

PENDING PETITION MEMO

Date: 6/15/2007

TO : OT
OEE
OGC

FROM: CENTRAL OPERATIONS

UTILITY: VERIZON NEW YORK INC.

SUBJECT: 07-V-0718

Petition of Verizon New York Inc. for a Certificate of Confirmation
for its Franchise with the City of Mount Vernon, Westchester County

140 West Street
27th Floor
New York, NY 10007-2109
Tel (212) 321-8126
Fax (212) 962-1687
joseph.a.post@verizon.com

Joseph A. Post
Assistant General Counsel

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PUBLIC SERVICE
COMMISSION
EXEC-FILES-ALBANY

2007 JUN 15 PM 3: 57



June 15, 2007

BY HAND

Honorable Jaclyn A. Brilling
Secretary
New York Public Service Commission
Three Empire State Plaza
Albany, New York 12223

Re: Case 07-V-_____

Dear Secretary Brilling:

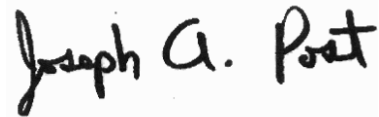
Enclosed please find an original and four (4) copies of the Petition of Verizon New York Inc. ("Verizon") for confirmation, pursuant to § 221 of the Public Service Law, of a cable franchise awarded to Verizon by the City of Mount Vernon, New York.

The cable service that Verizon proposes to offer in Mount Vernon is a key component of the suite of advanced services (known as "Verizon FiOSSM") that will be provided through the use of innovative Fiber-to-the-Premises ("FTTP") technology. Verizon FiOS will provide the residents of Mount Vernon with a robust array of high-quality video services, as well as a new competitive alternative to the video services currently offered by incumbent cable and satellite providers.

Honorable Jaclyn A. Brilling
June 15, 2007

Verizon's proposed offering of FiOS video service in Mount Vernon complies in all respects with the requirements of New York and federal law, and will provide valuable benefits to consumers in the franchise area. Accordingly, Verizon respectfully requests that the Commission review and approve this Petition on an expedited basis.

Respectfully submitted,

A handwritten signature in black ink that reads "Joseph A. Post". The signature is written in a cursive, slightly slanted style.

cc: City of Mount Vernon
Ms. Lisa Copeland
City Clerk/Registrar
City of Mount Vernon
1 Roosevelt Square
Mount Vernon, New York 10550

Time Warner Cable
Kathleen Scopp, Esq. (Courtesy Copy)

**STATE OF NEW YORK
PUBLIC SERVICE COMMISSION**

**In the Matter of the Petition of Verizon
New York Inc. Pursuant to Section 221
of the Public Service Law for
Confirmation of a Cable Television
Franchise Awarded by the City of
Mount Vernon, New York (Westchester
County)**

Case 07-V-_____

PETITION FOR CONFIRMATION

**JOSEPH A. POST
140 West Street — 27th Floor
New York, NY 10007-2109
(212) 321-8126**

Counsel for Verizon New York Inc.

June 15, 2007

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**STATE OF NEW YORK
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Mount Vernon, New York (Westchester
County)**

Case 07-V-_____

PETITION FOR CONFIRMATION

Verizon New York Inc. (“Verizon”) respectfully requests that the Commission confirm, pursuant to § 221 of the Public Service Law, a non-exclusive cable franchise (the “Franchise”) that has been awarded to Verizon by the City of Mount Vernon, a municipality located in Westchester County (the “Franchisor”).

The Franchise, and Verizon’s proposed offering of cable service in Mount Vernon pursuant to the Franchise, comply with all applicable requirements of federal and state law. Moreover, prompt approval of the Franchise would be in the public interest and would provide important benefits to the people of this State.

First, cable service is a key component of the suite of services (known as “Verizon FiOSSM”) that Verizon intends to offer over its Fiber-to-the-Premises (“FTTP”) platform. FTTP is an innovative new technology that uses fiber-optic cable and optical electronics to link homes and businesses directly to Verizon’s network. Aside from making advanced services — including a robust array of video services — available to Verizon’s customers, FTTP exemplifies the substantial investments that Verizon has been making in new network technologies. By approving and confirming the Franchise, the Commission will thus be demonstrating its own commitment to policies that encourage innovation and network investment.

Second, the offering of FiOS video services by Verizon will provide a competitive alternative to conventional cable and satellite services, thus promoting the emergence in the video market of the same sort of healthy competition that already exists in the telecommunications voice market — with the price and service discipline that is associated with such competition.

Accordingly, Verizon respectfully requests that the Commission review this Petition and confirm the Franchise on an expedited basis.

I. INFORMATION SUBMITTED IN SUPPORT OF THE PETITION

In support of this Petition, Verizon states as follows:¹

1. The applicant for confirmation and approval of the Franchise is Verizon.

Verizon's contact for purposes of this application is Thomas McCarroll, Vice President — Regulatory Affairs, 158 State Street, Albany, New York 12207, (518) 396-1001. The municipality that will be served pursuant to the Franchise is the Franchisor. Verizon anticipates that it will begin offering service to the public for hire pursuant to the Franchise as soon as is practicable after the Commission confirms the Franchise. (16 NYCRR § 897.2(a))

2. True copies of the Franchise and the resolution authorizing the Franchise are provided as Attachments A and B, respectively, to this Petition. A public hearing (the "Hearing") on Verizon's application for a franchise was held by the Franchisor on May 23, 2007, at City Hall, 1 Roosevelt Square, Mount Vernon, New York, starting at approximately 7:00 P.M. A vote on the Franchise was taken on June 13, 2007. A true copy of the affidavit of

¹ Each of the numbered paragraphs in this section of the Petition identifies the statute or regulation that requires Verizon to provide the information set forth in the paragraph.

publication of the notice of public hearing is provided as Attachment C to this petition. (16 NYCRR § 897.2(b))

3. True copies of the documents submitted by Verizon to the Franchisor as part of, or in support of, its application for the Franchise are included in Attachment D to this petition. (16 NYCRR § 897.2(c))

4. The facilities in New York State that will be used to provide cable television service pursuant to the Franchise are owned by Verizon. (16 NYCRR § 897.2(d))

5. The technical specifications and design of the cable system are described in Attachment E to this Petition.

The Commission's rules do not require, and Verizon's initial service plan for the Franchise does not include, origination cablecasting. Verizon meets all of the Commission's regulations regarding the provision of PEG access channels. With respect to access cablecasting, the Franchise provides that:

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.

(16 NYCRR § 897.2(e))

6. Verizon's proposed operation of the cable system at issue in this Petition would not be in violation of, or in any way inconsistent with, any applicable federal or State law or regulation. (16 NYCRR § 897.2(f))

7. A copy of this Petition is being served upon the Clerk for the Franchisor, and proof of such service is provided as Attachment F to this Petition. (Publ. Serv. L. § 221(1); 16 NYCRR § 897.2(g))

8. A notice of this Petition will be published on June 20, 2007 in The Journal News. The Journal News is a newspaper of general circulation in the City of Mount Vernon. Verizon has submitted the notice to that newspaper, has arranged for payment of the necessary charges, and has been assured that the notice will be published on the specified date. Proof of these facts is provided as Attachment G to this Petition. Verizon will file a supplemental affidavit confirming the actual publication of the notice following publication. (16 NYCRR § 897.2(g))

II. ISSUES RELATING TO THE STATE ENVIRONMENTAL QUALITY REVIEW ACT

A Department of Environmental Conservation “Full Environmental Assessment Form” (“EAF”) for Verizon’s offering of cable service in Mount Vernon, together with certain supplemental materials, is provided as Attachment H to this Petition. Verizon has completed Part 1 of the form, which calls for information to be provided by the “Project Sponsor”; Parts 2 and 3 are to be filled out by the Commission.

It is Verizon’s position that submission of an EAF is not required for the activities at issue in this Petition, and that even if such a submission were required, a short-form EAF would suffice.² Attachment H is submitted without prejudice to that position, at Staff’s request, and in recognition of the fact that the Commission has concluded in previous orders that the offering of cable service by Verizon is an “unlisted” action — rather than a Type II action or a non-action — under the State Environmental Quality Review Act (“SEQRA”). Even if the Commission concludes that submission of an EAF is required, it should determine on the basis of Attachment H that the actions at issue here will not have a significant effect on the environment

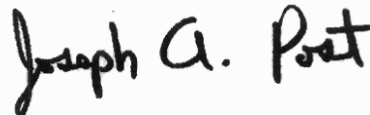
For an explanation of the basis of this position, see Section II of Verizon’s October 6, 2005 petition for confirmation of a franchise granted by the Village of Massapequa Park, New York (Case 05-V-1263).

— *i.e.*, the Commission should issue a “negative declaration” under SEQRA — as it has done in prior Verizon confirmation proceedings.

III. CONCLUSION

The Franchise, and Verizon’s proposed offering of FiOS video services in Mount Vernon pursuant to the Franchise, comply in all respects with applicable laws. Moreover, the proposed offering of a new alternative to the video services provided by incumbent cable and satellite providers, utilizing Verizon’s FTTP platform, is in the public interest. Accordingly, the Commission should promptly review this Petition and based on such review should confirm and approve the Franchise. Further, if the Commission concludes that review under SEQRA is required in connection with its confirmation and approval of the Franchise, it should determine that Verizon’s proposed offering of cable service pursuant to the Franchise will not have a significant adverse environmental impact, and it should accordingly include a negative declaration under SEQRA in its confirmation order.

Respectfully submitted,

A handwritten signature in black ink that reads "Joseph A. Post". The signature is written in a cursive, slightly stylized font.

JOSEPH A. POST
140 West Street — 27th Floor
New York, New York 10007-2109
(212) 321-8126

Counsel for Verizon New York Inc.

June 15, 2007

**In the Matter of the Petition of Verizon
New York Inc. Pursuant to Section 221
of the Public Service Law for
Confirmation of a Cable Television
Franchise Awarded by the City of
Mount Vernon, New York (Westchester
County)**

VERIFICATION

VERONICA C. GLENNON, being duly sworn, deposes and says:


VERONICA C. GLENNON

John J. Anderson
Notary Public

JoAnne Ardissonne
Notary Public, State of New Jersey
My Commission Expires
July 13, 2011

LIST OF ATTACHMENTS TO THE PETITION

- A. True copy of the Franchise
- B. True copy of the resolution authorizing the Franchise
- C. True copy of affidavit of publication of notice of public hearing
- D. True copies of documents submitted by Verizon to the Franchisor
- E. Technical specifications and design of the cable system
- F. Proof of service of the Petition upon the Franchisor
- G. Proof of publication of notice of the Petition
- H. Environmental Assessment Form, with supplemental materials

ATTACHMENT A

Cable Franchise Agreement

by and between

the City of Mount Vernon

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 Interconnection

THIS CABLE FRANCHISE AGREEMENT (the "Franchise" or "Agreement") is entered into by and between the City of Mount Vernon, 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 as specified by the LFA in Exhibit C to this Agreement.

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

1.12. *Force Majeure*: An event or events reasonably beyond the ability of Franchisee to anticipate and control. This includes, but is not limited to, severe or unusual weather conditions, strikes, 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 caused by waiting for utility providers to service or monitor utility poles to which Franchisee's FTTP Network is attached, and unavailability of materials and/or qualified labor to perform the work necessary.

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

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

1.15. *Government Access Channel*: 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) video on demand, including pay-per-view; (iv) revenues from the sale or lease of access channel(s) or channel capacity; and (v) compensation received by Franchisee that is derived from the operation of Franchisee's Cable System to provide Cable Service with respect to commissions that are paid to Franchisee as compensation for promotion or exhibition of any products or services on the Cable System, such as "home shopping" or a similar channel, subject to the exceptions below. Gross Revenue includes a pro rata portion of all revenue derived by Franchisee pursuant to compensation arrangements for advertising derived from the operation of Franchisee's Cable System to provide Cable Service within the 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.

1.16.2. Gross Revenue shall not include:

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

1.16.2.2. except as otherwise provided in Subsection 1.16.1, any revenues classified, in whole or in part, as Non-Cable Services revenue under federal or state law including, without limitation, revenue received from Telecommunications Services; revenue received from Information Services, including, without limitation, Internet Access service, electronic mail service, electronic bulletin board service, or similar online computer services; charges made to the public for commercial or cable television that is used for two-way communication; and any other revenues attributed by Franchisee to Non-Cable Services in accordance with federal law, rules, regulations, standards or orders. Should revenue from any service provided by Franchisee over the Cable System be classified as 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 Mount Vernon, 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-subsections 1.31.1.1 and 1.31.1.2 above, a *Transfer of the Franchise* shall not include transfer of an ownership or other interest in Franchisee to the parent of Franchisee or to another Affiliate of Franchisee; transfer of an interest in the Franchise or the rights held by the Franchisee under the Franchise to the parent of Franchisee or to another Affiliate of Franchisee; any action which is the result of a merger of the parent of the Franchisee; or any action which is the result of a merger of another Affiliate of the Franchisee.

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

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

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

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

2.3. *Effective Date and Term*: This Franchise shall become effective on the date that the NY PSC issues 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 and shall not interfere with existing facilities of the Cable System or Franchisee's FTTP Network.

2.5. *Franchise Subject to Federal Law:* Notwithstanding any provision to the contrary herein, this Franchise is subject to and shall be governed by all applicable provisions of federal 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.

2.7.3. Should any change to state law, rules or regulations have the lawful effect of materially altering the terms and conditions of this Franchise, then the parties shall modify this Franchise to the mutual satisfaction of both parties to ameliorate the negative effects on the Franchisee of the material alteration. Any modification to this Franchise shall be in writing and shall be subject to Section 222 of the New York Public Service Law and Title 16, Chapter VIII, Part 892, Subpart 892-1, Section 892-1.4 of the Official Compilation of Codes, Rules and Regulations of the State of New York requiring application to the NY PSC and

approval of any modification. If the parties cannot reach agreement on the above-referenced modification to the Franchise, then Franchisee may terminate this Agreement without further obligation to the LFA or, at Franchisee's option, the parties agree to submit the matter to binding arbitration in accordance with the commercial arbitration rules of the American Arbitration Association.

2.8. *Police Powers:* The LFA shall not enact any local laws that are inconsistent with this Franchise, provided, however, that nothing in this Franchise shall be construed to prohibit the reasonable, necessary and lawful exercise of the police powers of the LFA in a manner not materially in conflict with the privileges granted in this Franchise and consistent with all federal and state laws, regulations and orders.

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

2.10. *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.

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 Subscribers within residential areas of 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 areas of 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 aerial 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. For underground installations, Franchisee shall charge the subscriber Franchisee's actual cost. Such cost shall be submitted to said Subscriber, in writing, before installation is begun.

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 aerial 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 aerial 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. For underground installations, Franchisee shall charge the recipient Franchisee's actual cost. Such cost shall be submitted to said recipient, in writing, before installation is begun. 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 the 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.

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, 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. *PEG Access Interconnection:*

5.2.1. LFA shall designate in its sole discretion not more than eight (8) sites within the Franchise Area for the interconnection of PEG access facilities with the Cable System (each, a "PEG Access Interconnection Site or PEG Access Origination Site") as designated on Exhibit D to this Agreement.

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 PEG Channel transmission connections between its video channel aggregation point and the PEG Access Interconnection Sites in order to permit the signals to be correctly routed from the PEG Access Interconnection Sites to the appropriate PEG Access Channel for distribution to Subscribers as follows: (i) two (2) PEG Access Interconnection Sites shall be operable within one hundred twenty (120) days of the Effective Date; (ii) one (1) PEG Access Interconnection Site shall be operable within ninety (90) days after Franchisee receives written notice from the LFA that such PEG Access Interconnection Site is fully functional for its intended purpose; (iii) two (2) PEG Access Origination Sites shall be operable after the first anniversary of the Effective Date, upon an additional one hundred twenty (120) days after Franchisee receives written notice from the LFA that PEG Access Interconnection Site No. 3 is fully functional for its intended purpose; (iv) two (2) PEG Access Origination Sites shall be operable after the third anniversary of the Effective Date, upon an additional one hundred twenty (120) days after Franchisee receives written notice from the LFA that PEG Access Interconnection Site No. 3 is fully functional for its intended purpose; (v) one (1) PEG Access Origination Site shall be operable within ninety (90) days after Franchisee receives written notice from the LFA that such PEG Access Origination Site is fully functional for its intended purpose; and (vi) one (1) PEG Access Origination Site shall be operable within one hundred twenty (120) days after Franchisee receives written notice from the LFA that PEG Access Interconnection Site No. 3 is fully functional for its intended purpose; and each as designated on Exhibit D to this Agreement.

5.2.3. The LFA shall provide to Franchisee at the PEG Access Interconnection Sites a suitable video signal and a suitable audio signal for each PEG Channel. Franchisee, upon receipt of the suitable video signal, shall provide, install and maintain in good working order the equipment necessary for transmitting the PEG signal to the channel aggregation site for further processing for distribution to Subscribers. Franchisee's obligations

with respect to such upstream transmission equipment and facilities shall be subject to the availability, without charge to Franchisee, of suitable required space, environmental conditions, electrical power supply, access, pathway, and other facilities and such cooperation of the LFA as is reasonably necessary for Franchisee to fulfill such obligations.

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

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

5.3. *PEG Grant:*

5.3.1. *PEG Grant:* Franchisee shall provide to the LFA for use in support of the production of local PEG programming a PEG Grant (the "PEG Grant") in the aggregate amount of SIX HUNDRED EIGHTY-THREE THOUSAND NINE HUNDRED THIRTY-THREE DOLLARS AND THIRTY-ONE CENTS (\$683,933.31). Franchisee shall pay the PEG Grant in ten (10) installments, as follows: (1) the first installment in the amount of ONE HUNDRED FORTY-EIGHT THOUSAND EIGHT HUNDRED TWENTY-TWO DOLLARS AND FORTY-FOUR CENTS (\$148,822.44), shall be payable within ninety (90) days of the Effective Date; (2) the second installment, in the amount of TWO HUNDRED TWENTY-SIX THOUSAND FOUR HUNDRED SIXTY DOLLARS AND SIXTY-THREE CENTS (\$226,460.63), shall be payable on the first anniversary of the Effective Date; (3) the third installment, in the amount of ONE HUNDRED EIGHT THOUSAND NINE HUNDRED ONE DOLLARS AND EIGHTY-EIGHT CENTS (\$108,901.88), shall be payable on the second anniversary of the Effective Date; (4) the fourth installment, in the amount of SEVENTY-FOUR THOUSAND THREE HUNDRED NINETY DOLLARS (\$74,390.00), shall be payable on the third anniversary of the Effective Date; (5) the fifth installment, in the amount of SEVENTY THOUSAND SEVEN HUNDRED SEVENTY-SIX DOLLARS AND FIFTY CENTS (\$70,776.50), shall be payable on the fourth anniversary of the Effective Date; (6) the sixth installment, in the amount of ONE THOUSAND FIVE HUNDRED DOLLARS (\$1,500.00), shall be payable on the fifth anniversary of the Effective Date; (7) the seventh installment, in the amount of TWENTY-SIX THOUSAND SEVEN HUNDRED SEVENTEEN DOLLARS AND FIFTY CENTS (\$26,717.50), shall be payable on the sixth anniversary of the Effective Date; (8) the eighth installment, in the amount of ONE THOUSAND FIVE HUNDRED DOLLARS (\$1,500.00), shall be payable on the seventh anniversary of the Effective Date; (9) the ninth installment, in the amount of TWENTY-THREE THOUSAND THREE HUNDRED SIXTY-FOUR DOLLARS AND THIRTY-EIGHT CENTS (\$23,364.38), shall be payable on the eighth anniversary of the Effective Date; and (10) the tenth installment, in the amount of ONE

THOUSAND FIVE HUNDRED DOLLARS (\$1,500.00), shall be payable on the ninth anniversary of the Effective Date. Such PEG Grant shall be used solely by the LFA for PEG access equipment, including, but not limited to, studio and portable production equipment, editing equipment and program playback equipment, or for renovation or construction of PEG access facilities.

5.3.2. Notwithstanding the foregoing Subsection 5.3.1, however, Franchisee's obligation to provide the second through tenth installments of the PEG Grant under this Section 5.3 shall not commence until the LFA imposes an equivalent economic burden on all cable service providers within the Franchise Area.

5.3.3. The LFA shall provide Franchisee with a complete accounting annually of the distribution of funds granted pursuant to this Section 5.3.

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:* Consistent with applicable law, Franchisee shall be permitted to externalize, line-item, or otherwise pass-through to Subscribers any costs arising from the provision of PEG services, interconnection and any other franchise-related costs.

6. **FRANCHISE FEES**

6.1. *Payment to LFA:* Franchisee shall pay to the LFA a Franchise Fee of four and one-half percent (4½%) of annual Gross Revenue (the "Franchise Fee"); provided, however, that at such time as the LFA requires all Cable Service providers in the Service Area to pay a Franchise Fee of five percent (5%), the LFA shall be entitled, after notification to Franchisee, to amend this Franchise in the manner prescribed herein to require Franchisee to pay such higher amount and Franchisee agrees to pay such higher amount on going forward basis, following the issuance of an order from the NY PSC approving such amendment. 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. Late payments for Franchise Fees shall be subject to

interest at the then-current rate set forth in Section 5004 of the New York Civil Practice Law and Rules (which as of the date of execution of this Agreement is nine percent (9%) per annum) from the due date to the date that such payment is made.

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

6.3. *Audit:* Subject to the confidentiality requirements set forth in Section 7.1 of this Franchise and the LFA's imposition of identical obligations to those contained in this Section 6.3 on all cable service providers in the Service Area, Franchisee shall be responsible for making available to the LFA for inspection and audit, all records necessary to confirm the accurate payment of Franchise Fees, whether the records are held by the Franchisee, an Affiliate, or any other entity that collects or receives funds related to the Franchisee's Cable Services operation in the LFA subject to the payment of Franchise Fees under this Agreement, including, by way of illustration and not limitation, any entity that sells advertising on the Franchisee's behalf. Franchisee shall maintain such records for six (6) years, provided that, if the LFA commences an audit within that six (6) year period, Franchisee shall continue to maintain such records for the duration of any audit in progress at the end of that six (6) year period. The LFA shall conduct all audits expeditiously, and neither the LFA nor Franchisee shall unreasonably delay the completion of an audit. The LFA's audit expenses shall be borne by the LFA unless the audit determines that the payment to the LFA should be increased by five percent (5%) or more in the audited period, in which case the reasonable and customary costs of the audit, together with any additional amounts due to the LFA as a result of such audit, shall be paid by Franchisee to the LFA within thirty (30) days following written notice to Franchisee by the LFA of the underpayment, which notice shall include a copy of the audit report; provided, however, that Franchisee's obligation to pay or reimburse the LFA's audit expenses shall not exceed an aggregate of TWENTY-FIVE THOUSAND DOLLARS (\$25,000.00). If re-computation results in additional revenue to be paid to the LFA, such amount shall be subject to interest charges computed from the due date, at the then-current rate set forth in Section 5004 of the New York Civil Practice Law and Rules (which as of the date of execution of this Agreement is nine percent (9%) per annum) per annum during the period such unpaid amount is owed. If the audit determines that there has been an overpayment by Franchisee, the Franchisee may credit any overpayment against its next quarterly payment. Said audit shall be conducted by an independent third party and no auditor so employed by the LFA shall be compensated on a success based formula, e.g., payment based on a percentage of an underpayment, if any. The LFA shall not conduct an audit more frequently than once every three (3) years.

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

6.5. *Bundled Services:* If the Franchisee bundles Cable Service with Non-Cable Service, the Franchisee agrees that it will not intentionally or unlawfully allocate any discount associated with purchasing bundled services for the purposes of evading the Franchise Fee payments under this Franchise. The parties agree that tariffed telecommunication service rates that cannot be discounted by law or 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.

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 publicly disclose information that it reasonably deems to be proprietary or confidential in nature, nor disclose any of its or an Affiliate's books and records not relating to 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, and is designated by a physical marking as "proprietary and confidential" on the medium by which the information is provided. 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:* 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 two million dollars (\$2,000,000) 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 two million dollars (\$2,000,000) 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.

8.1.2. 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 and Employer's Liability Insurance.

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 prompt written notice of a claim or action for which it seeks indemnification pursuant to this Subsection; and in any event the LFA shall provide Franchisee with such written notice within a period of time that allows Franchisee to take action to avoid entry of a default judgment and does not prejudice Franchisee's ability to defend the claim or action. Notwithstanding the foregoing, Franchisee shall not indemnify the LFA for any damages, liability or claims resulting from the willful misconduct or negligence of the LFA, its officers, agents, employees, attorneys, consultants, 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 hold harmless and defend Franchisee from and against and shall be responsible for damages, liability or claims resulting from or arising out of the willful misconduct or negligence of the LFA.

8.2.4. 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 1.31 above.

10. RENEWAL OF FRANCHISE

10.1. *Governing Law:* The LFA and Franchisee agree that any proceedings undertaken by the LFA that relate to the renewal of this Franchise shall be governed by and comply with the provisions of Section 12.11 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 11.3, 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 11.5.

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 11.3, 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 LFA shall cause to be served upon the Franchisee, at least thirty (30) business days prior to such public hearing, a written notice specifying the time and place of such hearing and stating its intent to revoke the Franchise.

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

11.5.2. Following the second public 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, New Jersey 07920-1097

12.5.2. Notices to the LFA shall be mailed to:

Mayor
City of Mount Vernon
1 Roosevelt Square
Mount Vernon, New York 10550

12.5.3. with a copy to:

Corporation Counsel
City of Mount Vernon
1 Roosevelt Square
Mount Vernon, New York 10550

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

12.15. *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.

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

12.17. *Performance Review:* The LFA may, at its discretion but not more than once per twelve (12) month period, hold an informal 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 12.17; 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 (the "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.

12.18. *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.

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

12.20. *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 14th DAY OF June, 2007.

LFA:

CITY OF MOUNT VERNON

By: _____

Title: _____

Mayer

FRANCHISEE:

VERIZON NEW YORK INC.

By: _____

Title: _____

Vice President - Capital Market Area

FORM APPROVED

Attorney _____

Date _____

EXHIBITS

Exhibit A: Municipal Buildings to be Provided Free Cable Service

Exhibit B: Service Area

Exhibit C: PEG Channels

Exhibit D: PEG Access Interconnection

Exhibit List

**Mount Vernon/Verizon New York Inc.
Franchise Agreement/June 2007**

EXHIBIT A

MUNICIPAL BUILDINGS TO BE PROVIDED FREE CABLE SERVICE

1. Longfellow Pre-K, 625 4th Avenue, Mount Vernon, NY 10550
2. Edward Williams Elementary School, 9 Union Lane, Mount Vernon, NY 10533
3. Cecil H. Parker Elementary School, 461 South 6th Avenue, Mount Vernon, NY 10550
4. Traphagen Elementary School, 72 Lexington Avenue, Mount Vernon, NY 10552
5. Columbus Elementary School, 250 Gramatan Avenue, Mount Vernon, NY 10550
6. Lincoln Elementary School, 170 East Lincoln Avenue, Mount Vernon, NY 10550
7. Grimes Elementary School, 58 South 10th Avenue, Mount Vernon, NY 10550
8. Hamilton Elementary School, 20 Oak Street, Mount Vernon, NY 10550
9. Holmes Elementary School, 195 North Columbus Avenue, Mount Vernon, NY 10553
10. Pennington-Grimes Elementary School, 20 Fairway Avenue, Mount Vernon, NY 10552
11. Longfellow Elementary School, 625 4th Avenue, Mount Vernon, NY 10550
12. Graham Elementary School, 421 East 5th Avenue, Mount Vernon, NY 10550
13. A.B. Davis Middle School, 250 Gramatan Avenue, Mount Vernon, NY 10552
14. Longfellow Middle School, 624 South 3rd Avenue, Mount Vernon, NY 10550
15. Nelson Mandela High School, 47 South 11th Avenue, Mount Vernon, NY 10552
16. Mount Vernon High School, 100 California Road, Mount Vernon, NY 10552
17. Nellie Thornton High School, 121 South 6th Avenue, Mount Vernon, NY 10550
18. Mount Vernon Public Library, 28 South 1st Avenue, Mount Vernon, NY 10550
19. Firehouse Headquarters, 470 Lincoln Avenue East, Mount Vernon, NY 10552
20. Armory, 144 North 5th Avenue, Mount Vernon, NY 10550

21. Firehouse, 13 Oak Street, Mount Vernon, NY 10550
22. City Hall, 1 Roosevelt Square, Mount Vernon, NY 10550
23. Police Headquarters, 2 Roosevelt Square, Mount Vernon, NY
24. Doles Center, 250 South 6th Avenue, Mount Vernon, NY 10550
25. Stevens House, 29 West 4th Street, Mount Vernon, NY 10550
26. Firehouse, 435 South Fulton Avenue, Mount Vernon, NY 10553
27. 3rd Street Firehouse, 50 West 3rd Street, Station 3, Mount Vernon, NY 10550
28. Animal Shelter, 600 Garden Avenue, Mount Vernon, NY 10550

EXHIBIT B

SERVICE AREA

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

The construction of the Franchisee's FTTP Network has been completed to approximately 94% of the current households in the Franchise Area. At present, Franchisee's anticipated schedule calls for 94% deployment by October 2007, 96% deployment by April 2008, 96% deployment by October 2008, 98% deployment by April 2009, 98% deployment by October 2009, 99% deployment by April 2010, 99% deployment by October 2010, 100% deployment by April 2011, 100% deployment by October 2011, and 100% deployment by April 2012. 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 change in this schedule.

EXHIBIT C

PEG CHANNELS

Upon written request of the LFA, Franchisee shall make available on its Basic Service tier up to one (1) dedicated Public Access Channel, one (1) dedicated Educational Access Channel, and up to one (1) dedicated Government Access Channel.

EXHIBIT D

PEG ACCESS INTERCONNECTION

Subject to the requirements set forth in Subsection 5.2.2 of the Agreement, the following Government Access Channel PEG Access Interconnection Site ("PEG Access Interconnection Site No. 1") shall be operable within one hundred twenty (120) days of the Effective Date:

City Hall, 1 Roosevelt Square, Mount Vernon, NY

Subject to the requirements set forth in Subsection 5.2.2 of the Agreement, the following Educational Access Channel PEG Access Interconnection Site ("PEG Access Interconnection Site No. 2") shall be operable within one hundred twenty (120) days of the Effective Date:

Mount Vernon High School, 100 California Road, Mount Vernon, NY

Subject to the requirements set forth in Subsection 5.2.2 of the Agreement, the following Public Access Channel and Government Access Channel PEG Access Interconnection Site ("PEG Access Interconnection Site No. 3") shall be operable within ninety (90) days after Franchisee receives written notice from the LFA that such PEG Access Interconnection Site is fully functional for its intended purpose:

Hip Hop Culture Gallery, 105 South 4th Avenue, Mount Vernon, NY

PEG Access Interconnection Site No. 2 and PEG Access Interconnection Site No. 3 shall serve as the aggregation points for those PEG Access Interconnection Sites designated below (each, a "PEG Access Origination Point") feeding signals to the Government and Public Access Channels. For purposes of permitting LFA to select and switch feeds coming into an aggregation point, Franchisee shall provide the LFA, without charge, such capability at such aggregation point. Operation and maintenance of any equipment associated therewith shall be the responsibility of the LFA.

Subject to the requirements set forth in Subsection 5.2.2 of this Agreement, the following Public Access Channel and Government Access Channel PEG Access Origination Points feeding signals to PEG Access Interconnection Site No. 3 shall be operable after the first anniversary of the Effective Date, upon an additional one hundred twenty (120) days after Franchisee receives written notice from the LFA that PEG Access Interconnection Site No. 3 is fully functional for its intended purpose:

Brush Park, South 3rd Avenue & 7th Street, Mount Vernon, NY
Hutchinson Field, East Sanford Boulevard, Mount Vernon, NY

Subject to the requirements set forth in Subsection 5.2.2 of this Agreement, the following Public Access Channel and Government Access Channel PEG Access Origination Points feeding signals to PEG Access Interconnection Site No. 3 shall be operable after the third anniversary of the Effective Date, upon an additional one hundred twenty (120) days after Franchisee receives written notice from the LFA that PEG Access Interconnection Site No. 3 is fully functional for its intended purpose:

Memorial Field, Corner of Gardner Avenue, Mount Vernon, NY
Doles Center, 250 South 6th Avenue, Mount Vernon, NY

Subject to the requirements set forth in Subsection 5.2.2 of this Agreement, the following Educational Access Channel PEG Access Origination Point feeding a signal to PEG Access Interconnection Site No. 2 shall be operable within ninety (90) days after Franchisee receives written notice from the LFA that such Educational Access Channel PEG Access Origination Point is fully functional for its intended purpose:

Nellie Thornton High School, 121 South 6th Avenue, Mount Vernon, NY

Subject to the requirements set forth in Subsection 5.2.2 of this Agreement, the following Government Access Channel PEG Access Origination Point feeding a signal to PEG Access Interconnection Site No. 3 shall be operable within one hundred twenty (120) days after Franchisee receives written notice from the LFA that PEG Access Interconnection Site No. 3 is fully functional for its intended purpose:

City Hall, 1 Roosevelt Square, Mount Vernon, NY



ATTACHMENT B

AN ORDINANCE GRANTING A NON-EXCLUSIVE
FRANCHISE TO VERIZON NEW YORK INC. ("VERIZON") TO
OWN AND OPERATE A CABLE TELEVISION SYSTEM IN THE
CITY OF MOUNT VERNON.

WHEREAS, an application has been made to the City of Mount Vernon (the "City") by Verizon New York Inc. ("Verizon") for a non-exclusive cable television franchise to allow use of the City's streets, roads and right-of-ways for the provision of cable television service within the City, pursuant to the terms and provisions of a proposed Cable Television Franchise Agreement (the "Proposed Verizon Agreement"); and

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WHEREAS, due negotiations between the City and Verizon have resulted in a proposed agreement entitled "Cable Franchise Agreement by and between the City of Mount Vernon and Verizon New York, Inc.," which proposed agreement was filed with the City on May 11, 2007 ("Verizon Franchise Agreement");

WHEREAS, in accordance with 16 N.Y.C.R.R. § 894.7 of the rules and regulations of the New York State Public Service Commission, due notice of said application has been given to the public and published, and a public hearing thereon was held on May 23, 2007 before the City Council of the City upon due notice, and comments from the public have been elicited; and

WHEREAS, at the Public Hearing, Verizon made a presentation to the City Council regarding the proposed Verizon Franchise Agreement, including an outline of the cable television services proposed to be provided in and to the City pursuant thereto, and members of the City Council, the public, and representatives of the existing cable television franchisee Time Warner were given notice and opportunity to comment on the proposed Verizon Franchise Agreement and ask questions to be answered by Verizon's representatives;

WHEREAS, the City has identified the cable-related needs and interests of the residents of the City and has exercised due diligence in considering the

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technical ability, financial conditions, character and legal qualifications of Verizon to meet such needs and interests;

WHEREAS, due diligence has been exercised to review the proposal of Verizon and the future needs and expectations of the City and the residents relating to cable television service, and an opportunity has been taken for the City's representatives and advisors to review and modify the Proposed Verizon Franchise Agreement and consider the comments of the public thereon; and

WHEREAS, after due consideration, the City Council has determined that it would be in the best interests of the City and its residents for the City to enter into a cable franchise agreement with Verizon; and

WHEREAS, the City Council has determined that Verizon's proposal for cable television service is adequate and satisfactory, and that the Proposed Verizon Franchise Agreement is appropriate and agreeable to the City and complies with the applicable provisions and requirements of federal and state laws, rules and regulations, and that a cable franchise agreement should be granted to Verizon pursuant to the terms and provisions of said agreement.

NOW, THEREFORE, the City Council hereby ordains and enacts as follows:

Section 1. The City Council hereby grants the above-referenced application of Verizon for a cable franchise agreement for a term of ten (10) years commencing on the date that the New York State Public Service Commission issues an order and certification of confirmation for the Proposed Verizon Franchise Agreement as set forth in Section 2.3 of the Proposed Verizon Franchise Agreement.

Section 2. The Mayor is authorized to execute the Proposed Verizon Franchise Agreement on behalf of the City of Mount Vernon which shall be in a form acceptable to the Corporation Counsel of the City. The Corporation Counsel is also authorized to conform the Proposed Verizon Franchise Agreement to

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subsequent modifications, as long as there are no substantial changes that materially affect the City.

Section 3. The City of Mount Vernon hereby establishes itself as the lead agency for the purposes of review of the proposed action under the provisions of the State Environmental Quality Review Act ("SEQRA"), and makes the following findings, and alternative determination with respect to the environmental impact of the Proposed Verizon Franchise Agreement:

(i) In order to provide the equipment necessary to support its proposed cable television service in the City, Verizon will complete the installation of a fiber optic network, which work is already in progress. Even without the proposed use for cable television transmissions, this ongoing network conversion would continue to occur so as to service Verizon's already existing telecommunications operations;

(ii) That the Mayor's execution of the Proposed Verizon Franchise Agreement is a TYPE II Action under SEQRA. Specifically, this action is covered under 6 NYCRR § 617.5 (20): "routine or continuing agency administration and management, not including new programs or major reordering of priorities that may affect the environment."

Accordingly, it has been predetermined that approval of the Proposed Verizon Franchise Agreement will not result in a significant impact on the environment, and no further action is required relative to this matter under SEQRA.

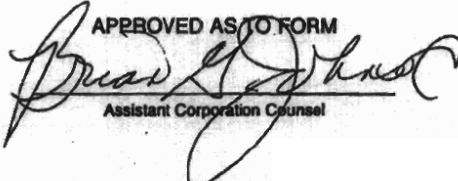
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Section 4. This ordinance shall take effect immediately.

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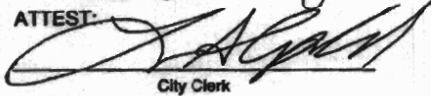
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APPROVED AS TO FORM

Assistant Corporation Counsel


Councilperson

THIS ORDINANCE
ADOPTED BY CITY COUNCIL


Acting President

ATTEST: 
City Clerk

APPROVED
Dept. _____

APPROVED
JUN 14 2007
Date

By _____
Mayor

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STATE OF NEW YORK
County of Westchester
City of Mount Vernon

I, Lisa A. Copeland City Clerk of the
City of Mount Vernon, New York, do hereby certify that I have compared the foregoing copy of an
ordinance of the City of Mount Vernon, adopted by the City Council June 13, 2007
and approved by the Mayor on June 14, 2007 ⁷⁹ with the
original now remaining on file in this office and that the same is correct transcript therefrom and of
the whole of said original.

~~In Witness Whereof~~, I have hereunto set my hand and the official seal of the City of
Mount Vernon this Thirteenth day of
June, 2007


City Clerk

ATTACHMENT C

AFFIDAVIT OF PUBLICATION
from
The Journal News

Florence Bonilla

being duly sworn says

principal clerk of The Journal News, a newspaper published in the County of West
of New York, and the notice of which the annexed is a printed copy, was published
area(s) on the date(s) below:

Note: The two-character code to the left of the run dates indicates the zone(s) that
published. (See Legend below)

AS 05/07/07,05/08/07,05/09/07

Signed _____

Sworn to before me

This 14th day of May 2007

[Signature]
Notary Public, Westchester County

ROBERT A. MIAZGA
Notary Public, State of New York
No. 01M6150442
Qualified in Westchester County
Term Expires July 24, 2010

Legend:

Northern Area (AN):

Amawalk, Armonk, Baldwin Place, Bedford, Bedford Hills, Briarcliff Manor, Buchanan, Chappaqua, Crompond, Cross River, Croton Falls,
Croton on Hudson, Goldens Bridge, Granite Springs, Jefferson Valley, Katonah, Lincolnville, Millwood, Mohegan Lake, Montrose, Mount
Kisco, North Salem, Ossining, Peekskill, Pound Ridge, Purdys, Shenorock, Shrub Oak, Somers, South Salem, Verplanck, Waccabuc,
Yorktown Heights, Brewster, Carmel, Cold Spring, Garrison, Lake Peekskill, Mahopac, Mahopac Falls, Putnam Valley, Patterson

Central Area (AC):

Ardsley, Ardsley on Hudson, Dobbs Ferry, Elmsford, Harrison, Hartsdale, Hastings, Hastings on Hudson, Hawthorne, Irvington, Larchmont,
Mamaroneck, Pleasantville, Port Chester, Purchase, Rye, Scarsdale, Tarrytown, Thornwood, Valhalla, White Plains, Greenburgh

Southern Area (AS):

Bronxville, Eastchester, Mount Vernon, New Rochelle, Pelham, Tuckahoe, Yonkers

Greater Westchester (GW):

Includes Northern, Central and Southern Areas

Rockland Area (JN or RK):

Blauvelt, Congers, Garamville, Haverstraw, Hillburn, Monsey, Nanuet, New City, Nyack, Orangeburg, Palisades, Staatsburg, Sparkill,
Spring Valley, Stony Point, Suffern, Talmun, Tappan, Thiells, Tomkins Cove, West Haverstraw, West Nyack, Pearl River, Plermon,
Valley Cottage, Pomona

Northern Westchester Express (XNW):

Armonk, Bedford, Bedford Hills, Chappaqua, Katonah, Mount Kisco, Pleasantville, Thornwood.

Review Press (BVW):

Bronxville, Eastchester, Scarsdale, Tuckahoe

PUBLIC HEARING NOTICE
NOTICE IS HEREBY GIVEN that
on the 25th day May, 2007, 7
o'clock p.m. (Eastern Standard
Time), at the City Council Cham-
bers, City Hall, Mount Vernon,
New York, the City Council of the
City of Mount Vernon will hold a
public hearing with reference to
the application of Verizon New
York Inc. for an inter cable tele-
vision franchise.
Copies of the applications are
available for public examination
in the office of the City Clerk, City
Hall, First Floor, between the
hours of 9:30 a.m. and 4:30 p.m.,
Monday through Friday, prior to
the date of the public hearing.
The City of Mount Vernon, New
York is an equal opportunity em-
ployer and does not discriminate
because of race, sex, creed,
color, national origin, sex or de-
abled status.
Lisa A. Copestake
City Clerk
DATED: April 27, 2007
Mount Vernon, New York

FILED
CITY CLERK
MOUNT VERNON N.Y.
2007 MAY 17 P 12:06

PUBLIC HEARING NOTICE

NOTICE IS HEREBY GIVEN that on the 23rd day May, 2007, 7 o'clock p.m. (Eastern Standard Time), at the City Council Chambers, City Hall, Mount Vernon, New York, the City Council of the City of Mount Vernon will hold a public hearing with reference to the application of Verizon New York Inc. for an initial cable television franchise.

Copies of the applications are available for public examination in the office of the City Clerk City Hall, first floor, between the hours of 8:30 a.m. and 4:30 p.m., Monday through Friday, prior to the date of the public hearing.

The City of Mount Vernon, New York is an equal opportunity employer and does not discriminate because of age, race, creed, color, national origin, sex or disabled status.

Lisa A. Copeland
City Clerk

DATED: April 27, 2007
Mount Vernon, New York

ATTACHMENT D

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

1. 5/4/07 Correspondence from Verizon's outside counsel, Pamela Goldstein of McGuireWoods LLP, to City Clerk/Registrar, Lisa Copeland, enclosing Verizon's application for a cable television franchise
2. 5/4/07 Correspondence from Verizon's outside counsel, Pamela Goldstein of McGuireWoods LLP, to Corporation Counsel, Helen Blackwood, regarding Short Environmental Assessment Form
3. 5/11/07 Correspondence from Verizon's outside counsel, Pamela Goldstein of McGuireWoods LLP, to City Clerk/Registrar, Lisa Copeland, enclosing Verizon's proposed franchise agreement
4. 5/17/07 Correspondence from Verizon's Senior Vice President, Monica Azare, to City Mayor, Ernest Davis, regarding the May 23 public hearing and enclosing an information sheet outlining the benefits of Verizon FiOS TV service
5. 6/1/07 Correspondence from Verizon's outside counsel, Pamela Goldstein of McGuireWoods LLP, to City Clerk/Registrar, Lisa Copeland, enclosing documents to be entered into the record (without enclosures)
6. 6/11/07 Correspondence from Verizon's consultant, Mac Kerbey of Telecommunications Insight Group, to Corporation Counsel, Helen Blackwood, and City School Assistant Superintendent for Business, John Quinn, enclosing revised PEG schedule
7. 6/13/07 Revised franchise agreement in clean and blackline formats delivered by Verizon's outside counsel, Pamela Goldstein of McGuireWoods LLP, to Corporation Counsel, Helen Blackwood

Tab 1

McGuireWoods LLP
1345 Avenue of the Americas
New York, NY 10105-0106
Phone: 212.548.2100
Fax: 212.548.2150
www.mcguirewoods.com

Pamela N. Goldstein
Direct: 212.548.2136

McGUIREWOODS

pngoldstein@mcguirewoods.com
Direct Fax: 212.548.2173

BY HAND DELIVERY

May 4, 2007

Lisa Copeland
City Clerk/Registrar
City of Mount Vernon
City Hall
1 Roosevelt Square
Mount Vernon, New York 10550

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

Dear Ms. Copeland:

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 Mount Vernon for a cable television franchise.

Please contact me at (212) 548-2136 should you have any questions.

Very truly yours,



Pamela N. Goldstein

Enclosure

cc: Helen M. Blackwood, Corporation Counsel
Verizon New York Inc.

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 Mount Vernon ("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 NY does not currently plan to engage in origination cable casting.

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 current 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 94% 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 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); and (35) Village of Rye Brook (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; and (30) Piermont – April 20, 2007.

Furthermore, other subsidiaries of Verizon Communications Inc. were awarded cable television franchises by 752 franchising authorities in California, Delaware, Florida, Maryland, Massachusetts, New Jersey, Pennsylvania, Texas, 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 2006 revenues in excess of \$88 billion. A copy of The 2006 Form 10-K of Verizon Communications Inc. can be accessed via the following internet address:

http://investor.verizon.com/sec/sec_frame.aspx?FilingID=5002107

A copy of the Verizon Communications Inc. 2006 Annual Report to Shareholders can be accessed via the following internet address:

http://investor.verizon.com/financial/quarterly/pdf/06_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 six million homes with FTTP in sixteen states by the end of 2006.
- 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 Educational and Government (EG) 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)

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CITY OF MOUNT VERNON/VERIZON NEW YORK INC.

- 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, educational/government (EG) 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

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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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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

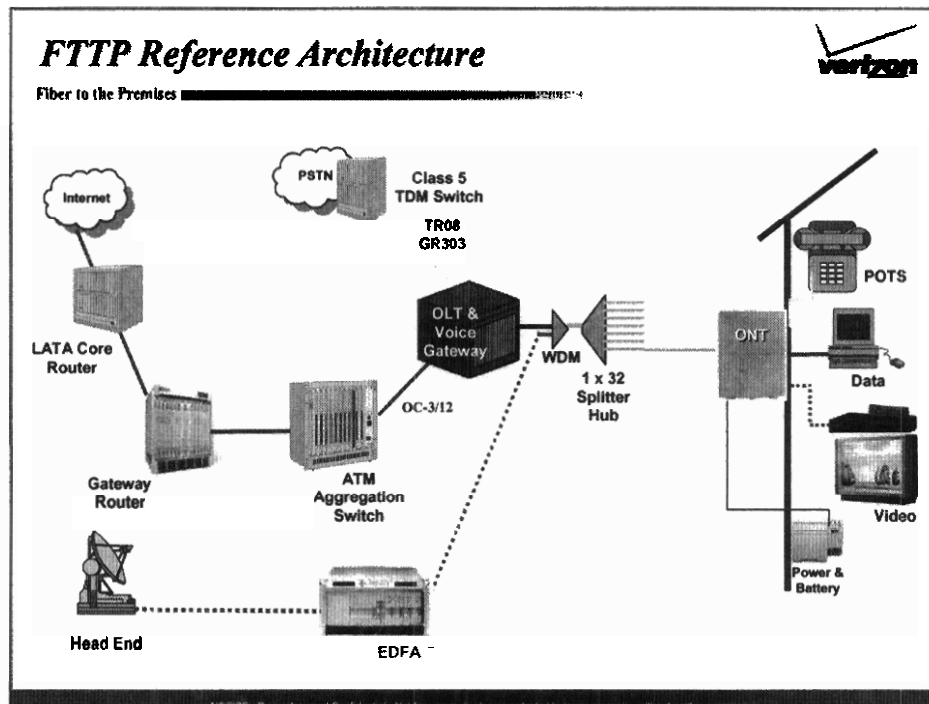
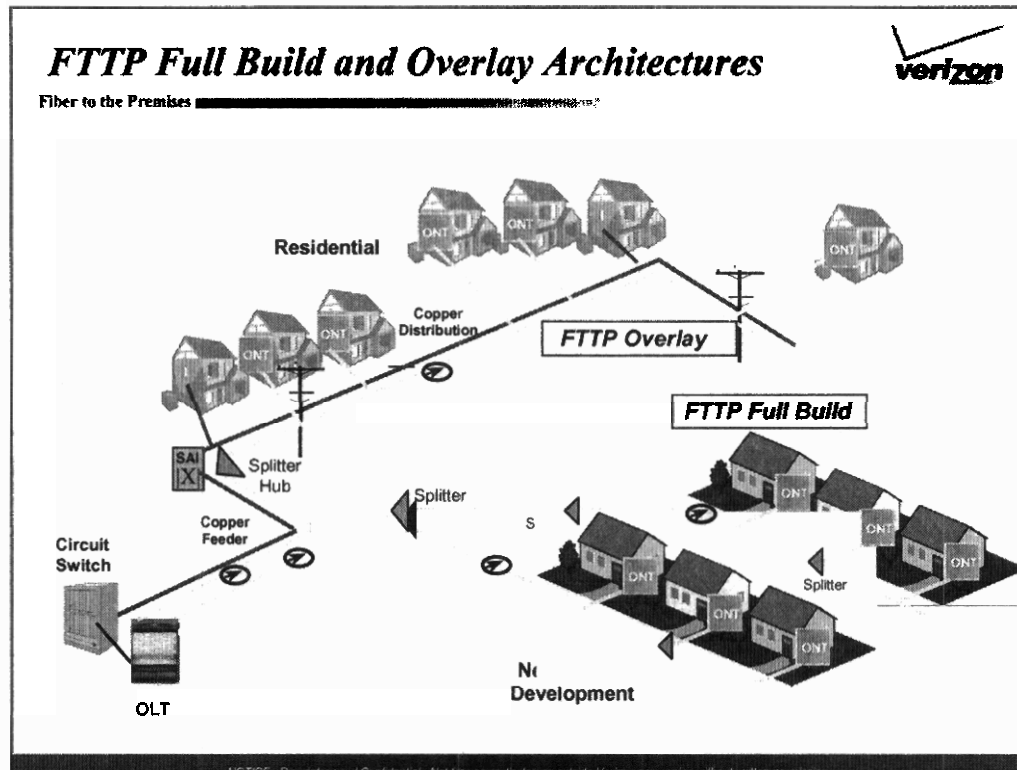


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Figure 2-FTTP Full Build and Overlay Architectures



At the national or regional level, a “super” headend (SHE) (Temple Terrace, Florida with a backup in Bloomington, Illinois) 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 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, educational, 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).

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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.

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 transported via an OC48c 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 OC48c SONET 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 an OC48c SONET interface connected to metro/local SONET 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 ring(s) would be deployed to cover multiple sites.

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APPLICATION FOR A CABLE TELEVISION FRANCHISE
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Video Hub Office (VHO)

The VHO serves as the metro or local point of aggregation. The VHO location (Queens, NY) 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, educational, & government (PEG) channels. The national content is the traffic sent from the SHE and is delivered via an OC48c SONET interface from the SONETPOP. 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.

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 erbium-doped fiber amplifiers (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).

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CITY OF MOUNT VERNON/VERIZON NEW YORK INC.

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

The Video Serving Office (VSO) is a location within the central office containing FTTP equipment. The VSOs that will serve the City of Mount Vernon are located in Mount Vernon and Tuckahoe, New York. If technically feasible or otherwise appropriate, PEG insertion may occur at these locations 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.

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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. City 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 (the "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-0250 05-M-0247, June 15, 2005.

EXHIBIT 2
APPLICATION FOR A CABLE TELEVISION FRANCHISE
CITY OF MOUNT VERNON/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**



HD

HD Broadcast

- 801 CW — WPIX HD
- 802 CBS — WCBS HD
- 803 PBS — WNET HD
- 804 NBC — WNBC HD
- 805 FOX — WNYW HD
- 807 ABC — WABC HD
- 809 My WWOR HD

HD National

- 825 TNT HD
- 826 ESPN HD
- 827 ESPN 2 HD
- 828 NFL Network HD
- 830 YES HD
- 831 SportsNet New York HD
- 833 HD Net
- 834 HD Net Movies
- 835 Universal HD
- 836 Discovery HD
- 837 Wealth TV HD
- 838 National Geographic Channel HD

HD Premium

- 851 HBO HD
- 852 Cinemax HD
- 853 Showtime HD
- 854 TMC HD
- 855 Starz HD

LOCAL PLUS

- 860 NBC Weather Plus
- 861 The Tube Music Network
- 864 WNBC 4.4
- 866 WRNN-Rise
- 870 WLW 21
- 871 WLW Create
- 872 13 Kids
- 873 13 World

**Subscription to corresponding premium channels and packages required.

***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.



VIDEO ON DEMAND**

800 FIOS 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

PUBLIC/EDUCATION/GOVERNMENT***

- Ardsley
- 37 Public Access
- Cedarhurst
- 38 Public Access
- Clarkstown
- 37 Public Access
- Dobbs Ferry
- 37 Public Access
- 46 Government Access Channel
- 47 Educational Access Channel
- East Rockaway
- 38 Public Access

Elmsford

37 Public Access

Farmingdale

38 Public Access

Freeport

38 Public Access

Grandview on Hudson

38 Public Access

Greenburgh

- 32 Government Access Channel
- 34 Public Access Channel 1
- 35 Government Access Channel 2
- 37 Public Access Channel 2

Hempstead

38 Public Access

Huntington

38 Public Access

Irvington

37 Public Access

Laurel Hollow

38 Public Access

Lynbrook

- 32 Lynbrook Education
- 33 Lynbrook Government 1
- 34 Lynbrook Government 2
- 38 Public Access

Massapequa Park

38 Public Access

Mineola

- 38 Public Access
- 40 Mineola Education & Government Access

Mount Kisco

37 Public Access

New Hyde Park

38 Public Access

Nyack

37 Public Access

Oyster Bay

38 Public Access

Scarsdale

37 Public Access

Smithtown

27 Smithtown Government

38 Public Access

South Nyack

37 Public Access

Tarrytown

37 Public Access

Tuckahoe

37 Public Access

Upper Nyack

37 Public Access

Valley Stream

38 Public Access

Verizon FiOS TV

New York Channel Lineup

EFFECTIVE APRIL 2007



FIOS TV LOCAL

- 2 CBS — WCBS-TV 2
- 4 NBC — WNBC-TV 4
- 5 FOX — WNYW-TV 5
- 6 WRNN-TV 62
- 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 — WNUJ-TV 47
- 13 PBS — WNET-TV 13
- 17 WFTY-TV 67
- 18 WMBC-TV 63
- 21 PBS — WLW-TV 21
- 23 PBS — WUNJ-TV 50
- 25 NYC-TV
- 29 PBS — WFME-TV 66
- 31 ION-TV 31
- 32 Local Programming
- 33 Local Programming
- 34 Local Programming
- 37 Local Programming
- 38 Local Programming
- 40 Local Programming
- 41 Univision — WXTV-TV 41
- 48 TV Guide
- 49 Weatherscan Local



FIOS TV PREMIER

- 50 USA Network
- 51 TNT
- 52 TBS
- 53 FX
- 54 Spike TV
- 60 ESPN
- 61 ESPN Classic Sports
- 62 ESPNNews
- 63 ESPNU
- 64 ESPN 2
- 66 YES
- 67 SportsNet NY
- 68 MSG
- 69 Fox Sports Net NY
- 71 Speed Channel
- 72 NFL Network
- 75 VERSUS
- 76 Fox Soccer Channel



Pop Culture

- 80 CNN
- 81 CNN Headline News
- 82 Fox News
- 83 CNBC
- 85 Bloomberg TV
- 86 CNN International
- 87 CNBC World
- 88 ABC News Now
- 89 C-SPAN
- 90 C-SPAN 2
- 91 C-SPAN 3
- 92 BBC World
- 99 The Weather Channel



Discovery Channel

- 100 Discovery Channel
- 101 National Geographic Channel
- 102 Science Channel
- 103 Discovery Times
- 104 Pentagon Channel
- 105 Military Channel
- 106 Military History Channel
- 107 History Channel International
- 108 History Channel
- 109 Biography Channel
- 110 Animal Planet
- 119 TLC (The Learning Channel)

Women

- 120 Lifetime
- 121 Lifetime Movie Network
- 122 Lifetime Real Women
- 123 SoapNet
- 124 Oxygen
- 129 Women's Entertainment

Shopping

- 130 QVC
- 131 HSN
- 135 Jewelry
- 137 Shop NBC

Style

- 140 Style
- 141 Discovery Health
- 143 Fit TV
- 144 Food Network
- 145 HGTV (Home & Garden Television)
- 146 Fine Living
- 147 DIY (Do It Yourself)
- 148 Discovery Home
- 149 Wealth TV
- 150 Travel Channel

Pop Culture

- 160 Sci-Fi Channel
- 161 A&E
- 162 Crime & Investigation Network
- 163 Court TV
- 164 GSN
- 165 Bravo
- 166 Sleuth
- 167 Logo
- 168 Ovation
- 169 BBC America
- 170 Comedy Central
- 171 G4
- 176 E! Entertainment Television
- 177 Fox Reality
- 178 Fuel
- 179 ABC Family

MTV

- 180 MTV
- 181 MTV2
- 183 MTV Jams
- 184 MTV Hits
- 185 IMF (International Music Feed)
- 186 FUSE
- 187 VH1
- 188 VH1 Classic
- 189 VH1 Soul
- 190 BET Jazz
- 191 CMT
- 192 CMT Pure Country
- 193 Great American Country
- 194 Gospel Music Channel
- 195 BET Gospel
- 199 Soundtrack Channel

Movies

- 200 Turner Classic Movies
- 201 AMC
- 202 Fox Movie Channel

Family

- 210 Hallmark Channel (East)
- 212 Family Net
- 213 AmericanLife TV
- 214 TV Land



FiOS TV is frequently changing its channel offerings. To view our latest published channel lineup, please visit verizon fios.com/tv.

FIOS TV PREMIER (continued)

Children

- 220 Disney
- 221 Toon Disney
- 222 Nickelodeon
- 223 Nick Too
- 224 Nick Toons
- 225 GAS
- 226 Noggin
- 227 Cartoon Network (ESP)*
- 228 Boomerang (ESP)*
- 229 Discovery Kids
- 230 Varsity
- 231 FUNimation
- 232 PBS KIDS Sprout
- 240 BET
- 241 TV One
- 242 Black Family Channel
- 243 MTV Tr3s
- 244 Galavisión
- 245 Mun2
- 246 Si TV
- 247 AZN Television
- 248 Bridges TV

Religion

- 260 EWTN
- 261 INSP
- 262 I-Life
- 263 Church
- 264 JCTV
- 265 BYU
- 266 Three Angels
- 267 The Word Network
- 268 Daystar
- 269 Smile of a Child
- 270 Trinity Broadcast Network

SPORTS**

- 300 Fox College Sports — Atlantic
- 301 Fox College Sports — Central
- 302 Fox College Sports — Pacific
- 303 Tennis Channel
- 305 Golf Channel
- 307 Outdoor Channel
- 308 The Sportsman Channel
- 311 Fox Sports en Español
- 313 GoTV
- 315 TVG (Horse Racing)
- 316 Horse Racing TV
- 318 Max TV
- 319 Blackbelt TV
- 321 MSG 2
- 322 Fox Sports Net NY 2

MOVIES**

- 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
- 348 Encore
- 349 Encore West
- 350 Encore Love
- 351 Encore Love West
- 352 Encore Westerns
- 353 Encore Westerns West
- 354 Encore Mystery
- 355 Encore Mystery West
- 356 Encore Drama
- 357 Encore Drama West
- 358 Encore Action
- 359 Encore Action West
- 360 Encore WAM!
- 361 Showtime
- 362 Showtime West
- 363 Showtime Showcase
- 364 Showtime Showcase West
- 365 Showtime Too
- 366 Showtime Too West
- 367 Showtime Beyond
- 368 Showtime Beyond West
- 369 Showtime Extreme
- 370 Showtime Extreme West
- 371 Showtime Women
- 372 Showtime Women West
- 373 Showtime Next
- 374 Showtime Next West
- 375 Showtime Family Zone
- 376 Showtime Family Zone West
- 377 The Movie Channel
- 378 The Movie Channel West
- 379 The Movie Channel Xtra
- 380 The Movie Channel Xtra West
- 381 Flix
- 382 Flix West
- 384 Sundance
- 385 Independent Film Channel

PREMIUMS**

- HBO
- 400 HBO
- 401 HBO West
- 402 HBO 2
- 403 HBO 2 West
- 404 HBO Signature
- 405 HBO Signature West

HBO Family

- 407 HBO Family West
- 408 HBO Comedy
- 409 HBO Comedy West
- 410 HBO Zone
- 412 HBO Zone West
- 413 HBO Latino
- 414 HBO Latino West

Cinemax

- 415 Cinemax
- 416 Cinemax West
- 417 More Max
- 418 More Max West
- 419 Action Max
- 420 Action Max West
- 421 Thriller Max
- 422 Thriller Max West
- 423 Women's Max
- 424 At Max
- 425 Five Star Max
- 426 OuterMax

Other Premiums

- 430 Playboy TV
- 431 Playboy TV en Español
- 435 here!

SPANISH LANGUAGE**

En Español

- 440 Galavisión
- 442 ESPN Deportes
- 443 Fox Sports en Español
- 444 GoTV
- 446 CNN en Español
- 447 Canal SUR
- 448 TVE Internacional
- 452 History Español
- 453 Discovery en Español
- 454 Viajar y Vivir
- 456 Infinito
- 457 MTV Tr3s
- 458 VH Uno
- 459 Telehit
- 462 De Película
- 463 De Película Clásico
- 464 Cine Latino
- 465 Cine Mexicano
- 468 La Familia
- 469 TV Chile
- 470 TV Colombia
- 472 Sorpresa
- 473 Toon Disney Español
- 474 Boomerang (ESP)*
- 475 Discovery Kids en Español
- 477 TBN Enlace
- 478 EWTN Español

INTERNATIONAL PREMIUMS**

- 480 SBTN (Vietnamese)
- 481 CCTV-4 (Mandarin Chinese)
- 482 CTI — Zhong Tian Channel (Chinese)
- 483 TV Japan
- 484 MBC (Korean)
- 485 The Filipino Channel
- 486 TV Asia
- 487 ART (Arabic)
- 488 RAI (Italian)
- 489 TV 5 (French)
- 490 TVP Polonia (Polish)
- 491 Rang A Rang (Farsi)
- 492 RTN Russian
- 493 Channel-1 Russian

LA CONEXIÓN

- 500 USA Network
- 501 TNT
- 502 TBS
- 503 Galavisión
- 504 FX
- 505 Spike TV

- 506 ESPN Deportes
- 511 YES
- 512 SportsNet NY
- 513 Fox Sports en Español
- 514 Fox Soccer Channel
- 515 MSG
- 516 GoTV
- 517 Fox Sports Net NY

- 518 CNN en Español
- 519 CNN
- 520 CNN Headline News
- 521 Fox News
- 522 CNBC
- 524 C-SPAN
- 525 Canal SUR

Discovery Kids

- 529 TVE Internacional
- 530 History Español
- 531 Discovery Channel
- 532 Discovery en Español
- 534 Animal Planet
- 535 TLC (The Learning Channel)

Women

- 537 Lifetime
- 538 Lifetime Movie Network

Shopping

- 540 QVC
- 541 HSN
- 543 Shop NBC

Home & Leisure

- 545 Discovery Health
- 546 Viajar y Vivir
- 549 Infinito
- 550 Food Network
- 551 HGTV (Home & Garden Television)
- 552 Travel Channel

Pop Culture

- 555 E! Entertainment Television
- 556 A&E
- 557 Si TV
- 558 Mun2
- 559 Comedy Central
- 560 Sci-Fi Channel

Music

- 562 MTV Tr3s
- 563 MTV2
- 564 Telehit
- 565 VH Uno
- 566 CMT

Movies

- 569 De Película
- 570 De Película Clásico
- 571 Cine Mexicano
- 572 Cine Latino

Family

- 574 ABC Family
- 575 La Familia
- 576 TV Chile
- 577 TV Colombia
- 578 TV Land

Children

- 580 Nickelodeon
- 581 Disney en Español
- 582 Toon Disney Español
- 583 Boomerang (ESP)*
- 584 Cartoon Network (ESP)*
- 585 Sorpresa
- 586 Discovery Kids en Español

Religion

- 588 TBN Enlace
- 589 EWTN Español

MUSIC CHOICE

- 600 Showcase
- 601 Today's Country
- 602 Classic Country
- 603 Bluegrass
- 604 R&B and Hip-Hop
- 605 Classic R&B
- 606 Smooth R&B
- 607 R&B Hits
- 608 Rap
- 609 Metal
- 610 Rock
- 611 Arena Rock
- 612 Classic Rock
- 613 Alternative
- 614 Retro-Active
- 615 Electronica
- 616 Dance
- 617 Adult Alternative
- 618 Soft Rock
- 619 Hit List
- 620 Party Favorites
- 621 90s
- 622 80s
- 623 70s
- 624 Solid Gold Oldies
- 625 Singers & Standards
- 626 Big Band & Swing
- 627 Easy Listening
- 628 Smooth Jazz
- 629 Jazz
- 630 Blues
- 631 Reggae
- 632 Soundscapes
- 633 Classical Masterpieces
- 634 Opera
- 635 Light Classical
- 636 Show Tunes
- 637 Contemporary Christian
- 638 Gospel
- 639 Radio Disney
- 640 Sounds of the Seasons
- 641 Música Urbana
- 642 Salsa y Merengue
- 643 Rock en Español
- 644 Pop Latino
- 645 Mexicana
- 646 Americana

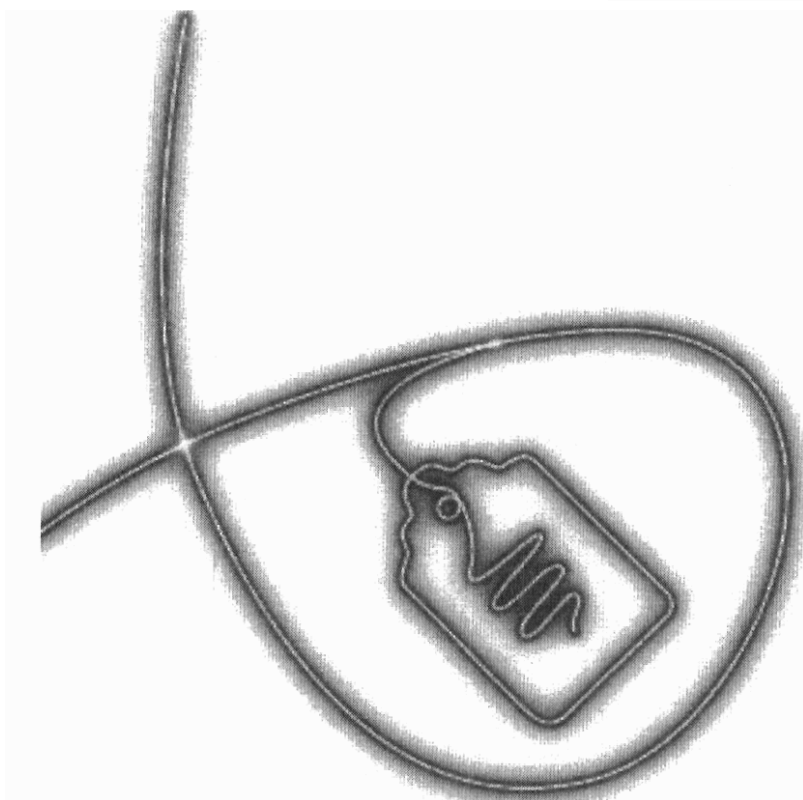
PAY PER VIEW

- 701 Events
- 702-707 ESPN-NCAA Sports/ GamePlan/Full Court

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

Verizon FiOS TV

Rates & Packages



Get more from your
fiber-optic experience.

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 ¹	15-35	\$12.99
Digital Service (Requires Set Top Box [STB] and Router ²)		
FiOS TV Premier ³	160 + FiOS TV Local	\$42.99
La Conexión ⁴	115 + FiOS TV Local	\$32.99

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

Packages (Requires STB)	Number of Channels	Monthly Price
Sports	13	\$7.99
Movies	44	\$12.99
Sports/Movies Combination	59	\$15.99
Spanish Language	25	\$11.99

Premiums ⁵ (Requires STB)	Number of Channels	Monthly Price
HBO ⁶	14	\$15.99
Cinemax ⁷	12	\$15.99
HBO/Cinemax Combination	26	\$25.99
Playboy TV ⁸ /Playboy TV en Español	2	\$15.99
here!	1	\$7.99

International Premiums ⁹ (Requires STB)	Number of Channels	Monthly Price
International Premium Channels	17	Individually Priced

Video On Demand (VOD) and Pay Per View (PPV) (Requires STB)	Price
---	-------

On Demand Movies	
New Releases	\$3.99
Library	\$2.99

On Demand Subscriptions	
WWE	\$7.99/mo.
Karaoke	\$7.99/mo

On Demand Adult	\$14.99/each
PPV Events	Varies
PPV Sports	Varies
ESPN GamePlan — NCAA Football	\$2 ⁹⁹ /daily, \$*29.99 season*
ESPN F.C. Court — NCAA Basketball	\$14.99 daily, \$109.99 season*

Set Top Box (STB)	Monthly Price
Standard Definition	\$4.99
High Definition (includes HD channels)	\$9.99
High Definition Digital Video Recorder (includes HD channels)	\$12.99
Home Media DVR (features Multi-Room DVR & Media Manager)	\$19.99

Initial Installation	One-Time Charges
Existing Outlet Hookup (up to 3)	No Charge
Additional Outlet/Set Top Box Hookup (existing outlet)	\$19.99
New Outlet Install/Existing Outlet Rewire (per outlet)	\$54.99
Outlet Relocation	\$54.99

Subsequent Installations/Charges	One-Time Charges
Set Top Box Addition or Upgrade/Downgrade	\$24.99
Premise Visit ¹	\$49.99
New Outlet Installation (per outlet)	\$54.99
Outlet Relocation (per outlet)	\$54.99
Setup of TV Equipment (new TV with existing STB)	\$49.99
Disconnect of Set Top Box ²	\$24.99 + \$5.00/STB
Downgrade of Service from Digital to Analog	\$49.99 + \$5.00/STB
FIOS TV Service Disconnect	No Charge

Other Services and Charges	One-Time Charges
Seasonal Service Suspension (charged at initiation, ³ —6 months) ⁴	\$24.99
Replacement Remote — FIOS TV Universal	\$6.99 + Shipping & Handling
Replacement Remote — Basic Universal	\$5.00 + Shipping & Handling
Unreturned/Damaged STB — Standard Definition	\$240.00
Unreturned/Damaged STB — High Definition	\$350.00
Unreturned/Damaged STB — Digital Video Recorder (DVR)	\$550.00

¹In addition, early subscription and half season prices are available.



1 In order to be eligible for Movies or Sports, FIOS TV Premier or La Conexión is required. The Spanish Language package may be added to FIOS TV Local service, but requires a Set Top Box for access. The addition of a Set Top Box with FIOS TV Local service provides access to Video On Demand (VOD) and Pay Per View (PPV), as well as the ability to order Premiums and International Premiums.

2 Router provided will be a new or fully inspected, tested and warranted return unit. If service is cancelled within the first 12 months, router must be returned or \$99.99 equipment fee applies. If you maintain service for twelve (12) consecutive months, ownership of the router shall transfer to you, after which time all maintenance of the router shall be at your sole cost and expense, and the risk of loss will be yours should the router be damaged or stolen.

3 FIOS TV Premier includes all FIOS TV Local channels, additional all-digital programming, digital music channels and access to Pay Per View and Video On Demand. 30-day minimum billing period required for all digital packages.

4 La Conexión includes all FIOS TV Local channels, digital programming including popular English-language networks and Spanish-language networks, digital music channels, and access to PPV and VOD. La Conexión cannot be combined with the Spanish Language package. 30-day minimum billing period required for all digital packages.

5 Subscription VOD is included with all Premiums at no extra charge (where applicable). 30-day minimum billing period required for all Premiums.

6 A premise visit charge is assessed when a technician installation is required to set up a new or additional TV with an existing FIOS TV Set Top Box. A premise visit charge is not assessed when adding new, upgrading/downgrading existing, or disconnecting Set Top Box receivers.

7 The Set Top Box disconnect charge is assessed only when the customer maintains at least one FIOS TV Set Top Box. If all Set Top Box receivers are disconnected, the service downgrade charge applies.

8 Seasonal service suspension requires a minimum suspension of one month and a maximum suspension of six months.

Programming services offered within each package are subject to change and the number of channels within each package are approximations. Not all programming services available at all times. Blackout restrictions also apply. In addition, the pricing of the packages and the terms and conditions regarding your use of Verizon FIOS TV are also subject to change. Pricing applies to residential use only within the United States. Not all services are available in all areas. Acceptance of FIOS TV Terms of Service is required in order to use FIOS TV, and a copy of the Terms of Service will be given to you at the time of installation. The customer is financially responsible for any damage to, or misuse of, any equipment or for the failure to return any equipment at service termination. Applicable franchise fees, regulatory fees and taxes apply. Other terms and conditions apply.

VEFIFF60157-307

Tab 2

BY HAND DELIVERY

May 4, 2007

Helen M. Blackwood, Esq.
Corporation Counsel
City of Mount Vernon
1 Roosevelt Square, Room 111
Mount Vernon, New York 10550

Re: Verizon New York Inc. Short Environmental Assessment Form

Dear Ms. Blackwood:

In connection with the application (the "Application") of Verizon New York Inc. ("Verizon") to the City of Mount Vernon ("Mount Vernon" or the "City") for a cable television franchise (the "Franchise"), enclosed is Verizon's completed Part I of the Short Environmental Assessment Form ("EAF"). Part II is to be completed by the City as "Lead Agency," and Part III requires a certification by the City concerning the existence or non-existence of a significant adverse environmental impact. Verizon does not believe that it is required to submit an EAF in support of its Application, and the EAF is submitted without prejudice to that position.

State Environmental Quality Review Act ("SEQRA") requirements are triggered only when an agency undertakes, funds, or approves an "action." Verizon is not proposing any "action" within the meaning of SEQRA. The basic fiber to the premises ("FTTP") facilities required to provide cable service within the City are already in place, having been constructed pursuant to existing permissions and authorities. The New York Public Service Commission (the "NY PSC") has already determined that Verizon's construction of FTTP facilities does not by itself require a cable franchise.¹ Although further construction may be required in the future to extend FTTP facilities to other customers within the Mount Vernon franchise area, it is Verizon's position that such construction activities would also be undertaken pursuant to Verizon's pre-existing permissions and authorities to deploy, extend, upgrade, repair, and maintain plant used for the provision of telecommunications and information services. Since Verizon will be providing cable service using independently authorized facilities, the key effect of the Franchise will be to authorize the delivery of video programming to subscribers using such facilities. Such delivery of video programming cannot by itself be an "action" under SEQRA, since it does not involve

¹ Cases 05-M-0250, *et al.*, "Declaratory Ruling on Verizon Communications, Inc.'s Build-Out of its Fiber to the Premises Network" (Issued and Effective June 15, 2005).

May 4, 2007

Page 2

any physical alteration of the environment. Thus, the City's approval of the Franchise is not subject to SEQRA.²

However, to the extent that the City concludes that Verizon's offering of cable service in the City is a SEQRA "action," that action is a "Type II" action, and Type II actions have been categorically determined *not* to have a significant impact on the environment.³ Type II actions do not require the submission of an EAF, or indeed any action on the part of the City pursuant to SEQRA.⁴ The actions at issue here will not have a significant effect on the environment. Of course, the mere delivery of video programming to subscribers could not have any impact on the environment at all, much less a "significant" one. Even if the placement of additional fiber drops and extensions of existing FTTP routes were considered to be within the scope of the "action" being approved by the City, such activities would be essentially identical to those routinely undertaken in connection with the provision of telephone service within the City; and the impact of such activities would be minimal, as the NY PSC has concluded. Accordingly, if the City determines that it needs to take any action at all under SEQRA, that action should be the issuance of a negative declaration.

Please call should you have any questions.

Best regards.

Sincerely,



Pamela N. Goldstein

Enclosure

cc: Lisa Copeland, City Clerk/Registrar
Verizon New York Inc.

² We are mindful of the fact that in its recent orders confirming Verizon's franchises, the NY PSC treated approval of the franchises as an unlisted action under SEQRA (rather than a non-action or a Type II action), contrary to the position taken here. We respectfully disagree with that conclusion, and note that it may well be tied to the NY PSC's conclusion, in those orders, that Verizon's mixed-use FTTP facilities become "cable television systems" subject to Article 11 of the Public Service Law and the NY PSC's "minimum franchise standards" once they are used to deliver video programming to subscribers. The issue of the extent to which mixed-use FTTP facilities become a "cable system" under federal law (an issue that necessarily affects the question of how those facilities should be characterized under state law) is now pending before the Federal Communications Commission in its § 621(a) review. In any event, the NY PSC concluded in its confirmation orders for Verizon franchises that approval would not result in any significant adverse environmental impacts, and issued negative declarations under SEQRA.

³ See, e.g., 6 NYCRR § 617.5(c)(11) ("The following actions are not subject to review under this Part: . . . extension of utility distribution facilities, including gas, electric, telephone, cable, water and sewer connections to render service in approved subdivisions or in connection with any action on this list.").

⁴ Even if this were deemed to be an "unlisted" action, submission of a long-form EAF is not required. See 6 NYCRR § 617.6(a)(3).

Appendix C
State Environmental Quality Review
SHORT ENVIRONMENTAL ASSESSMENT FORM
For UNLISTED ACTIONS Only

PART I - PROJECT INFORMATION (To be completed by Applicant or Project Sponsor)

1. APPLICANT/SPONSOR Verizon New York Inc.	2. PROJECT NAME Provision of cable service in Mount Vernon, NY
3. PROJECT LOCATION: Municipality <u>City of Mount Vernon (the "City")</u> County <u>Westchester County, NY</u>	
4. PRECISE LOCATION (Street address and road intersections, prominent landmarks, etc., or provide map) There is no precise location. The project entails the provision of cable service throughout the City.	
5. PROPOSED ACTION IS: <input type="checkbox"/> Expansion <input type="checkbox"/> Modification/alteration	
6. DESCRIBE PROJECT BRIEFLY: Cable service will be provided within the territorial limits of the City utilizing Fiber to the Premises ("FTTP") facilities. See cover letter.	
7. AMOUNT OF LAND AFFECTED: Initially <u>zero or minimal</u> acres Ultimately <u>zero or minimal</u> acres	
8. WILL PROPOSED ACTION COMPLY WITH EXISTING ZONING OR OTHER EXISTING LAND USE RESTRICTIONS? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, describe briefly: No such restrictions are applicable to the Project.	
9. WHAT IS PRESENT LAND USE IN VICINITY OF PROJECT? <input type="checkbox"/> Residential <input type="checkbox"/> Industrial <input type="checkbox"/> Commercial <input type="checkbox"/> Agriculture <input type="checkbox"/> Park/Forest/Open Space <input type="checkbox"/> Other Describe: Not applicable. See cover letter.	
10. DOES ACTION INVOLVE A PERMIT APPROVAL, OR FUNDING, NOW OR ULTIMATELY FROM ANY OTHER GOVERNMENTAL AGENCY (FEDERAL, STATE OR LOCAL)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes, list agency(s) name and permit/approvals: A permit (cable franchise) must be granted by the City. Once the City grants the cable franchise, Verizon will seek Public Service Commission confirmation of that franchise.	
11. DOES ANY ASPECT OF THE ACTION HAVE A CURRENTLY VALID PERMIT OR APPROVAL? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, list agency(s) name and permit/approvals: See Item 10 above.	
12. AS A RESULT OF PROPOSED ACTION WILL EXISTING PERMIT/APPROVAL REQUIRE MODIFICATION? <input type="checkbox"/> Yes <input type="checkbox"/> No Not applicable. See Item 10 above.	
I CERTIFY THAT THE INFORMATION PROVIDED ABOVE IS TRUE TO THE BEST OF MY KNOWLEDGE Applicant/sponsor name: <u>VERIZON NEW YORK INC.</u> Date: _____ Signature: <u>[Signature]</u>	

If the action is in the Coastal Area, and you are a state agency, complete the Coastal Assessment Form before proceeding with this assessment

OVER

Tab 3

McGuireWoods LLP
1345 Avenue of the Americas
New York, NY 10105-0106
Phone: 212.548.2100
Fax: 212.548.2150
www.mcguirewoods.com

Pamela N. Goldstein
Direct: 212.548.2136

McGUIREWOODS

pngoldstein@mcguirewoods.com
Direct Fax: 212.548.2173

BY FEDERAL EXPRESS

May 11, 2007

Lisa Copeland
City Clerk/Registrar
City of Mount Vernon
City Hall
1 Roosevelt Square
Mount Vernon, New York 10550

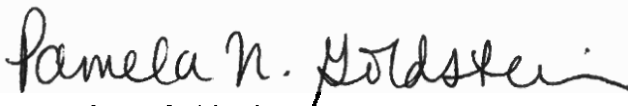
**Re: Cable Franchise Agreement by and between the
City of Mount Vernon and Verizon New York Inc.**

Dear Ms. Copeland:

Please find enclosed the May 11, 2007 proposed Cable Franchise Agreement by and between the City of Mount Vernon and Verizon New York Inc.

Please contact me at (212) 548-2136 should you have any questions.

Very truly yours,



Pamela N. Goldstein

Enclosure

cc: Helen M. Blackwood, Corporation Counsel
Verizon New York Inc.

Cable Franchise Agreement
by and between
the City of Mount Vernon
and
Verizon New York Inc.

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2. GRANT OF AUTHORITY; LIMITS AND RESERVATIONS	6
3. PROVISION OF CABLE SERVICE	8
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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 Interconnection

THIS CABLE FRANCHISE AGREEMENT (the "Franchise" or "Agreement") is entered into by and between the City of Mount Vernon, 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 as specified by the LFA in Exhibit C to this Agreement.

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

1.12. *Force Majeure*: An event or events reasonably beyond the ability of Franchisee to anticipate and control. This includes, but is not limited to, severe or unusual weather conditions, strikes, 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 caused by waiting for utility providers to service or monitor utility poles to which Franchisee's FTTP Network is attached, and unavailability of materials and/or qualified labor to perform the work necessary.

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

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

1.15. *Government Access Channel*: 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) video on demand, including pay-per-view; (iv) revenues from the sale or lease of access channel(s) or channel capacity; and (v) compensation received by Franchisee that is derived from the operation of Franchisee's Cable System to provide Cable Service with respect to commissions that are paid to Franchisee as compensation for promotion or exhibition of any products or services on the Cable System, such as "home shopping" or a similar channel, subject to the exceptions below. Gross Revenue includes a pro rata portion of all revenue derived by Franchisee pursuant to compensation arrangements for advertising derived from the operation of Franchisee's Cable System to provide Cable Service within the 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.

1.16.2. Gross Revenue shall not include:

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

1.16.2.2. except as otherwise provided in Subsection 1.16.1, any revenues classified, in whole or in part, as Non-Cable Services revenue under federal or state law including, without limitation, revenue received from Telecommunications Services; revenue received from Information Services, including, without limitation, Internet Access service, electronic mail service, electronic bulletin board service, or similar online computer services; charges made to the public for commercial or cable television that is used for two-way communication; and any other revenues attributed by Franchisee to Non-Cable Services in accordance with federal law, rules, regulations, standards or orders. Should revenue from any service provided by Franchisee over the Cable System be classified as 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 Mount Vernon, 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-subsections 1.31.1.1 and 1.31.1.2 above, a *Transfer of the Franchise* shall not include transfer of an ownership or other interest in Franchisee to the parent of Franchisee or to another Affiliate of Franchisee; transfer of an interest in the Franchise or the rights held by the Franchisee under the Franchise to the parent of Franchisee or to another Affiliate of Franchisee; any action which is the result of a merger of the parent of the Franchisee; or any action which is the result of a merger of another Affiliate of the Franchisee.

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

2. GRANT OF AUTHORITY; LIMITS AND RESERVATIONS

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

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

2.3. *Effective Date and Term:* This Franchise shall become effective on the date that the NY PSC issues 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 and shall not interfere with existing facilities of the Cable System or Franchisee's FTTP Network.

2.5. *Franchise Subject to Federal Law:* Notwithstanding any provision to the contrary herein, this Franchise is subject to and shall be governed by all applicable provisions of federal 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.

2.7.3. Should any change to state law, rules or regulations have the lawful effect of materially altering the terms and conditions of this Franchise, then the parties shall modify this Franchise to the mutual satisfaction of both parties to ameliorate the negative effects on the Franchisee of the material alteration. Any modification to this Franchise shall be in writing and shall be subject to Section 222 of the New York Public Service Law and Title 16, Chapter VIII, Part 892, Subpart 892-1, Section 892-1.4 of the Official Compilation of Codes, Rules and Regulations of the State of New York requiring application to the NY PSC and

approval of any modification. If the parties cannot reach agreement on the above-referenced modification to the Franchise, then Franchisee may terminate this Agreement without further obligation to the LFA or, at Franchisee's option, the parties agree to submit the matter to binding arbitration in accordance with the commercial arbitration rules of the American Arbitration Association.

2.8. *Police Powers:* The LFA shall not enact any local laws that are inconsistent with this Franchise, provided, however, that nothing in this Franchise shall be construed to prohibit the reasonable, necessary and lawful exercise of the police powers of the LFA in a manner not materially in conflict with the privileges granted in this Franchise and consistent with all federal and state laws, regulations and orders.

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

2.10. *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.

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 Subscribers within residential areas of 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 areas of 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 aerial 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. For underground installations, Franchisee shall charge the subscriber Franchisee's actual cost. Such cost shall be submitted to said Subscriber, in writing, before installation is begun.

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 aerial 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 aerial 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. For underground installations, Franchisee shall charge the recipient Franchisee's actual cost. Such cost shall be submitted to said recipient, in writing, before installation is begun. 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 the 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.

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, 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. *PEG Access Interconnection:*

5.2.1. LFA shall designate in its sole discretion not more than eight (8) sites within the Franchise Area for the interconnection of PEG access facilities with the Cable System (each, a "PEG Access Interconnection Site") as designated on Exhibit D to this Agreement.

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 PEG Channel transmission connections between its video channel aggregation point and the PEG Access Interconnection Sites in order to permit the signals to be correctly routed from the PEG Access Interconnection Sites to the appropriate PEG Access Channel for distribution to Subscribers as follows: (i) two (2) PEG Access Interconnection Sites shall be operable within one hundred twenty (120) days of the Effective Date; (ii) two (2) PEG Access Interconnection Sites shall be operable no later than the first anniversary of the Effective Date; (iii) two (2) PEG Access Interconnection Sites shall be operable no later than the third anniversary of the Effective Date; and (iv) two (2) PEG Access Interconnection Sites shall be operable within ninety (90) days after Franchisee receives written notice from the LFA that each such PEG Access Interconnection Site is fully functional for its intended purpose; each as designated on Exhibit D to this Agreement.

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

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

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

5.3. *PEG Grant:*

5.3.1. *PEG Grant:* Franchisee shall provide to the LFA for use in support of the production of local PEG programming a PEG Grant (the "PEG Grant") in the aggregate amount of SIX HUNDRED THOUSAND SIX HUNDRED FORTY-TWO DOLLARS AND SIX CENTS (\$600,642.06). Franchisee shall pay the PEG Grant in ten (10) installments, as follows: (1) the first installment in the amount of ONE HUNDRED THIRTEEN THOUSAND EIGHT HUNDRED TWENTY-TWO DOLLARS AND FORTY-FOUR CENTS (\$113,822.44), shall be payable within ninety (90) days of the Effective Date; (2) the second installment, in the amount of TWO HUNDRED SEVEN THOUSAND THREE HUNDRED TWENTY-ONE DOLLARS AND THIRTY-ONE CENTS (\$207,321.31), shall be payable on the first anniversary of the Effective Date; (3) the third installment, in the amount of SEVENTY NINE THOUSAND SEVEN HUNDRED FORTY-NINE DOLLARS AND NINETY-FOUR CENTS (\$79,749.94), shall be payable on the second anniversary of the Effective Date; (4) the fourth installment, in the amount of SEVENTY-FOUR THOUSAND THREE HUNDRED NINETY DOLLARS (\$74,390.00), shall be payable on the third anniversary of the Effective Date; (5) the fifth installment, in the amount of SEVENTY THOUSAND SEVEN HUNDRED SEVENTY-SIX DOLLARS AND FIFTY CENTS (\$70,776.50), shall be payable on the fourth anniversary of the Effective Date; (6) the sixth installment, in the amount of ONE THOUSAND FIVE HUNDRED DOLLARS (\$1,500.00), shall be payable on the fifth anniversary of the Effective Date; (7) the seventh installment, in the amount of TWENTY-SIX THOUSAND SEVEN HUNDRED SEVENTEEN DOLLARS AND FIFTY CENTS (\$26,717.50), shall be payable on the sixth anniversary of the Effective Date; (8) the eighth installment, in the amount of ONE THOUSAND FIVE HUNDRED DOLLARS (\$1,500.00), shall be payable on the seventh anniversary of the Effective Date; (9) the ninth installment, in the amount of TWENTY-THREE THOUSAND THREE HUNDRED SIXTY-FOUR DOLLARS AND THIRTY-EIGHT CENTS (\$23,364.38), shall be payable on the eighth anniversary of the Effective Date; and (10) the tenth installment, in the amount of ONE THOUSAND FIVE HUNDRED DOLLARS (\$1,500.00), shall be payable on the ninth anniversary of the Effective Date. Such PEG Grant shall be used solely by the LFA for PEG access equipment, including, but not limited to, studio and portable production equipment, editing equipment and program playback equipment, or for renovation or construction of PEG access facilities.

5.3.2. Notwithstanding the foregoing Subsection 5.3.1, however, Franchisee's obligation to provide the second through tenth installments of the PEG Grant under this Section 5.3 shall not commence until the LFA imposes an equivalent economic burden on all cable service providers within the Franchise Area.

5.3.3. The LFA shall provide Franchisee with a complete accounting annually of the distribution of funds granted pursuant to this Section 5.3.

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:* Consistent with applicable law, Franchisee shall be permitted to externalize, line-item, or otherwise pass-through to Subscribers any costs arising from the provision of PEG services, interconnection and any other franchise-related costs.

6. **FRANCHISE FEES**

6.1. *Payment to LFA:* Franchisee shall pay to the LFA a Franchise Fee of four and one-half percent (4½%) of annual Gross Revenue (the "Franchise Fee"); provided, however, that at such time as the LFA requires all Cable Service providers in the Service Area to pay a Franchise Fee of five percent (5%), the LFA shall be entitled, after notification to Franchisee, to amend this Franchise in the manner prescribed herein to require Franchisee to pay such higher amount and Franchisee agrees to pay such higher amount on going forward basis, following the issuance of an order from the NY PSC approving such amendment. 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. Late payments for Franchise Fees shall be subject to interest at the then-current rate set forth in Section 5004 of the New York Civil Practice Law and Rules (which as of the date of execution of this Agreement is nine percent (9%) per annum) from the due date to the date that such payment is made.

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

6.3. *Audit:* Subject to the confidentiality requirements set forth in Section 7.1 of this Franchise and the LFA's imposition of identical obligations to those contained in this Section 6.3 on all cable service providers in the Service Area, Franchisee shall be responsible for

making available to the LFA for inspection and audit, all records necessary to confirm the accurate payment of Franchise Fees, whether the records are held by the Franchisee, an Affiliate, or any other entity that collects or receives funds related to the Franchisee's Cable Services operation in the LFA subject to the payment of Franchise Fees under this Agreement, including, by way of illustration and not limitation, any entity that sells advertising on the Franchisee's behalf. Franchisee shall maintain such records for six (6) years, provided that, if the LFA commences an audit within that six (6) year period, Franchisee shall continue to maintain such records for the duration of any audit in progress at the end of that six (6) year period. The LFA shall conduct all audits expeditiously, and neither the LFA nor Franchisee shall unreasonably delay the completion of an audit. The LFA's audit expenses shall be borne by the LFA unless the audit determines that the payment to the LFA should be increased by five percent (5%) or more in the audited period, in which case the reasonable and customary costs of the audit, together with any additional amounts due to the LFA as a result of such audit, shall be paid by Franchisee to the LFA within thirty (30) days following written notice to Franchisee by the LFA of the underpayment, which notice shall include a copy of the audit report; provided, however, that Franchisee's obligation to pay or reimburse the LFA's audit expenses shall not exceed an aggregate of TWENTY-FIVE THOUSAND DOLLARS (\$25,000.00). If re-computation results in additional revenue to be paid to the LFA, such amount shall be subject to interest charges computed from the due date, at the then-current rate set forth in Section 5004 of the New York Civil Practice Law and Rules (which as of the date of execution of this Agreement is nine percent (9%) per annum) per annum during the period such unpaid amount is owed. If the audit determines that there has been an overpayment by Franchisee, the Franchisee may credit any overpayment against its next quarterly payment. Said audit shall be conducted by an independent third party and no auditor so employed by the LFA shall be compensated on a success based formula, e.g., payment based on a percentage of an underpayment, if any. The LFA shall not conduct an audit more frequently than once every three (3) years.

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

6.5. *Bundled Services:* If the Franchisee bundles Cable Service with Non-Cable Service, the Franchisee agrees that it will not intentionally or unlawfully allocate any discount associated with purchasing bundled services for the purposes of evading the Franchise Fee payments under this Franchise. The parties agree that tariffed telecommunication service rates that cannot be discounted by law or 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.

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 publicly disclose information that it reasonably deems to be proprietary or confidential in nature, nor disclose any of its or an Affiliate's books and records not relating to 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, and is designated by a physical marking as "proprietary and confidential" on the medium by which the information is provided. 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:* 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 two million dollars (\$2,000,000) 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 two million dollars (\$2,000,000) 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.

8.1.2. 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 and Employer's Liability Insurance.

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 prompt written notice of a claim or action for which it seeks indemnification pursuant to this Subsection; and in any event the LFA shall provide Franchisee with such written notice within a period of time that allows Franchisee to take action to avoid entry of a default judgment and does not prejudice Franchisee's ability to defend the claim or action. Notwithstanding the foregoing, Franchisee shall not indemnify the LFA for any damages, liability or claims resulting from the willful misconduct or negligence of the LFA, its officers, agents, employees, attorneys, consultants, 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 hold harmless and defend Franchisee from and against and shall be responsible for damages, liability or claims resulting from or arising out of the willful misconduct or negligence of the LFA.

8.2.4. 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 1.31 above.

10. RENEWAL OF FRANCHISE

10.1. *Governing Law:* The LFA and Franchisee agree that any proceedings undertaken by the LFA that relate to the renewal of this Franchise shall be governed by and comply with the provisions of Section 12.11 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 11.3, 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 11.5.

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 11.3, 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 LFA shall cause to be served upon the Franchisee, at least thirty (30) business days prior to such public hearing, a written notice specifying the time and place of such hearing and stating its intent to revoke the Franchise.

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

11.5.2. Following the second public 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, New Jersey 07920-1097

12.5.2. Notices to the LFA shall be mailed to:

Mayor
City of Mount Vernon
1 Roosevelt Square
Mount Vernon, New York 10550

12.5.3. with a copy to:

Corporation Counsel
City of Mount Vernon
1 Roosevelt Square
Mount Vernon, New York 10550

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

12.15. *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.

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

12.17. *Performance Review:* The LFA may, at its discretion but not more than once per twelve (12) month period, hold an informal 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 12.17; 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 (the "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.

12.18. *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.

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

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12.20. *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 _____, 2007.

LFA:
CITY OF MOUNT VERNON

By: _____
Title:

FRANCHISEE:
VERIZON NEW YORK INC.

By: _____
Title:

EXHIBITS

Exhibit A: Municipal Buildings to be Provided Free Cable Service

Exhibit B: Service Area

Exhibit C: PEG Channels

Exhibit D: PEG Access Interconnection

Exhibit List

Mount Vernon/Verizon New York Inc.
Franchise Agreement/May 2007

EXHIBIT A

MUNICIPAL BUILDINGS TO BE PROVIDED FREE CABLE SERVICE

1. Longfellow Pre-K, 625 4th Avenue, Mount Vernon, NY 10550
2. Edward Williams Elementary School, 9 Union Lane, Mount Vernon, NY 10533
3. Cecil H. Parker Elementary School, 461 South 6th Avenue, Mount Vernon, NY 10550
4. Traphagen Elementary School, 72 Lexington Avenue, Mount Vernon, NY 10552
5. Columbus Elementary School, 250 Gramatan Avenue, Mount Vernon, NY 10550
6. Lincoln Elementary School, 170 East Lincoln Avenue, Mount Vernon, NY 10550
7. Grimes Elementary School, 58 South 10th Avenue, Mount Vernon, NY 10550
8. Hamilton Elementary School, 20 Oak Street, Mount Vernon, NY 10550
9. Holmes Elementary School, 195 North Columbus Avenue, Mount Vernon, NY 10553
10. Pennington-Grimes Elementary School, 20 Fairway Avenue, Mount Vernon, NY 10552
11. Longfellow Elementary School, 625 4th Avenue, Mount Vernon, NY 10550
12. Graham Elementary School, 421 East 5th Avenue, Mount Vernon, NY 10550
13. A.B. Davis Middle School, 250 Gramatan Avenue, Mount Vernon, NY 10552
14. Longfellow Middle School, 624 South 3rd Avenue, Mount Vernon, NY 10550
15. Nelson Mandela High School, 47 South 11th Avenue, Mount Vernon, NY 10552
16. Mount Vernon High School, 100 California Road, Mount Vernon, NY 10552
17. Nellie Thornton High School, 121 South 6th Avenue, Mount Vernon, NY 10550
18. Mount Vernon Public Library, 28 South 1st Avenue, Mount Vernon, NY 10550
19. Firehouse Headquarters, 470 Lincoln Avenue East, Mount Vernon, NY 10552
20. Armory, 144 North 5th Avenue, Mount Vernon, NY 10550

21. Firehouse, 13 Oak Street, Mount Vernon, NY 10550
22. City Hall, 1 Roosevelt Square, Mount Vernon, NY 10550
23. Police Headquarters, 2 Roosevelt Square, Mount Vernon, NY
24. Doles Center, 250 South 6th Avenue, Mount Vernon, NY 10550
25. Stevens House, 29 West 4th Street, Mount Vernon, NY 10550
26. Firehouse, 435 South Fulton Avenue, Mount Vernon, NY 10553
27. 3rd Street Firehouse, 50 West 3rd Street, Station 3, Mount Vernon, NY 10550
28. Animal Shelter, 600 Garden Avenue, Mount Vernon, NY 10550

EXHIBIT B

SERVICE AREA

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

The construction of the Franchisee's FTTP Network has been completed to approximately 94% of the current households in the Franchise Area. At present, Franchisee's anticipated schedule calls for 94% deployment by October 2007, 96% deployment by April 2008, 96% deployment by October 2008, 98% deployment by April 2009, 98% deployment by October 2009, 99% deployment by April 2010, 99% deployment by October 2010, 100% deployment by April 2011, 100% deployment by October 2011, and 100% deployment by April 2012. 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 change in this schedule.

EXHIBIT C

PEG CHANNELS

Upon written request of the LFA, Franchisee shall make available on its Basic Service tier up to one (1) dedicated Public Access Channel, one (1) dedicated Educational Access Channel, and up to one (1) dedicated Government Access Channel.

EXHIBIT D

PEG ACCESS INTERCONNECTION

EXHIBIT D

Subject to the requirements set forth in Subsection 5.2.2 of the Agreement, the following Government Access Channel and Public Access Channel PEG Access Interconnection Site ("PEG Access Interconnection Site No. 1") shall be operable within one hundred twenty (120) days of the Effective Date:

City Hall, 1 Roosevelt Square, Mount Vernon, NY

Subject to the requirements set forth in Subsection 5.2.2 of the Agreement, the following Educational Access Channel PEG Access Interconnection Site ("PEG Access Interconnection Site No. 2") shall be operable within one hundred twenty (120) days of the Effective Date:

Mount Vernon High School, 100 California Road, Mount Vernon, NY

PEG Access Interconnection Site No. 1 and PEG Access Interconnection Site No. 2 shall serve as the aggregation points for those PEG Access Interconnection Sites designated below (each, a "PEG Access Origination Point") feeding signals to the Government, Educational and Public Access Channels. For purposes of permitting LFA to select and switch feeds coming into an aggregation point, Franchisee shall provide the LFA, without charge, such capability at such aggregation point. Operation and maintenance of any equipment associated therewith shall be the responsibility of the LFA.

Subject to the requirements set forth in Subsection 5.2.2 of this Agreement, the following Public Access Channel PEG Access Interconnection Sites feeding a signal to PEG Access Interconnection Site No. 1 shall be operable no later than the first anniversary of the Effective Date:

Brush Park, South 3rd Avenue & 7th Street, Mount Vernon, NY
Hutchinson Field, East Sanford Boulevard, Mount Vernon, NY

Subject to the requirements set forth in Subsection 5.2.2 of this Agreement, the following Public Access Channel PEG Access Interconnection Sites feeding signals to PEG Access Interconnection Site No. 1 shall be operable no later than the third anniversary of the Effective Date:

Memorial Field, Corner of Gardner Avenue, Mount Vernon, NY
Doles Center, 250 South 6th Avenue, Mount Vernon, NY

Subject to the requirements set forth in Subsection 5.2.2 of this Agreement, the following Educational Access Channel PEG Access Interconnection Site feeding a signal to PEG Access Interconnection Site No. 2 shall be operable within ninety (90) days after Franchisee receives written notice from the LFA that such PEG Access Interconnection Site is fully functional for its intended purpose:

Nellie Thornton High School, 121 South 6th Avenue, Mount Vernon, NY

Subject to the requirements set forth in Subsection 5.2.2 of this Agreement, the following Public Access Channel PEG Access Interconnection Site ("PEG Access Interconnection Site No. 3") shall be operable within ninety (90) days after Franchisee receives written notice from the LFA that such PEG Access Interconnection Site is fully functional for its intended purpose:

Hip Hop Culture Gallery, 105 South 4th Avenue, Mount Vernon, NY

Tab 4



Monica F. Azare
Senior Vice President
State Public Policy and Government Affairs -- NY/CT

140 West Street, 30th Floor
New York, NY 10007

Phone 212 321-8140
Fax 212 791-0526
monica.f.azare@verizon.com

May 17, 2007

The Honorable Ernest D. Davis
City of Mount Vernon
1 Roosevelt Square
Mount Vernon, NY 10550

Dear Mayor Davis:

Verizon is looking forward to the public hearing on Wednesday, May 23 in the City of Mount Vernon to consider approval of Verizon's video franchise application. It is a step in a comprehensive review process that will open the door to cable choice and advanced video technology for the residents of Mount Vernon.

I respect and thank you and those who negotiated on behalf of the City of Mount Vernon for your determined efforts in reaching this high point in the franchise process. The results are commendable. Together, we have crafted a franchise agreement that is fair and equitable, competitively neutral, and consistent with Public Service Commission rulings as well as all state and federal laws and regulations.

As you prepare for the upcoming hearing, please know that Verizon is committed to meeting the needs of the community and, more importantly, to delivering a competitive, next-generation cable technology and entertainment platform to the residents of Mount Vernon. I trust that the franchising team has answered all of your questions. Please feel free to contact me at the number above if there is additional information that you need.

I have enclosed information outlining the extraordinary benefits of Verizon FIOS TV - the service that awaits the approval of you and your council.

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

Sincerely,

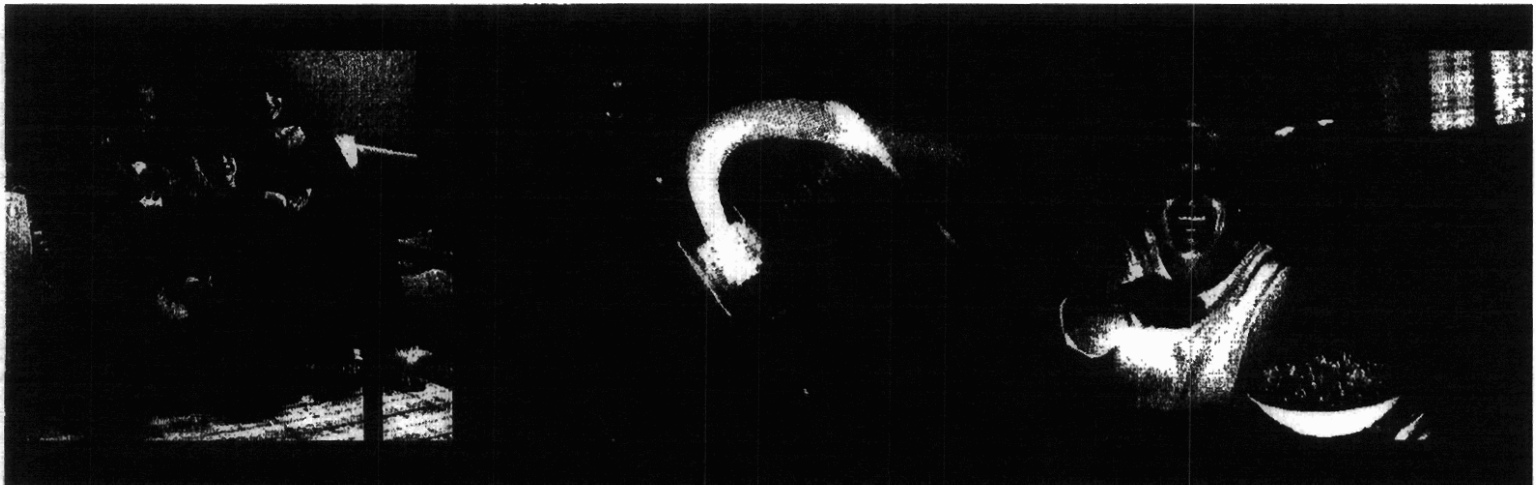
A handwritten signature in black ink, appearing to read "M. Azare", written over the word "Monica Azare" which is printed below it.

Monica Azare

cc: The Honorable Steven Horton
The Honorable Lyndon D. Williams
The Honorable Loretta Hottinger
The Honorable Yuhanna Edwards
The Honorable William R. Randolph

Verizon FiOS TV

City of Mount Vernon, NY



www.verizon.com/ny



We never stop working for you.

The City of Mount Vernon Can Advance New York's Broadband Revolution.

Favorable action on Verizon's proposed cable franchise agreement positions Mount Vernon to be among the first group of communities in New York to open the doors to the robust competition underway in New York's television and video marketplace.

A win for the community – *and* its residents.

- **Benefits to the community:** The competitive cable TV franchise agreement under consideration will deliver:
 - **Homebuyers who actively seek out Mount Vernon** – Fiber to the home has become an important criterion to customers in the housing market. In communities where Verizon has deployed its fiber optic network, homebuyers favor properties served by it.
 - **Competitive Consumer Prices** – Cable rates increase less in places where cable operators face real wireline competition.
 - According to the FCC, rates for basic and expanded basic cable TV service rose by about 5% in 2005, to \$43. Those rates are up 93% over the past decade.
The remedy? Competition! The FCC's December 2006 report shows that in areas where there is land-based competition like Verizon FIOS TV, prices are 17% below average.
 - And in areas where Verizon is offering FIOS TV, Cablevision has offered freebies, like free DVR service or free HBO, and steep discounts to keep customers from disconnecting. And they're offering new customers the triple play bundle for \$89.95 monthly with a one year contract. It's amazing what a little competition can do for consumers!

The Town of Mount Vernon is among the first.

- **Deployment Commitment:** Mount Vernon is among the first communities in New York to benefit from Verizon's fiber-to-the-premises (FTTP) initiative. Today, this network offers Mount Vernon the largest ever voice, data, and video pipeline into the home, resulting in clearer, more reliable voice connections and lightning-fast Internet connections - far faster than the most powerful cable modem connections.
- **Personnel and Resource Commitment:** Verizon has hired new full-time employees and contractors to deliver fiber to the home in the area.
- **Quality Commitment:** Verizon is delivering the best video offering on the market to downstate New York – and intends to do the same for the residents of Mount Vernon.

Broadband. The City of Mount Vernon has a lot riding on it.



We never stop working for you.

More Choices. Right Before Your Eyes.

Top 10 Reasons Why New Yorkers Want FiOS TV

- 10 It's affordable.** FiOS TV is priced to compete. And that's important. The FCC has found that cable television rates have increased 93 percent over the last decade.
- 9 It's state-of-the-art.** Verizon's programming rides over an all-digital fiber-optic network to the home – with the fastest connections available in the industry.
- 8 It's in demand.** FiOS TV was available to about 2.4 million homes at the end of 2006, and the company expects to attract 3-4 million customers by 2010.
- 7 It comes with other great services.** Customers in parts of our service territory are surfing the web at up to 50 Mbps using FiOS Internet Service. Customers also tell us that phone calls placed over our FiOS fiber optic network are clearer than ever.
- 6 It's future proof.** The network has enough capacity for the most demanding consumers today and plenty more for applications still on the drawing board.
- 5 Lots of HDTV.** There's nearly unlimited high-definition channel capacity on the FiOS TV network. FiOS TV customers today have access to twice as many HD channels as many cable providers.
- 4 It's diverse.** FiOS TV offers one of the most diverse and exciting multicultural channel lineups in the industry.
- 3 Lots of channels.** Verizon's channel lineup offers more than 400 total channels, with more on the way.
- 2 It's better.** Our analog and digital television signals travel over a pipeline far more robust than cable's. Cablevision and other providers must add voice and data service to their pipeline too, leading to a tradeoff between Internet speeds or enhancing cable TV service.
- 1 It's from Verizon.** We offer the most advanced and reliable network in the country along with a legacy of providing outstanding service in New York for more than a century.

Competition Works!

You get to choose which company to use for your wireline or wireless phone service. You get to choose your Internet Service Provider. You should have the same freedom of choice for cable TV. It's choice and competition that benefit you the most.

When a true wireline television competitor challenges cable, prices for basic and expanded basic cable TV service are 17% below average.
(Source: FCC Report on Cable Industry Prices, Dec 2006)

Delaying video entry by one year would cost New Yorkers \$458 million in lost consumer savings from video services alone, and these losses increase with each year of delay.
(Source: Phoenix Center Policy Bulletin No. 13, Jan 2006)

Incumbent cable companies have responded with service price cuts of 28 - 42% in some areas where FiOS TV is available.
(Source: Bank of America Equity Research: Consumer Wireline Services Pricing, Jan 2006)

Support change. Let's bring true cable TV competition to New York now – not years from now. Let your voice be heard. Urge your local elected officials to vote "YES" in favor of TV choice and competition!

**For more information, visit:
www.verizon.com/ny**



Power to the people who have fiber-optic TV!

Verizon FiOS TV takes entertainment to a level you never imagined.

More Value

FiOS TV is all about simple packages and competitive prices. FiOS TV Premier delivers an unmatched lineup with more than 200 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 approximately 8,600 of the latest titles; blockbuster movies, kids' shows, sporting events and much more, all at a touch of a button.

HDTV

FiOS TV offers more than two dozen high definition channels, with all of your favorite channels like ESPN, Discovery, HD Net and more!

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 digital service customers.

Dual-tuner, Home Media DVRs, and FiOS TV Widgets

FiOS TV gives you the freedom to pause and rewind live TV, record one show while watching another - and fast forward to your favorite part - all without a VCR, tapes or DVDs. And our Home Media DVR allows you to view recorded programs from any room in the house with a television and set-top box and easily access photos and music from your personal computer and 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 tier, La Conexión, or any of the popular international premium channels, you stay connected to the world.

More channels. More choices. Verizon FiOS TV.

* Programming and prices are subject to change. Applicable franchise fees, regulatory fees and taxes apply. Other terms and conditions apply.

Verizon FiOS TV — New York Channel Lineup

Effective 2/07

<p>Local</p> <p>2 CBS — WCBS-TV 2 NBC — WNBC-TV 4 5 FOX — WNYW-TV 5 6 WRNN-TV 62 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 — WNUJ-TV 47 13 PBS — WNET-TV 13 17 WFTV-TV 67 18 WMBC-TV 63 21 PBS — WLW-TV 21 23 PBS — WJUN-TV 50 25 NYC-TV 29 PBS — WFME-TV 68 31 I-WPXN-TV 31 32 Local Programming 33 Local Programming 34 Local Programming 37 Local Programming 38 Local Programming 40 Local Programming 41 Univision — WXTV-TV 41 48 TV Guide 49 WeatherScan Local</p> <p>Entertainment</p> <p>50 USA Network 51 TNT 52 TBS 53 FX 54 Spike TV</p> <p>Sports</p> <p>60 ESPN 61 ESPN Classic Sports 62 ESPNNews 63 ESPNU 64 ESPN 2 66 YES 67 SportsNet NY 68 MSG 69 Fox Sports Net NY 71 Speed Channel 72 NFL Network 75 VERSUS</p> <p>News</p> <p>80 CNN 81 CNN Headline News 82 Fox News 83 CNBC 85 Bloomberg TV 86 CNN International 87 CNBC World 88 ABC News Now 89 C-SPAN 90 C-SPAN 2 91 C-SPAN 3 99 The Weather Channel</p> <p>Information</p> <p>100 Discovery Channel 101 National Geographic Channel 102 Science Channel 103 Discovery Times 104 Pentagon Channel 106 Military Channel 106 Military History Channel 107 History Channel International</p>	<p>108 History Channel 109 Biography Channel 110 Animal Planet 119 TLC (The Learning Channel)</p> <p>Women</p> <p>120 Lifetime 121 Lifetime Movie Network 122 Lifetime Real Women 123 SoapNet 124 Oxygen 129 Women's Entertainment</p> <p>Shopping</p> <p>130 QVC 131 HSN 133 America's Store 135 Jewelry 137 Shop NBC</p> <p>Home & Leisure</p> <p>140 Style 141 Discovery Health 142 LIME 143 Fit TV 144 Food Network 145 HGTV (Home & Garden Television) 146 Fine Living 147 DIY (Do It Yourself) 148 Discovery Home 149 Wealth TV 150 Travel Channel</p> <p>Pop Culture</p> <p>160 Sci-Fi Channel 161 A&E 162 Crime & Investigation Network 163 Court TV 164 GSN 165 Bravo 166 Sleuth 167 Logo 168 Ovation 169 BBC America 170 Comedy Central 171 G4 176 E! Entertainment Television 177 Fox Reality 178 Fuel 179 ABC Family</p> <p>Music</p> <p>180 MTV 181 MTV2 183 MTV Jams 184 MTV Hits 185 IMF (International Music Feed) 186 FUSE 187 VH1 188 VH1 Classic 189 VH1 Soul 190 BET Jazz 191 CMT 192 CMT Pure Country 193 Great American Country 194 Gospel Music Channel 195 BET Gospel 199 Soundtrack Channel</p> <p>Movies</p> <p>200 Turner Classic Movies 201 AMC 202 Fox Movie Channel</p>	<p>Family</p> <p>210 Hallmark Channel (East) 212 Family Net 213 AmericanLife TV 214 TV Land</p> <p>Children</p> <p>220 Disney 221 Toon Disney 222 Nickelodeon 223 Nick Too 224 Nick Toons 225 G4S 226 Noggin 227 Cartoon Network (ESP)* 228 Boomerang (ESP)* 229 Discovery Kids 230 Variety 231 FUNimation 232 PBS KIDS Sprout</p> <p>People & Culture</p> <p>240 BET 241 TV One 242 Black Family Channel 243 MTV Tr3s 244 GaleVision 245 Mun2 246 Si TV 247 AZN Television 248 Bridges TV</p> <p>Religion</p> <p>260 EWTN 261 INSP 262 i-Life 263 Church 264 JCTV 265 BYU 266 Three Angels 268 Daystar 269 Smile of a Child 270 Trinity Broadcast Network</p> <p>Sports**</p> <p>300 Fox College Sports — Atlantic 301 Fox College Sports — Central 302 Fox College Sports — Pacific 303 Tennis Channel 306 Golf Channel 307 Outdoor Channel 308 The Sportman Channel 311 Fox Sports on Español 312 Fox Soccer Channel 313 GoTV 315 TVG (Horse Racing) 316 Horse Racing TV 318 Max TV 319 Blackbelt TV 321 MSG 2 322 Fox Sports Net NY 2</p> <p>Movies**</p> <p>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 348 Encore</p>	<p>Movies</p> <p>349 Encore West 350 Encore Love 351 Encore Love West 352 Encore Westerns 353 Encore Westerns West 354 Encore Mystery 355 Encore Mystery West 356 Encore Drama 357 Encore Drama West 358 Encore Action 359 Encore Action West 360 Encore WAMI 361 Showtime 362 Showtime West 363 Showtime Showcase 364 Showtime Showcase West 365 Showtime Too 366 Showtime Too West 367 Showtime Beyond 368 Showtime Beyond West 369 Showtime Extreme 370 Showtime Extreme West 371 Showtime Women 372 Showtime Women West 373 Showtime Next 374 Showtime Next West 375 Showtime Family Zone 376 Showtime Family Zone West 377 The Movie Channel 378 The Movie Channel West 379 The Movie Channel Xtra 380 The Movie Channel Xtra West 381 Flix 382 Flix West 384 Sundance 385 Independent Film Channel</p> <p>HBO**</p> <p>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 412 HBO Zone West 413 HBO Latino 414 HBO Latino West</p> <p>Cinemax**</p> <p>415 Cinemax 416 Cinemax West 417 More Max 418 More Max West 419 Action Max 420 Action Max West 421 Thriller Max 422 Thriller Max West 423 Women's Max 424 At Max 425 Five Star Max 426 OuterMax</p> <p>Other Premiums**</p> <p>430 Playboy TV 431 Playboy TV on Español 435 Encore</p>
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*A Spanish-language Secondary Audio Program (SAP) is available for selection.

**Subscription to corresponding premium channels and packages required.

FiOS TV is frequently changing its channel offerings. To view our latest published channel lineup, please visit verizonfios.com/tv.

Verizon FiOS TV – New York Channel Lineup

<p>En Español**</p> <p>440 Galevisión</p> <p>442 ESPN Deportes</p> <p>443 Fox Sports en Español</p> <p>444 Go!TV</p> <p>446 CNN en Español</p> <p>447 Canal SUR</p> <p>448 TVE Internacional</p> <p>452 History Español</p> <p>453 Discovery en Español</p> <p>454 Viajar y Vivir</p> <p>456 Infinito</p> <p>457 MTV Tr3s</p> <p>458 VH Uno</p> <p>459 Telehit</p> <p>462 De Película</p> <p>463 De Película Clásico</p> <p>464 Cine Latino</p> <p>465 Cine Mexicano</p> <p>468 La Familia</p> <p>469 TV Chile</p> <p>470 TV Colombia</p> <p>472 Sorpresa</p> <p>473 Toon Disney Español</p> <p>474 Boomerang (ESP)*</p> <p>476 Discovery Kids en Español</p> <p>477 TBN Enlace</p> <p>478 EWTN Español</p> <p>International Premiums**</p> <p>480 SSTN (Vietnamese)</p> <p>481 COTV-4 (Mandarin Chinese)</p> <p>482 CTN – Zhong Tian Channel (Chinese)</p> <p>483 TV Japan</p> <p>484 MBC (Korean)</p> <p>485 The Filipino Channel</p> <p>486 TV Asia</p> <p>487 ART (Arabic)</p> <p>488 RAI (Italian)</p> <p>489 TV 5 (French)</p> <p>490 TVP Polonia (Polish)</p> <p>491 Reng A Reng (Persi)</p> <p>492 RTN Russian</p> <p>493 Channel 1 Russian</p> <p>497 MTV K</p> <p>498 MTV CH</p> <p>499 MTV Digi</p> <p>Entertainment</p> <p>500 USA Network</p> <p>501 TNT</p> <p>502 TBS</p> <p>503 Galevisión</p> <p>504 FX</p> <p>505 Spike TV</p> <p>Sports</p> <p>508 ESPN Deportes</p> <p>511 YES</p> <p>512 SportsNet NY</p> <p>513 Fox Sports en Español</p> <p>514 Fox Soccer Channel</p> <p>515 MSG</p> <p>516 Go!TV</p> <p>517 Fox Sports Net NY</p>	<p>News</p> <p>518 CNN en Español</p> <p>519 CNN</p> <p>520 CNN Headline News</p> <p>521 Fox News</p> <p>522 CNBC</p> <p>524 C-SPAN</p> <p>525 Canal SUR</p> <p>Information</p> <p>529 TVE Internacional</p> <p>530 History Español</p> <p>531 Discovery Channel</p> <p>532 Discovery en Español</p> <p>534 Animal Planet</p> <p>535 TLC (The Learning Channel)</p> <p>Women</p> <p>537 Lifetime</p> <p>538 Lifetime Movie Network</p> <p>Shopping</p> <p>540 QVC</p> <p>541 HSN</p> <p>543 Shop NBC</p> <p>Home & Leisure</p> <p>545 Discovery Health</p> <p>546 Viajar y Vivir</p> <p>549 Infinito</p> <p>550 Food Network</p> <p>551 HGTV (Home & Garden Television)</p> <p>552 Travel Channel</p> <p>Pop Culture</p> <p>555 E! Entertainment Television</p> <p>556 A&E</p> <p>557 Si TV</p> <p>558 Mu2</p> <p>559 Comedy Central</p> <p>560 Sci-Fi Channel</p> <p>Music</p> <p>562 MTV Tr3s</p> <p>563 MTV2</p> <p>564 Telehit</p> <p>565 VH Uno</p> <p>566 CMT</p> <p>Movies</p> <p>569 De Película</p> <p>570 De Película Clásico</p> <p>571 Cine Mexicano</p> <p>572 Cine Latino</p> <p>Family</p> <p>574 ABC Family</p> <p>575 La Familia</p> <p>576 TV Chile</p> <p>577 TV Colombia</p> <p>578 TV Land</p> <p>Children</p> <p>580 Nickelodeon</p> <p>581 Disney en Español</p> <p>582 Toon Disney Español</p> <p>583 Boomerang (ESP)*</p> <p>584 Cartoon Network (ESP)*</p> <p>585 Sorpresa</p> <p>586 Discovery Kids en Español</p> <p>Religion</p> <p>588 TBN Enlace</p> <p>589 EWTN Español</p>	<p>Music Choice</p> <p>600 Showcase</p> <p>601 Today's Country</p> <p>602 Classic Country</p> <p>603 Bluegrass</p> <p>604 R&B and Hip-Hop</p> <p>605 Classic R&B</p> <p>606 Smooth R&B</p> <p>607 R&B Hits</p> <p>608 Rap</p> <p>609 Metal</p> <p>610 Rock</p> <p>611 Arena Rock</p> <p>612 Classic Rock</p> <p>613 Alternative</p> <p>614 Retro-Active</p> <p>615 Electronica</p> <p>616 Dance</p> <p>617 Adult Alternative</p> <p>618 Soft Rock</p> <p>619 Hit List</p> <p>620 Party Favorites</p> <p>621 90s</p> <p>622 80s</p> <p>623 70s</p> <p>624 Solid Gold Oldies</p> <p>625 Singers & Standards</p> <p>626 Big Band & Swing</p> <p>627 Easy Listening</p> <p>628 Smooth Jazz</p> <p>629 Jazz</p> <p>630 Blues</p> <p>631 Reggae</p> <p>632 Soundscapes</p> <p>633 Classical Masterpieces</p> <p>634 Opera</p> <p>635 Light Classical</p> <p>636 Show Tunes</p> <p>637 Contemporary Christian</p> <p>638 Gospel</p> <p>639 Radio Disney</p> <p>640 Sounds of the Seasons</p> <p>641 Música Urbana</p> <p>642 Salsa y Merengue</p> <p>643 Rock en Español</p> <p>644 Pop Latino</p> <p>645 Mexicana</p> <p>646 Americana</p> <p>701 Events</p> <p>702-707 ESPN-NCAA Sports/ GamePlan/Full Court</p> <p>HDTV Broadcast</p> <p>801 CW – WPX HD</p> <p>802 CBS – WCBS HD</p> <p>803 PBS – WNET HD</p> <p>804 NBC – WNBC HD</p> <p>805 FOX – WNYW HD</p> <p>807 ABC – WABC HD</p> <p>808 My WWOX HD</p> <p>HDTV National</p> <p>825 TNT HDTV</p> <p>826 ESPN HDTV</p> <p>827 ESPN 2 HDTV</p> <p>828 NFL Network HDTV</p> <p>830 YES HD</p>	<p>831 SportsNet New York HD</p> <p>833 HD Net</p> <p>834 HD Net Movies</p> <p>835 Universal HDTV</p> <p>836 Discovery HDTV</p> <p>837 Wealth TV HD</p> <p>838 National Geographic Channel HD</p> <p>839 MTV HD</p> <p>HDTV Premium</p> <p>851 HBO HDTV</p> <p>852 Cinemax HDTV</p> <p>853 Showtime HDTV</p> <p>854 TMC HDTV</p> <p>855 Starz HDTV</p> <p>Local Plus</p> <p>860 NBC Weather Plus</p> <p>861 The Tube Music Network</p> <p>864 WNBC 4.4</p> <p>870 WLW 21</p> <p>871 WLW Create</p> <p>872 13 Kids</p> <p>873 13 World</p> <p>VIDEO ON DEMAND**</p> <p>Kids FREE</p> <p>ALL FREE</p> <p>Home & Leisure</p> <p>Info & Education</p> <p>Kids</p> <p>Music</p> <p>News</p> <p>Pop Culture</p> <p>Shopping</p> <p>Sports</p> <p>Movies</p> <p>New Movies</p> <p>New by Category</p> <p>All Movies</p> <p>All Movies by Category</p> <p>In Theaters</p> <p>En Español</p> <p>Subscriptions</p> <p>Cinemax</p> <p>HBO</p> <p>Showtime</p> <p>Starz</p> <p>Sundance</p> <p>The Movie Channel</p> <p>WWE</p> <p>Karaoke</p> <p>Playboy</p> <p>Adult</p> <p>Hustler</p> <p>Spice</p> <p>TEN</p> <p>Uncensored</p> <p>FIOS TV Help</p>
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*A Spanish-language Secondary Audio Program (SAP) is available for selection.
 **Subscription to corresponding premium channels and packages required.
 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.

● Lifestyle ● Premiums ● Arts & Entertainment ● Sports ○ Local Plus
 ● News & Information ● Music Choice PPV ● HD ● VOD

verizon
 We never stop working for you.

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

Scroll through a library of approximately 8,600 movies and shows that are waiting for you to watch. Use your remote and the Interactive Programming 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.

Premium On Demand

When you subscribe to HBO, Cinemax or the Movie Package, you automatically have access to original programming and shows. Not to mention, 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 the 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 sound

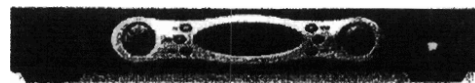
To get started with HDTV, you'll need a HD ready television and a FIOS TV HD Set Top Box.

Finally, regularly scheduled programs for your irregularly scheduled life.

FIOS TV brings you so many choices, you'll probably find yourself wanting to watch more than one show at a time. Or you might have seen something so incredible, you just have to hit instant replay to see it again. (Sports fans take note.) No tapes. No discs. No hassle. The days of waiting for a commercial break to get a snack are long gone with the FIOS TV DVR.

With a FIOS TV DVR you can:

- Rewind, pause or record live TV
- Record up to 85 hours of standard definition programming
- Record one show while watching another or record two shows at the same time while watching a third recorded show



Home Media DVR with Media Manager

- Lets customers view recorded programs from any room in the house with a television and set-top box
- Supports up to six additional televisions, with simultaneous viewing of up to three recorded shows
- Easily access photos and music from your personal computer and play them on your entertainment center where they look and sound the best

Verizon FiOS TV

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 ¹	15-35	\$12.99
Digital Service (Requires Set Top Box (STB) and Router ²)		
FiOS TV Premier ³	180 + FiOS TV Local	\$42.99
La Conexión ⁴	115 + FiOS TV Local	\$32.99

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

Packages (Requires STB)	Number of Channels	Monthly Price
Sports	15	\$7.99
Movies	44	\$12.99
Sports/Movies Combination	59	\$15.99
Spanish Language	25	\$11.99

Premiums (Requires STB)	Number of Channels	Monthly Price
HBO ⁵	14	\$15.99
Cinemax ⁶	12	\$15.99
HBO/Cinemax Combination	26	\$25.99
Playboy TV/Playboy TV en Español	2	\$15.99
here!	1	\$7.99

International Premiums (Requires STB)	Number of Channels	Monthly Price
International Premium Channels	17	Individually Priced

Video On Demand (VOD) and Pay Per View (PPV) (Requires STB)	Price
On Demand Movies	
New Releases	\$3.99
Library	\$2.99
On Demand Subscriptions	
WWE	\$7.99/mo.
Karaoke	\$7.99/mo.
On Demand Adult	\$14.99/each
PPV Events	Varies
PPV Sports	Varies
ESPN GamePlan — NCAA Football	\$21.99/daily, \$129.99 season*
ESPN FullCourt — NCAA Basketball	\$14.99/daily, \$109.99 season*

Set Top Box (STB)	Monthly Price
Standard Definition	\$4.99
High Definition (includes HD channels)	\$9.99
High Definition Digital Video Recorder (includes HD channels)	\$12.99
Home Media DVR (features Multi-Room DVR & Media Manager)	\$19.99

Initial Installation	One-Time Charges
Existing Outlet Hookup (up to 3)	No Charge
Additional Outlet/Set Top Box Hookup (existing outlet)	\$19.99
New Outlet Install/Existing Outlet Rewire (per outlet)	\$54.99
Outlet Relocation	\$54.99

Subsequent Installations/Charges	One-Time Charges
Set Top Box Addition or Upgrade/Downgrade	\$24.99
Premise Visit ⁸	\$49.99
New Outlet Installation (per outlet)	\$54.99
Outlet Relocation (per outlet)	\$54.99
Setup of TV Equipment (new TV with existing STB)	\$49.99
Disconnect of Set Top Box ⁷	\$24.99 + \$5.00/STB
Downgrade of Service from Digital to Analog	\$49.99 + \$5.00/STB
FiOS TV Service Disconnect	No Charge
FiOS TV Service Reconnect (up to 3 outlets)*	\$49.99

Other Services and Charges	One-Time Charges
Seasonal Service Suspension (charged at initiation, 1-6 months)*	\$24.99
Replacement Remote — Basic Universal	\$5.00 + Shipping & Handling
Replacement Remote — FiOS TV Universal	\$6.99 + Shipping & Handling
Unreturned/Damaged STB — Standard Definition	\$240.00
Unreturned/Damaged STB — High Definition	\$350.00
Unreturned/Damaged STB — Digital Video Recorder (DVR)	\$550.00

*In addition, early subscription and half season prices are available.



We never stop working for you.

1 In order to be eligible for Movies or Sports, FiOS TV Premier or La Conexión is required. The Spanish Language package may be added to FiOS TV Local service, but requires a Set Top Box for access. The addition of a Set Top Box with FiOS TV Local service provides access to Video On Demand (VOD) and Pay Per View (PPV), as well as the ability to order Premiums and International Premiums.

2 Router provided will be a new or fully inspected, tested and warranted return unit. If service is cancelled within the first 12 months, router must be returned or \$99.99 equipment fee applies. If you maintain service for twelve (12) consecutive months, ownership of the router shall transfer to you, after which time all maintenance of the router shall be at your sole cost and expense, and the risk of loss will be yours should the router be damaged or stolen.

3 FiOS TV Premier includes all FiOS TV Local channels, additional all-digital programming, digital music channels and access to Pay Per View and Video On Demand. 30-day minimum billing period required for all digital packages.

4 La Conexión includes all FiOS TV Local channels, digital programming including popular English-language networks and Spanish-language networks, digital music channels, and access to PPV and VOD. La Conexión cannot be combined with the Spanish Language package. 30-day minimum billing period required for all digital packages.

5 Subscription VOD is included with all Premiums at no extra charge (where applicable). 30-day minimum billing period required for all Premiums.

6 A premise visit charge is assessed when a technician installation is required to set up a new or additional TV with an existing FiOS TV Set Top Box. A premise visit charge is not assessed when adding new, upgrading/downgrading existing, or disconnecting Set Top Box receivers.

7 The Set Top Box disconnect charge is assessed only when the customer maintains at least one FiOS TV Set Top Box. If all Set Top Box receivers are disconnected, the service downgrade charge applies.

8 The reconnect fee applies when establishing service after a service disconnect.

9 Seasonal service suspension requires a minimum suspension of one month and a maximum suspension of six months.

Programming services offered within each package are subject to change and the number of channels within each package are approximations. Not all programming services available at all times. Blackout restrictions also apply. In addition, the pricing of the packages and the terms and conditions regarding your use of Verizon FiOS TV are also subject to change. Pricing applies to residential use only within the United States. Not all services are available in all areas. Acceptance of FiOS TV Terms of Service is required in order to use FiOS TV, and a copy of the Terms of Service will be given to you at the time of installation. The customer is financially responsible for any damage to, or misuse of, any equipment or for the failure to return any equipment if service is terminated. Applicable franchise fees, regulatory fees and taxes apply. Other terms and conditions apply.

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Tab 5

McGuireWoods LLP
1345 Avenue of the Americas
New York, NY 10105-0106
Phone: 212.548.2100
Fax: 212.548.2150
www.mcguirewoods.com

Pamela N. Goldstein
Direct: 212.548.2136

McGUIREWOODS

pngoldstein@mcguirewoods.com
Direct Fax: 212.548.2173

BY HAND DELIVERY

June 1, 2007

Lisa Copeland
City Clerk/Registrar
City of Mount Vernon
City Hall
1 Roosevelt Square
Mount Vernon, New York 10550

**Re: May 23, 2007 Public Hearing –
Application of Verizon New York Inc. for a Cable Television Franchise**

Dear Ms. Copeland:

Please find enclosed the documents to be entered into the record by Verizon New York Inc. in connection with the referenced matter.

Please contact me at (212) 548-2136 should you have any questions.

Very truly yours,



Pamela N. Goldstein

Enclosure

cc: Helen M. Blackwood, Corporation Counsel (w/o enclosure)
Verizon New York Inc.

Tab 6

Goldstein, Pamela N.

From: Mac Kerbey [mkerbey@telecominsightgroup.com]
Sent: Monday, June 11, 2007 4:34 PM
To: hblackwood@cmvny.com; jquinn@mtvernon.lhric.org
Cc: Goldstein, Pamela N.
Subject: Mt. Vernon - Revised PEG Schedule

Helen and John:

Attached, please find the above-referenced document. Should you have any questions, please call me, on my cell at (617) 823-9890.

Please confirm receipt by return e-mail.

Thanks.

Mac

6/14/2007

Mt. Vernon - PEG Financials Proposal 061107

Class/Yr.	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Class Tot.
School	MVHS	MVHS		THS	MVHS		MVHS		MVHS		
Equip.	43,728.75	121,000.00		145,780.00	138,553.00		50,435.00		43,728.75		543,225.50
Maint.	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	30,000.00
School ST	46,728.75	124,000.00	3,000.00	148,780.00	141,553.00	3,000.00	53,435.00	3,000.00	46,728.75	3,000.00	573,225.50
School VZ	58,364.38	27,000.00	1,500.00	74,390.00	70,776.50	1,500.00	26,717.50	1,500.00	23,364.38	1,500.00	286,612.75
HHCC	0.00	199,460.63	107,401.88	0.00	0.00	0.00	0.00	0.00	0.00	0.00	306,862.50
City Hall	90,458.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	90,458.06
MV Total	148,822.44	226,460.63	108,901.88	74,390.00	70,776.50	1,500.00	26,717.50	1,500.00	23,364.38	1,500.00	683,933.31
CUM	148,822.44	375,283.06	484,184.94	558,574.94	629,351.44	630,851.44	657,568.94	659,068.94	682,433.31	683,933.31	
%	0.218	0.549	0.708	0.817	0.920	0.922	0.961	0.964	0.998	1.000	

Tab 7

Cable Franchise Agreement
by and between
the City of Mount Vernon
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 Interconnection

THIS CABLE FRANCHISE AGREEMENT (the "Franchise" or "Agreement") is entered into by and between the City of Mount Vernon, 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 as specified by the LFA in Exhibit C to this Agreement.

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

1.12. *Force Majeure*: An event or events reasonably beyond the ability of Franchisee to anticipate and control. This includes, but is not limited to, severe or unusual weather conditions, strikes, 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 caused by waiting for utility providers to service or monitor utility poles to which Franchisee's FTTP Network is attached, and unavailability of materials and/or qualified labor to perform the work necessary.

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

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

1.15. *Government Access Channel*: 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) video on demand, including pay-per-view; (iv) revenues from the sale or lease of access channel(s) or channel capacity; and (v) compensation received by Franchisee that is derived from the operation of Franchisee's Cable System to provide Cable Service with respect to commissions that are paid to Franchisee as compensation for promotion or exhibition of any products or services on the Cable System, such as "home shopping" or a similar channel, subject to the exceptions below. Gross Revenue includes a pro rata portion of all revenue derived by Franchisee pursuant to compensation arrangements for advertising derived from the operation of Franchisee's Cable System to provide Cable Service within the 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.

1.16.2. Gross Revenue shall not include:

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

1.16.2.2. except as otherwise provided in Subsection 1.16.1, any revenues classified, in whole or in part, as Non-Cable Services revenue under federal or state law including, without limitation, revenue received from Telecommunications Services; revenue received from Information Services, including, without limitation, Internet Access service, electronic mail service, electronic bulletin board service, or similar online computer services; charges made to the public for commercial or cable television that is used for two-way communication; and any other revenues attributed by Franchisee to Non-Cable Services in accordance with federal law, rules, regulations, standards or orders. Should revenue from any service provided by Franchisee over the Cable System be classified as 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 Mount Vernon, 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-subsections 1.31.1.1 and 1.31.1.2 above, a *Transfer of the Franchise* shall not include transfer of an ownership or other interest in Franchisee to the parent of Franchisee or to another Affiliate of Franchisee; transfer of an interest in the Franchise or the rights held by the Franchisee under the Franchise to the parent of Franchisee or to another Affiliate of Franchisee; any action which is the result of a merger of the parent of the Franchisee; or any action which is the result of a merger of another Affiliate of the Franchisee.

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

2. GRANT OF AUTHORITY; LIMITS AND RESERVATIONS

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

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

2.3. *Effective Date and Term:* This Franchise shall become effective on the date that the NY PSC issues 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 and shall not interfere with existing facilities of the Cable System or Franchisee's FTTP Network.

2.5. *Franchise Subject to Federal Law:* Notwithstanding any provision to the contrary herein, this Franchise is subject to and shall be governed by all applicable provisions of federal 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.

2.7.3. Should any change to state law, rules or regulations have the lawful effect of materially altering the terms and conditions of this Franchise, then the parties shall modify this Franchise to the mutual satisfaction of both parties to ameliorate the negative effects on the Franchisee of the material alteration. Any modification to this Franchise shall be in writing and shall be subject to Section 222 of the New York Public Service Law and Title 16, Chapter VIII, Part 892, Subpart 892-1, Section 892-1.4 of the Official Compilation of Codes, Rules and Regulations of the State of New York requiring application to the NY PSC and

approval of any modification. If the parties cannot reach agreement on the above-referenced modification to the Franchise, then Franchisee may terminate this Agreement without further obligation to the LFA or, at Franchisee's option, the parties agree to submit the matter to binding arbitration in accordance with the commercial arbitration rules of the American Arbitration Association.

2.8. *Police Powers:* The LFA shall not enact any local laws that are inconsistent with this Franchise, provided, however, that nothing in this Franchise shall be construed to prohibit the reasonable, necessary and lawful exercise of the police powers of the LFA in a manner not materially in conflict with the privileges granted in this Franchise and consistent with all federal and state laws, regulations and orders.

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

2.10. *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.

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 Subscribers within residential areas of 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 areas of 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 aerial 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. For underground installations, Franchisee shall charge the subscriber Franchisee's actual cost. Such cost shall be submitted to said Subscriber, in writing, before installation is begun.

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 aerial 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 aerial 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. For underground installations, Franchisee shall charge the recipient Franchisee's actual cost. Such cost shall be submitted to said recipient, in writing, before installation is begun. 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 the 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.

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, 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. *PEG Access Interconnection:*

5.2.1. LFA shall designate in its sole discretion not more than eight (8) sites within the Franchise Area for the interconnection of PEG access facilities with the Cable System (each, a "PEG Access Interconnection Site or PEG Access Origination Site") as designated on Exhibit D to this Agreement.

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 PEG Channel transmission connections between its video channel aggregation point and the PEG Access Interconnection Sites in order to permit the signals to be correctly routed from the PEG Access Interconnection Sites to the appropriate PEG Access Channel for distribution to Subscribers as follows: (i) two (2) PEG Access Interconnection Sites shall be operable within one hundred twenty (120) days of the Effective Date; (ii) one (1) PEG Access Interconnection Site shall be operable within ninety (90) days after Franchisee receives written notice from the LFA that such PEG Access Interconnection Site is fully functional for its intended purpose; (iii) two (2) PEG Access Origination Sites shall be operable after the first anniversary of the Effective Date, upon an additional one hundred twenty (120) days after Franchisee receives written notice from the LFA that PEG Access Interconnection Site No. 3 is fully functional for its intended purpose; (iv) two (2) PEG Access Origination Sites shall be operable after the third anniversary of the Effective Date, upon an additional one hundred twenty (120) days after Franchisee receives written notice from the LFA that PEG Access Interconnection Site No. 3 is fully functional for its intended purpose; (v) one (1) PEG Access Origination Site shall be operable within ninety (90) days after Franchisee receives written notice from the LFA that such PEG Access Origination Site is fully functional for its intended purpose; and (vi) one (1) PEG Access Origination Site shall be operable within one hundred twenty (120) days after Franchisee receives written notice from the LFA that PEG Access Interconnection Site No. 3 is fully functional for its intended purpose; and each as designated on Exhibit D to this Agreement.

5.2.3. The LFA shall provide to Franchisee at the PEG Access Interconnection Sites a suitable video signal and a suitable audio signal for each PEG Channel. Franchisee, upon receipt of the suitable video signal, shall provide, install and maintain in good working order the equipment necessary for transmitting the PEG signal to the channel aggregation site for further processing for distribution to Subscribers. Franchisee's obligations

with respect to such upstream transmission equipment and facilities shall be subject to the availability, without charge to Franchisee, of suitable required space, environmental conditions, electrical power supply, access, pathway, and other facilities and such cooperation of the LFA as is reasonably necessary for Franchisee to fulfill such obligations.

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

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

5.3. *PEG Grant:*

5.3.1. *PEG Grant:* Franchisee shall provide to the LFA for use in support of the production of local PEG programming a PEG Grant (the "PEG Grant") in the aggregate amount of SIX HUNDRED EIGHTY-THREE THOUSAND NINE HUNDRED THIRTY-THREE DOLLARS AND THIRTY-ONE CENTS (\$683,933.31). Franchisee shall pay the PEG Grant in ten (10) installments, as follows: (1) the first installment in the amount of ONE HUNDRED FOURTY-EIGHT THOUSAND EIGHT HUNDRED TWENTY-TWO DOLLARS AND FORTY-FOUR CENTS (\$148,822.44), shall be payable within ninety (90) days of the Effective Date; (2) the second installment, in the amount of TWO HUNDRED TWENTY-SIX THOUSAND FOUR HUNDRED SIXTY DOLLARS AND SIXTY-THREE CENTS (\$226,460.63), shall be payable on the first anniversary of the Effective Date; (3) the third installment, in the amount of ONE HUNDRED EIGHT THOUSAND NINE HUNDRED ONE DOLLARS AND EIGHTY-EIGHT CENTS (\$108,901.88), shall be payable on the second anniversary of the Effective Date; (4) the fourth installment, in the amount of SEVENTY-FOUR THOUSAND THREE HUNDRED NINETY DOLLARS (\$74,390.00), shall be payable on the third anniversary of the Effective Date; (5) the fifth installment, in the amount of SEVENTY THOUSAND SEVEN HUNDRED SEVENTY-SIX DOLLARS AND FIFTY CENTS (\$70,776.50), shall be payable on the fourth anniversary of the Effective Date; (6) the sixth installment, in the amount of ONE THOUSAND FIVE HUNDRED DOLLARS (\$1,500.00), shall be payable on the fifth anniversary of the Effective Date; (7) the seventh installment, in the amount of TWENTY-SIX THOUSAND SEVEN HUNDRED SEVENTEEN DOLLARS AND FIFTY CENTS (\$26,717.50), shall be payable on the sixth anniversary of the Effective Date; (8) the eighth installment, in the amount of ONE THOUSAND FIVE HUNDRED DOLLARS (\$1,500.00), shall be payable on the seventh anniversary of the Effective Date; (9) the ninth installment, in the amount of TWENTY-THREE THOUSAND THREE HUNDRED SIXTY-FOUR DOLLARS AND THIRTY-EIGHT CENTS (\$23,364.38), shall be payable on the eighth anniversary of the Effective Date; and (10) the tenth installment, in the amount of ONE

THOUSAND FIVE HUNDRED DOLLARS (\$1,500.00), shall be payable on the ninth anniversary of the Effective Date. Such PEG Grant shall be used solely by the LFA for PEG access equipment, including, but not limited to, studio and portable production equipment, editing equipment and program playback equipment, or for renovation or construction of PEG access facilities.

5.3.2. Notwithstanding the foregoing Subsection 5.3.1, however, Franchisee's obligation to provide the second through tenth installments of the PEG Grant under this Section 5.3 shall not commence until the LFA imposes an equivalent economic burden on all cable service providers within the Franchise Area.

5.3.3. The LFA shall provide Franchisee with a complete accounting annually of the distribution of funds granted pursuant to this Section 5.3.

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:* Consistent with applicable law, Franchisee shall be permitted to externalize, line-item, or otherwise pass-through to Subscribers any costs arising from the provision of PEG services, interconnection and any other franchise-related costs.

6. **FRANCHISE FEES**

6.1. *Payment to LFA:* Franchisee shall pay to the LFA a Franchise Fee of four and one-half percent (4½%) of annual Gross Revenue (the "Franchise Fee"); provided, however, that at such time as the LFA requires all Cable Service providers in the Service Area to pay a Franchise Fee of five percent (5%), the LFA shall be entitled, after notification to Franchisee, to amend this Franchise in the manner prescribed herein to require Franchisee to pay such higher amount and Franchisee agrees to pay such higher amount on going forward basis, following the issuance of an order from the NY PSC approving such amendment. 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. Late payments for Franchise Fees shall be subject to

interest at the then-current rate set forth in Section 5004 of the New York Civil Practice Law and Rules (which as of the date of execution of this Agreement is nine percent (9%) per annum) from the due date to the date that such payment is made.

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

6.3. *Audit:* Subject to the confidentiality requirements set forth in Section 7.1 of this Franchise and the LFA's imposition of identical obligations to those contained in this Section 6.3 on all cable service providers in the Service Area, Franchisee shall be responsible for making available to the LFA for inspection and audit, all records necessary to confirm the accurate payment of Franchise Fees, whether the records are held by the Franchisee, an Affiliate, or any other entity that collects or receives funds related to the Franchisee's Cable Services operation in the LFA subject to the payment of Franchise Fees under this Agreement, including, by way of illustration and not limitation, any entity that sells advertising on the Franchisee's behalf. Franchisee shall maintain such records for six (6) years, provided that, if the LFA commences an audit within that six (6) year period, Franchisee shall continue to maintain such records for the duration of any audit in progress at the end of that six (6) year period. The LFA shall conduct all audits expeditiously, and neither the LFA nor Franchisee shall unreasonably delay the completion of an audit. The LFA's audit expenses shall be borne by the LFA unless the audit determines that the payment to the LFA should be increased by five percent (5%) or more in the audited period, in which case the reasonable and customary costs of the audit, together with any additional amounts due to the LFA as a result of such audit, shall be paid by Franchisee to the LFA within thirty (30) days following written notice to Franchisee by the LFA of the underpayment, which notice shall include a copy of the audit report; provided, however, that Franchisee's obligation to pay or reimburse the LFA's audit expenses shall not exceed an aggregate of TWENTY-FIVE THOUSAND DOLLARS (\$25,000.00). If re-computation results in additional revenue to be paid to the LFA, such amount shall be subject to interest charges computed from the due date, at the then-current rate set forth in Section 5004 of the New York Civil Practice Law and Rules (which as of the date of execution of this Agreement is nine percent (9%) per annum) per annum during the period such unpaid amount is owed. If the audit determines that there has been an overpayment by Franchisee, the Franchisee may credit any overpayment against its next quarterly payment. Said audit shall be conducted by an independent third party and no auditor so employed by the LFA shall be compensated on a success based formula, e.g., payment based on a percentage of an underpayment, if any. The LFA shall not conduct an audit more frequently than once every three (3) years.

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

6.5. *Bundled Services:* If the Franchisee bundles Cable Service with Non-Cable Service, the Franchisee agrees that it will not intentionally or unlawfully allocate any discount associated with purchasing bundled services for the purposes of evading the Franchise Fee payments under this Franchise. The parties agree that tariffed telecommunication service rates that cannot be discounted by law or 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.

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 publicly disclose information that it reasonably deems to be proprietary or confidential in nature, nor disclose any of its or an Affiliate's books and records not relating to 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, and is designated by a physical marking as "proprietary and confidential" on the medium by which the information is provided. 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:* 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 two million dollars (\$2,000,000) 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 two million dollars (\$2,000,000) 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.

8.1.2. 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 and Employer's Liability Insurance.

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 prompt written notice of a claim or action for which it seeks indemnification pursuant to this Subsection; and in any event the LFA shall provide Franchisee with such written notice within a period of time that allows Franchisee to take action to avoid entry of a default judgment and does not prejudice Franchisee's ability to defend the claim or action. Notwithstanding the foregoing, Franchisee shall not indemnify the LFA for any damages, liability or claims resulting from the willful misconduct or negligence of the LFA, its officers, agents, employees, attorneys, consultants, 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 hold harmless and defend Franchisee from and against and shall be responsible for damages, liability or claims resulting from or arising out of the willful misconduct or negligence of the LFA.

8.2.4. 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 1.31 above.

10. RENEWAL OF FRANCHISE

10.1. *Governing Law:* The LFA and Franchisee agree that any proceedings undertaken by the LFA that relate to the renewal of this Franchise shall be governed by and comply with the provisions of Section 12.11 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 11.3, 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 11.5.

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 11.3, 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 LFA shall cause to be served upon the Franchisee, at least thirty (30) business days prior to such public hearing, a written notice specifying the time and place of such hearing and stating its intent to revoke the Franchise.

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

11.5.2. Following the second public 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, New Jersey 07920-1097

12.5.2. Notices to the LFA shall be mailed to:

Mayor
City of Mount Vernon
1 Roosevelt Square
Mount Vernon, New York 10550

12.5.3. with a copy to:

Corporation Counsel
City of Mount Vernon
1 Roosevelt Square
Mount Vernon, New York 10550

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

12.15. *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.

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

12.17. *Performance Review:* The LFA may, at its discretion but not more than once per twelve (12) month period, hold an informal 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 12.17; 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 (the "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.

12.18. *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.

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

12.20. *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 _____, 2007.

LFA:
CITY OF MOUNT VERNON

By: _____
Title:

FRANCHISEE:
VERIZON NEW YORK INC.

By: _____
Title:

EXHIBITS

Exhibit A: Municipal Buildings to be Provided Free Cable Service

Exhibit B: Service Area

Exhibit C: PEG Channels

Exhibit D: PEG Access Interconnection

EXHIBIT A

MUNICIPAL BUILDINGS TO BE PROVIDED FREE CABLE SERVICE

1. Longfellow Pre-K, 625 4th Avenue, Mount Vernon, NY 10550
2. Edward Williams Elementary School, 9 Union Lane, Mount Vernon, NY 10533
3. Cecil H. Parker Elementary School, 461 South 6th Avenue, Mount Vernon, NY 10550
4. Traphagen Elementary School, 72 Lexington Avenue, Mount Vernon, NY 10552
5. Columbus Elementary School, 250 Gramatan Avenue, Mount Vernon, NY 10550
6. Lincoln Elementary School, 170 East Lincoln Avenue, Mount Vernon, NY 10550
7. Grimes Elementary School, 58 South 10th Avenue, Mount Vernon, NY 10550
8. Hamilton Elementary School, 20 Oak Street, Mount Vernon, NY 10550
9. Holmes Elementary School, 195 North Columbus Avenue, Mount Vernon, NY 10553
10. Pennington-Grimes Elementary School, 20 Fairway Avenue, Mount Vernon, NY 10552
11. Longfellow Elementary School, 625 4th Avenue, Mount Vernon, NY 10550
12. Graham Elementary School, 421 East 5th Avenue, Mount Vernon, NY 10550
13. A.B. Davis Middle School, 250 Gramatan Avenue, Mount Vernon, NY 10552
14. Longfellow Middle School, 624 South 3rd Avenue, Mount Vernon, NY 10550
15. Nelson Mandela High School, 47 South 11th Avenue, Mount Vernon, NY 10552
16. Mount Vernon High School, 100 California Road, Mount Vernon, NY 10552
17. Nellie Thornton High School, 121 South 6th Avenue, Mount Vernon, NY 10550
18. Mount Vernon Public Library, 28 South 1st Avenue, Mount Vernon, NY 10550
19. Firehouse Headquarters, 470 Lincoln Avenue East, Mount Vernon, NY 10552
20. Armory, 144 North 5th Avenue, Mount Vernon, NY 10550

21. Firehouse, 13 Oak Street, Mount Vernon, NY 10550
22. City Hall, 1 Roosevelt Square, Mount Vernon, NY 10550
23. Police Headquarters, 2 Roosevelt Square, Mount Vernon, NY
24. Doles Center, 250 South 6th Avenue, Mount Vernon, NY 10550
25. Stevens House, 29 West 4th Street, Mount Vernon, NY 10550
26. Firehouse, 435 South Fulton Avenue, Mount Vernon, NY 10553
27. 3rd Street Firehouse, 50 West 3rd Street, Station 3, Mount Vernon, NY 10550
28. Animal Shelter, 600 Garden Avenue, Mount Vernon, NY 10550

EXHIBIT B

SERVICE AREA

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

The construction of the Franchisee's FTTP Network has been completed to approximately 94% of the current households in the Franchise Area. At present, Franchisee's anticipated schedule calls for 94% deployment by October 2007, 96% deployment by April 2008, 96% deployment by October 2008, 98% deployment by April 2009, 98% deployment by October 2009, 99% deployment by April 2010, 99% deployment by October 2010, 100% deployment by April 2011, 100% deployment by October 2011, and 100% deployment by April 2012. 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 change in this schedule.

EXHIBIT C

PEG CHANNELS

Upon written request of the LFA, Franchisee shall make available on its Basic Service tier up to one (1) dedicated Public Access Channel, one (1) dedicated Educational Access Channel, and up to one (1) dedicated Government Access Channel.

EXHIBIT D

PEG ACCESS INTERCONNECTION

Subject to the requirements set forth in Subsection 5.2.2 of the Agreement, the following Government Access Channel PEG Access Interconnection Site ("PEG Access Interconnection Site No. 1") shall be operable within one hundred twenty (120) days of the Effective Date:

City Hall, 1 Roosevelt Square, Mount Vernon, NY

Subject to the requirements set forth in Subsection 5.2.2 of the Agreement, the following Educational Access Channel PEG Access Interconnection Site ("PEG Access Interconnection Site No. 2") shall be operable within one hundred twenty (120) days of the Effective Date:

Mount Vernon High School, 100 California Road, Mount Vernon, NY

Subject to the requirements set forth in Subsection 5.2.2 of the Agreement, the following Public Access Channel and Government Access Channel PEG Access Interconnection Site ("PEG Access Interconnection Site No. 3") shall be operable within ninety (90) days after Franchisee receives written notice from the LFA that such PEG Access Interconnection Site is fully functional for its intended purpose:

Hip Hop Culture Gallery, 105 South 4th Avenue, Mount Vernon, NY

PEG Access Interconnection Site No. 2 and PEG Access Interconnection Site No. 3 shall serve as the aggregation points for those PEG Access Interconnection Sites designated below (each, a "PEG Access Origination Point") feeding signals to the Government and Public Access Channels. For purposes of permitting LFA to select and switch feeds coming into an aggregation point, Franchisee shall provide the LFA, without charge, such capability at such aggregation point. Operation and maintenance of any equipment associated therewith shall be the responsibility of the LFA.

Subject to the requirements set forth in Subsection 5.2.2 of this Agreement, the following Public Access Channel and Government Access Channel PEG Access Origination Points feeding signals to PEG Access Interconnection Site No. 3 shall be operable after the first anniversary of the Effective Date, upon an additional one hundred twenty (120) days after Franchisee receives written notice from the LFA that PEG Access Interconnection Site No. 3 is fully functional for its intended purpose:

Brush Park, South 3rd Avenue & 7th Street, Mount Vernon, NY
Hutchinson Field, East Sanford Boulevard, Mount Vernon, NY

Subject to the requirements set forth in Subsection 5.2.2 of this Agreement, the following Public Access Channel and Government Access Channel PEG Access Origination Points feeding signals to PEG Access Interconnection Site No. 3 shall be operable after the third anniversary of the Effective Date, upon an additional one hundred twenty (120) days after Franchisee receives written notice from the LFA that PEG Access Interconnection Site No. 3 is fully functional for its intended purpose:

Memorial Field, Corner of Gardner Avenue, Mount Vernon, NY
Doles Center, 250 South 6th Avenue, Mount Vernon, NY

Subject to the requirements set forth in Subsection 5.2.2 of this Agreement, the following Educational Access Channel PEG Access Origination Point feeding a signal to PEG Access Interconnection Site No. 2 shall be operable within ninety (90) days after Franchisee receives written notice from the LFA that such Educational Access Channel PEG Access Origination Point is fully functional for its intended purpose:

Nellie Thornton High School, 121 South 6th Avenue, Mount Vernon, NY

Subject to the requirements set forth in Subsection 5.2.2 of this Agreement, the following Government Access Channel PEG Access Origination Point feeding a signal to PEG Access Interconnection Site No. 3 shall be operable within one hundred twenty (120) days after Franchisee receives written notice from the LFA that PEG Access Interconnection Site No. 3 is fully functional for its intended purpose:

City Hall, 1 Roosevelt Square, Mount Vernon, NY

Cable Franchise Agreement
by and between
the City of Mount Vernon
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 Interconnection

THIS CABLE FRANCHISE AGREEMENT (the "Franchise" or "Agreement") is entered into by and between the City of Mount Vernon, 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 as specified by the LFA in Exhibit C to this Agreement.

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

1.12. *Force Majeure*: An event or events reasonably beyond the ability of Franchisee to anticipate and control. This includes, but is not limited to, severe or unusual weather conditions, strikes, 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 caused by waiting for utility providers to service or monitor utility poles to which Franchisee's FTTP Network is attached, and unavailability of materials and/or qualified labor to perform the work necessary.

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

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

1.15. *Government Access Channel*: 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) video on demand, including pay-per-view; (iv) revenues from the sale or lease of access channel(s) or channel capacity; and (v) compensation received by Franchisee that is derived from the operation of Franchisee's Cable System to provide Cable Service with respect to commissions that are paid to Franchisee as compensation for promotion or exhibition of any products or services on the Cable System, such as "home shopping" or a similar channel, subject to the exceptions below. Gross Revenue includes a pro rata portion of all revenue derived by Franchisee pursuant to compensation arrangements for advertising derived from the operation of Franchisee's Cable System to provide Cable Service within the 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.

1.16.2. Gross Revenue shall not include:

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

1.16.2.2. except as otherwise provided in Subsection 1.16.1, any revenues classified, in whole or in part, as Non-Cable Services revenue under federal or state law including, without limitation, revenue received from Telecommunications Services; revenue received from Information Services, including, without limitation, Internet Access service, electronic mail service, electronic bulletin board service, or similar online computer services; charges made to the public for commercial or cable television that is used for two-way communication; and any other revenues attributed by Franchisee to Non-Cable Services in accordance with federal law, rules, regulations, standards or orders. Should revenue from any service provided by Franchisee over the Cable System be classified as 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 Mount Vernon, 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-subsections 1.31.1.1 and 1.31.1.2 above, a *Transfer of the Franchise* shall not include transfer of an ownership or other interest in Franchisee to the parent of Franchisee or to another Affiliate of Franchisee; transfer of an interest in the Franchise or the rights held by the Franchisee under the Franchise to the parent of Franchisee or to another Affiliate of Franchisee; any action which is the result of a merger of the parent of the Franchisee; or any action which is the result of a merger of another Affiliate of the Franchisee.

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

2. GRANT OF AUTHORITY; LIMITS AND RESERVATIONS

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

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

2.3. *Effective Date and Term:* This Franchise shall become effective on the date that the NY PSC issues 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 and shall not interfere with existing facilities of the Cable System or Franchisee's FTTP Network.

2.5. *Franchise Subject to Federal Law:* Notwithstanding any provision to the contrary herein, this Franchise is subject to and shall be governed by all applicable provisions of federal 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.

2.7.3. Should any change to state law, rules or regulations have the lawful effect of materially altering the terms and conditions of this Franchise, then the parties shall modify this Franchise to the mutual satisfaction of both parties to ameliorate the negative effects on the Franchisee of the material alteration. Any modification to this Franchise shall be in writing and shall be subject to Section 222 of the New York Public Service Law and Title 16, Chapter VIII, Part 892, Subpart 892-1, Section 892-1.4 of the Official Compilation of Codes, Rules and Regulations of the State of New York requiring application to the NY PSC and

approval of any modification. If the parties cannot reach agreement on the above-referenced modification to the Franchise, then Franchisee may terminate this Agreement without further obligation to the LFA or, at Franchisee's option, the parties agree to submit the matter to binding arbitration in accordance with the commercial arbitration rules of the American Arbitration Association.

2.8. *Police Powers:* The LFA shall not enact any local laws that are inconsistent with this Franchise, provided, however, that nothing in this Franchise shall be construed to prohibit the reasonable, necessary and lawful exercise of the police powers of the LFA in a manner not materially in conflict with the privileges granted in this Franchise and consistent with all federal and state laws, regulations and orders.

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

2.10. *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.

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 Subscribers within residential areas of 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 areas of 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 aerial 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. For underground installations, Franchisee shall charge the subscriber Franchisee's actual cost. Such cost shall be submitted to said Subscriber, in writing, before installation is begun.

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 aerial 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 aerial 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. For underground installations, Franchisee shall charge the recipient Franchisee's actual cost. Such cost shall be submitted to said recipient, in writing, before installation is begun. 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 the 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.

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, 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. *PEG Access Interconnection:*

5.2.1. LFA shall designate in its sole discretion not more than eight (8) sites within the Franchise Area for the interconnection of PEG access facilities with the Cable System (each, a "PEG Access Interconnection Site or PEG Access Origination Site") as designated on Exhibit D to this Agreement.

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 PEG Channel transmission connections between its video channel aggregation point and the PEG Access Interconnection Sites in order to permit the signals to be correctly routed from the PEG Access Interconnection Sites to the appropriate PEG Access Channel for distribution to Subscribers as follows: (i) two (2) PEG Access Interconnection Sites shall be operable within one hundred twenty (120) days of the Effective Date; (ii) ~~two (2)~~ one (1) PEG Access Interconnection Sites shall be operable no later than Site shall be operable within ninety (90) days after Franchisee receives written notice from the LFA that such PEG Access Interconnection Site is fully functional for its intended purpose; (iii) ~~two (2) PEG Access~~ Origination Sites shall be operable after the first anniversary of the Effective Date; ~~(iii) two (2) PEG Access Interconnection Sites shall be operable no later than,~~ upon an additional one hundred twenty (120) days after Franchisee receives written notice from the LFA that PEG Access Interconnection Site No. 3 is fully functional for its intended purpose; (iv) ~~two (2) PEG Access Origination Sites shall be operable after~~ the third anniversary of the Effective Date; ~~and (iv) two (2),~~ upon an additional one hundred twenty (120) days after Franchisee receives written notice from the LFA that PEG Access Interconnection Sites Site No. 3 is fully functional for its intended purpose; (v) one (1) PEG Access Origination Site shall be operable within ninety (90) days after Franchisee receives written notice from the LFA that ~~each~~ such PEG Access ~~Interconnection~~ Origination Site is fully functional for its intended purpose; and (vi) one (1) PEG Access Origination Site shall be operable within one hundred twenty (120) days after Franchisee receives written notice from the LFA that PEG Access Interconnection Site No. 3 is fully functional for its intended purpose; and each as designated on Exhibit D to this Agreement.

5.2.3. The LFA shall provide to Franchisee at the PEG Access Interconnection Sites a suitable video signal and a suitable audio signal for each PEG Channel.

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

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

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

5.3. *PEG Grant:*

5.3.1. *PEG Grant:* Franchisee shall provide to the LFA for use in support of the production of local PEG programming a PEG Grant (the "PEG Grant") in the aggregate amount of SIX HUNDRED ~~EIGHTY-THREE~~ THOUSAND ~~SIXNINE~~ HUNDRED ~~FORTY-TWO~~~~THIRTY-THREE~~ DOLLARS AND ~~SIX~~~~THIRTY-ONE~~ CENTS (\$600,642.06~~683,933.31~~). Franchisee shall pay the PEG Grant in ten (10) installments, as follows: (1) the first installment in the amount of ONE HUNDRED ~~THIRTEEN~~~~FOURTY-EIGHT~~ THOUSAND EIGHT HUNDRED TWENTY-TWO DOLLARS AND FORTY-FOUR CENTS (~~\$113,822.44~~~~148,822.44~~), shall be payable within ninety (90) days of the Effective Date; (2) the second installment, in the amount of TWO HUNDRED ~~SEVENTY~~~~TWENTY-SIX~~ THOUSAND ~~THREE~~~~FOUR~~ HUNDRED TWENTY-ONE~~SIXTY~~ DOLLARS AND THIRTY-~~ONE~~~~SIXTY-THREE~~ CENTS (~~\$207,321.34~~~~226,460.63~~), shall be payable on the first anniversary of the Effective Date; (3) the third installment, in the amount of ~~SEVENTY-NINE~~~~ONE HUNDRED EIGHT~~ THOUSAND ~~SEVEN~~~~NINE~~ HUNDRED FORTY-NINE~~ONE~~ DOLLARS AND ~~NINETY-FOUR~~~~EIGHTY-EIGHT~~ CENTS (~~\$79,749.94~~~~108,901.88~~), shall be payable on the second anniversary of the Effective Date; (4) the fourth installment, in the amount of SEVENTY-FOUR THOUSAND THREE HUNDRED NINETY DOLLARS (\$74,390.00), shall be payable on the third anniversary of the Effective Date; (5) the fifth installment, in the amount of SEVENTY THOUSAND SEVEN HUNDRED SEVENTY-SIX DOLLARS AND FIFTY CENTS (\$70,776.50), shall be payable on the fourth anniversary of the Effective Date; (6) the sixth installment, in the amount of ONE THOUSAND FIVE HUNDRED DOLLARS (\$1,500.00), shall be payable on the fifth anniversary of the Effective Date; (7) the seventh installment, in the amount of TWENTY-SIX THOUSAND SEVEN HUNDRED SEVENTEEN DOLLARS AND FIFTY CENTS (\$26,717.50), shall be payable on the sixth anniversary of the

Effective Date; (8) the eighth installment, in the amount of ONE THOUSAND FIVE HUNDRED DOLLARS (\$1,500.00), shall be payable on the seventh anniversary of the Effective Date; (9) the ninth installment, in the amount of TWENTY-THREE THOUSAND THREE HUNDRED SIXTY-FOUR DOLLARS AND THIRTY-EIGHT CENTS (\$23,364.38), shall be payable on the eighth anniversary of the Effective Date; and (10) the tenth installment, in the amount of ONE THOUSAND FIVE HUNDRED DOLLARS (\$1,500.00), shall be payable on the ninth anniversary of the Effective Date. Such PEG Grant shall be used solely by the LFA for PEG access equipment, including, but not limited to, studio and portable production equipment, editing equipment and program playback equipment, or for renovation or construction of PEG access facilities.

5.3.2. Notwithstanding the foregoing Subsection 5.3.1, however, Franchisee's obligation to provide the second through tenth installments of the PEG Grant under this Section 5.3 shall not commence until the LFA imposes an equivalent economic burden on all cable service providers within the Franchise Area.

5.3.3. The LFA shall provide Franchisee with a complete accounting annually of the distribution of funds granted pursuant to this Section 5.3.

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:* Consistent with applicable law, Franchisee shall be permitted to externalize, line-item, or otherwise pass-through to Subscribers any costs arising from the provision of PEG services, interconnection and any other franchise-related costs.

6. FRANCHISE FEES

6.1. *Payment to LFA:* Franchisee shall pay to the LFA a Franchise Fee of four and one-half percent (4½%) of annual Gross Revenue (the "Franchise Fee"); provided, however, that at such time as the LFA requires all Cable Service providers in the Service Area to pay a Franchise Fee of five percent (5%), the LFA shall be entitled, after notification to Franchisee, to amend this Franchise in the manner prescribed herein to require Franchisee to pay such higher amount and Franchisee agrees to pay such higher amount on going forward basis, following the issuance of an order from the NY PSC approving such amendment. 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. Late payments for Franchise Fees shall be subject to interest at the then-current rate set forth in Section 5004 of the New York Civil Practice Law and Rules (which as of the date of execution of this Agreement is nine percent (9%) per annum) from the due date to the date that such payment is made.

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

6.3. *Audit:* Subject to the confidentiality requirements set forth in Section 7.1 of this Franchise and the LFA's imposition of identical obligations to those contained in this Section 6.3 on all cable service providers in the Service Area, Franchisee shall be responsible for making available to the LFA for inspection and audit, all records necessary to confirm the accurate payment of Franchise Fees, whether the records are held by the Franchisee, an Affiliate, or any other entity that collects or receives funds related to the Franchisee's Cable Services operation in the LFA subject to the payment of Franchise Fees under this Agreement, including, by way of illustration and not limitation, any entity that sells advertising on the Franchisee's behalf. Franchisee shall maintain such records for six (6) years, provided that, if the LFA commences an audit within that six (6) year period, Franchisee shall continue to maintain such records for the duration of any audit in progress at the end of that six (6) year period. The LFA shall conduct all audits expeditiously, and neither the LFA nor Franchisee shall unreasonably delay the completion of an audit. The LFA's audit expenses shall be borne by the LFA unless the audit determines that the payment to the LFA should be increased by five percent (5%) or more in the audited period, in which case the reasonable and customary costs of the audit, together with any additional amounts due to the LFA as a result of such audit, shall be paid by Franchisee to the LFA within thirty (30) days following written notice to Franchisee by the LFA of the underpayment, which notice shall include a copy of the audit report; provided, however, that Franchisee's obligation to pay or reimburse the LFA's audit expenses shall not exceed an aggregate of TWENTY-FIVE THOUSAND DOLLARS (\$25,000.00). If re-computation results in additional revenue to be paid to the LFA, such amount shall be subject to interest charges computed from the due date, at the then-current rate set forth in Section 5004 of the New York Civil Practice Law and Rules (which as of the date of execution of this Agreement is nine percent (9%) per annum) per annum during the period such unpaid amount is owed. If the audit determines that there has been an overpayment by Franchisee, the Franchisee may credit any overpayment against its next quarterly payment. Said audit shall be conducted by an independent third party and no auditor so employed by the LFA shall be compensated on a success based formula, e.g., payment based on a percentage of an underpayment, if any. The LFA shall not conduct an audit more frequently than once every three (3) years.

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

6.5. *Bundled Services:* If the Franchisee bundles Cable Service with Non-Cable Service, the Franchisee agrees that it will not intentionally or unlawfully allocate any discount associated with purchasing bundled services for the purposes of evading the Franchise Fee payments under this Franchise. The parties agree that tariffed telecommunication service rates that cannot be discounted by law or 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.

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 publicly disclose information that it reasonably deems to be proprietary or confidential in nature, nor disclose any of its or an Affiliate's books and records not relating to 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, and is designated by a physical marking as "proprietary and confidential" on the medium by which the information is provided. 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:* 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 two million dollars (\$2,000,000) 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 two million dollars (\$2,000,000) 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.

8.1.2. 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 and Employer's Liability Insurance.

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 prompt written notice of a claim or action for which it seeks indemnification pursuant to this Subsection; and in any event the LFA shall provide Franchisee with such written notice within a period of time that allows Franchisee to take action to avoid entry of a default judgment and does not prejudice Franchisee's ability to defend the claim or action. Notwithstanding the foregoing, Franchisee shall not indemnify the LFA for any damages, liability or claims resulting from the willful misconduct or negligence of the LFA, its officers, agents, employees, attorneys, consultants, 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 hold harmless and defend Franchisee from and against and shall be responsible for damages, liability or claims resulting from or arising out of the willful misconduct or negligence of the LFA.

8.2.4. 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 1.31 above.

10. RENEWAL OF FRANCHISE

10.1. *Governing Law:* The LFA and Franchisee agree that any proceedings undertaken by the LFA that relate to the renewal of this Franchise shall be governed by and comply with the provisions of Section 12.11 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 11.3, 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 11.5.

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 11.3, 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 LFA shall cause to be served upon the Franchisee, at least thirty (30) business days prior to such public hearing, a written notice specifying the time and place of such hearing and stating its intent to revoke the Franchise.

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

11.5.2. Following the second public 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, New Jersey 07920-1097

12.5.2. Notices to the LFA shall be mailed to:

Mayor
City of Mount Vernon
1 Roosevelt Square
Mount Vernon, New York 10550

12.5.3. with a copy to:

Corporation Counsel
City of Mount Vernon
1 Roosevelt Square
Mount Vernon, New York 10550

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

12.15. *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.

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

12.17. *Performance Review:* The LFA may, at its discretion but not more than once per twelve (12) month period, hold an informal 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 12.17; 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 (the "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.

12.18. *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.

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

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12.20. *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 _____, 2007.

LFA:
CITY OF MOUNT VERNON

By: _____
Title:

FRANCHISEE:
VERIZON NEW YORK INC.

By: _____
Title:

EXHIBITS

Exhibit A: Municipal Buildings to be Provided Free Cable Service

Exhibit B: Service Area

Exhibit C: PEG Channels

Exhibit D: PEG Access Interconnection

Exhibit List

Mount Vernon/Verizon New York Inc.
Franchise Agreement/~~May~~June 2007

EXHIBIT A

MUNICIPAL BUILDINGS TO BE PROVIDED FREE CABLE SERVICE

1. Longfellow Pre-K, 625 4th Avenue, Mount Vernon, NY 10550
2. Edward Williams Elementary School, 9 Union Lane, Mount Vernon, NY 10533
3. Cecil H. Parker Elementary School, 461 South 6th Avenue, Mount Vernon, NY 10550
4. Traphagen Elementary School, 72 Lexington Avenue, Mount Vernon, NY 10552
5. Columbus Elementary School, 250 Gramatan Avenue, Mount Vernon, NY 10550
6. Lincoln Elementary School, 170 East Lincoln Avenue, Mount Vernon, NY 10550
7. Grimes Elementary School, 58 South 10th Avenue, Mount Vernon, NY 10550
8. Hamilton Elementary School, 20 Oak Street, Mount Vernon, NY 10550
9. Holmes Elementary School, 195 North Columbus Avenue, Mount Vernon, NY 10553
10. Pennington-Grimes Elementary School, 20 Fairway Avenue, Mount Vernon, NY 10552
11. Longfellow Elementary School, 625 4th Avenue, Mount Vernon, NY 10550
12. Graham Elementary School, 421 East 5th Avenue, Mount Vernon, NY 10550
13. A.B. Davis Middle School, 250 Gramatan Avenue, Mount Vernon, NY 10552
14. Longfellow Middle School, 624 South 3rd Avenue, Mount Vernon, NY 10550
15. Nelson Mandela High School, 47 South 11th Avenue, Mount Vernon, NY 10552
16. Mount Vernon High School, 100 California Road, Mount Vernon, NY 10552
17. Nellie Thornton High School, 121 South 6th Avenue, Mount Vernon, NY 10550
18. Mount Vernon Public Library, 28 South 1st Avenue, Mount Vernon, NY 10550
19. Firehouse Headquarters, 470 Lincoln Avenue East, Mount Vernon, NY 10552

20. Armory, 144 North 5th Avenue, Mount Vernon, NY 10550
21. Firehouse, 13 Oak Street, Mount Vernon, NY 10550
22. City Hall, 1 Roosevelt Square, Mount Vernon, NY 10550
23. Police Headquarters, 2 Roosevelt Square, Mount Vernon, NY
24. Doles Center, 250 South 6th Avenue, Mount Vernon, NY 10550
25. Stevens House, 29 West 4th Street, Mount Vernon, NY 10550
26. Firehouse, 435 South Fulton Avenue, Mount Vernon, NY 10553
27. 3rd Street Firehouse, 50 West 3rd Street, Station 3, Mount Vernon, NY 10550
28. Animal Shelter, 600 Garden Avenue, Mount Vernon, NY 10550

EXHIBIT B

SERVICE AREA

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

The construction of the Franchisee's FTTP Network has been completed to approximately 94% of the current households in the Franchise Area. At present, Franchisee's anticipated schedule calls for 94% deployment by October 2007, 96% deployment by April 2008, 96% deployment by October 2008, 98% deployment by April 2009, 98% deployment by October 2009, 99% deployment by April 2010, 99% deployment by October 2010, 100% deployment by April 2011, 100% deployment by October 2011, and 100% deployment by April 2012. 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 change in this schedule.

EXHIBIT C

PEG CHANNELS

Upon written request of the LFA, Franchisee shall make available on its Basic Service tier up to one (1) dedicated Public Access Channel, one (1) dedicated Educational Access Channel, and up to one (1) dedicated Government Access Channel.

EXHIBIT D

PEG ACCESS INTERCONNECTION

EXHIBIT D

Subject to the requirements set forth in Subsection 5.2.2 of the Agreement, the following ~~Government Access Channel and Public Access Channel~~ PEG Access Interconnection Site ("PEG Access Interconnection Site No. 1") shall be operable within one hundred twenty (120) days of the Effective Date:

City Hall, 1 Roosevelt Square, Mount Vernon, NY

Subject to the requirements set forth in Subsection 5.2.2 of the Agreement, the following Educational Access Channel PEG Access Interconnection Site ("PEG Access Interconnection Site No. 2") shall be operable within one hundred twenty (120) days of the Effective Date:

Mount Vernon High School, 100 California Road, Mount Vernon, NY

Subject to the requirements set forth in Subsection 5.2.2 of the Agreement, the following Public Access Channel and Government Access Channel PEG Access Interconnection Site ("PEG Access Interconnection Site No. 3") shall be operable within ninety (90) days after Franchisee receives written notice from the LFA that such PEG Access Interconnection Site is fully functional for its intended purpose:

Hip Hop Culture Gallery, 105 South 4th Avenue, Mount Vernon, NY

PEG Access Interconnection Site No. ~~4~~**2** and PEG Access Interconnection Site No. ~~2~~**3** shall serve as the aggregation points for those PEG Access Interconnection Sites designated below (each, a "PEG Access Origination Point") feeding signals to the Government, ~~Educational~~ and Public Access Channels. For purposes of permitting LFA to select and switch feeds coming into an aggregation point, Franchisee shall provide the LFA, without charge, such capability at such aggregation point. Operation and maintenance of any equipment associated therewith shall be the responsibility of the LFA.

*Subject to the requirements set forth in Subsection 5.2.2 of this Agreement, the following Public Access Channel ~~and Government Access Channel~~ PEG Access ~~Interconnection Sites~~**Origination Points** feeding ~~a signal~~**signals** to PEG Access Interconnection Site No. ~~4~~**3** shall be operable ~~no later than~~**after** the first anniversary of the Effective Date, **upon an additional one hundred twenty (120) days after Franchisee receives written notice from the LFA that PEG Access Interconnection Site No. 3 is fully functional for its intended purpose:***

Brush Park, South 3rd Avenue & 7th Street, Mount Vernon, NY
Hutchinson Field, East Sanford Boulevard, Mount Vernon, NY

Subject to the requirements set forth in Subsection 5.2.2 of this Agreement, the following Public Access Channel ~~and Government Access Channel~~ PEG Access ~~Interconnection Site~~Origination Points feeding signals to PEG Access Interconnection Site No. ~~13~~ shall be operable ~~no later than~~after the third anniversary of the Effective Date, upon an additional one hundred twenty (120) days after Franchisee receives written notice from the LFA that PEG Access Interconnection Site No. 3 is fully functional for its intended purpose:

Memorial Field, Corner of Gardner Avenue, Mount Vernon, NY
Doles Center, 250 South 6th Avenue, Mount Vernon, NY

Subject to the requirements set forth in Subsection 5.2.2 of this Agreement, the following Educational Access Channel PEG Access ~~Interconnection Site~~Origination Point feeding a signal to PEG Access Interconnection Site No. 2 shall be operable within ninety (90) days after Franchisee receives written notice from the LFA that such Educational Access Channel PEG Access ~~Interconnection Site~~Origination Point is fully functional for its intended purpose:

Nellie Thornton High School, 121 South 6th Avenue, Mount Vernon, NY

Subject to the requirements set forth in Subsection 5.2.2 of this Agreement, the following ~~Public~~Government Access Channel PEG Access ~~Interconnection Site~~ (~~PEG Access Interconnection Site No. 3~~)Origination Point feeding a signal to PEG Access Interconnection Site No. 3 shall be operable within ~~ninety (90)~~one hundred twenty (120) days after Franchisee receives written notice from the LFA that such ~~PEG Access Interconnection Site~~PEG Access Interconnection Site No. 3 is fully functional for its intended purpose:

~~Hip Hop Culture Gallery, 105 South 4th Avenue~~City Hall, 1 Roosevelt Square, Mount Vernon, NY

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Deletion	
Moved from	
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Style change	
Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
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ATTACHMENT E

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

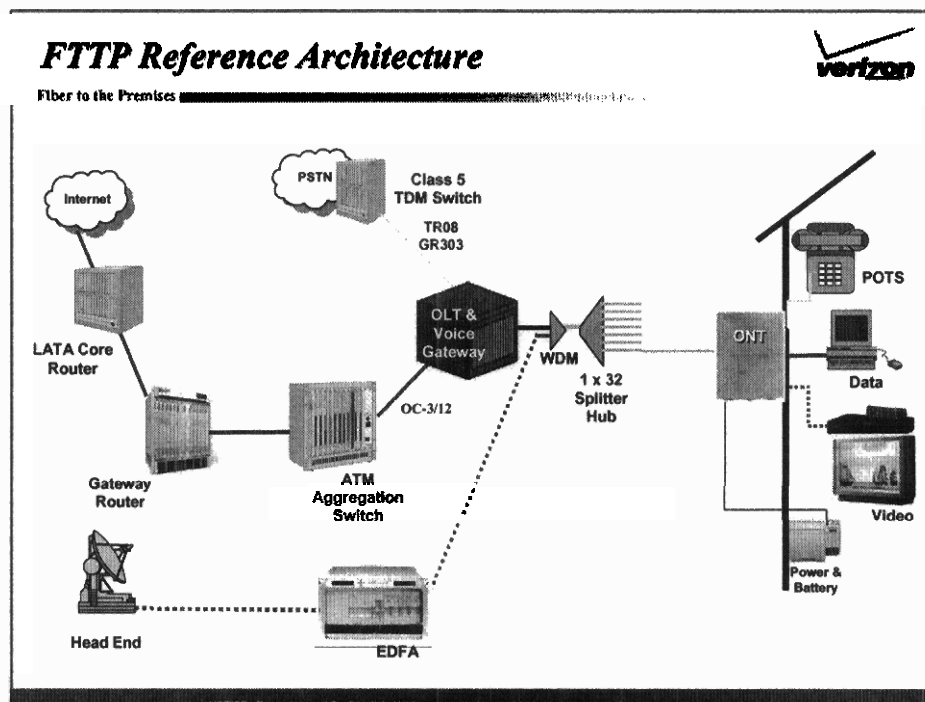
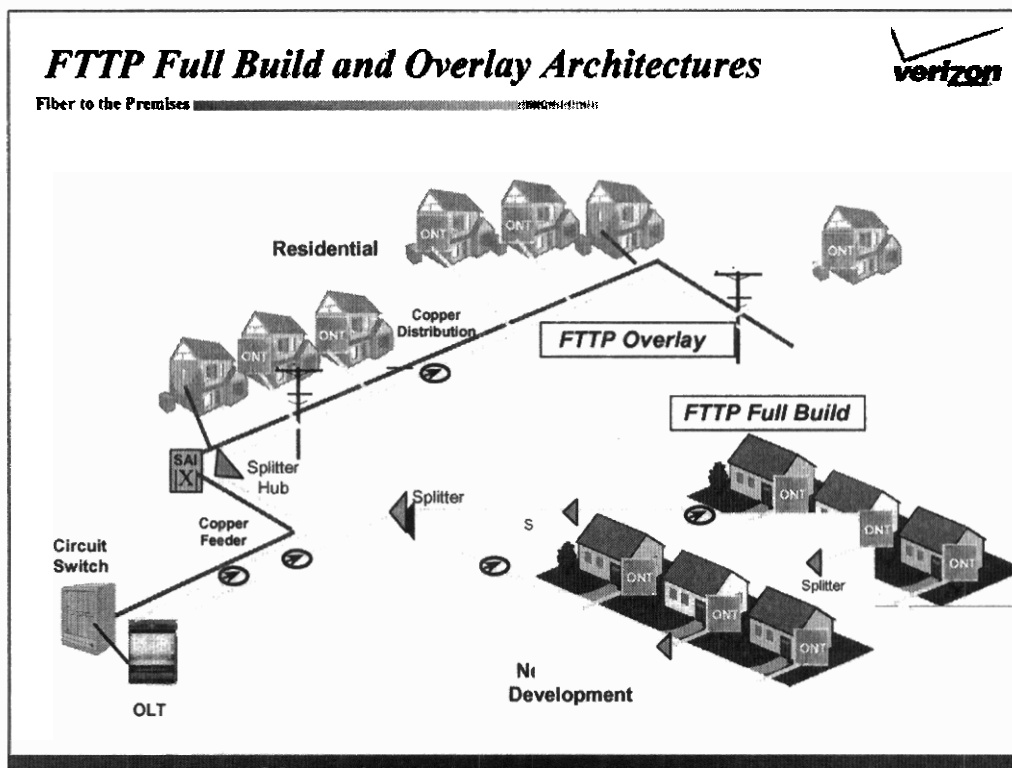


EXHIBIT 1
APPLICATION FOR A CABLE TELEVISION FRANCHISE
CITY OF MOUNT VERNON/VERIZON NEW YORK INC.

Figure 2-FTTP Full Build and Overlay Architectures



At the national or regional level, a "super" headend (SHE) (Temple Terrace, Florida with a backup in Bloomington, Illinois) 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 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, educational, 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).

EXHIBIT 1
APPLICATION FOR A CABLE TELEVISION FRANCHISE
CITY OF MOUNT VERNON/VERIZON NEW YORK INC.

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.

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 transported via an OC48c 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 OC48c SONET 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 an OC48c SONET interface connected to metro/local SONET 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 ring(s) would be deployed to cover multiple sites.

EXHIBIT 1
APPLICATION FOR A CABLE TELEVISION FRANCHISE
CITY OF MOUNT VERNON/VERIZON NEW YORK INC.

Video Hub Office (VHO)

The VHO serves as the metro or local point of aggregation. The VHO location (Queens, NY) 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, educational, & government (PEG) channels. The national content is the traffic sent from the SHE and is delivered via an OC48c SONET interface from the SONETPOP. 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.

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 erbium-doped fiber amplifiers (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).

EXHIBIT 1
APPLICATION FOR A CABLE TELEVISION FRANCHISE
CITY OF MOUNT VERNON/VERIZON NEW YORK INC.

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

The Video Serving Office (VSO) is a location within the central office containing FTTP equipment. The VSOs that will serve the City of Mount Vernon are located in Mount Vernon and Tuckahoe, New York. If technically feasible or otherwise appropriate, PEG insertion may occur at these locations 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.

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ATTACHMENT F

**STATE OF NEW YORK
PUBLIC SERVICE COMMISSION**

**In the Matter of the Petition of Verizon
New York Inc. Pursuant to Section 221
of the Public Service Law for
Confirmation of a Cable Television
Franchise Awarded by the City of
Mount Vernon, New York (Westchester
County)**


Case 07-V-_____

AFFIDAVIT OF SERVICE

**STATE OF NEW YORK)
)
COUNTY OF NEW YORK)** **ss.:**

JOHN LACY CLARK, being duly sworn, deposes and says:

I certify that a complete copy of Verizon New York Inc.'s Petition for Confirmation will be sent to Lisa Copeland, City Clerk/Registrar, on June 15 2007, by overnight mail addressed to her at City of Mount Vernon, 1 Roosevelt Square, Mount Vernon, New York 10550.



JOHN LACY CLARK

**Sworn to before me
this 15th day of June, 2007.**



Notary Public

**MIGUEL A. ROSA
Notary Public, State of New York
No. 43-4771951, Qualified in Kings County
Certificate Filed in New York County
Commission Expires Nov. 30, 2012**

ATTACHMENT G

**STATE OF NEW YORK
PUBLIC SERVICE COMMISSION**

**In the Matter of the Petition of Verizon
New York Inc. Pursuant to Section 221
of the Public Service Law for
Confirmation of a Cable Television
Franchise Awarded by the City of
Mount Vernon, New York (Westchester
County)**

Case 07-V-_____

AFFIDAVIT OF PUBLICATION

**STATE OF NEW YORK)
)
COUNTY OF NEW YORK)** **ss.:**

JOHN LACY CLARK, being duly sworn, deposes and says:

I certify that a notice with the following text will be published on June 20, 2007 in The Journal News. The Journal News is a newspaper of general circulation in the City of Mount Vernon. Verizon has submitted the notice to that newspaper, has arranged for payment for such publication, and has been assured that the notice will appear in the newspaper on the specified date.

PLEASE TAKE NOTICE that Verizon New York Inc. ("Verizon") has filed a Petition with the New York State Public Service Commission ("Commission") seeking confirmation and approval of a cable television franchise awarded to Verizon by the City of Mount Vernon, New York. Copies of the Petition are available from the Commission or from Verizon. Interested parties may file comments on the Petition with the Commission within ten days of the date of publication of this notice. Comments should be addressed to Hon. Jaclyn A. Brillling, Secretary, New York State Public Service Commission, Three Empire State Plaza, Albany, New York 12223.



JOHN LACY CLARK

**Sworn to before me
this 15th day of June, 2007**



Notary Public

**MIGUEL A. ROSA
Notary Public, State of New York
No. 43-4771951, Qualified in Kings County
Certificate Filed in New York County
Commission Expires Nov. 30, 2010**

ATTACHMENT H

EXPLANATORY NOTES TO ATTACHMENT H

1. This Attachment H consists of: (a) a Department of Environmental Conservation “Full Environmental Assessment Form” (“EAF”) for Verizon’s offering of cable service in Mount Vernon, New York, with Part 1 filled in; (b) an EAF Addendum providing certain additional background information; and (c) exhibits to the Addendum, including maps showing environmentally relevant features of the franchise area and a list of sites included in the SPHINX database of historic sites, as described below.

2. The Attachment is submitted without prejudice to Verizon’s positions that: (a) the activities for which it seeks approval in this proceeding are not “actions” under the State Environmental Quality Review Act (“SEQRA”), and that therefore no EAF is required; and (b) if an EAF is required in this case, a short-form EAF will suffice.

3. The EAF and the EAF Addendum are based on information in Verizon’s possession or available to us through research in readily available sources. Beyond such sources, we have not undertaken any “new studies, research or investigation.”¹

4. Historic site information was derived from the SPHINX database of the New York State Historic Preservation Office (*see* <http://www.nysparks.state.ny.us/shpo/resources/index.htm>). Coastal area information was obtained from the New York State Geographic Information Systems Clearinghouse website (*see* <http://www.nysgis.state.ny.us/gisdata/inventories/details.cfm?DSID=317>), as was flood plain data (*see* <http://www.nysgis.state.ny.us/gisdata/inventories/details.cfm?DSID=246>). Information on wetlands locations was obtained from the U.S. Fish & Wildlife Service National Wetlands Inventory (*see* <http://www.fws.gov/nwi/>) and the Cornell University Geospatial Information Repository (*see* <http://cugir.mannlib.cornell.edu/mapbrowse.jsp?series=counties>). Information on agricultural districts was obtained from the Cornell University Geospatial Information Repository (*see* <http://cugir.mannlib.cornell.edu/mapbrowse.jsp?series=counties>). Information on “critical environmental areas” was obtained from the website of the State Department of Environmental Conservation (<http://www.dec.state.ny.us/website/dcs/seqr/cea/index.html>). Information on National Natural Landmarks was obtained from the website of the National Park Service (*see* http://www.nature.nps.gov/nnl/Registry/USA_Map/States/NewYork/new_york.cfm).

5. In response to several questions in Part 1, Verizon has indicated that the question is “Not Applicable” (“N/A”) to the confirmation that is the subject of the Petition. The activities to be undertaken pursuant to the franchise for which confirmation is sought involve the delivery of video programming and, thus, do not have a definite location or “area.” To the extent any construction — including line extensions, placement of drop wires, extensions, and repairs — takes place after the franchise becomes effective, all of the locations within the franchise area at which such activity will occur cannot be known in advance.

¹ See Full Environmental Assessment Form at 2.

The information provided for contiguity to historic sites, etc., has been provided with respect to Verizon's FTTP facilities in the franchise area, even though it is Verizon's position that such facilities have been constructed pursuant to independent permissions and authorities.

617.20
Appendix A
State Environmental Quality Review
FULL ENVIRONMENTAL ASSESSMENT FORM

Purpose: The full EAF is designed to help applicants and agencies determine, in an orderly manner, whether a project or action may be significant. The question of whether an action may be significant is not always easy to answer. Frequently, there are aspects of a project that are subjective or unmeasurable. It is also understood that those who determine significance may have little or no formal knowledge of the environment or may not be technically expert in environmental analysis. In addition, many who have knowledge in one particular area may not be aware of the broader concerns affecting the question of significance.

The full EAF is intended to provide a method whereby applicants and agencies can be assured that the determination process has been orderly, comprehensive in nature, yet flexible enough to allow introduction of information to fit a project or action.

Full EAF Components: The full EAF is comprised of three parts:

- Part 1:** Provides objective data and information about a given project and its site. By identifying basic project data, it assists a reviewer in the analysis that takes place in Parts 2 and 3.
- Part 2:** Focuses on identifying the range of possible impacts that may occur from a project or action. It provides guidance as to whether an impact is likely to be considered small to moderate or whether it is a potentially-large impact. The form also identifies whether an impact can be mitigated or reduced.
- Part 3:** If any impact in Part 2 is identified as potentially-large, then Part 3 is used to evaluate whether or not the impact is actually important.

THIS AREA FOR LEAD AGENCY USE ONLY

DETERMINATION OF SIGNIFICANCE -- Type 1 and Unlisted Actions

Identify the Portions of EAF completed for this project:

☐

Part 1

☐

Part 2

☐

Part 3

Upon review of the information recorded on this EAF (Parts 1 and 2 and 3 if appropriate), and any other supporting information, and considering both the magnitude and importance of each impact, it is reasonably determined by the lead agency that:

- ☐ A. The project will not result in any large and important impact(s) and, therefore, is one which will not have a significant impact on the environment, therefore a negative declaration will be prepared.
- ☐ B. Although the project could have a significant effect on the environment, there will not be a significant effect for this Unlisted Action because the mitigation measures described in PART 3 have been required, therefore a **CONDITIONED** negative declaration will be prepared.*
- ☐ C. The project may result in one or more large and important impacts that may have a significant impact on the environment, therefore a positive declaration will be prepared.

*A Conditioned Negative Declaration is only valid for Unlisted Actions

Name of Action

Name of Lead Agency

Print or Type Name of Responsible Officer in Lead Agency

Title of Responsible Officer

Signature of Responsible Officer in Lead Agency

Signature of Preparer (if different from responsible officer)

PART 1--PROJECT INFORMATION

Prepared by Project Sponsor

NOTICE: This document is designed to assist in determining whether the action proposed may have a significant effect on the environment. Please complete the entire form, Parts A through E. Answers to these questions will be considered as part of the application for approval and may be subject to further verification and public review. Provide any additional information you believe will be needed to complete Parts 2 and 3.

It is expected that completion of the full EAF will be dependent on information currently available and will not involve new studies, research or investigation. If information requiring such additional work is unavailable, so indicate and specify each instance.

Name of Action Award of Cable Television Franchise to Verizon

Location of Action (include Street Address, Municipality and County)

Discrete Areas within the City of Mount Vernon, NY

Name of Applicant/Sponsor Verizon New York Inc. ("Verizon")

Address c/o Thomas McCarroll, 158 State Street

City / PO Albany State NY Zip Code 12207

Business Telephone (518) 396-1001

Name of Owner (if different) N/A

Address _____

City / PO _____ State _____ Zip Code _____

Business Telephone _____

Description of Action

Activities undertaken by Verizon pursuant to the authority awarded by the franchise.

Please Complete Each Question--Indicate N.A. if not applicable

A. SITE DESCRIPTION

Physical setting of overall project, both developed and undeveloped areas.

1. Present Land Use: ☒ Urban ☒ Industrial ☒ Commercial ☒ Residential (suburban) ☐ Rural (non-farm)
☐ Forest ☐ Agriculture ☐ Other _____

2. Total acreage of project area: _____ acres.

APPROXIMATE ACREAGE

	PRESENTLY	AFTER COMPLETION
Meadow or Brushland (Non-agricultural)	_____ acres	_____ acres
Forested	_____ acres	_____ acres
Agricultural (Includes orchards, cropland, pasture, etc.)	_____ acres	_____ acres
Wetland (Freshwater or tidal as per Articles 24,25 of ECL)	_____ acres	_____ acres
Water Surface Area	_____ acres	_____ acres
Unvegetated (Rock, earth or fill)	_____ acres	_____ acres
Roads, buildings and other paved surfaces	_____ acres	_____ acres
Other (Indicate type) _____	_____ acres	_____ acres

3. What is predominant soil type(s) on project site?

- a. Soil drainage: ☐ Well drained _____% of site ☐ Moderately well drained _____% of site.
☐ Poorly drained _____% of site

- b. If any agricultural land is involved, how many acres of soil are classified within soil group 1 through 4 of the NYS Land Classification System? _____ acres (see 1 NYCRR 370).

4. Are there bedrock outcroppings on project site? ☐ Yes ☐ No

- a. What is depth to bedrock _____ (in feet)

5. Approximate percentage of proposed project site with slopes:

☐ 0-10% _____% ☐ 10- 15% _____% ☐ 15% or greater _____%

6. Is project substantially contiguous to, or contain a building, site, or district, listed on the State or National Registers of Historic Places? ☒ Yes ☐ No

7. Is project substantially contiguous to a site listed on the Register of National Natural Landmarks? ☐ Yes ☒ No

8. What is the depth of the water table? _____ (in feet)

9. Is site located over a primary, principal, or sole source aquifer? ☒ Yes ☐ No

10. Do hunting, fishing or shell fishing opportunities presently exist in the project area? ☐ Yes ☐ No

11. Does project site contain any species of plant or animal life that is identified as threatened or endangered? ☐ Yes ☐ No

According to:

Identify each species:

12. Are there any unique or unusual land forms on the project site? (i.e., cliffs, dunes, other geological formations?)

☐ Yes ☐ No

Describe:

13. Is the project site presently used by the community or neighborhood as an open space or recreation area?

☐ Yes ☐ No

If yes, explain:

14. Does the present site include scenic views known to be important to the community? ☐ Yes ☐ No

15. Streams within or contiguous to project area:

a. Name of Stream and name of River to which it is tributary

16. Lakes, ponds, wetland areas within or contiguous to project area:

b. Size (in acres):

17. Is the site served by existing public utilities? ☒ Yes ☐ No
- a. If YES, does sufficient capacity exist to allow connection? ☒ Yes ☐ No
- b. If YES, will improvements be necessary to allow connection? ☐ Yes ☒ No
18. Is the site located in an agricultural district certified pursuant to Agriculture and Markets Law, Article 25-AA, Section 303 and 304? ☐ Yes ☒ No
19. Is the site located in or substantially contiguous to a Critical Environmental Area designated pursuant to Article 8 of the ECL, and 6 NYCRR 617? ☐ Yes ☐ No *See Addendum
20. Has the site ever been used for the disposal of solid or hazardous wastes? ☐ Yes ☐ No

B. Project Description

1. Physical dimensions and scale of project (fill in dimensions as appropriate).

- a. Total contiguous acreage owned or controlled by project sponsor: N/A acres.
- b. Project acreage to be developed: N/A acres initially; N/A acres ultimately.
- c. Project acreage to remain undeveloped: N/A acres.
- d. Length of project, in miles: _____ * (if appropriate)
- e. If the project is an expansion, indicate percent of expansion proposed. N/A %
- f. Number of off-street parking spaces existing N/A ; proposed N/A
- g. Maximum vehicular trips generated per hour: N/A (upon completion of project)?
- h. If residential: Number and type of housing units:

	One Family	Two Family	Multiple Family	Condominium
Initially	_____	_____	_____	_____
Ultimately	_____	_____	_____	_____

- i. Dimensions (in feet) of largest proposed structure: N/A height; N/A width; N/A length.
- j. Linear feet of frontage along a public thoroughfare project will occupy is? N/A ft.

2. How much natural material (i.e. rock, earth, etc.) will be removed from the site? N/A tons/cubic yards.

3. Will disturbed areas be reclaimed ☐ Yes ☐ No ☒ N/A

- a. If yes, for what intended purpose is the site being reclaimed?

- b. Will topsoil be stockpiled for reclamation? ☐ Yes ☐ No
- c. Will upper subsoil be stockpiled for reclamation? ☐ Yes ☐ No

4. How many acres of vegetation (trees, shrubs, ground covers) will be removed from site? _____ acres.

5. Will any mature forest (over 100 years old) or other locally-important vegetation be removed by this project?

☐ Yes ☒ No

6. If single phase project: Anticipated period of construction: _____ months, (including demolition)

7. If multi-phased:

a. Total number of phases anticipated _____ (number)

b. Anticipated date of commencement phase 1: _____ month _____ year, (including demolition)

c. Approximate completion date of final phase: _____ month _____ year.

d. Is phase 1 functionally dependent on subsequent phases? ☐ Yes ☒ No

8. Will blasting occur during construction? ☐ Yes ☒ No

9. Number of jobs generated: during construction N/A ; after project is complete

10. Number of jobs eliminated by this project N/A .

11. Will project require relocation of any projects or facilities? ☐ Yes ☒ No

If yes, explain:

12. Is surface liquid waste disposal involved? ☐ Yes ☒ No

a. If yes, indicate type of waste (sewage, industrial, etc) and amount _____

b. Name of water body into which effluent will be discharged _____

13. Is subsurface liquid waste disposal involved? ☐ Yes ☒ No Type _____

14. Will surface area of an existing water body increase or decrease by proposal? ☐ Yes ☒ No

If yes, explain:

15. Is project or any portion of project located in a 100 year flood plain? ☒ Yes ☐ No

16. Will the project generate solid waste? ☐ Yes ☒ No

a. If yes, what is the amount per month? _____ tons

b. If yes, will an existing solid waste facility be used? ☐ Yes ☒ No

c. If yes, give name _____ ; location _____

d. Will any wastes not go into a sewage disposal system or into a sanitary landfill? ☐ Yes ☒ No

e. If yes, explain:

17. Will the project involve the disposal of solid waste? ☐ Yes ☒ No

a. If yes, what is the anticipated rate of disposal? _____ tons/month.

b. If yes, what is the anticipated site life? _____ years.

18. Will project use herbicides or pesticides? ☐ Yes ☒ No

19. Will project routinely produce odors (more than one hour per day)? ☐ Yes ☒ No

20. Will project produce operating noise exceeding the local ambient noise levels? ☐ Yes ☒ No

21. Will project result in an increase in energy use? ☐ Yes ☒ No

If yes, indicate type(s)

22. If water supply is from wells, indicate pumping capacity N/A gallons/minute.

23. Total anticipated water usage per day N/A gallons/day.

24. Does project involve Local, State or Federal funding? ☐ Yes ☒ No

If yes, explain:

25. Approvals Required:

		Type	Submittal Date
City, Town, Village Board	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<u>City of White Plains</u> <u>Award Franchise</u>	<u>06/13/07*</u>
City, Town, Village Planning Board	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
City, Town Zoning Board	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
City, County Health Department	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Other Local Agencies	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Other Regional Agencies	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
State Agencies	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<u>Public Service Commission</u> <u>Confirmation</u>	<u>06/15/07</u>
Federal Agencies	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		

C. Zoning and Planning Information

1. Does proposed action involve a planning or zoning decision? ☐ Yes ☒ No

If Yes, indicate decision required:

<input type="checkbox"/> Zoning amendment	<input type="checkbox"/> Zoning variance	<input type="checkbox"/> New/revision of master plan	<input type="checkbox"/> Subdivision
<input type="checkbox"/> Site plan	<input type="checkbox"/> Special use permit	<input type="checkbox"/> Resource management plan	<input type="checkbox"/> Other

2. What is the zoning classification(s) of the site?

3. What is the maximum potential development of the site if developed as permitted by the present zoning?

4. What is the proposed zoning of the site?

5. What is the maximum potential development of the site if developed as permitted by the proposed zoning?

6. Is the proposed action consistent with the recommended uses in adopted local land use plans? ☐ Yes ☐ No

7. What are the predominant land use(s) and zoning classifications within a ¼ mile radius of proposed action?

8. Is the proposed action compatible with adjoining/surrounding land uses with a ¼ mile? ☐ Yes ☐ No

9. If the proposed action is the subdivision of land, how many lots are proposed? N/A

a. What is the minimum lot size proposed? _____

10. Will proposed action require any authorization(s) for the formation of sewer or water districts? ☐ Yes ☒ No

11. Will the proposed action create a demand for any community provided services (recreation, education, police, fire protection)?

☐ Yes ☒ No

a. If yes, is existing capacity sufficient to handle projected demand? ☐ Yes ☐ No

12. Will the proposed action result in the generation of traffic significantly above present levels? ☐ Yes ☒ No

a. If yes, is the existing road network adequate to handle the additional traffic ☐ Yes ☐ No

D. Informational Details

Attach any additional information as may be needed to clarify your project. If there are or may be any adverse impacts associated with your proposal, please discuss such impacts and the measures which you propose to mitigate or avoid them.

E. Verification

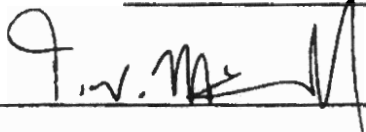
I certify that the information provided above is true to the best of my knowledge.

Applicant/Sponsor Name Verizon New York Inc.

Date

6/15/07

Signature



Title Vice President Regulatory Affairs, NY & CT

If the action is in the Coastal Area, and you are a state agency, complete the Coastal Assessment Form before proceeding with this assessment.

PART 2 - PROJECT IMPACTS AND THEIR MAGNITUDE

Responsibility of Lead Agency

General Information (Read Carefully)

- 1 In completing the form the reviewer should be guided by the question: Have my responses and determinations been reasonable? The reviewer is not expected to be an expert environmental analyst.
- 1 The Examples provided are to assist the reviewer by showing types of impacts and wherever possible the threshold of magnitude that would trigger a response in column 2. The examples are generally applicable throughout the State and for most situations. But, for any specific project or site other examples and/or lower thresholds may be appropriate for a Potential Large Impact response, thus requiring evaluation in Part 3.
- 1 The impacts of each project, on each site, in each locality, will vary. Therefore, the examples are illustrative and have been offered as guidance. They do not constitute an exhaustive list of impacts and thresholds to answer each question.
- 1 The number of examples per question does not indicate the importance of each question.
- 1 In identifying impacts, consider long term, short term and cumulative effects.

Instructions (Read carefully)

- a. Answer each of the 20 questions in PART 2. Answer Yes if there will be any impact.
- b. Maybe answers should be considered as Yes answers.
- c. If answering Yes to a question then check the appropriate box(column 1 or 2)to indicate the potential size of the impact. If impact threshold equals or exceeds any example provided, check column 2. If impact will occur but threshold is lower than example, check column 1.
- d. Identifying that an Impact will be potentially large (column 2) does not mean that it is also necessarily significant. Any large impact must be evaluated in PART 3 to determine significance. Identifying an impact in column 2 simply asks that it be looked at further.
- e. If reviewer has doubt about size of the impact then consider the impact as potentially large and proceed to PART 3.
- f. If a potentially large impact checked in column 2 can be mitigated by change(s) in the project to a small to moderate impact, also check the Yes box in column 3. A No response indicates that such a reduction is not possible. This must be explained in Part 3.

1 Small to Moderate Impact	2 Potential Large Impact	3 Can Impact Be Mitigated by Project Change
-------------------------------------	-----------------------------------	--

Impact on Land

1. Will the Proposed Action result in a physical change to the project site?

NO ☐ YES ☐

Examples that would apply to column 2

Any construction on slopes of 15% or greater, (15 foot rise per 100 foot of length), or where the general slopes in the project area exceed 10%.

☐
☐

☐ Yes ☐ No

Construction on land where the depth to the water table is less than 3 feet.

☐
☐

☐ Yes ☐ No

Construction of paved parking area for 1,000 or more vehicles.

☐
☐

☐ Yes ☐ No

Construction on land where bedrock is exposed or generally within 3 feet of existing ground surface.

☐
☐

☐ Yes ☐ No

Construction that will continue for more than 1 year or involve more than one phase or stage.

☐
☐

☐ Yes ☐ No

Excavation for mining purposes that would remove more than 1,000 tons of natural material (i.e., rock or soil) per year.

☐
☐

☐ Yes ☐ No

	1 Small to Moderate Impact	2 Potential Large Impact	3 Can Impact Be Mitigated by Project Change
• Construction or expansion of a sanitary landfill.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Yes <input type="checkbox"/> No
• Construction in a designated floodway.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Yes <input type="checkbox"/> No
• Other impacts:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<div></div>			

2. Will there be an effect to any unique or unusual land forms found on the site? (i.e., cliffs, dunes, geological formations, etc.)

☐ NO ☐ YES

• Specific land forms:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<div></div>			

Impact on Water

3. Will Proposed Action affect any water body designated as protected? (Under Articles 15, 24, 25 of the Environmental Conservation Law, ECL)

☐ NO ☐ YES

Examples that would apply to column 2

• Developable area of site contains a protected water body.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Yes <input type="checkbox"/> No
• Dredging more than 100 cubic yards of material from channel of a protected stream.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Yes <input type="checkbox"/> No
• Extension of utility distribution facilities through a protected water body.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Yes <input type="checkbox"/> No
• Construction in a designated freshwater or tidal wetland.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Yes <input type="checkbox"/> No
• Other impacts:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<div></div>			

4. Will Proposed Action affect any non-protected existing or new body of water?

☐ NO ☐ YES

Examples that would apply to column 2

• A 10% increase or decrease in the surface area of any body of water or more than a 10 acre increase or decrease.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Yes <input type="checkbox"/> No
• Construction of a body of water that exceeds 10 acres of surface area.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Yes <input type="checkbox"/> No
• Other impacts:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<div></div>			

	1 Small to Moderate Impact	2 Potential Large Impact	3 Can Impact Be Mitigated by Project Change
5. Will Proposed Action affect surface or groundwater quality or quantity? <input type="checkbox"/> NO <input type="checkbox"/> YES			
Examples that would apply to column 2			
• Proposed Action will require a discharge permit.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Yes <input type="checkbox"/> No
• Proposed Action requires use of a source of water that does not have approval to serve proposed (project) action.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Yes <input type="checkbox"/> No
• Proposed Action requires water supply from wells with greater than 45 gallons per minute pumping capacity.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Yes <input type="checkbox"/> No
• Construction or operation causing any contamination of a water supply system.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Yes <input type="checkbox"/> No
• Proposed Action will adversely affect groundwater.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Yes <input type="checkbox"/> No
• Liquid effluent will be conveyed off the site to facilities which presently do not exist or have inadequate capacity.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Yes <input type="checkbox"/> No
• Proposed Action would use water in excess of 20,000 gallons per day.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Yes <input type="checkbox"/> No
• Proposed Action will likely cause siltation or other discharge into an existing body of water to the extent that there will be an obvious visual contrast to natural conditions.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Yes <input type="checkbox"/> No
• Proposed Action will require the storage of petroleum or chemical products greater than 1,100 gallons.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Yes <input type="checkbox"/> No
• Proposed Action will allow residential uses in areas without water and/or sewer services.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Yes <input type="checkbox"/> No
• Proposed Action locates commercial and/or industrial uses which may require new or expansion of existing waste treatment and/or storage facilities.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Yes <input type="checkbox"/> No
• Other impacts:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Yes <input type="checkbox"/> No

1	2	3
Small to Moderate Impact	Potential Large Impact	Can Impact Be Mitigated by Project Change

6. Will Proposed Action alter drainage flow or patterns, or surface water runoff?

☐ NO ☐ YES

Examples that would apply to column 2

- Proposed Action would change flood water flows
- Proposed Action may cause substantial erosion
- Proposed Action is incompatible with existing drainage patterns.
- Proposed Action will allow development in a designated floodway.

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Yes <input type="checkbox"/> No

Other impacts:

IMPACT ON AIR

7. Will Proposed Action affect air quality?

☐ NO ☐ YES

Examples that would apply to column 2

- Proposed Action will induce 1,000 or more vehicle trips in any given hour.
- Proposed Action will result in the incineration of more than 1 ton of refuse per hour.
- Emission rate of total contaminants will exceed 5 lbs. per hour or a heat source producing more than 10 million BTU's per hour.
- Proposed Action will allow an increase in the amount of land committed to industrial use.
- Proposed Action will allow an increase in the density of industrial development within existing industrial areas.
- Other impacts:

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Yes <input type="checkbox"/> No

IMPACT ON PLANTS AND ANIMALS

8. Will Proposed Action affect any threatened or endangered species?

☐ NO ☐ YES

Examples that would apply to column 2

- Reduction of one or more species listed on the New York or Federal list, using the site, over or near the site, or found on the site.

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Yes <input type="checkbox"/> No
--------------------------	--------------------------	--

	1 Small to Moderate Impact	2 Potential Large Impact	3 Can Impact Be Mitigated by Project Change
• Removal of any portion of a critical or significant wildlife habitat.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Yes <input type="checkbox"/> No
• Application of pesticide or herbicide more than twice a year, other than for agricultural purposes.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Yes <input type="checkbox"/> No
• Other impacts:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Yes <input type="checkbox"/> No

9. Will Proposed Action substantially affect non-threatened or non-endangered species?

☐ NO ☐ YES

Examples that would apply to column 2

- | | | | |
|--|--------------------------|--------------------------|--|
| • Proposed Action would substantially interfere with any resident or migratory fish, shellfish or wildlife species. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| • Proposed Action requires the removal of more than 10 acres of mature forest (over 100 years of age) or other locally important vegetation. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| • Other impacts: | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |

IMPACT ON AGRICULTURAL LAND RESOURCES

10. Will Proposed Action affect agricultural land resources?

☐ NO ☐ YES

Examples that would apply to column 2

- | | | | |
|--|--------------------------|--------------------------|--|
| • The Proposed Action would sever, cross or limit access to agricultural land (includes cropland, hayfields, pasture, vineyard, orchard, etc.) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| • Construction activity would excavate or compact the soil profile of agricultural land. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| • The Proposed Action would irreversibly convert more than 10 acres of agricultural land or, if located in an Agricultural District, more than 2.5 acres of agricultural land. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |

	1 Small to Moderate Impact	2 Potential Large Impact	3 Can Impact Be Mitigated by Project Change
• The Proposed Action would disrupt or prevent installation of agricultural land management systems (e.g., subsurface drain lines, outlet ditches, strip cropping); or create a need for such measures (e.g. cause a farm field to drain poorly due to increased runoff).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Yes <input type="checkbox"/> No
• Other impacts:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Yes <input type="checkbox"/> No

IMPACT ON AESTHETIC RESOURCES

11. Will Proposed Action affect aesthetic resources? (If necessary, use the Visual EAF Addendum in Section 617.20, Appendix B.)

☐ NO ☐ YES

Examples that would apply to column 2

- | | | | |
|---|--------------------------|--------------------------|--|
| • Proposed land uses, or project components obviously different from or in sharp contrast to current surrounding land use patterns, whether man-made or natural. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| • Proposed land uses, or project components visible to users of aesthetic resources which will eliminate or significantly reduce their enjoyment of the aesthetic qualities of that resource. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| • Project components that will result in the elimination or significant screening of scenic views known to be important to the area. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Other impacts: | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |

IMPACT ON HISTORIC AND ARCHAEOLOGICAL RESOURCES

12. Will Proposed Action impact any site or structure of historic, prehistoric or paleontological importance?

☐ NO ☐ YES

Examples that would apply to column 2

- | | | | |
|---|--------------------------|--------------------------|--|
| • Proposed Action occurring wholly or partially within or substantially contiguous to any facility or site listed on the State or National Register of historic places. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| • Any impact to an archaeological site or fossil bed located within the project site. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| • Proposed Action will occur in an area designated as sensitive for archaeological sites on the NYS Site Inventory. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |

- | | 1
Small to
Moderate
Impact | 2
Potential
Large
Impact | 3
Can Impact Be
Mitigated by
Project Change |
|------------------|-------------------------------------|-----------------------------------|--|
| • Other impacts: | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |

IMPACT ON OPEN SPACE AND RECREATION

13. Will proposed Action affect the quantity or quality of existing or future open spaces or recreational opportunities?

☐ NO ☐ YES

Examples that would apply to column 2

- | | | | |
|---|--------------------------|--------------------------|--|
| • The permanent foreclosure of a future recreational opportunity. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| • A major reduction of an open space important to the community. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| • Other impacts: | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |

IMPACT ON CRITICAL ENVIRONMENTAL AREAS

14. Will Proposed Action impact the exceptional or unique characteristics of a critical environmental area (CEA) established pursuant to subdivision 6NYCRR 617.14(g)?

☐ NO ☐ YES

List the environmental characteristics that caused the designation of the CEA.

Examples that would apply to column 2

- | | | | |
|---|--------------------------|--------------------------|--|
| • Proposed Action to locate within the CEA? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| • Proposed Action will result in a reduction in the quantity of the resource? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| • Proposed Action will result in a reduction in the quality of the resource? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| • Proposed Action will impact the use, function or enjoyment of the resource? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| • Other impacts: | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |

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Large
Impact

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Can Impact Be
Mitigated by
Project Change

IMPACT ON TRANSPORTATION

15. Will there be an effect to existing transportation systems?

☐ NO ☐ YES

Examples that would apply to column 2

- Alteration of present patterns of movement of people and/or goods.

☐
☐
☐ Yes

☐ No

- Proposed Action will result in major traffic problems.

☐
☐
☐ Yes

☐ No

- Other impacts:

☐
☐
☐ Yes

☐ No

IMPACT ON ENERGY

16. Will Proposed Action affect the community's sources of fuel or energy supply?

☐ NO ☐ YES

Examples that would apply to column 2

- Proposed Action will cause a greater than 5% increase in the use of any form of energy in the municipality.

☐
☐
☐ Yes

☐ No

- Proposed Action will require the creation or extension of an energy transmission or supply system to serve more than 50 single or two family residences or to serve a major commercial or industrial use.

☐
☐
☐ Yes

☐ No

Other impacts:

☐
☐
☐ Yes

☐ No

NOISE AND ODOR IMPACT

17. Will there be objectionable odors, noise, or vibration as a result of the Proposed Action?

☐ NO ☐ YES

Examples that would apply to column 2

- Blasting within 1,500 feet of a hospital, school or other sensitive facility.

☐
☐
☐ Yes

☐ No

Odors will occur routinely (more than one hour per day).

☐
☐
☐ Yes

☐ No

- Proposed Action will produce operating noise exceeding the local ambient noise levels for noise outside of structures.

☐
☐
☐ Yes

☐ No

- Proposed Action will remove natural barriers that would act as a noise screen

☐
☐
☐ Yes

☐ No

- Other impacts:

☐
☐
☐ Yes

☐ No

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Small to
Moderate
Impact

2
Potential
Large
Impact

3
Can Impact Be
Mitigated by
Project Change

IMPACT ON PUBLIC HEALTH

18. Will Proposed Action affect public health and safety?

☐ NO ☐ YES

- Proposed Action may cause a risk of explosion or release of hazardous substances (i.e. oil, pesticides, chemicals, radiation, etc.) in the event of accident or upset conditions, or there may be a chronic low level discharge or emission.

☐
☐
☐ Yes

☐ No

- Proposed Action may result in the burial of "hazardous wastes" in any form (i.e. toxic, poisonous, highly reactive, radioactive, irritating, infectious, etc.)

☐
☐
☐ Yes

☐ No

- Storage facilities for one million or more gallons of liquefied natural gas or other flammable liquids.

☐
☐
☐ Yes

☐ No

Proposed Action may result in the excavation or other disturbance within 2,000 feet of a site used for the disposal of solid or hazardous waste.

☐
☐
☐ Yes

☐ No

- Other impacts:

☐
☐
☐ Yes

☐ No

IMPACT ON GROWTH AND CHARACTER OF COMMUNITY OR NEIGHBORHOOD

19. Will Proposed Action affect the character of the existing community?

☐ NO ☐ YES

Examples that would apply to column 2

- The permanent population of the city, town or village in which the project is located is likely to grow by more than 5%.

☐
☐
☐ Yes

☐ No

The municipal budget for capital expenditures or operating services will increase by more than 5% per year as a result of this project.

☐
☐
☐ Yes

☐ No

- Proposed Action will conflict with officially adopted plans or goals.

☐
☐
☐ Yes

☐ No

- Proposed Action will cause a change in the density of land use.

☐
☐
☐ Yes

☐ No

Proposed Action will replace or eliminate existing facilities, structures or areas of historic importance to the community.

☐
☐
☐ Yes

☐ No

- Development will create a demand for additional community services (e.g. schools, police and fire, etc.)

☐
☐
☐ Yes

☐ No

	1 Small to Moderate Impact	2 Potential Large Impact	3 Can Impact Be Mitigated by Project Change
• Proposed Action will set an important precedent for future projects.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Yes <input type="checkbox"/> No
• Proposed Action will create or eliminate employment.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Yes <input type="checkbox"/> No
• Other impacts:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Yes <input type="checkbox"/> No

20. Is there, or is there likely to be, public controversy related to potential adverse environment impacts?
☐ NO ☐ YES

If Any Action In Part 2 Is Identified as a Potential Large Impact or If you Cannot Determine the Magnitude of Impact, Proceed to Part 3

Part 3 - EVALUATION OF THE IMPORTANCE OF IMPACTS

Responsibility of Lead Agency

Part 3 must be prepared if one or more impact(s) is considered to be potentially large, even if the impact(s) may be mitigated.

Instructions (If you need more space, attach additional sheets)

Discuss the following for each impact identified in Column 2 of Part 2:

1. Briefly describe the impact.
2. Describe (if applicable) how the impact could be mitigated or reduced to a small to moderate impact by project change(s).
3. Based on the information available, decide if it is reasonable to conclude that this impact is **important**.

To answer the question of importance, consider:

- ! The probability of the impact occurring
- ! The duration of the impact
- ! Its irreversibility, including permanently lost resources of value
- ! Whether the impact can or will be controlled
- ! The regional consequence of the impact
- ! Its potential divergence from local needs and goals
- ! Whether known objections to the project relate to this impact.

**ADDENDUM TO ENVIRONMENTAL ASSESSMENT FORM RELATING TO
CONFIRMATION OF A CABLE TELEVISION FRANCHISE FOR THE
CITY OF MOUNT VERNON (WESTCHESTER COUNTY), NEW YORK**

Setting

The City of Mount Vernon is located in the southwestern portion of Westchester County. As of the 2000 Census, the City had a population of 68,381 within a total area of 4.37 square miles.

The City is not within an agricultural district, nor is it substantially contiguous to a National Natural Landmark. The City may contain or be substantially contiguous to critical environmental areas.¹ A list of sites included in the SPHINX database of historic sites is attached. It is Verizon's policy to conform to all applicable laws and regulations in placing its facilities, including any special requirements that may be applicable to historic sites, districts, or landmarks.

Parts of the City of Mount Vernon are located above aquifers. The City is within a coastal area. The City has designated wetlands areas and designated 100-year flood plains. Verizon's FTTP extensions and drop wires will be placed only to serve existing or future residences and businesses and will be consistent with physical arrangements for the provision of non-video communications services (voice, data), and other types of utility service, to such areas. Video programming will be delivered over existing distribution routes and supporting structures. Moreover, cable service is already provided within the franchise area by the incumbent, Time Warner. Thus, Verizon's construction activities would not impact otherwise undeveloped areas.

Four maps are included with this addendum. The first map shows the franchise area, tidal wetlands, and the coastal area boundary. The second map shows the freshwater wetlands, lakes and ponds in the area. The third map shows the location of the 100-year flood plains in the area. The fourth map shows the location of the aquifers in the area.

Description of Potential Construction Activities

The Commission is being asked to approve the City's award of a cable television franchise to Verizon. The franchise will enable Verizon to deliver video programming to subscribers over its FTTP network, which is also used for the provision of voice and data services. It is Verizon's position that the construction, extension, modification, and repair of the facilities comprising the FTTP network are independently authorized, do not require franchise authority, and are thus not included within any "action" (within the meaning of SEQRA) for which approval is sought in this proceeding. Nevertheless, at Staff's request, Verizon is providing the following information concerning work on Verizon's FTTP facilities that may be undertaken in the City subsequent to the Commission's approval of the franchise.

¹ Attached is a page from the State Department of Environmental Conservation web site that lists critical environmental areas designated by the County of Westchester. We do not know whether any of the County-designated areas (e.g., certain watersheds) include land within the City.

Extensions of Verizon's FTTP network may take place in the City of Mount Vernon following the award of the franchise. FTTP construction in the City's rights-of-way would relate to facilities that will also be used for Verizon's voice and data services. (Any equipment that is utilized exclusively for the provision of cable services in the City will be located in Verizon's central offices.) Verizon has completed the construction of its FTTP network to approximately 94% of the current households in the franchise area.

When a Verizon subscriber requests the FiOSSM voice, data, and/or video services that are available over the FTTP network, fiber drop wire is run to the subscriber's home. There are 25,706 households within the City of Mount Vernon that could potentially be served with fiber drops.² In terms of the potential environmental impact of drop placement activities, the fiber drops that are associated with FTTP do not differ in any significant respect from the copper drops that Verizon routinely installs, maintains and on occasion replaces in connection with its current services. Moreover, fiber drops will be deployed to customers who request other FiOS services even if such customers do not elect to purchase FiOS video.

² In general, Verizon's outside plant may include both aerial and underground facilities. Some of the work related to the extension of FTTP facilities and the placement of drops may therefore be underground.

USN	Class.	BF	Street Address/Location/Bldg. Name	Deter.	NR Ref. No.	SR Date	NR Date	NHL Date
11941.000224			UNASSIGNED NUMBER					
11941.000003	B		UNASSIGNED NUMBER	Individually Eligible				
11941.000264	B		UNUSED NUMBER					
11941.000176	S		HUTCHINSON PUMP STATION	Individually Eligible				
11941.000217			UNASSIGNED NUMBER					
11941.000006	A		PUMP HOUSE RAIN					
			1 BRADFORD RD					
11941.000272	B		KATO BUILDING IN WILSON WOODS AT INTERSECTION	Undetermined				
			BRADLEY AVE					
11941.000181			THE WARTBURG ORPHAN FARM AT NORTH END OF STREET	Historic District				
			BRADLEY AVE					
11941.000185			WARTBURG ORPHAN FARM SCHOOL: AT NORTH END OF STREET; ON	Historic District				
			BRADLEY AVE					
11941.000184			WARTBURG ORPHAN FARM SCHOOL: AT NORTH END OF STREET; ON	Historic District				
			BRADLEY AVE					
11941.000182			WARTBURG ORPHAN FARM SCHOOL: AT NORTH END OF STREET; ON	Historic District				
			BRADLEY AVE					
11941.000193			WARTBURG ORPHAN FARM SCHOOL: AT NORTH END OF STREET; ON	Historic District				
			BRADLEY AVE					
11941.000192			WARTBURG ORPHAN FARM SCHOOL: AT NORTH END OF STREET; ON	Historic District				
			BRADLEY AVE					
11941.000191			WARTBURG ORPHAN FARM SCHOOL: AT NORTH END OF STREET; ON	Historic District				

11941.000190				BRADLEY AVE WARTBURG ORPHAN FARM SCHOOL: AT NORTH END OF STREET; ON	Historic District				
11941.000195				BRADLEY AVE WARTBURG ORPHAN FARM SCHOOL: AT NORTH END OF STREET; ON	Historic District				
11941.000189				BRADLEY AVE WARTBURG ORPHAN FARM SCHOOL: AT NORTH END OF STREET; ON	Historic District				
11941.000186				BRADLEY AVE WARTBURG ORPHAN FARM SCHOOL: AT NORTH END OF STREET; ON	Historic District				
11941.000188				BRADLEY AVE WARTBURG ORPHAN FARM SCHOOL: AT NORTH END OF STREET; ON	Historic District				
11941.000183				BRADLEY AVE WARTBURG ORPHAN FARM SCHOOL: AT NORTH END OF STREET; ON	Historic District				
11941.000194				BRADLEY AVE WARTBURG ORPHAN FARM SCHOOL: AT NORTH END OF STREET; ON	Historic District				
11941.000197				BRADLEY AVE WARTBURG ORPHAN FARM SCHOOL: AT NORTH END OF STREET; ON	Historic District				
11941.000187				BRADLEY AVE WARTBURG ORPHAN FARM SCHOOL: AT NORTH END OF STREET; ON	Historic District				
11941.000196				BRADLEY AVE WARTBURG ORPHAN FARM SCHOOL: AT NORTH END OF STREET; ON	Historic District				
11941.000005	B			BROAD ST FLEETWOOD RAILROAD STATION - SOUTH SD; AT PARKWAY NORTH	Not Eligible				
11941.000012	B			10 CALIFORNIA RD	Undetermined				
11941.000010	B			2 CALIFORNIA RD	Undetermined				
11941.000013	B			243 CALIFORNIA RD	Undetermined				
11941.000018	B			255 CALIFORNIA RD	Undetermined				

11941.000014	B		26 CALIFORNIA RD	Undetermined				
11941.000015	B		40 CALIFORNIA RD	Undetermined				
11941.000016	B		72 CALIFORNIA RD	Undetermined				
11941.000017	B		75 CALIFORNIA RD	Undetermined				
11941.000011	B		8 CALIFORNIA RD	Undetermined				
11941.000019	B		101 CENTRAL PKWY	Undetermined				
11941.000020	B		102 CENTRAL PKWY	Undetermined				
11941.000021	B		345 COLLINS AVE	Undetermined				
11941.000022	B		359 COLLINS AVE	Undetermined				
11941.000023	B		362 COLLINS AVE	Undetermined				
11941.000024	B		3 COLUMBIA PL	Undetermined				
11941.000258	B		17 DARWOOD PL LYERLY RESIDENCE					
			DEVONIA AVE					
11941.000002			HUNT HOUSE -DESTROYED					
			SOUTH SD AT NORTH COLUMBUS AVE					
11941.000037	B		102 EAST DEVONIA AVE	Undetermined				
11941.000025	B		14 EAST DEVONIA AVE	Undetermined				
11941.000038	B		149 EAST DEVONIA AVE	Undetermined				
11941.000039	B		157 EAST DEVONIA AVE	Undetermined				
11941.000026	B		16 EAST DEVONIA AVE	Undetermined				
11941.000040	B		161 EAST DEVONIA AVE	Undetermined				
11941.000041	B		165 EAST DEVONIA AVE	Undetermined				
11941.000042	B		167 EAST DEVONIA AVE	Undetermined				
11941.000043	B		171 EAST DEVONIA AVE	Undetermined				
11941.000044	B		175 EAST DEVONIA AVE	Undetermined				
11941.000045	B		177 EAST DEVONIA AVE	Undetermined				
11941.000046	B		179 EAST DEVONIA AVE	Undetermined				
11941.000027	B		18 EAST DEVONIA AVE	Undetermined				
11941.000047	B		183 EAST DEVONIA AVE	Undetermined				
11941.000048	B		187 EAST DEVONIA AVE	Undetermined				
11941.000049	B		189 EAST DEVONIA AVE	Undetermined				
11941.000028	B		19 EAST DEVONIA AVE	Undetermined				
11941.000050	B		190 EAST DEVONIA AVE	Undetermined				
11941.000051	B		193 EAST DEVONIA AVE	Undetermined				

11941.000052	B		236 EAST DEVONIA AVE		Undetermined			
11941.000053	B		237 EAST DEVONIA AVE		Undetermined			
11941.000029	B		24 EAST DEVONIA AVE		Undetermined			
11941.000054	B		241 EAST DEVONIA AVE		Undetermined			
11941.000055	B		245 EAST DEVONIA AVE		Undetermined			
11941.000056	B		249 EAST DEVONIA AVE		Undetermined			
11941.000057	B		256 EAST DEVONIA AVE		Undetermined			
11941.000058	B		259 EAST DEVONIA AVE		Undetermined			
11941.000059	B		260 EAST DEVONIA AVE		Undetermined			
11941.000060	B		288 EAST DEVONIA AVE		Undetermined			
11941.000061	B		289 EAST DEVONIA AVE		Undetermined			
11941.000030	B		29 EAST DEVONIA AVE		Undetermined			
11941.000062	B		294 EAST DEVONIA AVE		Undetermined			
11941.000178			297 EAST DEVONIA AVE					
11941.000063	B		300 EAST DEVONIA AVE		Undetermined			
11941.000064	B		306 EAST DEVONIA AVE		Undetermined			
11941.000065	B		308 EAST DEVONIA AVE		Undetermined			
11941.000066	B		311 EAST DEVONIA AVE		Undetermined			
11941.000067	B		312 EAST DEVONIA AVE		Undetermined			
11941.000068	B		313 EAST DEVONIA AVE		Undetermined			
11941.000069	B		316 EAST DEVONIA AVE		Undetermined			
11941.000070	B		317 EAST DEVONIA AVE		Undetermined			
11941.000031	B		32 EAST DEVONIA AVE		Undetermined			
11941.000071	B		320 EAST DEVONIA AVE		Undetermined			
11941.000072	B		323 EAST DEVONIA AVE		Undetermined			
11941.000073	B		329 EAST DEVONIA AVE		Undetermined			
11941.000074	B		330 EAST DEVONIA AVE		Undetermined			
11941.000075	B		335 EAST DEVONIA AVE		Undetermined			
11941.000076	B		336 EAST DEVONIA AVE		Undetermined			
11941.000077	B		341 EAST DEVONIA AVE		Undetermined			
11941.000078	B		342 EAST DEVONIA AVE		Undetermined			
11941.000032	B		38 EAST DEVONIA AVE		Undetermined			
11941.000033	B		59 EAST DEVONIA AVE		Undetermined			
11941.000034	B		61 EAST DEVONIA AVE		Undetermined			
11941.000035	B		65 EAST DEVONIA AVE		Undetermined			

11941.000036	B	67 EAST DEVONIA AVE	Undetermined			
11941.000203		237 EAST FIRST AVE				
11941.000221		EAST FIRST ST SOUTH THIRD AVE FORMER EASTCHESTER SAVINGS				
11941.000245		100 EAST FIRST ST WESTCHESTER LIGHTING COMPANY				
11941.000244		36-38 EAST FIRST ST FIRST NATIONAL BANK BUILDING 1907				
11941.000266	B	20 EAST FOURTH ST, 20 EAST 4TH ST 404 EAST FOURTH ST	Not Eligible			
11941.000253		HOUSE, C 1900 - NOW ALTERNATIVE 170 EAST LINCOLN AVE				
11941.000288		LINCOLN ELEMENTARY SCHOOL 227 EAST LINCOLN AVE SUMMIT ST	Not Eligible			
11941.000270		FIRST UNITED METHODIST CHURCH 470 EAST LINCOLN AVE	Listed	99NR01566	10/4/1999	1/7/2000
11941.000138	B	FIRE HEADQUARTERS 531 EAST LINCOLN AVE	Undetermined			
11941.000139	B	LINCOLN ESTATES 597 EAST LINCOLN AVE	Not Eligible			
11941.000140	B	616; 630 EAST LINCOLN AVE	Undetermined			
11941.000141	B	641 EAST LINCOLN AVE	Undetermined			
11941.000159		653 EAST LINCOLN AVE				
11941.000160		693 EAST LINCOLN AVE				
11941.000161		20-215 EAST PROSPECT AVE ROW HOUSES, C 1910				
11941.000236		211 EAST PROSPECT AVE RES				
11941.000007		422 EAST SANDFORD BLVD EDWARDS CENTER				
11941.000259		EAST SECOND ST ELTON CHEMISTS - COMMERCIAL SOUTH SIDE; SOUTH FOURTH AVE;				
11941.000239		210-216 EAST THIRD AVE				
11941.000229		EAST THIRD ST EAST THIRD ST RAILROAD STATION - S SIDE, AT SOUTH FULTON AVE	Individually Eligible			
11941.000004	B					

11941.000269	B		222 EAST THIRD ST						
11941.000142	B		165 ESPLANE					Undetermined	
11941.000143	B		166 ESPLANE					Undetermined	
11941.000079	B		20 FAIRWAY SCHOOL					Undetermined	
11941.000080	B		29 FAIRWAY					Undetermined	
11941.000276	B		20 Fairway St Pennington-Grimes School					Individually Eligible	
11941.000277	B		10 FISKE PL					Undetermined	
11941.000081	B		FISKE PL					Undetermined	
			270 FORSTER PWY						
			GARDEN AVE EXT HUTCHISON PUMP STATION, 1931 AT HUTCHISON FIELD						
11941.000177			105-117 GRAMATAN AVE						
11941.000227			TUDOR STYLE APARTMENT WITH						
11941.000225			19 GRAMATAN AVE FEINBLATT BUILDING						
11941.000228			200-210 GRAMATAN AVE TUDOR STYLE APARTMENT WITH						
11941.000287			250 GRAMATAN AVE						
11941.000226			COLUMBUS ELEMENTARY SCHOOL 32-42 GRAMATAN AVE SLOTE BUILDING						
11941.000248			59 GRAMATAN AVE OFFICE BUILDING C 1930						
			6 GRAMATAN AVE PROCTOR'S THEATER, 1913 AT ROOSEVELT SQUARE						
11941.000247									
11941.000082	B		699 GRAMATAN AVE					Undetermined	
11941.000083	B		707 GRAMATAN AVE					Undetermined	
11941.000084	B		708 GRAMATAN AVE					Undetermined	
11941.000162			2 HAMILTON AVE						
11941.000085	B		360 HAYWARD AVE					Undetermined	
11941.000086	B		361 HAYWARD AVE					Undetermined	
11941.000087	B		246 LAWRENCE AVE					Undetermined	

11941.000286		72 LEXINGTON AVE							
11941.000163		TRAPHAGEN ELEMENTARY SCHOOL							
11941.000198	B	196 LORRAINE AVE							
11941.000199	B	138 MOUNT VERNON AVE							
11941.000200	B	140-142 MOUNT VERNON AVE							
11941.000202	B	143 MOUNT VERNON AVE							
11941.000201	B	151-157 MOUNT VERNON AVE							
11941.000220		156 MOUNT VERNON AVE							
		16 MOUNT VERNON AVE							
		RESIDENTIAL COMMERCIAL							
11941.000271	B	165 NORTH COLUMBUS AVE							
		EDUCATION CENTER							
11941.000275	B	195 NORTH COLUMBUS AVE							
11941.000144	B	HOLMES ELEMENTARY SCHOOL							
11941.000164		200 NORTH COLUMBUS AVE							
11941.000145	B	208 NORTH COLUMBUS AVE							
11941.000165		212 NORTH COLUMBUS AVE							
11941.000146	B	216 NORTH COLUMBUS AVE							
11941.000166		236 NORTH COLUMBUS AVE							
11941.000167		295 NORTH COLUMBUS AVE							
11941.000147	B	320 NORTH COLUMBUS AVE							
11941.000168		330 NORTH COLUMBUS AVE							
11941.000148	B	357 NORTH COLUMBUS AVE							
11941.000169		431 NORTH COLUMBUS AVE							
11941.000170		437 NORTH COLUMBUS AVE							
11941.000171		441 NORTH COLUMBUS AVE							
11941.000172		445 NORTH COLUMBUS AVE							
11941.000152		457 NORTH COLUMBUS AVE							
11941.000153		476 NORTH COLUMBUS AVE							
11941.000154		495 NORTH COLUMBUS AVE							
11941.000155		499 NORTH COLUMBUS AVE							
11941.000279	B	560 NORTH COLUMBUS AVE							
		142-144 NORTH EIGHTH AVE							
11941.000282		0 NORTH SIXTH ST							
		PARKING GARAGE							
11941.000257	B	432 NUBER AVE							
		VENABLE RESIDENCE							

11941.000149	B		7 OVERHILL RD	Undetermined				
11941.000088	B		347 PACKMAN AVE	Undetermined				
11941.000089	B		350 PACKMAN AVE	Undetermined				
11941.000090	B		360 PACKMAN AVE	Undetermined				
			PARK AVE					
11941.000284			PARK AVENUE BRIDGE (NH 13.75)	Individually Eligible				
11941.000150	B		OVER METRO-NORTH NEW HAVEN	Historic District				
			1-2-3-4 PARK LN					
			PARKWAY CIR					
11941.000091	B		SOUTHWEST CORNER OF DEVONA	Undetermined				
11941.000092	B		1 PARKWAY EAST	Undetermined				
11941.000093	B		4 PARKWAY EAST	Undetermined				
11941.000094	B		1 PARKWAY WEST	Undetermined				
11941.000095	B		8 PARKWAY WEST	Undetermined				
11941.000260	B		161 PEARSALL DR					
11941.000096	B		240 PENNSYLVANIA AVE	Undetermined				
11941.000097	B		255 PENNSYLVANIA AVE	Undetermined				
11941.000098	B		6 ROCKRIDGE RD	Undetermined				
			ROOSEVELT SQUARE EAST					
11941.000254			CITY HALL, 1927					
			27 ROOSEVELT SQUARE NORTH					
11941.000255			POLICE DEPARTMENT 1915					
			SANDFORD BLVD					
			BIN 3364940					
11941.000263	S		OVER HUTCHINSON RIVER					
11941.000103	B		161 SHERIDAN AVE	Undetermined				
11941.000179			162 SHERIDAN AVE					
11941.000104	B		165 SHERIDAN AVE	Undetermined				
11941.000105	B		166 SHERIDAN AVE	Undetermined				
11941.000106	B		170 SHERIDAN AVE	Undetermined				
11941.000107	B		179 SHERIDAN AVE	Undetermined				
11941.000108	B		185 SHERIDAN AVE	Undetermined				
11941.000109	B		192 SHERIDAN AVE	Undetermined				
11941.000110	B		193 SHERIDAN AVE	Undetermined				
11941.000111	B		205 SHERIDAN AVE	Undetermined				
11941.000099			21 SHERIDAN AVE	Undetermined				

11941.000175			15 SOUTH FIRST ST						
11941.000278	B		U S POST OFFICE-MOUNT VERNON					5/11/1989	
11941.000281			125 SOUTH FOURTH AVE			Not Eligible			
11941.000289			127 SOUTH FOURTH AVE			Not Eligible			
11941.000290			127-131 South Fourth Ave			Not Eligible			
			145 South Fourth Ave			Not Eligible			
11941.000238			211 SOUTH FOURTH AVE						
			MOUNT VERNON FIRE HOUSE TRUCK						
11941.000237			34-38 SOUTH FOURTH AVE						
			DEPARTMENT STORE						
11941.000211			17 SOUTH HIGH AVE						
			SAINT MARY'S CHURCH						
11941.000215			SOUTH NINTH AVE						
			SAINT CLEMENT'S CHURCH						
11941.000207			160 SOUTH NINTH AVE						
11941.000208			31 SOUTH NINTH AVE						
11941.000209			59 SOUTH NINTH AVE						
			SOUTH SECOND AVE						
11941.000234			FIRST BAPTIST CHURCH OF MOUNT						
11941.000267			EAST SIDE; EAST SECOND ST; SOUTH						
11941.000210			125 SOUTH SECOND AVE						
			223 SOUTH SECOND AVE						
			38 SOUTH SECOND AVE						
11941.000213			MOUNT VERNON CALVARY APOSTOLIC						
			326 SOUTH SEVENTH ST						
11941.000214			CORINTH BAPTIST CHURCH						
11941.000205			102 SOUTH SIXTH AVE						
11941.000206			104 SOUTH SIXTH AVE						
			23 SOUTH SIXTH AVE						
11941.000241			FIRE HOUSE ENGINE CO. NO. 4						
			31-33 SOUTH SIXTH AVE						
11941.000242			WAREHOUSE, 1923						
			SOUTH SIXTH ST WEST SECOND ST						
11941.000218			WASHINGTON JUNIOR HIGH SCHOOL						
11941.000232			246 SOUTH THIRD AVE						
11941.000233			305 SOUTH THIRD AVE						

11941.000130	B		47 WEST DEVONIA AVE	Undetermined				
11941.000131	B		48 WEST DEVONIA AVE	Undetermined				
11941.000132	B		65 WEST DEVONIA AVE	Undetermined				
11941.000133	B		66 WEST DEVONIA AVE	Undetermined				
11941.000134	B		68 WEST DEVONIA AVE	Undetermined				
11941.000135	B		69 WEST DEVONIA AVE	Undetermined				
			22-28 WEST FIRST ST					
11941.000243			FIRST NATIONAL BANK OF MOUNT					
			29 WEST FOURTH ST					
11941.000174	B		JOHN STEVENS HOUSE	Listed	90NR02479	6/23/1980	4/26/1972	
			WEST SECOND ST					
11941.000246			FIRST METHODIST CHURCH OF MOUNT SOUTH SIDE; SOUTH EIGHT AVE; WEST					
			100 WEST SECOND ST					
11941.000216			BIBLE CHURCH OF CHRIST					
11941.000137	B		546 WESTCHESTER AVE	Undetermined				
11941.000136	B		530 WESTCHESTER AVEE	Undetermined				

Designating Agency:	Critical Environmental Area	Recorded Date	Effective Date
Westchester, County of	Westchester County Airport 60Ldn Noise Contour	1-2-90	1-31-90
	Croton Point Park	1-2-90	1-31-90
	Byram Lake	1-2-90	1-31-90
	Tarrytown Lakes Reservoirs	1-2-90	1-31-90
	Long Island Sound	1-2-90	1-31-90
	County and State Park Lands	1-2-90	1-31-90
	Mianus River	1-2-90	1-31-90
	Mianus Gorge Preserve	1-2-90	1-31-90
	Indian Brook Reservoir	1-2-90	1-31-90
	Larchmont Reservoir & J.G. Johnson Jr. Conservancy	1-2-90	1-31-90
	Poncantico Lakes & Watershed Property	1-2-90	1-31-90
	Hudson River	1-2-90	1-31-90
	Peekskill Hollow Brook	1-2-90	1-31-90
	All Land 500' Peripheral to Amawalk Reservoir Boundary	1-2-90	1-31-90
	County Designated Watershed Properties	1-2-90	1-31-90