shall be based on the number of Subscribers in the Service Area divided by the total number of subscribers in relation to the relevant local, regional or national compensation

arrangement. Advertising commissions paid to third parties shall not be netted against advertising revenue included in Gross Revenue; and

(vi) Franchise Fees imposed on Franchisee by the LFA that are passed through from Franchisee as a line item paid by Subscribers.

1.16.2. Except as provided above, Gross Revenue shall not include:

(i) Revenues received by any Affiliate or other Person in exchange for supplying goods or services used by Franchisee to provide Cable Service over the Cable System;

(ii) bad debts written off by Franchisee in the normal course of its business (provided, however, that bad debt recoveries shall be included in Gross Revenue during the period collected);

(iii) refunds, rebates or discounts made to Subscribers or other third parties;

(iv) any revenues classified, in whole or in part, as Non-Cable Services revenue under federal or state law including, without limitation, revenue received from Telecommunications Services; revenue received from Information Services, including, without limitation, Internet Access service, electronic mail service, electronic bulletin board service, or similar online computer services; charges made to the public for commercial or cable television that is used for two-way communication that are not Cable Services; and any other revenues attributed by Franchisee to Non-Cable Services in accordance with federal law, rules, regulations, standards or orders;

(v) any revenue of Franchisee or any other Person which is received directly from the sale of merchandise through any Cable Service distributed over the Cable System, however, that portion of such revenue which represents or can be attributed to a Subscriber fee or a payment for the use of the Cable System for the sale of such merchandise shall be included in Gross Revenue;

(vi) the sale of Cable Services on the Cable System for resale in which the purchaser is required to collect cable Franchise Fees from purchaser's customer; the sale of Cable Services to customers, which are exempt, as required or allowed by the LFA including, without limitation, the provision of Cable Services to public institutions as required or permitted herein;

(vii) any tax of general applicability imposed upon Franchisee or upon Subscribers by a city, state, federal or any other governmental entity and required to be collected by Franchisee and remitted to the taxing entity (including, but not limited to, sales/use tax, gross receipts tax, excise tax, utility users tax, public service tax, communication taxes and non-cable franchise fees);

(viii) any foregone revenue which Franchisee chooses not to receive in exchange for its provision of free or reduced cost cable or other communications services to any Person, including without limitation, employees of Franchisee and public institutions or other institutions designated in the Franchise (provided, however, that such foregone revenue which Franchisee



chooses not to receive in exchange for trades, barter, services or other items of value shall be included in Gross Revenue);

(ix) sales of capital assets or sales of surplus equipment; program launch fees, i.e., reimbursement by programmers to Franchisee of marketing costs incurred by Franchisee for the introduction of new programming;

(x) directory or Internet advertising revenue including, but not limited to, yellow page, white page, banner advertisement and electronic publishing; or

(xi) any fees or charges collected from Subscribers or other third parties for any PEG Grant payments.

Should revenue from any service provided by Franchisee over the Cable System be classified as a Cable Service by a final determination or ruling of any agency or court having jurisdiction, after the exhaustion of all appeals related thereto, the LFA shall be entitled, after notification to Franchisee, to amend this Agreement in the manner prescribed under applicable state law or this Franchise to include revenue from Franchisee's provision of such service as Gross Revenue, and Franchisee shall include revenue from such service as Gross Revenue on a going forward basis commencing with the next available billing cycle following the date of issuance of an order from the NY PSC approving such amendment.

1.17. *Information Services*: Shall be defined herein as it is defined under Section 3 of the Communications Act, 47 U.S.C. §153(20), as amended.

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

1.19. *Local Franchise Authority (LFA)*: The City of Poughkeepsie New York, or the lawful successor, transferee, or assignee thereof.

1.20. *Non-Cable Services*: Any service that does not constitute the provision of Video Programming directly to multiple Subscribers in the Franchise Area including, but not limited to, Information Services and Telecommunications Services.

1.21. *Normal Business Hours*: Those hours during which most similar businesses in the community are open to serve customers. In all cases, "normal business hours" must include some evening hours at least one night per week and/or some weekend hours.

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

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

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

1.25. *Public Access Channel*: An Access Channel available for noncommercial use solely by the residents in the Franchise Area on a first-come, first-served, nondiscriminatory basis.

1.26. *Public Rights-of-Way*: The surface and the area across, in, over, along, upon and below the surface of the public streets, roads, bridges, sidewalks, lanes, courts, ways, alleys, and boulevards, including, public utility easements and public lands and waterways used as Public Rights-of-Way, as the same now or may thereafter exist, which are under the jurisdiction or control of the LFA. Public Rights-of-Way do not include the airwaves above a right-of-way with regard to cellular or other nonwire communications or broadcast services.

1.27. *Service Area*: All portions of the Franchise Area where Cable Service is being offered, as described in **Exhibit B** attached hereto.

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

1.29. *Telecommunication Services*: Shall be defined herein as it is defined under Section 3 of the Communications Act, 47 U.S.C. § 153(46), as amended.

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

1.31. *Transfer of the Franchise*:

1.31.1. Any transaction in which:

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

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

1.31.2. However, notwithstanding Sub-sections 1.33.1.1 and 1.33.1.2 above, a *Transfer of the Franchise* shall not include transfer of an ownership or other interest in Franchisee to the parent of Franchisee or to another Affiliate of Franchisee; transfer of an interest in the Franchise or the rights held by the Franchisee under the Franchise to the parent of Franchisee or to another Affiliate of Franchisee; any action which is the result of a merger of the parent of the Franchisee; or any action which is the result of a merger of another Affiliate of the Franchisee. The new Franchisee shall not use such change in ownership or other interest as a basis for challenging the validity of any past non-performance.

1.32. *Video Programming*: Shall be defined herein as it is defined under Section 602 of the Communications Act, 47 U.S.C. § 522(20), as amended.

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

2.1. *Grant of Authority:* Subject to the terms and conditions of this Agreement and the Cable Law, the LFA hereby grants the Franchisee the right to own, construct, operate and maintain a Cable System along the Public Rights-of-Way within the Franchise Area, in order to provide Cable Service. No privilege or power of eminent domain is bestowed by this grant; nor is such a privilege or power bestowed by this Agreement.

2.2. *The FTTP Network:* Upon delivery of Cable Service, by subjecting Franchisee's mixed-use facilities to the NY PSC's minimum franchise standards and the LFA's police power, the LFA has not been granted broad new authority over the construction, placement and operation of Franchisee's mixed-use facilities; provided, however, that nothing herein shall be construed to limit the LFA's existing authority with respect to the Franchisee's mixed use facilities pursuant to Title II of the Communications Act, Section 27 of the Transportation Corporations Law, and lawful and applicable local laws, including any lawful right to compel relocation of such facilities in the event of road-widenings and other similar adjustments to the Public-Rights-of-Way, consistent with the NY PSC rules and regulations and orders.

2.3. *Effective Date and Term:* This Franchise shall become effective on the date that the NY PSC issues a certificate of confirmation for this Franchise (the "Effective Date"), following its approval by the LFA's governing authority authorized to grant franchises and its acceptance by the Franchisee. The term of this Franchise shall be ten (10) years from the Effective Date unless the Franchise is earlier revoked as provided herein. The Franchisee shall memorialize the Effective Date by notifying the LFA in writing of the same, which notification shall become a part of this Franchise.

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

2.5. *Franchise Subject to Federal and State Law:* Notwithstanding any provision to the contrary herein, this Franchise is subject to and shall be governed by all applicable provisions of federal and state law as it may be amended, including but not limited to the Communications Act.

2.6. *No Waiver:*

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

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

2.7. *Construction of Agreement:*

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

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

2.8. *Local Authority:* All rights and privileges granted herein are subject to the police powers of LFA and its rights under applicable laws and regulations to exercise its governmental powers to their full extent; provided, however, that such laws and regulations are reasonable, not materially in conflict with the privileges granted in this Franchise, and consistent with all federal and state laws, rules, regulations, and orders.

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

2.10. *Restoration of Municipal Property:* Any municipal property damaged or destroyed shall be promptly repaired or replaced by the Franchisee and restored to its pre-existing condition.

3. **PROVISION OF CABLE SERVICE**

3.1. *Service Area:*

3.1.1. *Service Area:* Subject to the issuance of all necessary permits by the LFA, Franchisee shall offer Cable Service to significant numbers of residential Subscribers in the Service Area and may make Cable Service available to businesses in the Service Area, within twelve (12) months and shall offer Cable Service to all residential Subscribers in the Service Area within five (5) years, of the Effective Date of this Franchise, or, in both instances, such longer period as may be permitted by the Cable Law, except, in accordance with NY PSC rules and regulations: (A) for periods of Force Majeure; (B) for periods of delay caused by the LFA; (C) for periods of delay resulting from Franchisee's inability to obtain authority to access rights-of-way in the Service Area; (D) in areas where developments or buildings are subject to claimed exclusive arrangements with other providers; (E) in areas, developments or buildings where Franchisee cannot gain access after good faith efforts, (F) in areas, developments or buildings where the provision of Cable Service is economically infeasible because such provision requires nonstandard facilities which are not available on a commercially reasonable basis, and (G) in

areas where the occupied residential household density does not meet the density and other requirements set forth in Sub-Subsection 3.1.1.1. and Section 3.2.

3.1.1.1. *Density Requirement:* Franchisee shall make Cable Services available to residential dwelling units in all areas of the Service Area where the average density is equal to or greater than twenty-five (25) occupied residential dwelling units per mile as measured in strand footage from the nearest technically feasible point on the active FTTP Network trunk or feeder line. Should, through new construction, an area within the Service Area meet the density requirements after the time stated for providing Cable Service as set forth in Subsection 3.1.1, Franchisee shall provide Cable Service to such area within twelve (12) months of receiving notice from the LFA that the density requirements have been met.

3.2. *Availability of Cable Service:* Franchisee shall make Cable Service available to all residential dwelling units and may make Cable Service available to businesses within the Service Area in conformance with Section 3.1, and Franchisee shall not discriminate between or among any individuals in the availability of Cable Service or based upon the income in a local area. In the areas in which Franchisee shall provide Cable Service, Franchisee shall be required to connect, at Franchisee's expense, other than a standard installation charge, all residential dwelling units that are within one hundred fifty (150) feet of trunk or feeder lines not otherwise already served by Franchisee's FTTP Network. Franchisee shall be allowed to recover, from a Subscriber that requests such connection, the actual costs incurred for residential dwelling unit connections that exceed one hundred fifty (150) feet or are in an area with a density of less than twenty-five (25) occupied residential dwelling units per mile and the actual costs incurred to connect any non-residential dwelling unit Subscriber, provided, however, that Franchisee may seek a waiver of any requirement that it extend service to any party requesting the same in an area with a density of less than twenty-five (25) occupied residential dwelling units per mile if such would not be possible within the limitations of economic feasibility.

3.3. *Cable Service to Public Buildings:* Subject to Section 3.1, Franchisee shall provide, without charge within the Service Area, one service outlet activated for Basic Service to each public school and public library, and such other buildings used for municipal purposes as may be designated by the LFA as provided in **Exhibit A** attached hereto; provided, however, that if it is necessary to extend Franchisee's trunk or feeder lines more than one hundred fifty (150) feet solely to provide service to any such school or public building, the LFA shall have the option either of paying Franchisee's direct costs for such extension in excess of one hundred fifty (150) feet, or of releasing Franchisee from the obligation to provide service to such school or public building. Furthermore, Franchisee shall be permitted to recover, from any school or public building owner entitled to free service, the direct cost of installing, when requested to do so, more than one outlet, or concealed inside wiring, or a service outlet requiring more than one hundred fifty (150) feet of drop cable; provided, however, that Franchisee shall not charge for the provision of Basic Service to the additional service outlets once installed. Cable Service may not be resold or otherwise used in contravention of Franchisee's rights with third parties respecting programming. Equipment provided by Franchisee, if any, shall be replaced at retail rates if lost, stolen or damaged.

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

4. **SYSTEM FACILITIES**

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

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

4.2.1. The System shall be designed and operated with an initial analog and digital carrier passband between 50 and 860 MHz and shall provide for a minimum channel capacity of not less than 77 channels on the Effective Date.

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

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

4.4. *Emergency Alert System:* Franchisee shall comply with the Emergency Alert System ("EAS") requirements of the FCC and the State of New York, including the NY PSC's rules and regulations and the current New York EAS Plan, in order that emergency messages may be distributed over the System.

4.5 *Parental Control:* Upon request by any Subscriber, and where technologically feasible, the Franchisee shall provide such requesting Subscriber with a parental control device. Such device will, at a minimum, offer as an option that a Person ordering programming must provide a personal identification number or other means provided by the Franchisee only to a Subscriber. Provided, however, that the Franchisee shall bear no responsibility for the exercise of parental controls and shall incur no liability for any Subscriber's or viewer's exercise or failure to exercise such controls.

5. **PEG SERVICES**

5.1. *PEG Set Aside:*

5.1.1. In order to ensure universal availability of public, educational and government programming, Franchisee shall provide capacity on its Basic Service tier for up to one (1) dedicated Public Access Channel, up to one (1) dedicated Educational Access Channel, and up to one (1) dedicated Government Access Channel (collectively, "PEG Channels").

5.1.2. The programming to be carried on each of the PEG Channels set aside by Franchisee is reflected in **Exhibit C** attached hereto. The LFA hereby authorizes Franchisee to transmit such programming within and without LFA jurisdictional boundaries. Franchisee specifically reserves the right to make or change channel assignments in its sole

discretion. If a PEG Channel provided under this Article is not being utilized by the LFA, Franchisee may utilize such PEG Channel, in its sole discretion, until such time as the LFA elects to utilize the PEG Channel for its intended purpose. In the event that the LFA determines to use PEG capacity, the LFA shall provide Franchisee with prior written notice of such request in accordance with NY PSC rules and regulations.

5.1.3. Franchisee shall provide the technical ability to play back pre-recorded programming provided to Franchisee consistent with this Section. Franchisee shall transmit programming consistent with the dedicated uses of PEG Access Channels. Franchisee shall comply at all times with the requirements of Section 895.4 of the NY PSC rules and regulations.

5.2. *EG Access Connections:*

5.2.1. LFA may designate in its sole discretion not more than two (2) sites within the Franchise Area for the interconnection of Educational and Governmental (“EG”) access facilities with the Cable System (the “EG Access Interconnection Sites”) as set forth in **Exhibit D** to this Agreement. The EG Access Interconnection Sites shall be fully accessible by Franchisee without any further legal obligation.

5.2.2. Subject to the successful completion of all required site preparation work by the LFA and provision of access to Franchisee for equipment installation and provisioning, Franchisee shall, without charge to the LFA, provide upstream EG Access Channel transmission connections between Franchisee’s video channel aggregation point and the EG Access Interconnection Sites in order to permit the signals to be correctly routed from the EG Access Interconnection Sites for distribution to Subscribers. The LFA shall pay the cost of any facilities required in order to deliver the EG signals from the programming origination points to the EG Access Interconnection Site.

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

5.3. *PEG Grant:* Franchisee shall provide financial contributions to the LFA to be used in support of the production of local PEG programming (the “PEG Grant”). Such grant shall be used solely by the LFA for PEG access equipment, including, but not limited to, studio and portable production equipment, editing equipment and program playback equipment, or for renovation or construction of PEG access facilities.

5.3.1. Except as set forth below in this sub-section 5.3.1 (ii), the Franchisee shall pay a PEG Grant in the amount of THIRTY FIVE THOUSAND DOLLARS (\$35,000) payable in two (2) installments as follows:

(i) The first (1st) installment of TWENTY THOUSAND DOLLARS (\$20,000), shall be payable within sixty (60) days after the Effective Date.

(ii) The second (2nd) installment of FIFTEEN THOUSAND DOLLARS (\$15,000), shall be payable within sixty (60) days after the first (1st) anniversary of the Effective Date subject to Franchisee's receipt of written notice from the LFA that the NY PSC has issued an order confirming a renewal franchise agreement between the LFA and the existing cable service provider covering the Franchise Area that contains, at a minimum, the same total financial obligation of Thirty Five Thousand Dollars (\$35,000) as set forth in Section 5.3.1. above.

5.3.2. The LFA agrees that it shall impose, at a minimum, the same total financial PEG obligation of \$35,000 in the franchise agreements of any new providers of cable service in the Franchise Area.

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

5.5. *Recovery of Costs:* To the extent permitted by federal law, the Franchisee shall be allowed to recover the costs of any PEG Grant or any other costs arising from the provision of PEG services from Subscribers and to include such costs as a separately billed line item on each Subscriber's bill. Without limiting the forgoing, if allowed under state and federal laws, Franchisee may externalize, line-item, or otherwise pass-through interconnection and any franchise-related costs to Subscribers.

## 6. **FRANCHISE FEES**

6.1. *Payment to LFA:* Franchisee shall pay to the LFA a Franchise Fee of five percent (5%) of annual Gross Revenue (the "Franchise Fee"). In accordance with Title VI, the twelve (12) month period applicable under the Franchise for the computation of the Franchise Fee shall be a calendar year. Such payments shall be made no later than forty-five (45) days following the end of each calendar quarter. Franchisee shall be allowed to submit or correct any payments that were incorrectly omitted, and shall be refunded any payments that were



incorrectly submitted, in connection with the quarterly Franchise Fee remittances within ninety (90) days following the close of the calendar year for which such payments were applicable.

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

6.3. *Limitation on Franchise Fee Actions:* The parties agree that the period of limitation for recovery of any Franchise Fee payable hereunder shall be six (6) years from the date on which payment by Franchisee is due, but cannot exceed the date of records retention reflected in Section 7.

6.4. *Bundled Services:* If Cable Services subject to the Franchise Fee required under this Article 6 are provided to Subscribers in conjunction with Non-Cable Services, the Franchise Fee shall be applied only to the value of the Cable Services, as reflected on the books and records of Franchisee in accordance with FCC or state public utility regulatory commission rules, regulations, standards or orders. The parties agree that tariffed telecommunication service rates that cannot be discounted by law or by regulation are to be excluded from the bundled discount allocation basis. Where pro rata allocation of bundled discounts is commercially practical for any bundled offering, the Franchisee will allocate the bundled discount such that the discount allocated to Cable Service revenues will not exceed the amount which would be allocated to Cable Service revenue on a pro rata basis.

6.5. *Section 626 Set-Off:* Franchisee reserves the right to apply the Franchise Fee as a deduction against the special franchise tax payable to the LFA pursuant to N.Y. Real Property Tax Law Section 626, in an amount not to exceed the highest deduction available to any other cable franchisee in the LFA (based upon the other cable franchisees' yearly tax invoice payable to the LFA) until such time that the LFA obtains a written complete waiver of the full amount of the special franchise tax deduction from such existing and any new providers of Cable Service or cable service (as such term may be defined by other providers) in the Franchise Area. Upon securing such written waiver from all existing and new providers in the Franchise Area, Franchisee agrees to no longer apply the Franchise Fee as a deduction against the special franchise tax payable to the LFA, pursuant to N.Y. Real Property Tax Law Section 626, beginning in the next full calendar month after such waiver becomes legally binding on the LFA's existing cable franchisees. The operation of this Section 6.5. shall be strictly limited to Franchise Fees lawfully imposed upon Cable Service, and shall not be construed to affect the Franchisee's rights under any provision of State or Federal law regarding the provision of services other than Cable Service.

## 7. **REPORTS AND RECORDS**

7.1. *Open Books and Records:* Upon reasonable written notice to the Franchisee and with no less than thirty (30) business days written notice to the Franchisee, the LFA shall have the right to inspect Franchisee's books and records pertaining to Franchisee's provision of Cable Service in the Franchise Area at any time during Normal Business Hours and on a nondisruptive basis, as are reasonably necessary to ensure compliance with the terms of this Franchise. Such notice shall specifically reference the section or subsection of the Franchise

which is under review, so that Franchisee may organize the necessary books and records for appropriate access by the LFA. Franchisee shall not be required to maintain any books and records for Franchise compliance purposes longer than six (6) years. Notwithstanding anything to the contrary set forth herein, Franchisee shall not be required to disclose information that is proprietary or confidential in nature, nor disclose any of its or an Affiliate's books and records not relating to the provision of Cable Service in the Service Area. Subject to the requirements of the New York Freedom of Information Law ("FOIL"), the LFA shall treat any information disclosed by Franchisee as proprietary and confidential under Section 87(2) (d) of the New York Public Officers Law and shall only disclose it to employees, representatives, and agents thereof who have a need to know, or in order to enforce the provisions hereof. For purposes of this Section, "proprietary or confidential" information includes, but is not limited to: information related to the Cable System design; trade secrets; Subscriber lists; marketing plans; financial information; or other information that is reasonably determined by the Franchisee to be competitively sensitive. If the LFA receives a request under FOIL or similar law for the disclosure of information that Franchisee has designated as confidential, trade secret or proprietary, the LFA shall notify Franchisee of such request. If LFA determines in good faith that public disclosure of the requested information is required under FOIL, LFA shall so notify Franchisee and before making disclosure shall give Franchisee a reasonable period of time to seek to obtain judicial redress to preclude disclosure. Franchisee shall not be required to provide Subscriber information in violation of Section 631 of the Communications Act, 47 U.S.C. §551.

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

7.2.1. Records of all written complaints for a period of six (6) years after receipt by Franchisee. The term "complaint" as used herein refers to complaints about any aspect of the Cable System or Franchisee's cable operations, including, without limitation, complaints about employee courtesy. Complaints recorded will not be limited to complaints requiring an employee service call;

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

7.2.3. Records of service calls for repair and maintenance for a period of six (6) years after resolution by Franchisee, indicating the date and time service was required, the date of acknowledgment and date and time service was scheduled (if it was scheduled), and the date and time service was provided, and (if different) the date and time the problem was resolved;

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

7.2.5. A map showing the area of coverage for the provisioning of Cable Services and estimated timetable to commence providing Cable Service.

7.3. *System-Wide Statistics*: Subject to the requirements of Section 895(1)(t) of the NY PSC Rules and Regulations, any valid reporting requirement in the Franchise may be satisfied with system-wide statistics, except those related to Franchise Fees and consumer complaints.

## 8. INSURANCE AND INDEMNIFICATION

### 8.1. *Insurance*:

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

8.1.1.1. Commercial General Liability Insurance in the amount of one million dollars (\$1,000,000) combined single limit for property damage and bodily injury. Such insurance shall cover the construction, operation and maintenance of the Cable System, and the conduct of Franchisee's Cable Service business in the LFA.

8.1.1.2. Automobile Liability Insurance in the amount of one million dollars (\$1,000,000) combined single limit for bodily injury and property damage coverage.

8.1.1.3. Workers' Compensation Insurance meeting all legal requirements of the State of New York.

8.1.1.4. Employers' Liability Insurance in the following amounts: (A) Bodily Injury by Accident: \$100,000; and (B) Bodily Injury by Disease: \$100,000 employee limit; \$500,000 policy limit.

8.1.1.5. Excess liability or umbrella coverage of not less than ten million dollars (\$10,000,000).

8.1.2. The LFA shall be designated as an additional insured under each of the insurance policies required in this Article 8 except Worker's Compensation Insurance, Employer's Liability Insurance, and excess liability or umbrella coverage.

8.1.3. Each of the required insurance policies shall be noncancellable except upon thirty (30) days prior written notice to the LFA. Franchisee shall not cancel any required insurance policy without submitting documentation to the LFA verifying that the Franchisee has obtained alternative insurance in conformance with this Agreement.

8.1.4. Each of the required insurance policies shall be with sureties qualified to do business in the State of New York, with an A- or better rating for financial condition and financial performance by Best's Key Rating Guide, Property/Casualty Edition.

8.1.5. Upon written request, Franchisee shall deliver to the LFA Certificates of Insurance showing evidence of the required coverage.

## 8.2. *Indemnification:*

8.2.1. Franchisee agrees to indemnify the LFA for, and hold it harmless from, all liability, damage, cost or expense arising from claims of injury to persons or damage to property occasioned by reason of any conduct undertaken pursuant to the Franchise, provided that the LFA shall give Franchisee written notice of the LFA's request for indemnification within ten (10) days of receipt of a claim or action pursuant to this Subsection. Notwithstanding the foregoing, Franchisee shall not indemnify the LFA for any damages, liability or claims resulting from the willful misconduct or negligence of the LFA, its officers, agents, employees, attorneys, consultants, independent contractors or third parties or for any activity or function conducted by any Person other than Franchisee in connection with PEG Access or EAS.

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

8.2.3. The LFA shall be responsible for its own acts of willful misconduct, negligence, or breach, subject to any and all defenses and limitations of liability provided by law. The Franchisee shall not be required to indemnify the LFA for acts of the LFA which constitute willful misconduct or negligence on the part of the LFA, its officers, employees, agents, attorneys, consultants, independent contractors or third parties.

## 9. **TRANSFER OF FRANCHISE**

9.1. *Transfer:* Subject to Section 617 of the Communications Act, 47 U.S.C. § 537, as amended, no Transfer of the Franchise shall occur without the prior consent of the LFA, provided that such consent shall not be unreasonably withheld, delayed or conditioned. In considering an application for the Transfer of the Franchise, the LFA may consider the applicant's: (i) technical ability; (ii) financial ability; (iii) good character; and (iv) other qualifications necessary to continue to operate the Cable System consistent with the terms of the Franchise. No such consent shall be required, however, for a transfer in trust, by mortgage, by other hypothecation, by assignment of any rights, title, or interest of the Franchisee in the Franchise or Cable System in order to secure indebtedness, or for transactions otherwise excluded under Section 1.33 above.

## 10. RENEWAL OF FRANCHISE

10.1. *Governing Law:* The LFA and Franchisee agree that any proceedings undertaken by the LFA that relate to the renewal of this Franchise shall be governed by and comply with the provisions of Section 12.11 below, the Cable Law and Section 626 of the Communications Act, 47 U.S.C. § 546, as amended.

10.2. *Needs Assessment:* In addition to the procedures set forth in Section 626 of the Communications Act, the LFA shall notify Franchisee of all of its assessments regarding the identity of future cable-related community needs and interests, as well as the past performance of Franchisee under the then current Franchise term. Such assessments shall be provided to Franchisee by the LFA promptly so that Franchisee will have adequate time to submit a proposal under 47 U.S.C. § 546 and complete renewal of the Franchise prior to expiration of its term.

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

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

## 11. ENFORCEMENT AND TERMINATION OF FRANCHISE

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

11.2. *Franchisee's Right to Cure or Respond:* Franchisee shall have sixty (60) days from receipt of the Noncompliance Notice to: (i) respond to the LFA, if Franchisee contests (in whole or in part) the assertion of noncompliance; (ii) cure such noncompliance; or (iii) in the event that, by its nature, such noncompliance cannot be cured within such sixty (60) day period, initiate reasonable steps to remedy such noncompliance and notify the LFA of the steps being taken and the date by which Franchisee projects that it will complete cure of such noncompliance. Upon cure of any noncompliance, the LFA shall provide written confirmation that such cure has been effected.

11.3. *Public Hearing:* The LFA shall schedule a public hearing if the LFA seeks to continue its investigation into the alleged noncompliance (i) if Franchisee fails to respond to the Noncompliance Notice pursuant to the procedures required by this Article, or (ii) if Franchisee has not remedied the alleged noncompliance within sixty (60) days or the date projected pursuant to Section 11.2(iii) above. The LFA shall provide Franchisee at least sixty

(60) business days prior written notice of such public hearing, which will specify the time, place and purpose of such public hearing, and provide Franchisee the opportunity to be heard.

11.4. *Enforcement:* Subject to Section 12.11 below and applicable federal and state law, in the event the LFA, after the public hearing set forth in Section 11.4, determines that Franchisee is in default of any provision of this Franchise, the LFA may:

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

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

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

11.5. *Revocation:* Should the LFA seek to revoke this Franchise after following the procedures set forth above in this Article, including the public hearing described in Section 11.4, the LFA shall give written notice to Franchisee of such intent. The notice shall set forth the specific nature of the noncompliance. The Franchisee shall have ninety (90) days from receipt of such notice to object in writing and to state its reasons for such objection. In the event the LFA has not received a satisfactory response from Franchisee, it may then seek termination of the Franchise at a second public hearing (the "Revocation Hearing"). The LFA shall cause to be served upon the Franchisee, at least thirty (30) business days prior to the Revocation Hearing, a written notice specifying the time and place of such hearing and stating its intent to revoke the Franchise.

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

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

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

11.6. *Abandonment of Service:* Franchisee shall not abandon any Cable Service or portion thereof without the LFA's prior written consent as provided in the Cable Law.

## 12. **MISCELLANEOUS PROVISIONS**

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

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

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

12.4. *Force Majeure:* Franchisee shall not be held in default under, or in noncompliance with, the provisions of the Franchise, nor suffer any enforcement or penalty relating to noncompliance or default, where such noncompliance or alleged defaults occurred or were caused by a Force Majeure.

12.4.1. Furthermore, the parties hereby agree that it is not the LFA's intention to subject Franchisee to penalties, fines, forfeitures or revocation of the Franchise for violations of the Franchise where the violation was a good faith error that resulted in no or minimal negative impact on Subscribers, or where strict performance would result in practical difficulties and hardship being placed upon Franchisee that outweigh the benefit to be derived by the LFA and/or Subscribers.

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

12.5.1. Notices to Franchisee shall be mailed to:

Verizon New York Inc.  
Jack White, Senior Vice President and General Counsel  
Verizon Telecom  
One Verizon Way  
Room VC43E010  
Basking Ridge, NJ 07920-1097

12.5.2. Notices to the LFA shall be mailed to:

Mayor of Poughkeepsie  
62 Civic Center Plaza, P.O. Box 300  
Poughkeepsie, NY 12602

12.5.3. with a copy to:

Brian Morgan, Esq.  
City of Poughkeepsie Corporation Counsel  
62 Civic Center Plaza, P.O. Box 300  
Poughkeepsie, NY 12602

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

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

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

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

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



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

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

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

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

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

12.16. *Performance Review:* The LFA may, at its discretion but not more than once per twelve-month period, hold an performance evaluation session (the "Performance Review") to review Franchisee's compliance with the terms and conditions of this Franchise. The LFA shall provide Franchisee with at least thirty (30) days prior written notice of the Performance Review to be held at a mutually agreeable time. Franchisee shall have the opportunity to participate in and be heard at the Performance Review. Franchisee shall not be required to disclose any confidential or proprietary information at any Performance Review held in a public forum. To the extent Franchisee identifies any information addressed at a Performance Review as confidential or proprietary, Franchisee shall cooperate with the LFA to arrange a meeting with designated LFA representatives in an informal non-public forum to review any such confidential or proprietary information to the extent necessary to effectuate the objectives of this Section 12.16; provided, however, that the information disclosed to the LFA by the Franchisee at any such informal non-public meeting shall be treated by the LFA as confidential. Within thirty (30) days after the conclusion of the Performance Review, the LFA shall provide Franchisee written documentation ("Performance Review Report") setting forth its determinations regarding Franchisee's compliance with the terms and conditions of this Franchise. The Performance Review Report shall not contain any confidential information disclosed by the Franchisee in connection with the Performance Review.

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

12.18. *LFA Official:* The Mayor of the LFA is the LFA official that is responsible for the continuing administration of this Agreement.

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

AGREED TO THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2008.

The City of Poughkeepsie:

By: \_\_\_\_\_  
[Title]

Verizon New York Inc.

By: \_\_\_\_\_  
Tracey A. Edwards, Vice President

**EXHIBITS**

Exhibit A: Municipal Buildings to be Provided Free Cable Service

Exhibit B: Service Area

Exhibit C: PEG Channels

Exhibit D: PEG Access Origination Point

## **EXHIBIT A**

### **MUNICIPAL BUILDINGS TO BE PROVIDED FREE CABLE SERVICE**

1. Administration Building – 11 College Avenue, Poughkeepsie, NY 12603
2. Poughkeepsie High School – 70 Forbus Street, Poughkeepsie, NY 12603
3. Poughkeepsie Middle School – 55 College Avenue, Poughkeepsie, NY 12603
4. Clinton Elementary School – 100 Montgomery Street, Poughkeepsie, NY 12601
5. Columbus Elementary School – 12 South Perry Street, Poughkeepsie, NY 12601
6. Kreiger Elementary School – 265 Hooker Avenue, Poughkeepsie, NY 12603
7. Morse young Child Magnet School – 101 Mansion Street, Poughkeepsie, NY 12601
8. Smith Humanities – 372 Church Street, Poughkeepsie, NY 12601
9. Waring Magnet Academy – 283 Mansion Street, Poughkeepsie, NY 12601
10. Community Hebrew School of Dutchess County – 110 South Grand Avenue, Poughkeepsie, NY 12603
11. Municipal Building (City Hall) – 62 Civic Center Plaza, Poughkeepsie, NY 12601
12. Fire Department Headquarters – 18 North Clover Street, Poughkeepsie, NY 12601
13. Public Works – 26 Howard Street, Poughkeepsie, NY 12601
14. Public Safety Building – 505 Main Street, Poughkeepsie, NY 12601
15. Hooker Avenue Firehouse – 228 Hooker Avenue, Poughkeepsie, NY 12603
16. Poughkeepsie Joint Water Treatment Facility – 3431 North Road, Poughkeepsie, NY 12601
17. Water Pollution Control Plant – 173 Kittredge Place, Poughkeepsie, NY 12601
18. Bancroft Road Library (temporary facility) – 18 Bancroft Road, Poughkeepsie, NY 12601
19. Adriance Memorial Library – 93 Market Street, Poughkeepsie, NY 12601
20. Our Lady of Mount Carmel School – 15 Mount Carmel Place, Poughkeepsie, NY 12601
21. Ridley – Lowell Business & Technical Institute – 26 South Hamilton Street, Poughkeepsie, NY 12601
22. St. John’s Evangelical Luther School – 55 Wilbur Boulevard, Poughkeepsie, NY 12603
23. Seventh Day Adventist School – 71 Mitchell Avenue, Poughkeepsie, NY 12603
24. Tabernacle Christian Academy – 153 Academy Street, Poughkeepsie, NY 12601
25. Astor Early Childhood Programs – 50 Delafield Street, Poughkeepsie, NY 12601

## **EXHIBIT B**

### **CITY OF POUGHKEEPSIE SERVICE AREA**

The Franchise Area is the Service Area. A map of the Service Area is attached hereto.

The construction of the Franchisee's FTTP Network has been completed to approximately 55% of the current households in the Franchise Area. At present, Franchisee's anticipated schedule (with schedule dates measured from the month that the NY PSC issues the confirmation order approving this Franchise) calls for 70% deployment at 6 months, 75% deployment at 12 months, 77% deployment at 18 months, 79% deployment at 24 months, 81% deployment at 30 months, 83% deployment at 36 months, 85% deployment at 42 months, 90% deployment at 48 months, 95% deployment at 54 months, and 100% deployment at 60 months. This schedule is subject to further review and modification by the Franchisee consistent with Section 895.5(b)(1) of the NY PSC rules and regulations; provided, however, that Franchisee shall provide notice to the LFA and the NY PSC of any material changes to this schedule.

## **EXHIBIT C**

### **PEG CHANNELS**

The Franchisee will transmit PEG Programming as provided by the LFA and the public,  
as directed.

**EXHIBIT D**  
**EG ACCESS INTERCONNECTION SITES**

*Subject to the requirements set forth in Subsection 5.2 of the Agreement, the following one (1) Government Access Channel EG Access Interconnection Site shall be operable within one hundred eighty (180) days of the Effective Date:*

City Hall of Poughkeepsie  
62 Civic Center Plaza, Poughkeepsie, NY 12601

*Subject to the requirements set forth in Subsection 5.2. of the Agreement, the following one (1) Education Access Channel EG Access Interconnection Site shall be operable within one hundred eighty (180) days of the Effective Date:*

Poughkeepsie Middle School  
55 College Avenue, Poughkeepsie, NY

At the above EG Access Interconnection Sites, the LFA will provide Franchisee, without restriction, suitable video and audio signal(s) for each EG Access Channel(s). The LFA is responsible for procuring all EG content and the equipment necessary to deliver such signals to the point of connection.



**Maria Silveira**  
Assistant General Counsel  
Video Franchising  
703-351-3102 office  
703-351-3669 facsimile  
maria.d.silveira@verizon.com

1320 North Courthouse Road  
8<sup>th</sup> Floor  
Arlington, VA 22201-2909

**VIA NEXT BUSINESS DAY DELIVERY**

October 23, 2008

Gary Matz  
Group Vice President & Chief Counsel, Regulatory  
Time Warner Cable  
290 Harbor Drive  
Stamford, CT 06902

Re: Verizon New York Inc. Application for an Initial Cable Television Franchise – City of Poughkeepsie, NY

Dear Mr. Matz:

Pursuant to the requirement of 16 NYCRR Section 894.5(i), please find enclosed a copy of the application for an initial cable television franchise that Verizon New York Inc. submitted to the City of Poughkeepsie, Dutchess County, New York.

Sincerely,

  
Maria Silveira

Enclosure: Application

cc (w/o enclosure): Karen Burke, City Chamberlain

# Tab 2





**Andrés F. Irlando**  
Senior Vice President  
New York Region

140 West Street, 30<sup>th</sup> Floor  
New York, NY 10007

Phone 212 321-8140  
Fax 212 791-0526

October 31, 2008

The Honorable John C. Tkazyik  
City of Poughkeepsie  
62 Civic Center Plaza  
Poughkeepsie, New York 12601

Dear Mayor Tkazyik:

Verizon looks forward to the public hearing on November 6, 2008 in the City of Poughkeepsie to consider Verizon's video franchise application. Approval of our application will open the door to cable choice and advanced video technology for the residents of Poughkeepsie.

I would like to thank and recognize those who negotiated on behalf of Poughkeepsie for their determined efforts to reach this high point in the franchise process. Together, Verizon and the City of Poughkeepsie have crafted a franchise agreement that is fair and equitable and competitively neutral.

As you prepare for the upcoming hearing, please know that Verizon is committed to delivering a next-generation cable television technology and broadband entertainment platform to the residents of the City of Poughkeepsie. I trust that Verizon's franchising team has answered all of your questions. I encourage you to contact me at the number above if you need any additional information or have any concerns.

I have enclosed information outlining the extraordinary benefits of Verizon's FiOS TV, the service we will offer with the approval of you and your Board.

Again, thank you for your commitment to bringing cable choice and new video technology to the City of Poughkeepsie.

Sincerely,

A handwritten signature in black ink, appearing to read "A. Irlando".

Andrés F. Irlando

cc: The Honorable Thomas E. Parise  
The Honorable Joe Rich  
The Honorable Robert L. Mallory Jr.  
The Honorable Brian P. Doyle  
The Honorable Penny Lewis  
The Honorable Mary Solomon  
The Honorable Gwen C. Johnson  
The Honorable Dennis G. Weinell



## City of Poughkeepsie, NY

### Verizon FiOS TV

tv | entertainment | music | games | sports

[www.verizon.com/ny](http://www.verizon.com/ny)



# Elevate your entertainment experience with Verizon FiOS TV.



## More Value

FiOS TV is all about simple packages and competitive prices. FiOS TV Premier delivers an unmatched lineup with more than 250 channels of television and music entertainment. It's an even better value when bundled with our FiOS Internet Service.

## A Superior Network

Our 100% fiber-optic network delivers an all digital experience with better picture and sound quality, more choices and more control. The FiOS network has far more capacity than cable's and is less vulnerable to weather outages and electrical interference - advantages that add up to a vast new dimension of bandwidth, speed and power.

## On Demand

With FiOS TV, you have instant access to a library of the latest titles; blockbuster movies, kids' shows, sporting events and much more, all at a touch of a button. And, Verizon will add 1,000 high definition titles to its on demand library in 2008.

## More HDTV

In 2008, Verizon's fiber-optic network will accommodate up to 150 high-definition channels.

## More Control

Parental Controls allow you to block access to shows either by channel, rating or category. You can also selectively block Pay Per View and On Demand purchases, and choose to show or hide programs from the TV Listings. And these easy to use features come at no additional charge to FiOS TV Premier customers.

## Interactive Media Guide, Home Media DVR, and FiOS TV Widgets

FiOS TV's powerful interactive media guide gives you integrated control of TV, movies, information and personal media like photos and music. Our Home Media DVR lets you record your favorites, pause live TV, and watch instant replays. Our Multi-Room DVR enables you to watch separate recorded shows from any room in the house, and Media Manager lets you easily access photos and music from your personal computer to play them on your entertainment center. FiOS TV Widgets gives you local weather and traffic on your TV screen at the touch of a button, without interrupting what you're watching.

## Global Reach

FiOS TV's multicultural lineup is unmatched in the industry. Whether you choose our Spanish language package, the La Conexión tier, or any of the nearly 30 popular international premium channels available, you stay connected to the world.

## Competition Works!

**Municipal and state leaders agree: state laws and local municipal agreements that promote cable TV competition helps grow communities and give residents what they demand -- a long-awaited choice for cable TV services:**

"Competition is good for the customers in Braintree."

*Selectman Charles B. Ryan  
Braintree, MA Board of Selectmen  
Boston Globe, Oct. 18, 2007*

"No. 1, they'll have a choice. With that choice comes the ability for a customer to leave one company and go to another, which in the public marketplace has a way of militating to benefit customer service."

*Assistant City Attorney Paul Lee  
Wilsonville, Oregon  
The Oregonian, Sept. 6, 2007*



# Verizon FiOS TV: Leading the home entertainment revolution.



## Why stroll through a video store when you can scroll through one?

Scroll through a library of approximately 11,000 movies and shows per month that are waiting for you to watch. Use your remote and your Interactive Media Guide to browse, then make your selection - it's that easy. Need to pause to get more popcorn? Fast forward to skip the scary part or rewind to see it again? No problem! You can do it all from your remote any time you want, day or night.

- Free On Demand** Choose from a selection of free programming -- sports, home & leisure, music, pop culture and more -- from our FiOS TV library. Channels include Disney, Discovery, ESPN, Home & Garden, MTV and many others.
- Movies On Demand** Find the blockbuster movies and your old favorites at the press of a button for a fraction of the cost of a movie ticket.
- HD On Demand** Throughout 2008, Verizon will introduce a series of HD on-demand titles, which will increase to more than 1,000 by the end of the year.
- Premium On Demand** When you subscribe to HBO, Cinemax or the Movie Package, you automatically have access to original programming and shows, and the hottest movie releases - anytime you want.
- Pay Per View** Get a front row seat (your couch) to the most anticipated sporting events, concerts, movies and much more in entertainment with our Pay Per View listings.

## You got the killer high def TV. Now get more killer high def channels to go with it.

Brilliant picture. Room-shaking sound. Abundance of HD choices. The stunning capacity of fiber optic cable delivers more of the high def programming you love, with spectacular picture, hyper-real color, and amazing clear sound. Watch your favorite sports, movies, and TV shows come alive on your screen.

### FiOS TV with HDTV programming offers:

- Images up to 5x sharper than regular TV
- Unparalleled picture/sound quality and a wide-screen format
- An expansive and growing list of HDTV channels
- Easy installation from the FiOS TV HD Set Top Box
- Dolby 5.1 digital surround FiOS.

### Competition Works!

"Choice means quality. Choice means competition."

*Indiana State Senator Tom Wyss  
Ft. Wayne News Sentinel  
July 18, 2007*

"We've been trying to get any competition we could, and Verizon was the first to step up to the plate."

*Township Manager Tim Rogers  
Shaler Township, PA  
The Pittsburgh Tribune Review  
July 18, 2007*

"This is great news for Yonkers residents who now have more choices for their subscription television service. Choice is not something that has traditionally been offered to subscribers in the cable and satellite industry, which is why I'm excited about this opportunity to broaden our marketplace."

*Mayor Phil Amicone  
Yonkers, NY  
City of Yonkers News Release*



# Realize the full potential of your TV with Verizon FiOS TV.



## One DVR. Endless Entertainment.

The Verizon FiOS Home Media DVR handles everything you do with an ordinary DVR, like record your favorites, pause live TV and watch instant replays. Then it changes the game forever with two groundbreaking new features: Multi-room DVR and Media Manager. More freedom, more flexibility, more fun, all from one box.

**Multi-Room DVR** With Home Media DVR, you can watch separate recorded shows on up to three TVs at the same time. You also can pause a recorded show in one room and pick it up in another.

**Media Manager** Bring memories vividly to life on your TV, and program the perfect soundtrack. Media Manager empowers your DVR to create photo slideshows and music playlists on your PC, and then play them back on the best entertainment system in the house – FiOS TV.

Verizon continues to bring the finest, state-of-the-art network to hundreds of thousands of consumers from Massachusetts to California. Here's how the most powerful fiber optic network in America is getting even better in 2008.

## More High-Definition Channels

Verizon is creating enough network capacity to accommodate up to 150 HD channels this year. That means more sports, multicultural, and other programming from now to next December.

## More High-Def Shows and Movies On Demand

FiOS TV customers will see an increase to more than 1,000 HD on demand titles in 2008 – this in addition to the 11,000 selections per month already in the library.

## More Flexibility

Verizon is taking your remote to the next level with its new Interactive Media Guide, first introduced last July. The new guide lets your FiOS TV remote organize content from broadcast TV, our video-on-demand library, and your Home Media DVR, enabling you to find and enjoy digital photos and music with a few clicks of the remote.

## More Speed

Verizon has redefined "fast" by delivering the nation's fastest consumer broadband connections, with download speeds up to 50 megabits per second (Mbps) and upload speeds up to 20 Mbps.

## More Innovation

Verizon is harnessing the best technology in the world so our customers have access to even more advanced home and business applications in the future. We successfully completed the industry's first field test of 100 gigabits per second transmission using plug-and-play equipment on a live network route between Tampa and Miami.

## Competition Works!

"I'm happy that Verizon will enter the community and continue to add to the township's technology infrastructure while bringing new competition to the region."

*Mayor Bernie Platt  
Cherry Hill, New Jersey  
Camden NJ Courier Post  
Feb. 13, 2007*

"We think competition is good. The more, the better."

*City Manager Alan Kapanicas  
Beaumont, California  
The Orange County Register  
February 8, 2006*

"Ever since I've been on the council, it's been something constituents have talked about. We've never had anybody with the financial backing that Verizon has to be able to come in and do the job."

*Baltimore County Councilman  
Joseph Bartenfelder  
Baltimore Sun  
February 6, 2007*



# NEW YORK CHANNEL LINEUP

EFFECTIVE AUGUST 2008



## FIOS TV LOCAL

- 2 CBS — WCBS-TV 2
  - 4 NBC — WNBC-TV 4
  - 5 FOX — WNYW-TV 5
  - 6 WRNN-TV 48
  - 7 ABC — WABC-TV 7
  - 8 Superstation — WGN-TV
  - 9 My WWOR-TV 9
  - 10 WLNY-TV 55
  - 11 CW — WPIX-TV 11
  - 12 Telemundo — WNJU-TV 47
  - 13 PBS — WNET-TV 13
  - 14 WVVH-TV 50
  - 17 Telefutera — WFTY-TV 67
  - 18 WMBC-TV 63
  - 21 PBS — WLIW-TV 21
  - 23 PBS — WNJN-TV 50
  - 24 Local Programming
  - 25 NYC-TV
  - 26-28 Local Programming
  - 29 WFME-TV 66
  - 30 Local Programming
  - 31 ION-TV 31
  - 32-36 Local Programming
  - 37 Public Access
  - 38 Public Access
  - 39-40 Local Programming
  - 41 Univision — WXTV-TV 41
  - 42-47 Local Programming
  - 48 TV Guide
  - 49 Weatherscan Local
- Local Programming — See back panel for area programming (where applicable).

## LOCAL PLUS

- 460 NBC Weather Plus
- 464 Universal Sports
- 466 WRNN-Rise
- 467 ABC — WABC 2
- 468 ABC — WABC 3
- 470 WLIW 21
- 471 WLIW Create
- 472 13 Kids
- 473 WLIW World
- 474 13 VME
- 491 qubo
- 492 ION Life
- 494 The Worship Network
- 494 Worship Network

## FIOS TV ESSENTIALS & FIOS TV EXTREME HD

### ENTERTAINMENT

- 50 USA Network
- 51 TNT
- 52 TBS
- 53 FX
- 54 Spike TV
- 70 ESPN
- 71 ESPN Classic Sports
- 72 ESPNNews
- 73 ESPNU
- 74 ESPN2
- 76 YES
- 77 SportsNet New York
- 78 MSG
- 79 MSG 2
- 80 MSG Plus
- 81 MSG Plus 2
- 83 Speed Channel
- 84 Fox Soccer Channel
- 85 Big Ten Network
- 88 NFL Network
- 90 VERSUS

### SPORTS

- 100 CNN
- 101 CNN Headline News
- 102 CNBC
- 104 Bloomberg TV
- 105 CNN International
- 106 CNBC World
- 107 BBC World
- 108 ABC News Now
- 109 C-SPAN
- 110 C-SPAN 2
- 111 C-SPAN 3
- 117 Fox Business Network
- 118 Fox News
- 119 The Weather Channel

### NEWS & EDUCATION

- 120 Discovery Channel
- 121 National Geographic Channel
- 122 Science Channel
- 123 Investigation Discovery
- 124 Pentagon Channel
- 125 Military Channel
- 126 Military History Channel
- 127 History Channel International
- 128 History Channel
- 129 Bio
- 130 Animal Planet
- 131 TV Info
- 139 TLC

### WOMEN

- 140 Lifetime
- 141 Lifetime Movie Network
- 142 Lifetime Real Women
- 143 SOAPnet
- 144 Oxygen
- 149 WE: Women's Entertainment

### MARKETPLACE

- 150 QVC
- 151 HSN
- 155 Jewelry
- 157 Shop NBC

## HOME & LEISURE

- 160 Style
- 161 Discovery Health
- 162 Veria TV
- 163 Fit TV
- 164 Food Network
- 165 HGTV
- 166 Fine Living
- 167 DIY Network
- 168 Planet Green
- 169 Wealth TV
- 170 Travel Channel

## POP CULTURE

- 180 Sci-Fi Channel
- 181 A&E
- 182 Crime & Investigation Network
- 183 truTV
- 184 GSN
- 185 Bravo
- 186 Sleuth
- 187 Logo
- 188 Ovation
- 189 BBC America
- 190 Comedy Central
- 191 G4
- 192 Current TV
- 196 E! Entertainment Television
- 197 Fox Reality
- 198 Fuel
- 199 ABC Family

## MUSIC

- 210 MTV
- 211 MTV2
- 212 MTV U
- 213 MTV Jams
- 214 MTV Hits
- 216 Fuse
- 217 VH1
- 218 VH1 Classic
- 219 VH1 Soul
- 220 BET Jazz
- 221 CMT
- 222 CMT Pure Country
- 223 Great American Country
- 224 Gospel Music Channel
- 225 BET Gospel
- 229 Soundtrack Channel

## MOVIES

- 230 Turner Classic Movies
- 231 AMC
- 232 Fox Movie Channel
- 233 ReelzChannel

## FAMILY

- 240 Hallmark Channel
- 242 Family Net
- 243 AmericanLife TV
- 244 TV Land
- 245 Retirement Living
- 247 RFD TV

## KIDS

- 250 Disney Channel
- 251 Toon Disney
- 252 Nickelodeon
- 253 Nick Too
- 254 Nick Toons
- 255 The N
- 256 Noggin
- 257 Cartoon Network (ESP)\*
- 258 Boomerang (ESP)\*
- 259 Discovery Kids
- 260 Varsity
- 262 FUNimation
- 263 PBS KIDS Sprout

## PEOPLE & CULTURE

- 270 BET
- 271 TV One
- 273 MTV Tr3s
- 274 Galavisión
- 275 Mun2
- 276 SiTV
- 278 Bridges TV
- 279 HiTn

## RELIGION

- 285 EWTN
- 286 INSP
- 287 I-Life
- 288 Church
- 289 JCTV
- 290 BYU
- 291 Three Angels
- 292 The Word Network
- 293 Daystar
- 294 Smile of a Child
- 295 Trinity Broadcasting Network
- 296 Telecare

## Fox College Sports

- 300 Fox College Sports — Atlantic
- 301 Fox College Sports — Central
- 302 Fox College Sports — Pacific
- 303 Tennis Channel
- 304 Golf Channel
- 307 Outdoor Channel
- 308 The Sportsman Channel
- 311 Fox Sports en Español
- 313 GOL TV
- 315 TVG (Horse Racing)
- 316 Horse Racing TV
- 317 World Fishing Network
- 318 MavTV
- 319 Blackbelt TV



# NEW YORK CHANNEL LINEUP

EFFECTIVE AUGUST 2008



## MOVIE PACKAGE\*\*

- 340 Starz
- 341 Starz West
- 342 Starz Edge
- 343 Starz Edge West
- 344 Starz in Black
- 345 Starz Kids & Family
- 346 Starz Cinema
- 347 Starz Comedy
- 350 Encore
- 351 Encore West
- 352 Encore Love
- 353 Encore Love West
- 354 Encore Westerns
- 355 Encore Westerns West
- 356 Encore Mystery
- 357 Encore Mystery West
- 358 Encore Drama
- 359 Encore Drama West
- 360 Encore Action
- 361 Encore Action West
- 362 Encore Wam
- 365 Showtime
- 366 Showtime West
- 367 Showtime Showcase
- 368 Showtime Showcase West
- 369 Showtime 2
- 370 Showtime 2 West
- 371 Showtime Beyond
- 372 Showtime Beyond West
- 373 Showtime Extreme
- 374 Showtime Extreme West
- 375 Showtime Women
- 376 Showtime Women West
- 377 Showtime Next
- 378 Showtime Next West
- 379 Showtime Family Zone
- 380 Showtime Family Zone West
- 385 The Movie Channel
- 386 The Movie Channel West
- 387 The Movie Channel Xtra
- 388 The Movie Channel Xtra West
- 390 Flix
- 391 Flix West
- 392 Sundance
- 394 Independent Film Channel\*\*\*

## PREMIUMS\*\*

- HBO**
- 400 HBO
  - 401 HBO West
  - 402 HBO 2
  - 403 HBO 2 West
  - 404 HBO Signature
  - 405 HBO Signature West
  - 406 HBO Family
  - 407 HBO Family West
  - 408 HBO Comedy
  - 409 HBO Comedy West
  - 410 HBO Zone
  - 411 HBO Zone West
  - 412 HBO Latino
  - 413 HBO Latino West

## CINEMAX

- 420 Cinemax
- 421 Cinemax West
- 422 More Max
- 423 More Max West
- 424 Action Max
- 425 Action Max West
- 426 Thriller Max
- 427 Thriller Max West
- 428 WMAX
- 429 At Max
- 430 Five Star Max
- 431 OuterMax

## OTHER PREMIUMS

- 440 Playboy TV
- 441 Playboy TV en Español
- 445 here!

## HI-DEFINITION

### BROADCAST

- 502 CBS — WCBS HD
- 504 NBC — WNBC HD
- 505 FOX — WNYW HD
- 507 ABC — WABC HD
- 509 My — WWOR HD
- 511 CW — WPIX HD
- 513 PBS — WNET HD

### ENTERTAINMENT

- 550 USA HD
- 551 TNT HD
- 552 TBS HD
- 553 FX HD
- 567 Universal HD
- 568 Superstation — WGN HD
- 569 HD Net

### SPORTS

- 570 ESPN HD
- 572 ESPNNews HD
- 574 ESPN2 HD
- 576 YES HD
- 577 SportsNet New York HD
- 583 Speed Channel HD
- 585 Big Ten Network HD
- 588 NFL Network HD
- 590 VERSUS/Golf HD
- 591 Outdoor Channel 2 HD
- 597 World Fishing Network HD
- 598 MavTV HD

### NEWS

- 600 CNN HD
- 602 CNBC HD+
- 617 Fox Business Network HD
- 618 Fox News HD
- 619 The Weather Channel HD

### DISCOVERY

- 620 Discovery Channel HD
- 621 National Geographic Channel HD
- 622 Science Channel HD
- 625 Smithsonian Channel HD
- 628 History Channel HD
- 629 Bio HD
- 630 Animal Planet HD
- 631 HD Theater
- 639 TLC HD

## WOMEN

- 640 Lifetime HD
- 641 Lifetime Movie Network HD

## MARKETPLACE

- 650 QVC HD

## HOME & LEISURE

- 664 Food Network HD
- 665 HGTV HD
- 668 Planet Green HD
- 669 Wealth TV HD
- 670 Travel Channel HD

## POP CULTURE

- 680 Sci-Fi Channel HD
- 681 A&E HD
- 685 Bravo HD
- 699 ABC Family HD

## MUSIC

- 711 MHD

## FAMILY

- 740 Hallmark Movie Channel HD

## MOVIES

- 744 MGM Channel HD
- 746 HD Net

## KIDS

- 750 Disney Channel HD
- 751 Toon Disney HD

## MOVIE PACKAGE\*\*

- 840 Starz HD
- 842 Starz Edge HD
- 845 Starz Kids & Family HD
- 847 Starz Comedy HD
- 865 Showtime HD
- 866 Showtime West HD
- 867 Showtime Showcase HD
- 868 Showtime Showcase West HD
- 869 Showtime 2 HD
- 870 Showtime 2 West HD
- 873 Showtime Extreme HD
- 874 Showtime Extreme West HD
- 885 The Movie Channel HD
- 886 The Movie Channel West HD
- 887 The Movie Channel Xtra HD
- 888 The Movie Channel Xtra West HD

## PREMIUMS\*\*

- 899 HBO HD
- 901 HBO West HD
- 902 HBO 2 HD
- 903 HBO 2 West HD
- 904 HBO Signature HD
- 905 HBO Signature West HD
- 906 HBO Family HD
- 907 HBO Family West HD
- 908 HBO Comedy HD
- 909 HBO Comedy West HD
- 910 HBO Zone HD
- 911 HBO Zone West HD
- 912 HBO Latino HD
- 913 HBO Latino West HD
- 920 Cinemax HD
- 921 Cinemax West HD
- 922 More Max HD
- 923 More Max West HD
- 924 Action Max HD
- 925 Action Max West HD
- 926 Thriller Max HD

- 927 Thriller Max West HD
- 928 WMAX HD
- 929 At Max HD
- 930 Five Star Max HD
- 931 OuterMax HD

## VIDEO ON DEMAND\*\*

- 999 FiOS Video On Demand
- ALL FREE**
- Home & Leisure
- Info & Education
- Kids
- Marketplace
- Music
- News
- People & Culture
- Pop Culture
- Sports
- Women
- En Español
- Movies**
- International Films
- Library
- Movie Trailers
- New Releases
- En Español
- Subscriptions**
- Cinemax
- HBO
- Showtime
- Starz
- Sundance
- The Movie Channel
- Playboy
- here!
- Karaoke Channel
- WWE 24-7
- Events**
- Sports
- Uncensored
- En Español
- Adult**
- FiOS TV Help**

## PAY PER VIEW/ SUBSCRIPTION SPORTS

- 1000 TVN Events
- 1009 Setanta Sports
- 1010-1015 ESPN Game Plan/Full Court

ARTS & ENTERTAINMENT
DIGITAL MUSIC
HI-DEFINITION
LIFESTYLE
LOCAL/LOCAL EDUCATION/GOVERNMENT
NEWS/INFO & EDUCATION
PAY PER VIEW/SUBSCRIPTION SPORTS
PREMIUMS
SPORTS
VIDEO ON DEMAND



# NEW YORK CHANNEL LINEUP

EFFECTIVE AUGUST 2008



## LA CONEXIÓN

### ENTERTAINMENT

- 1500 USA Network
- 1501 TNT
- 1502 TBS
- 1503 Galavisión
- 1504 FX
- 1505 Spike TV
- 1508 WAPA TV

### SPORTS

- 1520 ESPN Deportes
- 1521 Fox Sports en Español
- 1522 Fox Soccer Channel
- 1523 GOL TV
- 1526 YES
- 1527 SportsNet New York
- 1528 MSG
- 1529 MSG Plus

### NEWS/INFORMATION

- 1540 CNN en Español
- 1541 CNN
- 1542 CNN Headline News
- 1543 Fox News
- 1544 CNBC
- 1546 C-SPAN
- 1547 Fox Business Network
- 1549 Canal SUR

### INTERNATIONALIZATION

- 1560 TVE Internacional
- 1561 History Español
- 1562 Discovery Channel
- 1563 Discovery en Español
- 1565 Animal Planet
- 1566 TLC

### WOMEN

- 1580 Lifetime
- 1581 Lifetime Movie Network

### MARKETPLACE

- 1600 QVC
- 1601 HSN
- 1603 Shop NBC

### HOME & LEISURE

- 1620 Infinito
- 1621 Food Network
- 1622 HGTV
- 1623 Travel Channel
- 1625 Discovery Health

### POP CULTURE

- 1640 El Entertainment Television
- 1641 A&E
- 1642 Si TV
- 1643 Mun2
- 1644 Comedy Central
- 1645 Sci-Fi Channel
- 1648 HITn

## MUSIC

- 1660 MTV Tr3s
- 1661 MTV2
- 1662 Telehit
- 1665 CMT

## MOVIES

- 1680 De Película
- 1681 De Película Clásico
- 1685 Cine Latino
- 1686 Cine Mexicano

## FAMILY

- 1700 ABC Family
- 1701 La Familia
- 1702 Discovery Familia
- 1704 TV Chile
- 1705 TV Colombia
- 1707 TV Land

## KIDS

- 1720 ¡Sorpresa!
- 1722 Toon Disney Español
- 1724 Boomerang (ESP)\*
- 1725 Boomerang
- 1726 Cartoon Network (ESP)\*
- 1728 Nickelodeon
- 1729 Disney en Español

## RELIGION

- 1740 TBN Enlace
- 1741 EWTN Español

## SPANISH LANGUAGE\*\*

- 1503 Galavisión
- 1508 WAPA TV
- 1520 ESPN Deportes
- 1521 Fox Sports en Español
- 1523 Go!TV
- 1540 CNN en Español
- 1549 Canal SUR
- 1560 TVE Internacional
- 1561 History Español
- 1563 Discovery en Español
- 1620 Infinito
- 1648 HITn
- 1660 MTV Tr3s
- 1662 Telehit
- 1680 De Película
- 1681 De Película Clásico
- 1685 Cine Latino
- 1686 Cine Mexicano
- 1701 La Familia
- 1702 Discovery Familia
- 1704 TV Chile
- 1705 TV Colombia
- 1720 ¡Sorpresa!
- 1722 Toon Disney Español
- 1724 Boomerang (ESP)\*
- 1740 TBN Enlace
- 1741 EWTN Español

## INTERNATIONAL PREMIUMS\*\*

### CHINESE

- 1750 CCTV-4 (Mandarin)
- 1751 CTI — Zhong Tian Channel

### SOUTH ASIAN

- 1752 TV Asia

### FILIPINO

- 1755 The Filipino Channel
- 1756 GMA Pinoy

### KOREAN

- 1760 MBC
- 1761 KISB 4 CBS
- 1762 KISB 5 MBN
- 1763 KISB 7 Sky Baduk

### PORTUGUESE

- 1764 RTPi

### VIETNAMESE

- 1765 SBTN

### CAMBODIAN

- 1766 CTN
- 1767 TVK

### JAPANESE

- 1770 TV Japan

### FRENCH

- 1771 TV 5

### ITALIAN

- 1772 RAI

### RUSSIAN

- 1773 Channel 1 Russian
- 1774 RTN
- 1775 RTR Planeta

### POLISH

- 1776 TVP Polonia

### BALKAN

- 1777 BN TV
- 1778 NTV Hayat

### ARMENIAN

- 1779 Public TV of Armenia

### ARABIC

- 1780 ART
- 1781 Kuwait TV
- 1782 MBTTV

### ROMANIAN

- 1783 Pro TV
- 1784 RSC 1

### PERSIAN

- 1785 Rang A Rang (Farsi)

## DIGITAL MUSIC

### MUSIC CHOICE

- 1800 Sounds of the Seasons
- 1801 Today's Country
- 1802 Classic Country
- 1803 Bluegrass
- 1804 Hip-Hop and R&B
- 1805 Classic R&B
- 1806 R&B Soul
- 1807 R&B Hits
- 1808 Rap
- 1809 Metal
- 1810 Rock
- 1811 Arena Rock
- 1812 Classic Rock
- 1813 Adult Alternative
- 1814 Alternative
- 1815 Retro-Active
- 1816 Electronica
- 1817 Dance
- 1818 Lite Hits
- 1819 Adult Top 40
- 1820 Hit List
- 1821 Kidz Only!
- 1822 Party Favorites
- 1823 Showcase
- 1824 '90s
- 1825 '80s
- 1826 '70s
- 1827 Solid Gold Oldies
- 1828 Smooth Jazz
- 1829 Jazz
- 1830 Blues
- 1831 Reggae
- 1832 Soundscapes
- 1833 Easy Listening
- 1834 Big Band & Swing
- 1835 Singers & Standards
- 1836 Show Tunes
- 1837 Contemporary Christian
- 1838 Gospel
- 1839 Classical Masterpieces
- 1840 Light Classical
- 1841 Pop Latino
- 1842 Musica Urbana
- 1843 Salsa y Merengue
- 1844 Mexicana
- 1845 Rock en Español
- 1846 Opera





# NEW YORK CHANNEL LINEUP

EFFECTIVE AUGUST 2008



## URGE RADIO

- 1900 MTV's TRL
- 1901 Today's Top 40
- 1902 Modern Pop
- 1903 Cover 2 Cover
- 1904 Soft Pop
- 1905 I Love the 70s
- 1906 I Love the 80s
- 1907 I Love the 90s
- 1908 Solid Gold Oldies
- 1909 Discotech
- 1910 Dance Club
- 1911 Electronica
- 1912 MTV2
- 1913 Rock Legends
- 1914 Arena Rock
- 1915 Alternative Rock
- 1916 Adult Rock
- 1917 MTV2 Headbangers Ball
- 1918 R&B Hits
- 1919 Classic R&B
- 1920 Classic Rap
- 1921 Modern Rap
- 1922 Modern Soul
- 1923 CMT Radio
- 1924 Bluegrass
- 1925 Classic Country
- 1926 Wide Open Country
- 1927 Reggae
- 1928 Latin Hip-Hop
- 1929 MTV Tr3s
- 1930 Latin Jazz
- 1931 Radio Alterna
- 1932 Tejano
- 1933 Easy Listening
- 1934 Smooth Jazz
- 1935 Jazz Standards
- 1936 Blues
- 1937 Opera
- 1938 Classical
- 1939 Christian
- 1940 Gospel
- 1941 Pop Standards
- 1942 Jazzup Broadway
- 1943 Cinema
- 1944 Voice Box
- 1945 Meditation
- 1946 Dream Sequence
- 1947 Acoustic Chill
- 1948 Swing
- 1951 Comedy

## LOCAL PUBLIC/ EDUCATION/ GOVERNMENT<sup>†</sup>

### AROSLEY/GREENBURGH

- 32 Government (Gov.) Access Channel 1
- 33 Educational (Ed.) Access Channel 1
- 34 Public Access Channel 1
- 35 Gov. Access Channel 2
- 36 Ed. Access Channel 2

### BUCHANAN

- 30 Buchanan Gov.

### DOBBS FERRY

- 46 Gov. Access Channel
- 47 Ed. Access Channel

### EASTCHESTER

- 24 Eastchester Ed. Access
- 40 Eastchester Town Gov. Access 1

### ELMSFORD

- 30 Public Access

### FLORAL PARK (VILLAGE)

- 28 Four Village Studio Gov. Access (4VS)

### GREAT NECK / NORTH SHORE<sup>‡</sup>

- 35 Great Neck Villages Gov.
- 37 Public Access TV (PATV)
- 39 North Shore Villages Gov.

### LARCHMONT/MAMARONECK

- 34 Larchmont/Mamaroneck Ed.
- 35 Larchmont/Mamaroneck Gov.
- 36 Larchmont/Mamaroneck Public Access

### LYNBROOK

- 32 Lynbrook Education
- 33 Lynbrook Gov.
- 34 Lynbrook Gov. 2

### MALVERNE VILLAGE

- 30 Malverne Ed. and Gov. Access

### MINEOLA

- 40 Mineola Ed. & Gov. Access

### MOUNT KISCO

- 44 Mount Kisco Gov. Access

### MOUNT PLEASANT

- 24 Mount Pleasant Town Ed. Access 1
- 26 Mount Pleasant Gov. Access

### MOUNT VERNON

- 32 Mount Vernon Gov.
- 33 Mount Vernon Ed.

### NORTH CASTLE TOWN

- 38 North Castle Ed. Access
- 39 North Castle Gov. Access

### ORANGETOWN

- 30 Orangetown Gov. Access

### PEEKSKILL

- 28 Peekskill Gov. Access
- 32 Peekskill Ed. Access

### PELHAM MANOR

- 30 Pelham Manor Gov. Access

### PORT CHESTER

- 42 Public Access/Local Programming
- 43 Gov. Access
- 44 Ed. Access

### RYE BROOK

- 24 Rye Brook Village Gov. Access
- 27 Rye Brook Village Ed. Access 2
- 46 Rye Brook Village Public Access

### SCARSDALE

- 42 Public Access Channel
- 43 Gov. Access Channel
- 44 Ed. Access Channel

### SMITHTOWN

- 27 Smithtown Gov.

### TUCKAHOE

- 26 Tuckahoe Gov. Access
- 27 Tuckahoe Ed. Access
- 34 Tuckahoe Public Access

### WHITE PLAINS

- 45 White Plains Community Access 1
- 46 White Plains Ed. Access 1
- 47 White Plains Gov. Access 1

Verizon FIOS TV is frequently changing its channel offerings. To view our latest published channel lineup, please visit [verizonfios.com/tv](http://verizon fios.com/tv).

<sup>‡</sup>Great Neck/North Shore includes: Great Neck Estates, Great Neck Plaza, Great Neck Village, Kensington, Kings Point, Lake Success, Russell Gardens, Saddle Rock, Thomaston, Flower Hill, Munsey Park, North Hills, Plandome, Plandome Heights and Plandome Manor.

\*A Spanish-language Secondary Audio Program (SAP) is available for selection.

\*\*Subscription to corresponding Essentials or Extreme HD package required.

\*\*\*HBO or Cinemax subscription includes Independent Film Channel.

<sup>†</sup>Not all local public, educational and governmental (PEG) channels may be available at the time of installation.

Programming services offered within each package are subject to change, and not all programming services will be available at all times. Blackout restrictions also apply.

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1. In all-digital service areas, FiOS TV Local requires a Digital Adapter or Set Top Box and Router for access. Listed monthly price does not include Digital Adapter or Set Top Box fees.
2. If service is cancelled within the first 12 months, Router must be returned or \$99.99 equipment fee applies.
3. In order to be eligible for Movies or Sports, FiOS TV Premier or La Conexión is required. The Spanish Language package cannot be combined with La Conexión. 30-day minimum billing period required for all Packages.
4. 30-day minimum billing period required for all Premiums.
5. A service repair visit charge is assessed when a technician visit is required for general service education, to repair problems related to in-home wiring, or to connect or reconnect the service to customer-owned equipment. A service visit charge is not assessed when a technician visit is required to install or retrieve a Set Top Box or when the repair or maintenance is related to the service itself or Verizon-owned equipment.

Service/program availability varies by location and the number of channels within each package is an approximation. Pricing applies to residential use only within the United States and is subject to change. Taxes, franchise fees and other terms apply. FiOS TV customers purchasing Verizon voice service receive both services over fiber. Non-IP voice service comes with up to 8 hours battery backup.

# FiOS®

## Rates & Packages



It's the Network

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CCF70038-TVER-01/08

Verizon FiOS

tv | internet | phone

Here's everything you need to create your perfect FIOS® TV package. First, choose your service. Then, add to it from our selection of digital packages and premium channels below.

Refer to the Channel Lineup for a complete listing of the channels included in each package.

Service	Number of Channels	Monthly Price
FIOS TV Local <sup>1</sup>	15-35	\$12.99
Digital Service (Requires Set Top Box (STB) and Router <sup>2</sup> )		
FIOS TV Premier	228 + FIOS TV Local	\$47.99
La Conexión	162 + FIOS TV Local	\$37.99

*Now, add more channels for just a few dollars more.*

Packages <sup>3</sup> (Requires STB)	Number of Channels	Monthly Price
Sports	13	\$7.99
Movies	45	\$14.99
Spanish Language	25	\$11.99

Premiums <sup>4</sup> (Requires STB)	Number of Channels	Monthly Price
HBO <sup>5</sup>	14	\$15.99
Cinemax <sup>6</sup>	12	\$15.99
Playboy TV <sup>7</sup> /Playboy TV en Español	2	\$16.99
here!	1	\$7.99

International Premiums <sup>4</sup> (Requires STB)	Number of Channels	Monthly Price
International Premium Channels	14	Individually Priced

Video On Demand (VOD) and Pay Per View (PPV) (Requires STB)	Price
<b>On Demand Movies</b>	Varies
New Releases & Library	Varies
On Demand Adult	Varies

On Demand Subscriptions	Price
WWE 24/7	\$9.99/mo.
Karaoke	\$7.99/mo.
PPV Events	Varies
PPV Sports	Varies
ESPN GamePlan — NCAA Football	Varies
ESPN FullCourt — NCAA Basketball	Varies

### Set Top Box (STB)

	Monthly Price
Cable Card	\$3.99
Digital Adapter	\$3.99
Standard Definition (SD)	\$5.99
High Definition (includes HD channels)	\$9.99
Standard Definition Digital Video Recorder	\$12.99
High Definition Digital Video Recorder (includes HD channels)	\$15.99
SD Home Media DVR (features Multiroom DVR & Media Manager)	\$17.99
HD Home Media DVR (features Multiroom DVR & Media Manager)	\$19.99

### Initial Installation

	One-Time Charges
Existing Outlet Hookup (up to 3)	No Charge
Additional Outlet/Set Top Box Hookup (per existing outlet)	\$19.99
New Outlet Install/Existing Outlet Rewire (per outlet)	\$54.99
Outlet Relocation (per outlet)	\$54.99
FIOS TV Activation Fee with FIOS TV/Internet/Voice Bundle	<b>Free</b>
FIOS TV Activation Fee with FIOS Internet	\$19.99
FIOS TV Activation Fee without FIOS Internet	\$29.99

### Subsequent Installations/Charges

	One-Time Charges
New Outlet Installation/Outlet Relocation (per outlet)	\$54.99
Set Top Box Installation/Retrieval (one new/relocated outlet included, if required)	\$79.99
Set Top Box Addition (Self-Install)	<b>Free</b>
Set Top Box Return with equipment drop-off at Verizon authorized locations/UPS location with prepaid mailer	<b>Free</b>
Service Repair Visit Charge <sup>8</sup>	\$79.99

### Other Services and Charges

	One-Time Charges
Seasonal Service Suspension (charged at initiation, 1-6 months) <sup>9</sup>	\$24.99
Replacement Remote	\$6.99 + Shipping & Handling
Unreturned/Damaged — Cable Card	\$100.00
Unreturned/Damaged STB — Digital Adapter	\$175.00
Unreturned/Damaged STB — Standard Definition	\$240.00
Unreturned/Damaged STB — High Definition	\$350.00
Unreturned/Damaged STB — SD Digital Video Recorder (DVR)	\$475.00
Unreturned/Damaged STB — HD Digital Video Recorder (DVR)	\$550.00

# Tab 3

---

**From:** Scott Parr [mailto:sparr@telecominsightgroup.com]  
**Sent:** Monday, November 03, 2008 4:19 PM  
**To:** Michael Long; John. Butler  
**Cc:** BRIAN DOYLE; G.Brian Morgan; Stormo, Gabrielle S.  
**Subject:** Re: PEG - schools and Co. government

Mike:

Verizon works with the City only, and that would ordinarily include requirements from the schools. The County governments would be ineligible for support.

I spent time today on the phone with the technology administrator for the Poughkeepsie Schools, and learned that we were provided bad information by the previous City administration. The School Department does not have a current program origination point or an educational channel – there is no broadcasting or tape playback done by the schools. There is apparently occasional taping of a message from the Superintendent, which is then broadcast by Time Warner over Time Warner's Public Access Channel. Verizon would permit the same broadcasting over our county-wide public access channel, which Verizon administers at its own cost.

I think there would be a benefit in a phone call to resolve this issue, in light of the new information. Can you provide a number at which I can reach you, or call me at 603 860 2116?

Thanks,

Scott Parr

On 11/3/08 11:05 AM, "Michael Long" <[MLong@cityofpoughkeepsie.com](mailto:MLong@cityofpoughkeepsie.com)> wrote:

Scott & John...

Question about the PEG for schools...

The Verizon agreement would provide \$\$ for capital costs. Does this include the equipment need for the schools system and County government as well? In my old community, they provided the information directly and the city was not involved. How does it work here?

I have asked for the inventory that you completed for the other units... I have made some phone calls to the school district and they do not have any specific equipment to speak of...

Mike Long

# Tab 4

---

**From:** Stormo, Gabrielle S. [mailto:gstormo@mcguirewoods.com]  
**Sent:** Thursday, November 06, 2008 5:00 PM  
**To:** bmorgan@cityofpoughkeepsie.com; mlong@cityofpoughkeepsie.com  
**Cc:** jtkazyik@cityofpoughkeepsie.com; sparr@telecominsightgroup.com  
**Subject:** Verizon/City of Poughkeepsie -- Franchise Agreement

Mike/Brian:

Attached, please find the Franchise Agreement by and between the City of Poughkeepsie, NY and Verizon New York Inc. Please let me know if you have any questions.

Thank you,  
Gabrielle

Gabrielle S. Stormo, Esq.  
McGuireWoods LLP  
77 W. Wacker Drive, Suite 4100  
Chicago, IL 60601  
t. 312.750.5737  
f. 312.698.4563  
c.773.858.9916

**Cable Franchise Agreement**  
**by and between**  
**the City of Poughkeepsie**  
**and**  
**Verizon New York Inc.**



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**EXHIBITS**

Exhibit A: Municipal Buildings to be Provided Free Cable Service

Exhibit B: Service Area

Exhibit C: PEG Channels

Exhibit D: PEG Access Origination Point

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

WHEREAS, the LFA wishes to grant Franchisee a nonexclusive franchise to construct, install, maintain, extend and operate a cable system in the Franchise Area as designated in this Franchise;

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

WHEREAS, Franchisee is in the process of completing the upgrading of its existing telecommunications and information services network through the installation of a Fiber to the Premise Telecommunications Network (“FTTP Network”) in the Franchise Area which transmits the Non-Cable Services pursuant to authority granted by Section 27 of the New York Transportation Corporations Law, as amended, and Title II of the Communications Act, which Non-Cable Services are not subject to the Cable Law or Title VI of the Communications Act;

WHEREAS, the FTTP Network occupies the Public Rights-of-Way within the LFA, and Franchisee desires to use portions of the FTTP Network to provide Cable Services (as hereinafter defined) in the Franchise Area;

WHEREAS, the LFA has identified the future cable-related needs and interests of the LFA and its community, has considered and approved the financial, technical and legal qualifications of Franchisee, and has determined that Franchisee’s plans for its Cable System are adequate and feasible in a full public proceeding affording due process to all parties;

WHEREAS, the LFA has found Franchisee to be financially, technically and legally qualified to operate the Cable System;

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

WHEREAS, the LFA and Franchisee have reached agreement on the terms and conditions set forth herein and the parties have agreed to be bound by those terms and conditions.

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

THE SIGNATORIES DO HEREBY AGREE AS FOLLOWS:

1. **DEFINITIONS**

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

1.1. *Access Channel*: A video Channel, which Franchisee shall make available to the LFA without charge for Public, Educational, or Governmental noncommercial use for the transmission of video programming as directed by the LFA.

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

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

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

1.5. *Cable Service* or *Cable Services*: Shall be defined herein as it is defined under Section 602 of the Communications Act, 47 U.S.C. § 522(6), as amended.

1.6. *Cable System* or *System*: Shall be defined herein as it is defined under Section 602 of the Communications Act, 47 U.S.C. § 522(7), as amended.

1.7. *Channel*: Shall be defined herein as it is defined under Section 602 of the Communications Act, 47 U.S.C. § 522(4), as amended.

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

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

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

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

1.12. *Force Majeure*: An event or events reasonably beyond the ability of Franchisee to anticipate and control that directly or indirectly results in Franchisee's non-compliance with, or delay in the performance of, any obligation hereunder. This includes, but is

not limited to, severe or unusual weather conditions, strikes, labor disturbances and disputes, war or act of war (whether an actual declaration of war is made or not), insurrection, riots, act of public enemy, incidences of terrorism, acts of vandalism, actions or inactions of any government instrumentality or public utility including condemnation, accidents for which the Franchisee is not primarily responsible, fire, flood, or other acts of God, or work delays resulting from unaffiliated utility providers' failure to service, monitor, or maintain utility poles to which Franchisee's FTTP Network is attached, and unavailability of materials and/or qualified labor to perform the work necessary.

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

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

1.15. *Government Access Channel*: An Access Channel available for the sole noncommercial use of the LFA.

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

1.16.1. Gross Revenue includes, without limitation: all Subscriber and customer revenues earned or accrued net of bad debts including revenue for:

(i) Basic Service;

(ii) all fees charged to any Subscribers for any and all Cable Service provided by Franchisee over the Cable System in the Service Area, including without limitation Cable Service related program guides, the installation, disconnection or reconnection of Cable Service; revenues from late or delinquent charge fees; Cable Service related or repair calls; the provision of converters, remote controls, additional outlets and/or other Cable Service related Subscriber premises equipment, whether by lease or fee;

(iii) revenues from the sale or lease of access channel(s) or channel capacity;

(iv) video on demand and pay-per-view;

(v) compensation received by Franchisee that is derived from the operation of Franchisee's Cable System to provide Cable Service with respect to commissions that are paid to Franchisee as compensation for promotion or exhibition of any products or services on the Cable System, such as "home shopping" or a similar channel, subject to the exceptions below. Gross Revenue includes a pro rata portion of all revenue derived by Franchisee pursuant to compensation arrangements for advertising derived from the operation of Franchisee's Cable System to provide Cable Service within the Service Area, subject to the exceptions below. The allocation shall be based on the number of Subscribers in the Service Area divided by the total number of subscribers in relation to the relevant local, regional or national compensation

arrangement. Advertising commissions paid to third parties shall not be netted against advertising revenue included in Gross Revenue; and

(vi) Franchise Fees imposed on Franchisee by the LFA that are passed through from Franchisee as a line item paid by Subscribers.

1.16.2. Except as provided above, Gross Revenue shall not include:

(i) Revenues received by any Affiliate or other Person in exchange for supplying goods or services used by Franchisee to provide Cable Service over the Cable System;

(ii) bad debts written off by Franchisee in the normal course of its business (provided, however, that bad debt recoveries shall be included in Gross Revenue during the period collected);

(iii) refunds, rebates or discounts made to Subscribers or other third parties;

(iv) any revenues classified, in whole or in part, as Non-Cable Services revenue under federal or state law including, without limitation, revenue received from Telecommunications Services; revenue received from Information Services, including, without limitation, Internet Access service, electronic mail service, electronic bulletin board service, or similar online computer services; charges made to the public for commercial or cable television that is used for two-way communication that are not Cable Services; and any other revenues attributed by Franchisee to Non-Cable Services in accordance with federal law, rules, regulations, standards or orders;

(v) any revenue of Franchisee or any other Person which is received directly from the sale of merchandise through any Cable Service distributed over the Cable System, however, that portion of such revenue which represents or can be attributed to a Subscriber fee or a payment for the use of the Cable System for the sale of such merchandise shall be included in Gross Revenue;

(vi) the sale of Cable Services on the Cable System for resale in which the purchaser is required to collect cable Franchise Fees from purchaser's customer; the sale of Cable Services to customers, which are exempt, as required or allowed by the LFA including, without limitation, the provision of Cable Services to public institutions as required or permitted herein;

(vii) any tax of general applicability imposed upon Franchisee or upon Subscribers by a city, state, federal or any other governmental entity and required to be collected by Franchisee and remitted to the taxing entity (including, but not limited to, sales/use tax, gross receipts tax, excise tax, utility users tax, public service tax, communication taxes and non-cable franchise fees);

(viii) any foregone revenue which Franchisee chooses not to receive in exchange for its provision of free or reduced cost cable or other communications services to any Person, including without limitation, employees of Franchisee and public institutions or other institutions designated in the Franchise (provided, however, that such foregone revenue which Franchisee

chooses not to receive in exchange for trades, barter, services or other items of value shall be included in Gross Revenue);

(ix) sales of capital assets or sales of surplus equipment; program launch fees, i.e., reimbursement by programmers to Franchisee of marketing costs incurred by Franchisee for the introduction of new programming;

(x) directory or Internet advertising revenue including, but not limited to, yellow page, white page, banner advertisement and electronic publishing; or

(xi) any fees or charges collected from Subscribers or other third parties for any PEG Grant payments.

Should revenue from any service provided by Franchisee over the Cable System be classified as a Cable Service by a final determination or ruling of any agency or court having jurisdiction, after the exhaustion of all appeals related thereto, the LFA shall be entitled, after notification to Franchisee, to amend this Agreement in the manner prescribed under applicable state law or this Franchise to include revenue from Franchisee's provision of such service as Gross Revenue, and Franchisee shall include revenue from such service as Gross Revenue on a going forward basis commencing with the next available billing cycle following the date of issuance of an order from the NY PSC approving such amendment.

1.17. *Information Services*: Shall be defined herein as it is defined under Section 3 of the Communications Act, 47 U.S.C. §153(20), as amended.

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

1.19. *Local Franchise Authority (LFA)*: The City of Poughkeepsie New York, or the lawful successor, transferee, or assignee thereof.

1.20. *Non-Cable Services*: Any service that does not constitute the provision of Video Programming directly to multiple Subscribers in the Franchise Area including, but not limited to, Information Services and Telecommunications Services.

1.21. *Normal Business Hours*: Those hours during which most similar businesses in the community are open to serve customers. In all cases, "normal business hours" must include some evening hours at least one night per week and/or some weekend hours.

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

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

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

1.25. *Public Access Channel*: An Access Channel available for noncommercial use solely by the residents in the Franchise Area on a first-come, first-served, nondiscriminatory basis.

1.26. *Public Rights-of-Way*: The surface and the area across, in, over, along, upon and below the surface of the public streets, roads, bridges, sidewalks, lanes, courts, ways, alleys, and boulevards, including, public utility easements and public lands and waterways used as Public Rights-of-Way, as the same now or may thereafter exist, which are under the jurisdiction or control of the LFA. Public Rights-of-Way do not include the airwaves above a right-of-way with regard to cellular or other nonwire communications or broadcast services.

1.27. *Service Area*: All portions of the Franchise Area where Cable Service is being offered, as described in **Exhibit B** attached hereto.

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

1.29. *Telecommunication Services*: Shall be defined herein as it is defined under Section 3 of the Communications Act, 47 U.S.C. § 153(46), as amended.

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

1.31. *Transfer of the Franchise*:

1.31.1. Any transaction in which:

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

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

1.31.2. However, notwithstanding Sub-sections 1.33.1.1 and 1.33.1.2 above, a *Transfer of the Franchise* shall not include transfer of an ownership or other interest in Franchisee to the parent of Franchisee or to another Affiliate of Franchisee; transfer of an interest in the Franchise or the rights held by the Franchisee under the Franchise to the parent of Franchisee or to another Affiliate of Franchisee; any action which is the result of a merger of the parent of the Franchisee; or any action which is the result of a merger of another Affiliate of the Franchisee. The new Franchisee shall not use such change in ownership or other interest as a basis for challenging the validity of any past non-performance.

1.32. *Video Programming*: Shall be defined herein as it is defined under Section 602 of the Communications Act, 47 U.S.C. § 522(20), as amended.

## 2. GRANT OF AUTHORITY; LIMITS AND RESERVATIONS

2.1. *Grant of Authority:* Subject to the terms and conditions of this Agreement and the Cable Law, the LFA hereby grants the Franchisee the right to own, construct, operate and maintain a Cable System along the Public Rights-of-Way within the Franchise Area, in order to provide Cable Service. No privilege or power of eminent domain is bestowed by this grant; nor is such a privilege or power bestowed by this Agreement.

2.2. *The FTTP Network:* Upon delivery of Cable Service, by subjecting Franchisee's mixed-use facilities to the NY PSC's minimum franchise standards and the LFA's police power, the LFA has not been granted broad new authority over the construction, placement and operation of Franchisee's mixed-use facilities; provided, however, that nothing herein shall be construed to limit the LFA's existing authority with respect to the Franchisee's mixed use facilities pursuant to Title II of the Communications Act, Section 27 of the Transportation Corporations Law, and lawful and applicable local laws, including any lawful right to compel relocation of such facilities in the event of road-widenings and other similar adjustments to the Public-Rights-of-Way, consistent with the NY PSC rules and regulations and orders.

2.3. *Effective Date and Term:* This Franchise shall become effective on the date that the NY PSC issues a certificate of confirmation for this Franchise (the "Effective Date"), following its approval by the LFA's governing authority authorized to grant franchises and its acceptance by the Franchisee. The term of this Franchise shall be ten (10) years from the Effective Date unless the Franchise is earlier revoked as provided herein. The Franchisee shall memorialize the Effective Date by notifying the LFA in writing of the same, which notification shall become a part of this Franchise.

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

2.5. *Franchise Subject to Federal and State Law:* Notwithstanding any provision to the contrary herein, this Franchise is subject to and shall be governed by all applicable provisions of federal and state law as it may be amended, including but not limited to the Communications Act.

2.6. *No Waiver:*

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



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

2.7. *Construction of Agreement:*

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

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

2.8. *Local Authority:* All rights and privileges granted herein are subject to the police powers of LFA and its rights under applicable laws and regulations to exercise its governmental powers to their full extent; provided, however, that such laws and regulations are reasonable, not materially in conflict with the privileges granted in this Franchise, and consistent with all federal and state laws, rules, regulations, and orders.

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

2.10. *Restoration of Municipal Property:* Any municipal property damaged or destroyed shall be promptly repaired or replaced by the Franchisee and restored to its pre-existing condition.

3. **PROVISION OF CABLE SERVICE**

3.1. *Service Area:*

3.1.1. *Service Area:* Subject to the issuance of all necessary permits by the LFA, Franchisee shall offer Cable Service to significant numbers of residential Subscribers in the Service Area and may make Cable Service available to businesses in the Service Area, within twelve (12) months and shall offer Cable Service to all residential Subscribers in the Service Area within five (5) years, of the Effective Date of this Franchise, or, in both instances, such longer period as may be permitted by the Cable Law, except, in accordance with NY PSC rules and regulations: (A) for periods of Force Majeure; (B) for periods of delay caused by the LFA; (C) for periods of delay resulting from Franchisee's inability to obtain authority to access rights-of-way in the Service Area; (D) in areas where developments or buildings are subject to claimed exclusive arrangements with other providers; (E) in areas, developments or buildings where Franchisee cannot gain access after good faith efforts, (F) in areas, developments or buildings where the provision of Cable Service is economically infeasible because such provision requires nonstandard facilities which are not available on a commercially reasonable basis, and (G) in

areas where the occupied residential household density does not meet the density and other requirements set forth in Sub-Subsection 3.1.1.1. and Section 3.2.

3.1.1.1. *Density Requirement:* Franchisee shall make Cable Services available to residential dwelling units in all areas of the Service Area where the average density is equal to or greater than twenty-five (25) occupied residential dwelling units per mile as measured in strand footage from the nearest technically feasible point on the active FTTP Network trunk or feeder line. Should, through new construction, an area within the Service Area meet the density requirements after the time stated for providing Cable Service as set forth in Subsection 3.1.1, Franchisee shall provide Cable Service to such area within twelve (12) months of receiving notice from the LFA that the density requirements have been met.

3.2. *Availability of Cable Service:* Franchisee shall make Cable Service available to all residential dwelling units and may make Cable Service available to businesses within the Service Area in conformance with Section 3.1, and Franchisee shall not discriminate between or among any individuals in the availability of Cable Service or based upon the income in a local area. In the areas in which Franchisee shall provide Cable Service, Franchisee shall be required to connect, at Franchisee's expense, other than a standard installation charge, all residential dwelling units that are within one hundred fifty (150) feet of trunk or feeder lines not otherwise already served by Franchisee's FTTP Network. Franchisee shall be allowed to recover, from a Subscriber that requests such connection, the actual costs incurred for residential dwelling unit connections that exceed one hundred fifty (150) feet or are in an area with a density of less than twenty-five (25) occupied residential dwelling units per mile and the actual costs incurred to connect any non-residential dwelling unit Subscriber, provided, however, that Franchisee may seek a waiver of any requirement that it extend service to any party requesting the same in an area with a density of less than twenty-five (25) occupied residential dwelling units per mile if such would not be possible within the limitations of economic feasibility.

3.3. *Cable Service to Public Buildings:* Subject to Section 3.1, Franchisee shall provide, without charge within the Service Area, one service outlet activated for Basic Service to each public school and public library, and such other buildings used for municipal purposes as may be designated by the LFA as provided in **Exhibit A** attached hereto; provided, however, that if it is necessary to extend Franchisee's trunk or feeder lines more than one hundred fifty (150) feet solely to provide service to any such school or public building, the LFA shall have the option either of paying Franchisee's direct costs for such extension in excess of one hundred fifty (150) feet, or of releasing Franchisee from the obligation to provide service to such school or public building. Furthermore, Franchisee shall be permitted to recover, from any school or public building owner entitled to free service, the direct cost of installing, when requested to do so, more than one outlet, or concealed inside wiring, or a service outlet requiring more than one hundred fifty (150) feet of drop cable; provided, however, that Franchisee shall not charge for the provision of Basic Service to the additional service outlets once installed. Cable Service may not be resold or otherwise used in contravention of Franchisee's rights with third parties respecting programming. Equipment provided by Franchisee, if any, shall be replaced at retail rates if lost, stolen or damaged.

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

4. **SYSTEM FACILITIES**

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

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

4.2.1. The System shall be designed and operated with an initial analog and digital carrier passband between 50 and 860 MHz and shall provide for a minimum channel capacity of not less than 77 channels on the Effective Date.

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

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

4.4. *Emergency Alert System:* Franchisee shall comply with the Emergency Alert System ("EAS") requirements of the FCC and the State of New York, including the NY PSC's rules and regulations and the current New York EAS Plan, in order that emergency messages may be distributed over the System.

4.5 *Parental Control:* Upon request by any Subscriber, and where technologically feasible, the Franchisee shall provide such requesting Subscriber with a parental control device. Such device will, at a minimum, offer as an option that a Person ordering programming must provide a personal identification number or other means provided by the Franchisee only to a Subscriber. Provided, however, that the Franchisee shall bear no responsibility for the exercise of parental controls and shall incur no liability for any Subscriber's or viewer's exercise or failure to exercise such controls.

5. **PEG SERVICES**

5.1. *PEG Set Aside:*

5.1.1. In order to ensure universal availability of public, educational and government programming, Franchisee shall provide capacity on its Basic Service tier for up to one (1) dedicated Public Access Channel, up to one (1) dedicated Educational Access Channel, and up to one (1) dedicated Government Access Channel (collectively, "PEG Channels").

5.1.2. The programming to be carried on each of the PEG Channels set aside by Franchisee is reflected in **Exhibit C** attached hereto. The LFA hereby authorizes Franchisee to transmit such programming within and without LFA jurisdictional boundaries. Franchisee specifically reserves the right to make or change channel assignments in its sole

discretion. If a PEG Channel provided under this Article is not being utilized by the LFA, Franchisee may utilize such PEG Channel, in its sole discretion, until such time as the LFA elects to utilize the PEG Channel for its intended purpose. In the event that the LFA determines to use PEG capacity, the LFA shall provide Franchisee with prior written notice of such request in accordance with NY PSC rules and regulations.

5.1.3. Franchisee shall provide the technical ability to play back pre-recorded programming provided to Franchisee consistent with this Section. Franchisee shall transmit programming consistent with the dedicated uses of PEG Access Channels. Franchisee shall comply at all times with the requirements of Section 895.4 of the NY PSC rules and regulations.

5.2. *EG Access Connections:*

5.2.1. LFA may designate in its sole discretion not more than two (2) sites within the Franchise Area for the interconnection of Educational and Governmental (“EG”) access facilities with the Cable System (the “EG Access Interconnection Sites”) as set forth in **Exhibit D** to this Agreement. The EG Access Interconnection Sites shall be fully accessible by Franchisee without any further legal obligation.

5.2.2. Subject to the successful completion of all required site preparation work by the LFA and provision of access to Franchisee for equipment installation and provisioning, Franchisee shall, without charge to the LFA, provide upstream EG Access Channel transmission connections between Franchisee’s video channel aggregation point and the EG Access Interconnection Sites in order to permit the signals to be correctly routed from the EG Access Interconnection Sites for distribution to Subscribers. The LFA shall pay the cost of any facilities required in order to deliver the EG signals from the programming origination points to the EG Access Interconnection Site.

5.2.3 During the term of this Agreement, the parties may designate one (1) Education Access Channel EG Interconnection Site that the Franchisee shall, at its own expense, connect to its Cable System in the manner set forth in this subsection 5.2 and Exhibit D of the Agreement, subject to the following:

(a) upon site selection by the LFA, the LFA shall request in writing to Franchisee the connection of such site to the Franchisee’s Cable System;

(b) such written request must contain a confirmation from the LFA that the NY PSC has issued an order confirming a renewal franchise agreement between the LFA and the existing cable service provider that contains an obligation upon the existing cable service provider to provide one (1) dedicated Education Access Channel and an irrevocable commitment to connect such provider’s cable system to the Education Access Channel EG Interconnection Site;

(c) such written request must confirm that the Education Access Channel EG Interconnection Site is fully functional for transmitting programming and that the LFA has successfully completed all required site preparation work and the LFA shall provide access to Franchisee for equipment, installation and provisioning; and

(d) the Education Access Channel EG Interconnection Site specified in the request must be located at a site reasonably acceptable to Franchisee within the boundaries of the LFA and within 150 feet of Franchisee's feeder or trunk lines upgraded for the FTTP Network.

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

5.3. *PEG Grant:* Franchisee shall provide financial contributions to the LFA to be used in support of the production of local PEG programming (the "PEG Grant"). Such grant shall be used solely by the LFA for PEG access equipment, including, but not limited to, studio and portable production equipment, editing equipment and program playback equipment, or for renovation or construction of PEG access facilities.

5.3.1. Except as set forth below in this sub-section 5.3.1 (ii), the Franchisee shall pay a PEG Grant in the amount of FORTY THOUSAND DOLLARS (\$40,000) payable in two (2) installments as follows:

(i) The first (1st) installment of TWENTY THOUSAND DOLLARS (\$20,000), shall be payable within sixty (60) days after the Effective Date.

(ii) The second (2nd) installment of TWENTY THOUSAND DOLLARS (\$20,000), shall be payable within sixty (60) days after the first (1st) anniversary of the Effective Date subject to Franchisee's receipt of written notice from the LFA that the NY PSC has issued an order confirming a renewal franchise agreement between the LFA and the existing cable service provider covering the Franchise Area that contains, at a minimum, the same total financial obligation of Forty Thousand Dollars (\$40,000) as set forth in Section 5.3.1. above.

5.3.2. The LFA agrees that it shall impose, at a minimum, the same total financial PEG obligation of Forty Thousand Dollars (\$40,000) in the franchise agreements of any new providers of cable service in the Franchise Area.

5.4. *Indemnity for PEG:* The LFA shall require all local producers and users of any of the PEG facilities or Channels to agree in writing to authorize Franchisee to transmit programming consistent with this Agreement and to defend and hold harmless Franchisee and the LFA from and against any and all liability or other injury, including the reasonable cost of defending claims or litigation, arising from or in connection with claims for failure to comply with applicable federal laws, rules, regulations or other requirements of local, state or federal authorities; for claims of libel, slander, invasion of privacy, or the infringement of common law

or statutory copyright; for unauthorized use of any trademark, trade name or service mark; for breach of contractual or other obligations owing to third parties by the producer or user; and for any other injury or damage in law or equity, which result from the use of a PEG facility or Channel. The LFA shall establish rules and regulations for use of PEG facilities, consistent with, and as required by, 47 U.S.C. §531.

5.5. *Recovery of Costs:* To the extent permitted by federal law, the Franchisee shall be allowed to recover the costs of any PEG Grant or any other costs arising from the provision of PEG services from Subscribers and to include such costs as a separately billed line item on each Subscriber's bill. Without limiting the forgoing, if allowed under state and federal laws, Franchisee may externalize, line-item, or otherwise pass-through interconnection and any franchise-related costs to Subscribers.

## 6. **FRANCHISE FEES**

6.1. *Payment to LFA:* Franchisee shall pay to the LFA a Franchise Fee of five percent (5%) of annual Gross Revenue (the "Franchise Fee"). In accordance with Title VI, the twelve (12) month period applicable under the Franchise for the computation of the Franchise Fee shall be a calendar year. Such payments shall be made no later than forty-five (45) days following the end of each calendar quarter. Franchisee shall be allowed to submit or correct any payments that were incorrectly omitted, and shall be refunded any payments that were incorrectly submitted, in connection with the quarterly Franchise Fee remittances within ninety (90) days following the close of the calendar year for which such payments were applicable.

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

6.3. *Limitation on Franchise Fee Actions:* The parties agree that the period of limitation for recovery of any Franchise Fee payable hereunder shall be six (6) years from the date on which payment by Franchisee is due, but cannot exceed the date of records retention reflected in Section 7.

6.4. *Bundled Services:* If Cable Services subject to the Franchise Fee required under this Article 6 are provided to Subscribers in conjunction with Non-Cable Services, the Franchise Fee shall be applied only to the value of the Cable Services, as reflected on the books and records of Franchisee in accordance with FCC or state public utility regulatory commission rules, regulations, standards or orders. The parties agree that tariffed telecommunication service rates that cannot be discounted by law or by regulation are to be excluded from the bundled discount allocation basis. Where pro rata allocation of bundled discounts is commercially practical for any bundled offering, the Franchisee will allocate the bundled discount such that the discount allocated to Cable Service revenues will not exceed the amount which would be allocated to Cable Service revenue on a pro rata basis.

6.5. *Section 626 Set-Off:* Franchisee reserves the right to apply the Franchise Fee as a deduction against the special franchise tax payable to the LFA pursuant to N.Y. Real Property Tax Law Section 626, in an amount not to exceed the highest deduction available to any

other cable franchisee in the LFA (based upon the other cable franchisees' yearly tax invoice payable to the LFA) until such time that the LFA obtains a written complete waiver of the full amount of the special franchise tax deduction from such existing and any new providers of Cable Service or cable service (as such term may be defined by other providers) in the Franchise Area. Upon securing such written waiver from all existing and new providers in the Franchise Area, Franchisee agrees to no longer apply the Franchise Fee as a deduction against the special franchise tax payable to the LFA, pursuant to N.Y. Real Property Tax Law Section 626, beginning in the next full calendar month after such waiver becomes legally binding on the LFA's existing cable franchisees. The operation of this Section 6.5. shall be strictly limited to Franchise Fees lawfully imposed upon Cable Service, and shall not be construed to affect the Franchisee's rights under any provision of State or Federal law regarding the provision of services other than Cable Service.

## 7. **REPORTS AND RECORDS**

7.1. *Open Books and Records:* Upon reasonable written notice to the Franchisee and with no less than thirty (30) business days written notice to the Franchisee, the LFA shall have the right to inspect Franchisee's books and records pertaining to Franchisee's provision of Cable Service in the Franchise Area at any time during Normal Business Hours and on a nondisruptive basis, as are reasonably necessary to ensure compliance with the terms of this Franchise. Such notice shall specifically reference the section or subsection of the Franchise which is under review, so that Franchisee may organize the necessary books and records for appropriate access by the LFA. Franchisee shall not be required to maintain any books and records for Franchise compliance purposes longer than six (6) years. Notwithstanding anything to the contrary set forth herein, Franchisee shall not be required to disclose information that is proprietary or confidential in nature, nor disclose any of its or an Affiliate's books and records not relating to the provision of Cable Service in the Service Area. Subject to the requirements of the New York Freedom of Information Law ("FOIL"), the LFA shall treat any information disclosed by Franchisee as proprietary and confidential under Section 87(2) (d) of the New York Public Officers Law and shall only disclose it to employees, representatives, and agents thereof who have a need to know, or in order to enforce the provisions hereof. For purposes of this Section, "proprietary or confidential" information includes, but is not limited to: information related to the Cable System design; trade secrets; Subscriber lists; marketing plans; financial information; or other information that is reasonably determined by the Franchisee to be competitively sensitive. If the LFA receives a request under FOIL or similar law for the disclosure of information that Franchisee has designated as confidential, trade secret or proprietary, the LFA shall notify Franchisee of such request. If LFA determines in good faith that public disclosure of the requested information is required under FOIL, LFA shall so notify Franchisee and before making disclosure shall give Franchisee a reasonable period of time to seek to obtain judicial redress to preclude disclosure. Franchisee shall not be required to provide Subscriber information in violation of Section 631 of the Communications Act, 47 U.S.C. §551.

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

7.2.1. Records of all written complaints for a period of six (6) years after receipt by Franchisee. The term "complaint" as used herein refers to complaints about any aspect of the Cable System or Franchisee's cable operations, including, without limitation, complaints

about employee courtesy. Complaints recorded will not be limited to complaints requiring an employee service call;

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

7.2.3. Records of service calls for repair and maintenance for a period of six (6) years after resolution by Franchisee, indicating the date and time service was required, the date of acknowledgment and date and time service was scheduled (if it was scheduled), and the date and time service was provided, and (if different) the date and time the problem was resolved;

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

7.2.5. A map showing the area of coverage for the provisioning of Cable Services and estimated timetable to commence providing Cable Service.

7.3. *System-Wide Statistics*: Subject to the requirements of Section 895(1)(t) of the NY PSC Rules and Regulations, any valid reporting requirement in the Franchise may be satisfied with system-wide statistics, except those related to Franchise Fees and consumer complaints.

## 8. **INSURANCE AND INDEMNIFICATION**

### 8.1. *Insurance*:

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

8.1.1.1. Commercial General Liability Insurance in the amount of one million dollars (\$1,000,000) combined single limit for property damage and bodily injury. Such insurance shall cover the construction, operation and maintenance of the Cable System, and the conduct of Franchisee's Cable Service business in the LFA.

8.1.1.2. Automobile Liability Insurance in the amount of one million dollars (\$1,000,000) combined single limit for bodily injury and property damage coverage.

8.1.1.3. Workers' Compensation Insurance meeting all legal requirements of the State of New York.

8.1.1.4. Employers' Liability Insurance in the following amounts: (A) Bodily Injury by Accident: \$100,000; and (B) Bodily Injury by Disease: \$100,000 employee limit; \$500,000 policy limit.

8.1.1.5. Excess liability or umbrella coverage of not less than ten million dollars (\$10,000,000).



8.1.2. The LFA shall be designated as an additional insured under each of the insurance policies required in this Article 8 except Worker's Compensation Insurance, Employer's Liability Insurance, and excess liability or umbrella coverage.

8.1.3. Each of the required insurance policies shall be noncancellable except upon thirty (30) days prior written notice to the LFA. Franchisee shall not cancel any required insurance policy without submitting documentation to the LFA verifying that the Franchisee has obtained alternative insurance in conformance with this Agreement.

8.1.4. Each of the required insurance policies shall be with sureties qualified to do business in the State of New York, with an A- or better rating for financial condition and financial performance by Best's Key Rating Guide, Property/Casualty Edition.

8.1.5. Upon written request, Franchisee shall deliver to the LFA Certificates of Insurance showing evidence of the required coverage.

## 8.2. *Indemnification:*

8.2.1. Franchisee agrees to indemnify the LFA for, and hold it harmless from, all liability, damage, cost or expense arising from claims of injury to persons or damage to property occasioned by reason of any conduct undertaken pursuant to the Franchise, provided that the LFA shall give Franchisee written notice of the LFA's request for indemnification within ten (10) days of receipt of a claim or action pursuant to this Subsection. Notwithstanding the foregoing, Franchisee shall not indemnify the LFA for any damages, liability or claims resulting from the willful misconduct or negligence of the LFA, its officers, agents, employees, attorneys, consultants, independent contractors or third parties or for any activity or function conducted by any Person other than Franchisee in connection with PEG Access or EAS.

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

8.2.3. The LFA shall be responsible for its own acts of willful misconduct, negligence, or breach, subject to any and all defenses and limitations of liability provided by law. The Franchisee shall not be required to indemnify the LFA for acts of the LFA which constitute willful misconduct or negligence on the part of the LFA, its officers, employees, agents, attorneys, consultants, independent contractors or third parties.

9. **TRANSFER OF FRANCHISE**

9.1. *Transfer:* Subject to Section 617 of the Communications Act, 47 U.S.C. § 537, as amended, no Transfer of the Franchise shall occur without the prior consent of the LFA, provided that such consent shall not be unreasonably withheld, delayed or conditioned. In considering an application for the Transfer of the Franchise, the LFA may consider the applicant's: (i) technical ability; (ii) financial ability; (iii) good character; and (iv) other qualifications necessary to continue to operate the Cable System consistent with the terms of the Franchise. No such consent shall be required, however, for a transfer in trust, by mortgage, by other hypothecation, by assignment of any rights, title, or interest of the Franchisee in the Franchise or Cable System in order to secure indebtedness, or for transactions otherwise excluded under Section 1.33 above.

10. **RENEWAL OF FRANCHISE**

10.1. *Governing Law:* The LFA and Franchisee agree that any proceedings undertaken by the LFA that relate to the renewal of this Franchise shall be governed by and comply with the provisions of Section 12.11 below, the Cable Law and Section 626 of the Communications Act, 47 U.S.C. § 546, as amended.

10.2. *Needs Assessment:* In addition to the procedures set forth in Section 626 of the Communications Act, the LFA shall notify Franchisee of all of its assessments regarding the identity of future cable-related community needs and interests, as well as the past performance of Franchisee under the then current Franchise term. Such assessments shall be provided to Franchisee by the LFA promptly so that Franchisee will have adequate time to submit a proposal under 47 U.S.C. § 546 and complete renewal of the Franchise prior to expiration of its term.

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

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

11. **ENFORCEMENT AND TERMINATION OF FRANCHISE**

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

11.2. *Franchisee's Right to Cure or Respond:* Franchisee shall have sixty (60) days from receipt of the Noncompliance Notice to: (i) respond to the LFA, if Franchisee contests

(in whole or in part) the assertion of noncompliance; (ii) cure such noncompliance; or (iii) in the event that, by its nature, such noncompliance cannot be cured within such sixty (60) day period, initiate reasonable steps to remedy such noncompliance and notify the LFA of the steps being taken and the date by which Franchisee projects that it will complete cure of such noncompliance. Upon cure of any noncompliance, the LFA shall provide written confirmation that such cure has been effected.

11.3. *Public Hearing:* The LFA shall schedule a public hearing if the LFA seeks to continue its investigation into the alleged noncompliance (i) if Franchisee fails to respond to the Noncompliance Notice pursuant to the procedures required by this Article, or (ii) if Franchisee has not remedied the alleged noncompliance within sixty (60) days or the date projected pursuant to Section 11.2(iii) above. The LFA shall provide Franchisee at least sixty (60) business days prior written notice of such public hearing, which will specify the time, place and purpose of such public hearing, and provide Franchisee the opportunity to be heard.

11.4. *Enforcement:* Subject to Section 12.11 below and applicable federal and state law, in the event the LFA, after the public hearing set forth in Section 11.4, determines that Franchisee is in default of any provision of this Franchise, the LFA may:

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

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

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

11.5. *Revocation:* Should the LFA seek to revoke this Franchise after following the procedures set forth above in this Article, including the public hearing described in Section 11.4, the LFA shall give written notice to Franchisee of such intent. The notice shall set forth the specific nature of the noncompliance. The Franchisee shall have ninety (90) days from receipt of such notice to object in writing and to state its reasons for such objection. In the event the LFA has not received a satisfactory response from Franchisee, it may then seek termination of the Franchise at a second public hearing (the “Revocation Hearing”). The LFA shall cause to be served upon the Franchisee, at least thirty (30) business days prior to the Revocation Hearing, a written notice specifying the time and place of such hearing and stating its intent to revoke the Franchise.

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

11.5.2. Following the Revocation Hearing, Franchisee shall be provided up to thirty (30) days to submit its proposed findings and conclusions to the LFA in writing and

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

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

11.6. *Abandonment of Service:* Franchisee shall not abandon any Cable Service or portion thereof without the LFA's prior written consent as provided in the Cable Law.

## 12. **MISCELLANEOUS PROVISIONS**

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

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

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

12.4. *Force Majeure:* Franchisee shall not be held in default under, or in noncompliance with, the provisions of the Franchise, nor suffer any enforcement or penalty relating to noncompliance or default, where such noncompliance or alleged defaults occurred or were caused by a Force Majeure.

12.4.1. Furthermore, the parties hereby agree that it is not the LFA's intention to subject Franchisee to penalties, fines, forfeitures or revocation of the Franchise for violations of the Franchise where the violation was a good faith error that resulted in no or

minimal negative impact on Subscribers, or where strict performance would result in practical difficulties and hardship being placed upon Franchisee that outweigh the benefit to be derived by the LFA and/or Subscribers.

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

12.5.1. Notices to Franchisee shall be mailed to:

Verizon New York Inc.  
Jack White, Senior Vice President and General Counsel  
Verizon Telecom  
One Verizon Way  
Room VC43E010  
Basking Ridge, NJ 07920-1097

12.5.2. Notices to the LFA shall be mailed to:

Mayor of Poughkeepsie  
62 Civic Center Plaza, P.O. Box 300  
Poughkeepsie, NY 12602

12.5.3. with a copy to:

Brian Morgan, Esq.  
City of Poughkeepsie Corporation Counsel  
62 Civic Center Plaza, P.O. Box 300  
Poughkeepsie, NY 12602

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

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

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

12.9. *Severability:* If any section, subsection, sub-subsection, sentence, paragraph, term, or provision hereof is determined to be illegal, invalid, or unconstitutional by any court of competent jurisdiction or by any state or federal regulatory authority having

jurisdiction thereof, such determination shall have no effect on the validity of any other section, subsection, sentence, paragraph, term or provision hereof, all of which will remain in full force and effect for the term of the Franchise.

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

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

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

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

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

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

12.16. *Performance Review*: The LFA may, at its discretion but not more than once per twelve-month period, hold a performance evaluation session (the "Performance Review") to review Franchisee's compliance with the terms and conditions of this Franchise. The LFA shall provide Franchisee with at least thirty (30) days prior written notice of the Performance Review to be held at a mutually agreeable time. Franchisee shall have the opportunity to participate in and be heard at the Performance Review. Franchisee shall not be required to disclose any confidential or proprietary information at any Performance Review held in a public forum. To the extent Franchisee identifies any information addressed at a Performance Review as confidential or proprietary, Franchisee shall cooperate with the LFA to arrange a meeting with designated LFA representatives in an informal non-public forum to review any such confidential or proprietary information to the extent necessary to effectuate the objectives of this Section 12.16; provided, however, that the information disclosed to the LFA by

the Franchisee at any such informal non-public meeting shall be treated by the LFA as confidential. Within thirty (30) days after the conclusion of the Performance Review, the LFA shall provide Franchisee written documentation (“Performance Review Report”) setting forth its determinations regarding Franchisee’s compliance with the terms and conditions of this Franchise. The Performance Review Report shall not contain any confidential information disclosed by the Franchisee in connection with the Performance Review.

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

12.18. *LFA Official:* The Mayor of the LFA is the LFA official that is responsible for the continuing administration of this Agreement.

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

AGREED TO THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2008.

The City of Poughkeepsie:

By: \_\_\_\_\_  
John C. Tkazyik, Mayor

Verizon New York Inc.

By: \_\_\_\_\_  
Tracey A. Edwards, Vice President

**EXHIBITS**

Exhibit A: Municipal Buildings to be Provided Free Cable Service

Exhibit B: Service Area

Exhibit C: PEG Channels

Exhibit D: PEG Access Origination Point

## **EXHIBIT A**

### **MUNICIPAL BUILDINGS TO BE PROVIDED FREE CABLE SERVICE**

1. Administration Building – 11 College Avenue, Poughkeepsie, NY 12603
2. Poughkeepsie High School – 70 Forbus Street, Poughkeepsie, NY 12603
3. Poughkeepsie Middle School – 55 College Avenue, Poughkeepsie, NY 12603
4. Clinton Elementary School – 100 Montgomery Street, Poughkeepsie, NY 12601
5. Columbus Elementary School – 12 South Perry Street, Poughkeepsie, NY 12601
6. Kreiger Elementary School – 265 Hooker Avenue, Poughkeepsie, NY 12603
7. Morse young Child Magnet School – 101 Mansion Street, Poughkeepsie, NY 12601
8. Smith Humanities – 372 Church Street, Poughkeepsie, NY 12601
9. Waring Magnet Academy – 283 Mansion Street, Poughkeepsie, NY 12601
10. Community Hebrew School of Dutchess County – 110 South Grand Avenue, Poughkeepsie, NY 12603
11. Municipal Building (City Hall) – 62 Civic Center Plaza, Poughkeepsie, NY 12601
12. Fire Department Headquarters – 18 North Clover Street, Poughkeepsie, NY 12601
13. Public Works – 26 Howard Street, Poughkeepsie, NY 12601
14. Public Safety Building – 505 Main Street, Poughkeepsie, NY 12601
15. Hooker Avenue Firehouse – 228 Hooker Avenue, Poughkeepsie, NY 12603
16. Poughkeepsie Joint Water Treatment Facility – 3431 North Road, Poughkeepsie, NY 12601
17. Water Pollution Control Plant – 173 Kittredge Place, Poughkeepsie, NY 12601
18. Bancroft Road Library (temporary facility) – 18 Bancroft Road, Poughkeepsie, NY 12601
19. Adriance Memorial Library – 93 Market Street, Poughkeepsie, NY 12601
20. Our Lady of Mount Carmel School – 15 Mount Carmel Place, Poughkeepsie, NY 12601
21. Ridley – Lowell Business & Technical Institute – 26 South Hamilton Street, Poughkeepsie, NY 12601
22. St. John’s Evangelical Luther School – 55 Wilbur Boulevard, Poughkeepsie, NY 12603
23. Seventh Day Adventist School – 71 Mitchell Avenue, Poughkeepsie, NY 12603
24. Tabernacle Christian Academy – 153 Academy Street, Poughkeepsie, NY 12601
25. Astor Early Childhood Programs – 50 Delafield Street, Poughkeepsie, NY 12601



## **EXHIBIT B**

### **CITY OF POUGHKEEPSIE SERVICE AREA**

The Franchise Area is the Service Area. A map of the Service Area is attached hereto.

The construction of the Franchisee's FTTP Network has been completed to approximately 55% of the current households in the Franchise Area. At present, Franchisee's anticipated schedule (with schedule dates measured from the month that the NY PSC issues the confirmation order approving this Franchise) calls for 70% deployment at 6 months, 75% deployment at 12 months, 77% deployment at 18 months, 79% deployment at 24 months, 81% deployment at 30 months, 83% deployment at 36 months, 85% deployment at 42 months, 90% deployment at 48 months, 95% deployment at 54 months, and 100% deployment at 60 months. This schedule is subject to further review and modification by the Franchisee consistent with Section 895.5(b)(1) of the NY PSC rules and regulations; provided, however, that Franchisee shall provide notice to the LFA and the NY PSC of any material changes to this schedule.

## **EXHIBIT C**

### **PEG CHANNELS**

The Franchisee will transmit PEG Programming as provided by the LFA and the public,  
as directed.

**EXHIBIT D**  
**EG ACCESS INTERCONNECTION SITES**

*Subject to the requirements set forth in Subsection 5.2 of the Agreement, the following one (1) Government Access Channel EG Access Interconnection Site shall be operable within one hundred eighty (180) days of the Effective Date:*

City Hall of Poughkeepsie  
62 Civic Center Plaza, Poughkeepsie, NY 12601

*Subject to the requirements set forth in Subsection 5.2. of the Agreement, the following one (1) Education Access Channel EG Access Interconnection Site to be designated by the parties shall be operable within one hundred eighty (180) days from the date on which all of the conditions set forth in subsection 5.2.3 of this Agreement are satisfied.*

At the above EG Access Interconnection Sites, the LFA will provide Franchisee, without restriction, suitable video and audio signal(s) for each EG Access Channel(s). The LFA is responsible for procuring all EG content and the equipment necessary to deliver such signals to the point of connection.