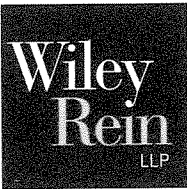


ATTACHMENT D

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

1. 10/25/07 Correspondence from Verizon's outside counsel, Jeremy Schofer of Wiley Rein LLP, to Village Clerk, enclosing Verizon's application for a cable television franchise and proposed franchise agreement
2. 10/25/07 Correspondence from Verizon's outside counsel, Jeremy Schofer of Wiley Rein LLP, to Larchmont-Mamaroneck Cable TV Control Board ("Control Board") representatives, James Millstein and Leonard Verrastro, enclosing copy of Verizon's application for a cable television franchise and proposed franchise agreement
3. 10/25/07 Correspondence from Verizon's outside counsel, Jeremy Schofer of Wiley Rein LLP, to Control Board representatives, James Millstein and Leonard Verrastro, regarding notices of public hearing
4. 10/29/07 Correspondence from Verizon's outside counsel, Jeremy Schofer of Wiley Rein LLP, to Control Board representatives, James Millstein and Leonard Verrastro, enclosing copies of letters transmitting Verizon's applications to Cablevision
5. 11/5/07 Correspondence from Verizon's outside counsel, Jeremy Schofer of Wiley Rein LLP, to Village representatives, enclosing draft resolution
6. 11/5/07 Correspondence from Verizon's outside counsel, Jeremy Schofer of Wiley Rein LLP, to Village representatives, enclosing revised franchise agreement in clean and blackline formats
7. 11/5/07 Correspondence from Verizon's outside counsel, Jeremy Schofer of Wiley Rein LLP, to Village representatives, enclosing revised franchise agreement with service area map inserted
8. 11/12/07 Correspondence from Verizon's Senior Vice President, Monica Azare, to Village Mayor, Elizabeth N. Feld, regarding the November 14 public hearing and enclosing an information sheet outlining the benefits of Verizon FiOS TV service

Tab 1



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WASHINGTON, DC 20006
PHONE 202.719.7000
FAX 202.719.7049

7925 JONES BRANCH DRIVE
McLEAN, VA 22102
PHONE 703.905.2800
FAX 703.905.2820

www.wileyrein.com

October 25, 2007

Jeremy Schofer
202.719.4646
jschofer@wileyrein.com

BY UPS OVERNIGHT

Larchmont Village Clerk
Municipal Building
120 Larchmont Ave.
Larchmont, NY 10538

Re: Cable Franchise Agreement between the Village of Larchmont, NY
(the "Village") and Verizon New York Inc. ("Verizon")

Dear Larchmont Village Clerk:

Pursuant to the requirement of 16 NYCRR Section 894.5, please find enclosed Verizon's cable franchise application with the Village. I have also enclosed a copy of Verizon's proposed cable franchise agreement with the Village, the Town of Mamaroneck, and the Village of Mamaroneck. Please contact Mac Kerbey at (617) 628-3436 or me at (202) 719-4646 if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to be "JS" followed by a long horizontal stroke.

Jeremy Schofer

Enclosures: Application and Agreement

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 Village of Larchmont ("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 Sample 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), Verizon NY intends to provide capacity on its basic service tier for up to (3) Public, Educational, and Government Access Channels as permitted by the New York Public Service Commission ("NY PSC") rules and regulations for the use of the Municipality, the Village of Mamaroneck, and the Town of Mamaroneck. Verizon NY may be required to provide a fourth (4th) PEG Access Channel pursuant to the requirements set out in its cable franchise agreement with the Municipality.

- (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 77% of the households in the Municipality, the Village of Mamaroneck, and the Town of Mamaroneck. 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 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); (35) Village of Rye Brook (Westchester County); (36) Town of Haverstraw (Rockland County); (37) Village of New Hyde Park (Nassau County); (38) Village of West Haverstraw (Rockland County); (39) Town of North Castle (Westchester County); (40) Village of Chestnut Ridge (Rockland County); (41) Village of Bayville (Nassau County); (42) Village of Sands Point (Nassau County); (43) Town of Mount Pleasant (Westchester County); (44) Village of Old Field (Suffolk County); (45) City of Mount Vernon (Westchester County); (46) Village of Spring Valley (Rockland County); (47) Village of Suffern (Rockland County); (48) Village of Scarsdale (Westchester County); (49) Village of Bronxville (Westchester County); (50) City of Yonkers (Westchester County); (51) Village of Floral Park (Nassau County) (52) Town of Islip (Suffolk County); (53) Village of South Floral Park (Nassau County);

(54) City of New Rochelle (Westchester County); (55) Village of Haverstraw (Rockland County); (56) Town of Cortlandt (Westchester County); (57) Village of Garden City (Nassau County); (58) Village of Nissequogue (Suffolk County); (59) Village of Poquott (Suffolk County); (60) City of Peekskill (Westchester County); (61) Village of East Williston (Nassau County); (62) Village of Head of the Harbor (Suffolk County); (63) Village of Hillburn (Rockland County); (64) Village of Mill Neck (Nassau County); and (65) Village of Buchanan (Westchester County).

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

Furthermore, other subsidiaries of Verizon Communications Inc. were awarded cable television franchises by 819 franchising authorities in California, Delaware, Florida, Maryland, Massachusetts, New Jersey, Pennsylvania, Texas, Oregon, Rhode Island, and Virginia.

- (6) A statement indicating whether Verizon NY or any of its principals owns or operates any other cable television system, directly or indirectly, and a statement indicating the name

of any such operations and the name and address of the chief executive officer of the franchising authority in which such system or station is located.

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

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

Verizon NY intends to finance the construction of the FTTP system and the provision of cable services over the FTTP system through a variety of internally and externally generated funds. Verizon NY is a financially stable company which has provided telecommunications services in New York State for more than a century. Its parent company, Verizon Communications Inc., is a Fortune 20 company, a Dow 30 Industrials company, and had 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)**
- **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 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

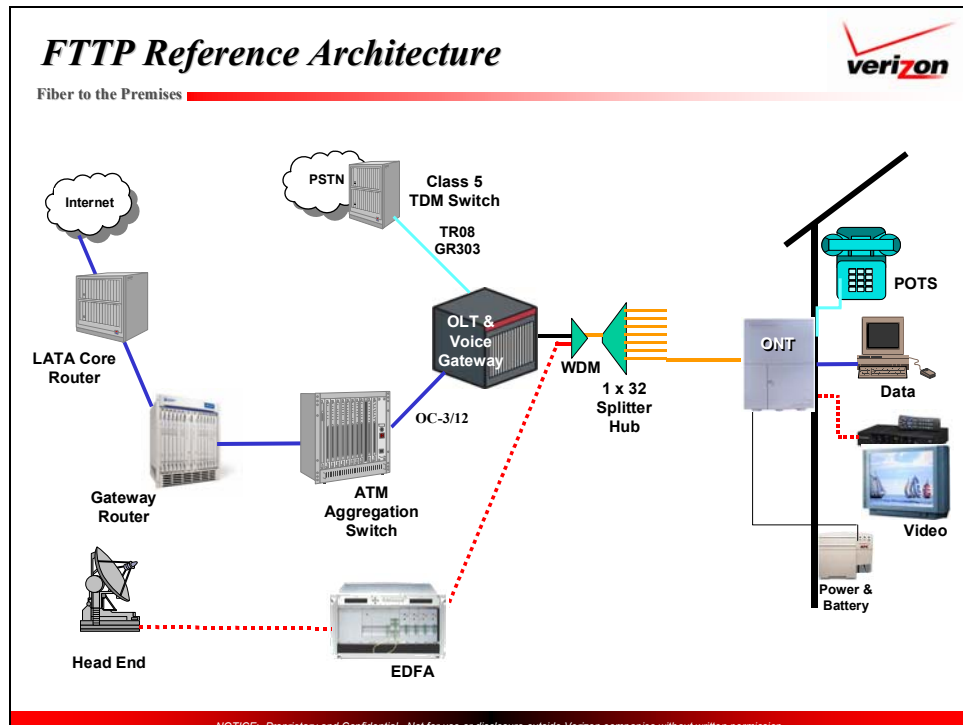
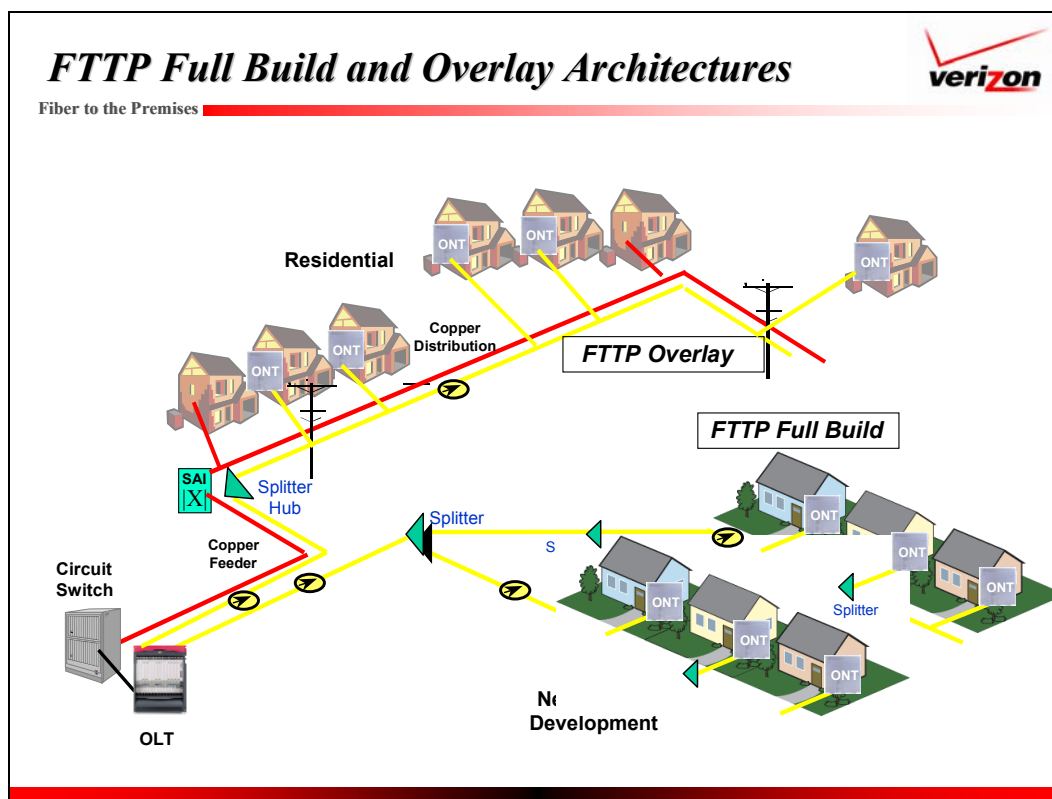


Figure 2-FTTP Full Build and Overlay Architectures



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).

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.

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).

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

The Video Serving Office (VSO) is a location within the central office containing FTTP equipment. The Village of Larchmont is served by one VSO located in the Village of Larchmont. 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 ruled that Verizon does not need to obtain a cable franchise before constructing its FTTP network. The Commission found that unlike cable companies, Verizon already has the necessary authority under state law to use the public rights-of-way. Thus, the Commission concluded that Verizon has the right to upgrade its telecommunications network to make it capable of providing cable service. See Declaratory Ruling on Verizon Communication, Inc.'s Built-Out of its Fiber to the Premises Network, NY Public Service Commission, Case 05-M-0520/05-M-0247, June 15, 2005.

VERIZON NEW YORK INC.

VERIZON FiOS TV – NEW YORK AREA SAMPLE CHANNEL LINEUP

▶ PAY PER VIEW
701 Events 702-707 ESPN-NCAA Sports/ GamePlan/Full Court

▶ 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 Weath TV HD 838 National Geographic Channel HD 839 MTV HD 840 Food Network HD 841 HGTV HD 845 Lifetime Movie Network HD HD Premium 851 HBO HD 852 Cinemax HD 853 Showtime HD 854 TMC HD 855 Starz HD

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

▶ VIDEO ON DEMAND **
900 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***
Ardley/Greenburgh/Irvington/ Tarrytown 32 Government Access Channel 34 Public Access Channel 1 35 Government Access Channel 2 Dobbs Ferry 46 Government Access Channel 47 Educational Access Channel Eastchester 40 Eastchester Town Gov. Access 1 Elmford 30 Public Access Lynbrook 32 Lynbrook Education 33 Lynbrook Government 1 34 Lynbrook Government 2 Mineola 40 Mineola Education & Government Access Port Chester 42 Public Access/Local Programming 43 Government Access 44 Educational Access Smithtown 27 Smithtown Government

**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.



7/07 VRZNFIFC0997
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Verizon FIOS TV

New York Channel Lineup

EFFECTIVE JULY 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 WLIW-TV 55 11 CW — WPIX-TV 11 12 Telemundo — WNUJ-TV 47 13 PBS — WNET-TV 13 17 WFTY-TV 67 18 WNBC-TV 63 21 PBS — WLIW-TV 21 23 PBS — WJUN-TV 50 25 NYC-TV 27 Local Programming 29 PBS — WPME-TV 66 30 Local Programming 31 ION-TV31 32-35 Local Programming 37 Public Access 38 Public Access 40 Local Programming 41 Univision — WXTV-TV 41 42-44 Local Programming 46 Local Programming 47 Local Programming 48 TV Guide 49 Weatherscan Local

▶ FIOS TV PREMIER
Entertainment 50 USA Network 51 TNT 52 TBS 53 FX 54 Spike TV Sports 60 ESPN 61 ESPN Classic Sports 62 ESPN News 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

News
80 CNN 81 CNN Headline News 82 Fox News 83 CNBC 85 Bloomberg TV 86 CNN International 87 CNN World 88 ABC News Now 89 C-SPAN 90 C-SPAN 2 91 C-SPAN 3 92 BBC World 99 The Weather Channel Information 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 111 TV Info 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 Home & Leisure 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 Music 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 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

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

<div> <div> </div> <div> FIOS TV PREMIER <i>(continued)</i> </div> </div>	
People & Culture	
240 BET	
241 TV One	
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	

Other Premiums	
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	

Other Premiums	
430 Playboy TV	
431 Playboy TV en Español	
435 here!	

<div> <div> </div> <div> SPANISH LANGUAGE** </div> </div>	
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	

<div> <div> </div> <div> PREMIUMS** </div> </div>	
HBO	
400 HBO	
401 HBO West	
402 HBO 2	
403 HBO 2 West	
404 HBO Signature	
405 HBO Signature West	
406 HBO Family	
407 HBO Family West	
408 HBO Comedy	
409 HBO Comedy West	
410 HBO Zone	
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	

<div> <div> </div> <div> LA CONEXIÓN </div> </div>	
Entertainment	
500 USA Network	
501 TNT	
502 TBS	
503 Galavisión	
504 FX	
505 Spike TV	
Sports	
508 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	
News	
518 CNN en Español	
519 CNN	
520 CNN Headline News	
521 Fox News	
522 CNBC	
524 C-SPAN	
525 Canal SUR	
Information	
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	

<div> <div> </div> <div> MUSIC CHOICE </div> </div>	
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	

<div> <div> </div> <div> URGE RADIO </div> </div>	
647 Crunch	
648 MTV2	
649 Blues Part 2	
650 Cover 2 Cover	
651 CMT Radio	
652 Diner	
653 Wide Open Country	
654 Voice Box	
655 Vinyl	
656 Dope	
657 Hip-nod-Ics	
658 Celebration	
659 Unforgettable	
660 Manteca	
661 TRL	
662 Pegato	
663 I Love the 80s	
664 I Love the 90s	
665 I Love the 70s	
666 Neon	
667 Reunion	
668 Rocks	
669 Axis	
670 Opera Babylon	
671 Dream Sequence	
672 Crescendo	
673 Bluegrass Radio	
674 Plush	
675 Zen	
676 Discotech	
677 Ultrasound	
678 Praise	
679 Smoke	
680 Oasis	
681 Swing	
682 Radio Alterna	
683 MTV2 Headbangers Ball	
684 Blast	
685 Gold	
686 MTV Tr3s	
687 NuGroove	
688 Soul City	
689 VH1 Soul	
690 Cinema	
691 Jazzip Broadway	
692 Big World	
693 Ragga	
694 Comedy	

*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.

VERIZON NEW YORK INC.

VERIZON FiOS TV – NEW YORK AREA SAMPLE RATES & PACKAGES

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	228 + FiOS TV Local	\$42.99
La Conexión ⁴	162 + FiOS TV Local	\$32.99

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

Packages ⁵ (Requires STB)	Number of Channels	Monthly Price
Sports	13	\$7.99
Movies	45	\$12.99
Sports/Movies Combination	58	\$15.99
Spanish Language	25	\$11.99

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

International Premiums ⁷ (Requires STB)	Number of Channels	Monthly Price
International Premium Channels	14	Individually Priced

Video On Demand (VOD) and Pay Per View (PPV) (Requires STB)	Price
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
Digital Adapter**	\$3.99
Standard Definition (SD)	\$4.99
High Definition (includes HD channels)	\$9.99
Standard Definition Digital Video Recorder**	\$12.99
High Definition Digital Video Recorder (includes HD channels)	\$15.99
SD Home Media DVR (features Multi-Room DVR & Media Manager)**	\$17.99
HD 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
FiOS TV Activation Fee with FiOS TV/Internet/Voice Bundle	Free
FiOS TV Activation Fee with FiOS Internet	\$19.99
FiOS TV Activation Fee without FiOS Internet	\$29.99

Subsequent Installations/Charges	One-Time Charges
Premise Visit ⁷	\$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
Downgrade of Service from Digital to Analog	\$49.99
Set Top Box Addition or Upgrade (requiring Technician visit)	\$24.99
Set Top Box Return or Downgrade with equipment drop off at Verizon authorized locations	Free
Set Top Box Return or Downgrade (requiring Technician visit)	\$29.99
FiOS TV Full Service Disconnect with equipment drop off at Verizon authorized locations	Free
FiOS TV Full Service Disconnect with Technician visit for equipment retrieval	\$74.99

Other Services and Charges	One-Time Charges
Seasonal Service Suspension (charged at initiation, 1–6 months) ⁸	\$24.99
Replacement Remote — Verizon FiOS TV RC144	\$6.99 + Shipping & Handling
Replacement Remote — Motorola DRC800	\$5.00 + Shipping & Handling
Unreturned/Damaged STB — Digital Adapter	\$175.00
Unreturned/Damaged STB — Standard Definition	\$240.00
Unreturned/Damaged STB — High Definition	\$350.00
Unreturned/Damaged STB — SD Digital Video Recorder (DVR)	\$475.00
Unreturned/Damaged STB — HD Digital Video Recorder (DVR)	\$550.00

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

**Available Fall 2007.



¹ 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 If service is cancelled within the first 12 months, router must be returned or \$99.99 equipment fee applies.

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.

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.

⁵ In order to be eligible for Movies or Sports, FiOS TV Premier or La Conexión is required. 30-day minimum billing period required for all digital packages.

⁶ Subscription VOD is included with all Premiums at no extra charge (where applicable). 30-day minimum billing period required for all Premiums.

⁷ 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.

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

Service/program availability varies by location and the number of channels within each package are approximations. Pricing applies to residential use only within the United States and is subject to change. Taxes, franchise fees and other terms apply.

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VRZN_FIFF_C0984

CABLE FRANCHISE AGREEMENT
BY AND BETWEEN
THE VILLAGES OF LARCHMONT AND MAMARONECK
AND THE TOWN OF MAMARONECK, NEW YORK
AND
VERIZON NEW YORK INC.

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EXHIBITS

Exhibit A: Municipal Buildings to be Provided Free Cable Service

Exhibit B: Service Area

Exhibit C: PEG Channels

Exhibit D: PEG Access Origination Point

Exhibit E: Form of Transferee's Notification Regarding Acceptance of Terms

Exhibit F: Form of Performance Bond

THIS CABLE FRANCHISE AGREEMENT (the “Franchise” or “Agreement”) is entered into by and between the Villages of Larchmont and Mamaroneck and the Town of Mamaroneck, validly organized and existing political subdivisions of the State of New York (collectively referred to as the “Local Franchising Authorities” or “LFAs”) and Verizon New York Inc., a corporation duly organized under the applicable laws of the State of New York (the “Franchisee”).

WHEREAS, each of the LFAs wish 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, each of the LFAs 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, each of the LFAs are members of the tri-municipal cable television Board of Control (the “Board of Control”) as created in the CATV agreement executed on the 3rd day of December, 1980 (the “Members”);

WHEREAS, pursuant to the franchises granted by the Members, and pursuant to law, it is the responsibility of each Member to administer and supervise the provisions of such franchise for its own benefit and for the benefit of its residents;

WHEREAS, each of the Members has heretofore determined that these franchises are interrelated, that negotiation, administration, and supervision of the franchises can be best performed in a cooperative arrangement between and among the Members, and that the ability of each Member to provide its residents with adequate cable television service would be enhanced by such a cooperative arrangement;

WHEREAS, each of the Members have delegated to the Board of Control the power and authority to act on behalf of the LFAs pursuant to and relating to negotiating, administering, and supervising the terms and conditions of this franchise agreement between the LFAs and Franchisee;

WHEREAS, Franchisee is upgrading 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 Franchise Area, and Franchisee desires to use portions of the FTTP Network to provide Cable Services (as hereinafter defined) in the Franchise Area;

WHEREAS, the LFAs, jointly, and the Franchisee are entering into this Agreement for the purpose of setting forth the terms and conditions on which Franchisee shall be entitled to provide Cable Services in the Franchise Area with the express understanding and agreement that nothing in this Agreement shall add to or detract from (i) the LFAs' police powers, or rights or privileges in respect of the Public Rights of Way in accordance with Federal, State, and local laws or (ii) the Franchisee's rights or privileges in respect of the FTTP Network in accordance with Federal, State, and local laws, as each relates to the provision of Non-Cable Services in the Franchise Area, it being the intent of the parties that this Agreement shall govern only the provision of Cable Services;

WHEREAS, the LFAs have identified the future cable-related needs and interests of the LFAs and after appropriate public proceedings affording due process to all parties in accordance with New York Law have determined that Franchisee's plans for its Cable System are adequate and feasible;

WHEREAS, based on the representations of the Franchisee in the Franchisee's cable franchise applications, the LFAs have found Franchisee to be financially, technically and legally qualified to operate the Cable System in the Franchise Area;

WHEREAS, the LFAs have 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 LFAs 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 each of the LFA's grant of a franchise to Franchisee and Franchisee's promise to provide Cable Service to residents of the Franchise Area pursuant to and consistent with the Cable Law (as herein defined), in each case on the terms and conditions hereinafter set forth, the promises and undertakings of the parties hereinafter set forth, and such 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 LFAs without charge for Public, Educational, or Governmental noncommercial use for the transmission of video programming as directed by the LFAs.

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 by local public schools and public school districts in the Franchise Area and other not-for-profit educational institutions chartered or licensed by the New York State Department of Education or Board of Regents in the Franchise Area.

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

1.12. *Force Majeure*: An event or events reasonably beyond the ability of Franchisee to anticipate and control that directly or indirectly results in Franchisee's non-compliance with, or delay in the performance of, any obligation hereunder. This includes, but is not limited to, severe or unusual weather conditions, strikes, labor disturbances and disputes, war or act of war (whether an actual declaration of war is made or not), insurrection, riots, act of public enemy, incidences of terrorism, acts of vandalism, actions or inactions of any government instrumentality or public utility including condemnation, accidents for which the Franchisee is not primarily responsible, fire, flood, or other acts of God, or work delays resulting from unaffiliated utility providers' failure to service, monitor, or maintain utility poles to which Franchisee's FTTP Network is attached, and unavailability of materials and/or qualified labor to perform the work necessary.

1.13. *Franchise Area*: The incorporated area (entire existing territorial limits) of the LFAs, 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 LFAs.

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.

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, digital video recorders, remote controls, additional outlets and/or other Cable Service related Subscriber premises equipment, whether by lease or fee;

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

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

(v) compensation received by Franchisee that is derived from the operation of Franchisee's Cable System to provide Cable Service with respect to commissions that are paid to Franchisee as compensation for promotion or exhibition of any products or services on the Cable System, such as "home shopping" or a similar channel, subject to the exceptions below. Gross Revenue includes a pro rata portion of all revenue derived by Franchisee pursuant to compensation arrangements for advertising derived from the operation of Franchisee's Cable System to provide Cable Service within the Service Area, subject to the exceptions below. The allocation shall be based on the number of Subscribers in the Service Area divided by the total number of subscribers in relation to the relevant local, regional or national compensation arrangement. Advertising commissions paid to third parties shall not be netted against advertising revenue included in Gross Revenue; and

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

Except as provided above, Gross Revenue shall not include:

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

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

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

(iv) except as otherwise provided in Section 1.16, 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 the Communications Act (as amended from time to time), then Franchisee shall include revenue from such service as Gross Revenue on a going forward basis commencing with the next available billing cycle following the effective date of such change in the Communications Act. Should a final determination or ruling of any agency or court having jurisdiction, after the exhaustion of all appeals related thereto, classify as a Cable Service any service provided by the Franchisee over the Cable System, then the LFAs shall be entitled, after notification to Franchisee and without mutual agreement in writing as otherwise required by Section 12.7, to amend this Agreement in the manner prescribed under applicable state law or this Franchise to include revenue from the 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 the issuance of an order from the NY PSC approving such amendment;

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

(vi) the sale of Cable Services on the Cable System for resale in which the purchaser is required to collect cable Franchise Fees from purchaser's customer;

(vii) the sale of Cable Services to customers, which are exempt, as required or allowed by the LFAs including, without limitation, the provision of Cable Services to public institutions as required or permitted herein, except to the extent Franchisee actually receives any revenues from such customers that would otherwise be included in Gross Revenues;

(viii) 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);

(ix) 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);

(x) 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;

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

(xii) any fees or charges collected from Subscribers or other third parties for the Initial PEG Grant payments and the Annual PEG Grant payments.

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 (LFAs)*: Collectively the Villages of Larchmont and Mamaroneck and the Town of Mamaroneck, New York, or their lawful successors, transferees, or assignees thereof.

1.20. *Non-Cable Services*: Any service that does not constitute the provision of a Cable Service pursuant to this Agreement 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 or by nonresidents with resident sponsorship 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. Franchisee shall notify LFA in writing within sixty (60) business days of any change in ownership or other interest. The new Franchisee shall not use such change in ownership or other interest as a basis for challenging the validity of any past non-performance.

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

2. GRANT OF AUTHORITY; LIMITS AND RESERVATIONS

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

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

2.3. *Effective Date and Term:* This Franchise shall become effective on the date that the NY PSC issues a certificate of confirmation for this Franchise (the "Effective Date"), following its approval by the LFAs' respective governing authority authorized to grant franchises and its acceptance by the Franchisee. The term of this Franchise shall be fifteen (15) years from the Effective Date unless the Franchise is earlier revoked as provided herein. The Franchisee shall memorialize the Effective Date by notifying the LFAs in writing of the same, which notification shall become a part of this Franchise. If subsequent to the Effective Date, there is a change in federal or state law that eliminates the authority of the LFA to require, grant or maintain this Franchise, then to the extent permitted by law, this Franchise shall survive such legislation and remain in effect for the term 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 themselves, at any time during the term of this Franchise. Any such rights which are granted shall not adversely impact the authority as granted under this Franchise.

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

2.6. *No Waiver:*

2.6.1. The failure of the LFAs on one or more occasions to exercise a right under this Franchise, the Cable Law or other applicable state, federal or local 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, federal, or local law, or to require performance under this Franchise, shall not be deemed to constitute a waiver of such

right or a waiver of performance of this Agreement, nor shall it excuse the LFA from performance, unless such right or such performance has been specifically waived in writing.

2.7. *Construction of Agreement:*

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

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

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

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

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

3. **PROVISION OF CABLE SERVICE**

3.1. *Service Area:* Subject to the issuance of all necessary permits by the LFA, Franchisee shall offer Cable Service to significant numbers of residential Subscribers in the Service Area and may make Cable Service available to businesses in the Service Area, within twelve (12) months and shall offer Cable Service to all residential Subscribers in the Service Area within five (5) years, of the Effective Date of this Franchise, or, in both instances, such longer period as may be permitted by the Cable Law, except, in accordance with NY PSC rules and regulations: (A) for periods of Force Majeure; (B) for periods of delay caused by the LFA; (C) for periods of delay resulting from Franchisee's inability to obtain authority to access rights-of-way in the Service Area; (D) in areas where developments or buildings are subject to claimed exclusive arrangements with other providers; (E) in areas, developments or buildings where Franchisee cannot gain access after good faith efforts; (F) in areas, developments or buildings where the provision of Cable Service is economically infeasible because such provision requires nonstandard facilities which are not available on a commercially reasonable basis; and (G) in areas where the occupied residential household density does not meet the density and other requirements set forth in Subsection 3.1.1 and Section 3.2.

3.1.1. *Density Requirement:* Franchisee shall make Cable Services available to residential dwelling units requesting Cable Service from Franchisee in all areas of the Service Area where the average density is equal to or greater than twenty (20) 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 Section 3.1, Franchisee shall provide Cable Service to such area within twelve (12) months of receiving notice from the LFAs that the density requirements have been met.

3.2. *Availability of Cable Service*

3.2.1. *Availability of Cable Service Generally:* Franchisee shall make Cable Service available to all residential dwelling units and may make Cable Service available to businesses within the Service Area in conformance with Section 3.1, and Franchisee shall not discriminate between or among any individuals in the availability of Cable Service or based upon the income in a local area. In the areas in which Franchisee shall provide Cable Service, Franchisee shall be required to connect, at Franchisee's expense, other than a standard installation charge, all residential dwelling units that are within one hundred fifty (150) feet of trunk or feeder lines not otherwise already served by Franchisee's FTTP Network. Franchisee shall be allowed to recover, from a Subscriber that requests such connection, the actual costs incurred for residential dwelling unit connections that exceed one hundred fifty (150) feet or are in an area with a density of less than twenty (20) 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 (20) occupied residential dwelling units per mile if such would not be possible within the limitations of economic feasibility.

3.2.2. *No Discrimination in the Availability of Cable Service:* Franchisee shall not deny access to Cable Service to any group of potential residential Subscribers because of the income of the residents of the local area in which such group resides.

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; or as designated by the LFAs in the future during the Franchise term, upon sixty (60) days prior written notice to the Franchisee and within the Franchisee's approved video validated area; provided however that any new additional library, school or public buildings added to **Exhibit A** by the LFAs cannot exceed in the aggregate to the Villages of Larchmont and Mamaroneck and the Town of Mamaroneck more than five (5) additional buildings per year and ten (10) additional buildings over the life of the Agreement; provided, however, that if it is necessary to extend Franchisee's trunk or feeder lines more than one hundred fifty (150) feet solely to provide service to such library, school or public building, the LFAs shall have the option either of paying Franchisee's direct costs for such extension in excess of one hundred fifty (150) feet, or of releasing Franchisee from the obligation to provide service to such school or public building. Furthermore, Franchisee shall be permitted to recover, from any school or public building owner entitled to free service, the direct cost of installing, when requested to do so, more than one outlet, or concealed inside wiring, or a service outlet requiring more than one hundred fifty (150) feet of drop cable; provided, however, that Franchisee shall not charge for

the provision of Basic Service to the additional service outlets once installed. Cable Service may not be resold or otherwise used in contravention of Franchisee's rights with third parties respecting programming. Equipment provided by Franchisee, if any, shall be replaced at retail rates if lost, stolen or damaged.

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

4. **SYSTEM FACILITIES**

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

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

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

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

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

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

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 three (3) PEG Channels as permitted in the Cable Law; provided, however, that the Franchisee shall provide a fourth (4th) PEG Access Channel on its Basic Service tier within ninety (90) days after receiving written notice from the LFAs that an existing provider of Cable Service or cable service (as such term may be defined by other providers) in the Service Area has activated a fourth (4th) PEG Access Channel for the LFAs.

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. Franchisee agrees to provide the LFAs with thirty (30) days notice in the event that Franchisee elects to change the PEG Channel lineup. 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. The LFA shall designate in its sole discretion a site within the Franchise Area for the interconnection of PEG access facilities with the Cable System (the “PEG Access Interconnection Site”), and not more than three (3) additional sites within the Franchise Area for PEG Content Origination (each, a “PEG Content Origination Point”), which PEG Access Interconnection Site and PEG Content Origination Points are identified in **Exhibit D**.

5.2.2. Consistent with NY PSC rules and regulations, Franchisee shall provide a link between its video channel aggregation point and the PEG Access Interconnection Site in order to permit the signals to be correctly routed from the PEG Access Interconnection Site to the appropriate PEG Access Channel for distribution to Subscribers.

5.2.3. The LFA shall provide to Franchisee at the PEG Access Interconnection Site and the PEG Content Origination Points (as defined in **Exhibit D**) a suitable video signal for each PEG Channel, including a signal from each PEG content origination point provided or maintained by any other cable service provider in the Service Area. 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 obligation 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 LFAs as is reasonably necessary for Franchisee to fulfill its obligations. Channel or channels provided by Franchisee for PEG services shall provide transmission quality comparable to the transmission quality of other channels included in the Basic Service Tier, subject to limitations, if any, in the quality of signal as received by Franchisee.

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

5.3. *PEG Grant:*

5.3.1. Franchisee shall provide grants in the aggregate to the Villages of Larchmont and Mamaroneck and the Town of Mamaroneck to be used in support of local PEG programming. Such grants shall be used by the LFAs 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 equipment, and any other PEG related needs of the LFAs.

5.3.2. Franchisee shall pay a PEG grant (the “Initial PEG Grant”) to the Villages of Larchmont and Mamaroneck and the Town of Mamaroneck in the aggregate total amount of FOUR HUNDRED FORTY FIVE THOUSAND DOLLARS (\$445,000) payable in four (4) installments as follows:

- (i) The first installment of TWO HUNDRED THOUSAND DOLLARS (\$200,000) shall be payable within sixty (60) days after the Effective Date.
- (ii) The second and third installment of NINETY FIVE THOUSAND DOLLARS (\$95,000) each shall be payable within thirty (30) days of the first and second anniversary date of the Effective Date, respectively.
- (iii) The remaining fourth installment of FIFTY FIVE THOUSAND DOLLARS (\$55,000) shall be payable within thirty (30) days of the third anniversary date of the Effective Date.

5.3.3. In addition to the sum set forth in Subsection 5.3.2 and except as otherwise provided for in Subsections 5.3.4 and 5.3.5, the Franchisee shall pay on a quarterly basis to the Villages of Larchmont and Mamaroneck and the Town of Mamaroneck an additional, per subscriber annual PEG grant (the “Annual PEG Grant”) in the aggregate as follows:

- (i) Commencing on the first anniversary date of the Effective Date, in the amount of Seventy Five Cents (\$0.75) per month, per Subscriber who subscribes to Franchisee’s Basic Service tier in the respective Service Area.
- (ii) Commencing on the tenth anniversary date of the Effective Date, in the amount of One Dollar (\$1.00) per month, per Subscriber who subscribes to Franchisee’s Basic Service tier in the respective Service Area.

The Annual PEG Grant payment, along with a brief summary of the Subscriber information upon which it is based, shall be delivered to the LFAs within sixty (60) days after the end of each

calendar quarter from the first through the fifteenth anniversary date of the Effective Date as set forth above in Subsection 5.3.3.

5.3.4. The LFAs shall impose an equivalent obligation to the obligations set forth in this Section 5.3 (including the total amount of the Initial PEG Grant and amounts of the Annual PEG Grant) on all new and renewed providers of cable service in the Service Area. If the LFAs do not impose such equivalent obligations on all renewed and new cable service providers in the Service Area, then the Franchisee shall have no obligation to provide the Annual PEG Grant payments set forth in Subsection 5.3.3.

5.3.5. Notwithstanding Subsections 5.3.3 and 5.3.4 above, if any other cable service provider in the Service Area is providing cable service pursuant to a temporary operating authority which the LFAs believe contains a legal obligation to pay a per-subscriber PEG grant to the LFAs, then the Franchisee shall be obligated to provide, in lieu of the Annual PEG Grant amount set forth in Subsection 5.3.3, an Annual PEG Grant in the amount of Fifty Cents (\$0.50) per month, per Subscriber who subscribes to Franchisee's Basic Service tier in the LFAs' respective Service Area, commencing on the second anniversary date of the Effective Date through the sixth anniversary of the Effective Date, subject to the LFAs' delivery of written confirmation to the Franchisee, at least sixty (60) days prior to the second anniversary of the Effective Date, representing that the LFAs are taking reasonable steps to actively pursue enforcement of the other cable provider's PEG grant payment obligation under such temporary operating authority. If, during this time period, the LFAs enter into a renewal franchise agreement with a cable service provider in the Service Area that includes a payment obligation equivalent to those set forth in Subsections 5.3.2 and 5.3.3, then, in lieu of the Fifty Cents (\$0.50) amount set forth in this Subsection, the Annual PEG Grant amounts set forth in Subsection 5.3.3 shall become effective and due in the next full calendar month following the issuance by the NY PSC of an order confirming the renewal franchise agreement of such cable service provider.

5.4. *Indemnity for PEG:* The LFAs 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 LFAs 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 LFAs shall establish rules and regulations for use of PEG facilities, consistent with, and as required by, 47 U.S.C. §531.

5.5. *Recovery of Costs:* To the extent permitted by federal law, the Franchisee shall be allowed to recover the costs of the Initial PEG Grant, the Annual PEG Grant, or any other costs arising from the provision of PEG services from Subscribers and to include such costs as a separately billed line item on each Subscriber's bill. Without limiting the forgoing, if

allowed under state and federal laws, Franchisee may externalize, line-item, or otherwise pass-through interconnection and any franchise-related costs to Subscribers.

6. FRANCHISE FEES

6.1. *Payment to LFAs:* Franchisee shall pay to the LFAs a Franchise Fee of five percent (5%) of annual Gross Revenue (the “Franchise Fee”). In accordance with Title VI, the twelve (12) month period applicable under the Franchise for the computation of the Franchise Fee shall be a calendar year. Such payments shall be made no later than forty-five (45) days following the end of each calendar quarter. Franchisee shall be allowed to submit or correct any payments that were incorrectly omitted, and shall be refunded any payments that were incorrectly submitted, in connection with the quarterly Franchise Fee remittances within ninety (90) days following the close of the calendar year for which such payments were applicable. Late payments for Franchise Fees shall be subject to interest charges computed from the due date, at the then-current rate set forth in Section 5004 of Article 50 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) during the period such unpaid amount is owed.

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

6.3. *Limitation on Franchise Fee Actions:* The parties agree that the period of limitation for recovery of any Franchise Fee payable hereunder shall be six (6) years from the date on which payment by Franchisee is due, but cannot exceed the date of records retention reflected in Section 7. Unless agreed to in writing by the parties, the acceptance of any Franchise Fee payment shall be not be construed as an accord and satisfaction that such payment is in fact that correct amount, nor shall such acceptance of payment be construed as a release or satisfaction of any claim the LFAs may have for further or additional Franchise Fee sums payable under the provisions of this Franchise.

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

6.5. *Town Comptroller of the Town Of Mamaroneck:* The LFAs and the Franchisee agree that the Town Comptroller of the Town of Mamaroneck is appointed as the agent of the LFAs for receipt of any and all payments or sums due to the LFAs under the Franchise Agreement, including, but not limited to, the Initial PEG Grant, the Annual PEG

Grant, and the Franchise Fee. However, the LFAs may appoint a new representative of the LFAs to receive such payments or sums upon sixty (60) days advance written notice to the Franchisee.

6.6. *Section 626 Treatment:* Franchisee agrees that it will not take a special franchise tax deduction (whether in the form of a reduction in the franchise fee amount paid to the LFAs or as a credit against the special franchise tax payable to each of the Villages of Larchmont and Mamaroneck and the Town of Mamaroneck, pursuant to N.Y. Real Property Tax Law Section 626) for the first two (2) years following the issuance by the NY PSC of an order confirming this Agreement. Thereafter, Franchisee reserves the right to apply the Franchise Fee as a deduction against the special franchise tax payable to each such LFA, pursuant to N.Y. Real Property Tax Law Section 626, in an amount not to exceed the highest deduction available to any other cable franchisee in such LFA (based upon the other cable franchisee's yearly tax invoice payable to the LFA) until such time that the LFA obtains a written complete waiver of the full amount of the special franchise tax deduction (whether in the form of a reduction in the franchise fee amount paid to the LFA or as a credit against the special franchise tax) from such existing and any new provider of Cable Service or cable service (as such term may be defined by other providers) in the Service Area. Upon securing such written waiver from all existing and new providers of Cable Service or cable service (as such term may be defined by other providers) in the Service Area, Franchisee agrees to no longer apply the Franchise Fee as a deduction against the special franchise tax payable to such LFA, pursuant to N.Y. Real Property Tax Law Section 626 beginning in the next full calendar month after such waiver becomes legally binding on such LFA's existing cable franchisee. The operation of this Section 6.6 shall be strictly limited to Franchise Fees lawfully imposed upon Cable Service, and shall not be construed to affect the Franchisee's rights under any provision of State or Federal law regarding the provision of services other than Cable Service.

7. REPORTS AND RECORDS

7.1. *Open Books and Records:* Upon reasonable written notice to the Franchisee and with no less than thirty (30) business days written notice to the Franchisee, the LFAs 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 LFAs. 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, except in the case of an audit as provided for in Section 7.4, Franchisee shall not be required to 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 LFAs shall treat any information disclosed by Franchisee as proprietary and confidential under Section 87(2) (d) of the New York Public Officers Law and shall only disclose it to employees, representatives, and agents thereof who have a need to know, or in order to enforce the provisions hereof. For purposes of this Section, "proprietary or confidential" information includes, but is not limited to: information related to the Cable System design; trade secrets;

Subscriber lists; marketing plans; financial information; or other information that is reasonably determined by the Franchisee to be competitively sensitive. If the LFAs receives a request under FOIL or similar law for the disclosure of information that Franchisee has designated as confidential, trade secret or proprietary, the LFAs shall notify Franchisee of such request. If LFAs determines in good faith that public disclosure of the requested information is required under FOIL, LFAs 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. *Minimum Records Required:* Franchisee shall at all times maintain at a minimum:

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 in the Service Area.

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

7.4. *Audit:* Subject to the confidentiality requirements set forth in Section 7.1 of this Franchise, Franchisee shall be responsible for making available to the LFAs for inspection and audit, all records necessary to confirm the accurate payment of Franchise Fees and the Annual PEG Grants, 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 LFAs 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 LFAs 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 LFAs shall conduct all audits expeditiously, and neither the LFAs nor Franchisee shall unreasonably delay the completion of an audit. The LFAs' audit expenses shall be borne by the LFAs unless the audit determines that the payment to the LFAs 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 LFAs as a result of such audit, shall be paid by Franchisee to the LFAs within sixty (60) days following written notice to Franchisee by the LFAs of the underpayment, which notice shall include a copy of the audit report; provided, however, that Franchisee's obligation to pay or reimburse the LFAs' audit expenses shall not exceed an aggregate amount payable to the Villages of Larchmont and Mamaroneck and the Town of Mamaroneck of Fifteen Thousand Dollars (\$15,000). If re-computation results in additional revenue to be paid to the LFAs, 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 LFAs shall be compensated on a success based formula, e.g., payment based on a percentage of an underpayment, if any. The LFAs shall not conduct an audit more frequently than once every three (3) years in the aggregate for the Villages of Larchmont and Mamaroneck and the Town of Mamaroneck.

8. INSURANCE AND INDEMNIFICATION

8.1. *Insurance:*

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

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

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

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

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

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

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

8.1.3. Each of the required insurance policies shall be noncancellable except upon thirty (30) days prior written notice to the LFAs. Franchisee shall not cancel any required insurance policy without submitting documentation to the LFAs 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 LFAs Certificates of Insurance showing evidence of the required coverage.

8.2. *Indemnification:*

8.2.1. Franchisee agrees to indemnify the LFA, and its officers, agents, boards, elected officials and employees for, and hold them 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, or by reason of any suit or claim for royalties, programming license fees, or infringement of patent rights arising out of Franchisee's provision of Cable Services over the Cable System other than PEG facilities and Channels, provided that the LFA shall give Franchisee timely written notice of the LFAs' request for indemnification but in any event, the LFAs shall provide such notice to Franchisee within a sufficient period of time from receipt of a claim or action pursuant to this Subsection to enable Franchisee to timely answer complaints, raise defenses and defend all claims. Notwithstanding the foregoing, Franchisee shall not indemnify the LFAs for any damages, liability or claims resulting from the willful misconduct or negligence of the LFAs, 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 LFAs by selecting counsel of Franchisee's choice to defend the claim, subject to the consent of the LFAs, which shall not be unreasonably withheld. Nothing herein shall be deemed to prevent the LFAs 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 LFAs, 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 if Franchisee shall bear the entire cost of the settlement. In the event that the terms of any such proposed settlement includes the release of the LFAs and the LFAs do 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 LFAs shall in no event exceed the amount of such settlement.

8.2.3. The LFAs 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 LFAs for acts of the LFAs which constitute willful misconduct or negligence on the part of the LFAs, 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 LFAs, provided that such consent shall not be unreasonably withheld, delayed or conditioned. In considering an application for the Transfer of the Franchise, the LFAs 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.

9.2. *Acceptance of Terms:* Within sixty (60) business days of the effective date of a Transfer of the Franchise, the transferee shall provide written notification to the LFAs confirming acceptance of the terms of this Franchise and not use such Transfer as a basis for challenging the validity of any past non-performance. As a condition of a Transfer, transferee will assume all liability existing under the Agreement. Such written notification shall be substantially in the form of **Exhibit E** and, upon execution and approval of the NY PSC, shall become incorporated herein and made a part hereof.

10. **RENEWAL OF FRANCHISE**

10.1. *Governing Law:* The LFAs and Franchisee agree that any proceedings undertaken by the LFAs 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 LFAs 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 LFAs 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 LFAs agree that at any time during the term of the then current Franchise, while affording the public appropriate notice and opportunity to comment, the LFAs

and Franchisee may agree to undertake and finalize informal negotiations regarding renewal of the then current Franchise and the LFAs may grant a renewal thereof.

10.4. *Consistent Terms:* Franchisee and the LFAs 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 LFAs believes that Franchisee has not complied with the terms of the Franchise, the LFAs shall notify Franchisee in writing of the exact nature of the alleged noncompliance (for purposes of this Article, the “Noncompliance Notice”).

11.2. *Franchisee’s Right to Cure or Respond:*

11.2.1. Except as provided for in Subsection 11.2.2, the Franchisee shall have sixty (60) days from receipt of the Noncompliance Notice to: (i) respond to the LFAs, 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 timely remedy such noncompliance and notify the LFAs 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 LFAs shall provide written confirmation that such cure has been effected.

11.2.2. If the Noncompliance Notice alleges the Franchisee has failed to make a payment when due with respect to the Initial PEG Grant, any Annual PEG Grant, or Franchise Fee, the Franchisee shall have thirty (30) days from receipt of the Noncompliance Notice to cure such nonpayment of the undisputed amount.

11.3. *Liquidated Damages:* For the violation of any of the following provisions of this Franchise, liquidated damages shall be paid by the Franchisee to the LFAs. Any such liquidated damages shall be assessed as of the date that is sixty (60) days from the Franchisee’s receipt of the Noncompliance Notice, provided that the Franchisee has not cured the noncompliance upon which the Noncompliance Notice was issued, in accordance with the procedures set forth in Sections 11.1 and 11.2 above. On an annual basis from the Effective Date, the Franchisee shall not be liable for liquidated damages that exceed Ten Thousand Dollars (\$10,000) in the aggregate payable to the Villages of Larchmont and Mamaroneck and the Town of Mamaroneck . Liquidated damages shall be assessed as follows:

For failure to provide Cable Service as set forth in Sections 3.1-3.3.....	\$100 per day for each day the violation continues;
For failure to maintain the system standards as set forth in Article 4.....	\$50 per day for each day the violation continues;

For failure to comply with Article 5	\$100 per day for each day the violation continues;
For failure to provide LFAs with any reports or records required by the Agreement within the time period required.....	\$50 per day for each day the violation continues;
For failure to carry the insurance specified in Subsection 8.1.1	\$100 per day for each day the violation continues;
For a transfer specified in Article 9 without required approval.....	\$100 per day for each day the violation continues; and
For failure to comply with Parts 890 through and 896 of the NY PSC rules and regulations	\$100 per day for each day the violation continues, provided that such penalty shall be inapplicable if the NY PSC imposes a penalty on Franchisee for such a violation.

11.3.1. Any liquidated damages assessed pursuant to this section shall not be a limitation upon any other provisions of this Franchise and applicable law, including revocation, or any other statutorily or judicially imposed penalties or remedies; provided, however, that in the event that the LFAs collects liquidated damages for a specific breach for a specific period of time, pursuant to this Section 11.3, the collection of such liquidated damages shall be deemed to be the LFAs exclusive remedy for the specific breach for such specific period of time only.

11.3.2. The parties agree that each case of non-compliance as set forth in this Section 11.3 shall result in damage to the LFAs, compensation for which will be difficult to ascertain. The parties agree that the liquidated damages in the amounts set forth in this Section 11.3 are fair and reasonable compensation for such damage.

11.4. *Public Hearing:* The LFA shall schedule a public hearing (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 or commenced to remedy the alleged noncompliance within sixty (60) days (or, in the case of a noncompliance as set forth at Subsection 11.2.2, within thirty (30) days) or the date projected pursuant to Subsection 11.2.1(iii) above. The LFA shall provide Franchisee at least thirty (30) calendar 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.

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

11.5.1. Seek to recover liquidated damages from Franchisee in accordance with Section 11.3; or

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

11.5.3. Commence an action at law for monetary damages or seek other equitable relief, including, but not limited to, payment with respect to any form of security provided for in Section 11.8; or

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

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

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

11.6.2. Following the Revocation Hearing, Franchisee shall be provided up to thirty (30) days to submit its proposed findings and conclusions to the LFAs in writing, and thereafter the LFAs 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 LFAs 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 LFAs determines that it will revoke the Franchise, the LFAs shall promptly provide Franchisee with a written determination setting forth the LFAs’ reasoning for such revocation. Franchisee may appeal such written determination of the LFAs to an appropriate court, which shall have the power to review the decision of the LFAs *de novo*, to the extent permitted by law. 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.

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

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

11.8. *Security:* Prior to the Effective Date, the Franchisee shall provide and thereafter maintain in the aggregate to the Villages of Larchmont and Mamaroneck and the Town of Mamaroneck security for the performance of its obligations under this Agreement in the amount of Sixty Thousand and 00/100 Dollars (\$60,000.00). The form of this security may, at Franchisee's option, be a performance bond, letter of credit, cash deposit, cashier's check or any other security acceptable to the LFAs. If the Franchisee posts a performance bond, it shall be substantially in the form of **Exhibit F** attached hereto.

11.8.1. In the event that a performance bond provided pursuant to the Agreement is not renewed or is cancelled, Franchisee shall provide new security pursuant to this Article within thirty (30) days of such cancellation or failure to renew.

11.8.2. Neither cancellation nor termination, nor refusal by surety to extend the performance bond, nor inability of the Franchisee, as principal, to file a replacement performance bond or replacement security for its obligations, shall constitute a loss to the LFAs, as obligee, recoverable under the performance bond.

12. **MISCELLANEOUS PROVISIONS**

12.1. *Actions of Parties:* In any action by the LFAs 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 LFAs.

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.

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

12.5.1. Notices to Franchisee shall be mailed to:

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

12.5.2. Notices to the LFAs shall be mailed to:

Village of Larchmont

Village Clerk
Municipal Building
120 Larchmont Ave.
Larchmont, NY 10538

Town of Mamaroneck

Town Clerk
Town Hall
740 W. Boston Post Road
Mamaroneck, NY 10543

Village of Mamaroneck

Clerk - Treasurer
Village Offices at the Regatta
123 Mamaroneck Ave.
Mamaroneck, NY 10543

12.5.3. with a copy to:

Administrator
Cable TV Board of Control
C/O of Village of Mamaroneck
123 Mamaroneck Ave.
Mamaroneck, NY 10573

12.6. *Entire Agreement:* This Franchise and the Exhibits hereto constitute the entire agreement between Franchisee and the LFAs 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:* With the exception of this Agreement's Section 1.16 (Definition of Gross Revenue), Section 6.1 (Payment of Franchise Fees to LFAs), and Article V (PEG Services), 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 LFAs 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 pursuant to this Agreement. This provision is not intended to contravene leased access requirements under Title VI or PEG requirements set out in this Agreement.

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

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

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

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

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

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

12.18. *LFAs Official:* The LFAs' Manager or designated representatives or representative of the Manager is the LFAs' official that is responsible for the continuing administration of this Agreement. However, the Franchisee agrees that the LFAs may transfer or delegate any such responsibilities to the Control Board to act on behalf of the LFAs; provided, however, that in the event the Control Board acts on behalf of the LFAs on a particular matter the Villages of Larchmont and Mamaroneck and the Town of Mamaroneck may not simultaneously exercise their individual rights on the same matter under this Franchise Agreement.

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

[SIGNATURE PAGE FOLLOWS]

AGREED TO THIS _____ DAY OF _____, 2007.

Village of Larchmont:

By: _____

Village of Mamaroneck:

By: _____

Town of Mamaroneck:

By: _____

Verizon New York Inc.

By: _____
Tracey Edwards, Vice President

EXHIBITS

Exhibit A: Municipal Buildings to be Provided Free Cable Service

Exhibit B: Service Area

Exhibit C: PEG Channels

Exhibit D: PEG Access Origination Point

Exhibit E: Form of Transferee's Notification Regarding Acceptance of Terms

Exhibit F: Form of Performance Bond

EXHIBIT A

MUNICIPAL BUILDINGS TO BE PROVIDED FREE CABLE SERVICE

<u>Municipal Buildings</u>	<u>Address</u>
Firehouse	205 Weaver Street, Larchmont, NY 10538
Town Center	740 West Boston Post Road, Mamaroneck, NY 10543
Firehouse	146 Palmer Avenue, Mamaroneck, NY 10543
Mamaroneck EMS Building	200 North Barry Avenue, Mamaroneck, NY 10543
Firehouse	147 Mamaroneck Avenue, Mamaroneck, NY 10543
Firehouse	643 Mamaroneck Avenue, Mamaroneck, NY 10543
Firehouse	1400 Halstead Avenue, Mamaroneck, NY 10543
Firehouse	605 North Barry Avenue, Mamaroneck, NY 10543
Emelin Theater	153 Library Lane, Mamaroneck, NY 10543
Village Hall	169 Mt. Pleasant Avenue, Mamaroneck, NY 10543
Police Department	169 Mt. Pleasant Avenue, Mamaroneck, NY 10543
Library	136 Prospect Avenue, Mamaroneck, NY 10543
Village Yard	2015 Boston Post Road, Larchmont, NY 10538
Police Department	120 Larchmont Avenue, Larchmont, NY 10538
Village Hall	120 Larchmont Avenue, Larchmont, NY 10538
Firehouse	130 Larchmont Avenue, Larchmont, NY 10538
Library and Village Center	119-121 Larchmont Avenue, Larchmont, NY 10538
Ambulance Corps	155 Weaver Street, Larchmont, NY 10538
Public Works	313 Fayette Avenue, Mamaroneck, NY 10543
Public Works	40 Maxwell Avenue, Larchmont, NY 10538
Senior Center	740 West Boston Post Road, Mamaroneck, NY 10543
Police Department	740 West Boston Post Road, Mamaroneck, NY 10543
Health Center Building	234 Stanley Ave., Mamaroneck, NY 10543
Village Administrative Offices	123 Mamaroneck Ave., Mamaroneck, NY 10543
Sanitation Commission	30 Maxwell Avenue, Larchmont, NY 10538
Hommocks Ice Rink	140 Hommocks Road, Larchmont, NY 10538
Sheldrake Environmental	685 Weaver Street, Larchmont, NY 10538
Senior Center	1288 Boston Post Road, Larchmont, NY 10538

<u>Mamaroneck School District</u>	<u>Address</u>
Central School	1100 Palmer Avenue, Mamaroneck, NY 10543
Chatsworth School	34 Chatsworth Avenue, Larchmont, NY 10538

Mamaroneck Avenue School
Murray Avenue School
Hommocks Middle School
Mamaroneck High School

850 Mamaroneck Avenue, Mamaroneck, NY 10543
250 Murray Avenue, Larchmont, NY 10538
10 Hommocks Road, Larchmont, NY 10538
1000 West Boston Post Road, Mamaroneck, NY 10543

Rye Neck School District

Address

F.E. Bellows School
Daniel Warren School
Rye Neck High School
Rye Neck Middle School

200 Carroll Avenue, Mamaroneck, NY 10543
1310 Harrison Avenue, Mamaroneck, NY 10543
310 Hornidge Road, Mamaroneck, NY 10543
300 Hornidge Road, Mamaroneck, NY 10543

EXHIBIT B

SERVICE AREA

The Service Area is the Franchise Area. A map of the Villages of Larchmont and Mamaroneck and the Town of Mamaroneck's Service Area is attached hereto.

The construction of the Franchisee's FTTP Network has been completed to approximately 77% of the current households in the Franchise Area. At present, Franchisee's anticipated schedule (with schedule dates measured from the month that the NY PSC issues the confirmation order approving this Franchise) calls for 81% deployment at 6 months, 84% deployment at 12 months, 87% deployment at 18 months, 90% deployment at 24 months, 92% deployment at 30 months, 94% deployment at 36 months, 95% deployment at 42 months, 97% deployment at 48 months, 99% deployment at 54 months, and 100% deployment at 60 months. This schedule is subject to further review and modification by the Franchisee consistent with Section 895.5(b)(1) of the NY PSC rules and regulations; provided, however, that Franchisee shall provide notice to the LFA and the NY PSC of any material change in this schedule.



EXHIBIT C

PEG CHANNELS

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

EXHIBIT D

PEG ACCESS ORIGATION POINTS

Subject to the requirements set forth in Section 5.2 of the Agreement, the following Public Access Channel, Government Access Channel and Educational Access Channel PEG Access Interconnection Site ("PEG Access Interconnection Site") shall be operable within one hundred twenty (120) days of the Effective Date:

LMC TV Studio, 740 W. Boston Post Road, Floor 3, Mamaroneck, NY 10543

The PEG Access Interconnection Site shall serve as the aggregation point for the PEG Content Origination Points designated below ("PEG Content Origination Points") feeding signals to the public, government and educational access channels. For purposes of permitting the LFAs to select and switch feeds into an aggregation point, Franchisee shall provide the LFAs, without charge, such capability at such aggregation point. Operation and maintenance of any equipment associated therewith shall be the responsibility of the LFAs. At the PEG Access Interconnection Site, the LFAs will provide Franchisee, without restriction, with suitable video signals from any and all additional PEG content origination points which may be provided or maintained by any other cable service provider within the Service Area.

Subject to the requirements set forth in Section 5.2 of the Agreement, the following one (1) PEG Content Origination Points feeding a signal to the PEG Access Interconnection Site shall be operable within one hundred eighty (180) days of the Effective Date:

Mamaroneck Village Hall , 169 Mt. Pleasant Avenue, Mamaroneck, NY 10543

[Note: This site is subject to review by Verizon]

Subject to the requirements set forth in Section 5.2 of the Agreement, the following two (2) PEG Content Origination Points feeding a signal to the PEG Access Interconnection Site shall be operable within two hundred and forty (240) days of the Effective Date:

Rye Neck High School, 300 Hornidge Road, Mamaroneck, NY 10543

Larchmont Village Hall, 120 Larchmont Avenue, Larchmont 10538

At the above PEG Content Origination Points, the LFAs will provide Franchisee, without restriction, with a suitable video signal for the PEG Channels and the LFAs are responsible for all content and equipment necessary to deliver such signal at the point of connection.

EXHIBIT E

EXHIBIT F FORM OF TRANSFEREE'S NOTIFICATION REGARDING ACCEPTANCE OF TERMS

[LFAs ADDRESS]

Re: Cable Franchise Agreement by and between the Villages of Larchmont and Mamaroneck and the Town of Mamaroneck and Verizon New York Inc.

To Whom It May Concern:

Please be advised that, pursuant to Section 9.2 of the Cable Franchise Agreement by and between the Villages of Larchmont and Mamaroneck and the Town of Mamaroneck and Verizon New York Inc. dated _____, 2007 (the "Verizon Franchise"), the undersigned, [NAME OF TRANSFEREE], hereby confirms acceptance of the terms of the Verizon Franchise. [NAME OF TRANSFEREE] shall not use the Transfer as a basis for challenging the validity of any past non-performance and shall assume all liability existing under the Agreement.

Please contact the undersigned should you have any questions.

Very truly yours,

[NAME OF TRANSFEREE]

EXHIBIT F

FORM OF PERFORMANCE BOND

Bond No. _____

KNOW ALL MEN BY THESE PRESENTS: That (name & address) (hereinafter called the Principal), and (name and address) (hereinafter called the Surety), a corporation duly organized under the laws of the State of (state), are held and firmly bound unto (name & address) (hereinafter called the Obligee), in the full and just sum of _____ Dollars (\$ _____), the payment of which sum, well and truly to be made, the said Principal and Surety bind themselves, their heirs, administrators, executors, and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal and Obligee have entered into a Franchise Agreement dated _____ which is hereby referred to and made a part hereof.

WHEREAS, said Principal is required to perform certain obligations under said Agreement.

WHEREAS, the Obligee has agreed to accept this bond as security against default by Principal of performance of its obligations under said Agreement during the time period this bond is in effect.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH that if the Principal shall perform its obligations under said Agreement, then this obligation shall be void, otherwise to remain in full force and effect, unless otherwise terminated, cancelled or expired as hereinafter provided.

PROVIDED HOWEVER, that this bond is executed subject to the following express provisions and conditions:

1. In the event of default by the Principal, Obligee shall deliver to Surety a written statement of the details of such default within 30 days after the Obligee shall learn of the same, such notice to be delivered by certified mail to address of said Surety as stated herein.
2. This Bond shall be effective _____, 20____, and shall remain in full force and effect thereafter for a period of one year and will automatically extend for additional one year periods from the expiry date hereof, or any future expiration date, unless the Surety provides to the Obligee not less than sixty (60) days advance written notice of its intent not to renew this Bond or unless the Bond is earlier canceled pursuant to the following.
This Bond may be canceled at any time upon sixty (60) days advance written notice from the Surety to the Obligee.
3. Neither cancellation, termination nor refusal by Surety to extend this bond, nor inability of Principal to file a replacement bond or replacement security for its obligations under said Agreement, shall constitute a loss to the Obligee recoverable under this bond.

Bond No. _____

4. No claim, action, suit or proceeding shall be instituted against this bond unless same be brought or instituted and process served within one year after termination or cancellation of this bond.
5. No right of action shall accrue on this bond for the use of any person, corporation or entity other than the Obligee named herein or the heirs, executors, administrators or successors of the Obligee.
6. The aggregate liability of the surety is limited to the penal sum stated herein regardless of the number of years this bond remains in force or the amount or number of claims brought against this bond.
7. This bond is and shall be construed to be strictly one of suretyship only. If any conflict or inconsistency exists between the Surety's obligations as described in this bond and as may be described in any underlying agreement, permit, document or contract to which this bond is related, then the terms of this bond shall supersede and prevail in all respects.

This bond shall not bind the Surety unless it is accepted by the Obligee by signing below.

IN WITNESS WHEREOF, the above bounded Principal and Surety have hereunto signed and sealed this bond effective this ____ day of _____, 200_.

Principal

Surety

By: _____

By: _____
_____, Attorney-in-Fact

Accepted by Obligee: _____
(Signature & date above - Print Name, Title below)

Tab 2

From: Schofer, Jeremy [mailto:JSchofer@wileyrein.com]

Sent: Thursday, October 25, 2007 3:02 PM

To: Jim.Millstein@lazard.com; Len Verrastro

Cc: jvaneaton@millervaneaton.com; mkerbey@telecominsightgroup.com; sparr@telecominsightgroup.com; Schofer, Jeremy

Subject: Village of Larchmont Cable Franchise Application

Jim/Len - Attached is a copy of Verizon's cable franchise application with the Village of Larchmont, NY (the "Village"). I have also attached a copy of the cover letter that was sent today to the Village and a copy of the cable franchise application between Verizon and the Larchmont-Mamaroneck Consortium.

Feel free to forward this to the Larchmont Village clerk. Let me know if you have any questions.

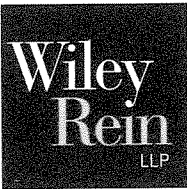
Regards - Jeremy



Jeremy J. Schofer
Attorney At Law
Wiley Rein LLP

1776 K Street NW
Washington, DC 20006
Tel: 202.719.4646 | Fax: 202.719.7049
Email: jschofer@wileyrein.com
www.wileyrein.com

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FAX 703.905.2820

www.wileyrein.com

October 25, 2007

Jeremy Schofer
202.719.4646
jschofer@wileyrein.com

BY UPS OVERNIGHT

Larchmont Village Clerk
Municipal Building
120 Larchmont Ave.
Larchmont, NY 10538

Re: Cable Franchise Agreement between the Village of Larchmont, NY
(the "Village") and Verizon New York Inc. ("Verizon")

Dear Larchmont Village Clerk:

Pursuant to the requirement of 16 NYCRR Section 894.5, please find enclosed Verizon's cable franchise application with the Village. I have also enclosed a copy of Verizon's proposed cable franchise agreement with the Village, the Town of Mamaroneck, and the Village of Mamaroneck. Please contact Mac Kerbey at (617) 628-3436 or me at (202) 719-4646 if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to be "JS" followed by a long horizontal stroke.

Jeremy Schofer

Enclosures: Application and Agreement

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 Village of Larchmont ("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 Sample 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), Verizon NY intends to provide capacity on its basic service tier for up to (3) Public, Educational, and Government Access Channels as permitted by the New York Public Service Commission ("NY PSC") rules and regulations for the use of the Municipality, the Village of Mamaroneck, and the Town of Mamaroneck. Verizon NY may be required to provide a fourth (4th) PEG Access Channel pursuant to the requirements set out in its cable franchise agreement with the Municipality.

- (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 77% of the households in the Municipality, the Village of Mamaroneck, and the Town of Mamaroneck. 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 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); (35) Village of Rye Brook (Westchester County); (36) Town of Haverstraw (Rockland County); (37) Village of New Hyde Park (Nassau County); (38) Village of West Haverstraw (Rockland County); (39) Town of North Castle (Westchester County); (40) Village of Chestnut Ridge (Rockland County); (41) Village of Bayville (Nassau County); (42) Village of Sands Point (Nassau County); (43) Town of Mount Pleasant (Westchester County); (44) Village of Old Field (Suffolk County); (45) City of Mount Vernon (Westchester County); (46) Village of Spring Valley (Rockland County); (47) Village of Suffern (Rockland County); (48) Village of Scarsdale (Westchester County); (49) Village of Bronxville (Westchester County); (50) City of Yonkers (Westchester County); (51) Village of Floral Park (Nassau County) (52) Town of Islip (Suffolk County); (53) Village of South Floral Park (Nassau County);

(54) City of New Rochelle (Westchester County); (55) Village of Haverstraw (Rockland County); (56) Town of Cortlandt (Westchester County); (57) Village of Garden City (Nassau County); (58) Village of Nissequogue (Suffolk County); (59) Village of Poquott (Suffolk County); (60) City of Peekskill (Westchester County); (61) Village of East Williston (Nassau County); (62) Village of Head of the Harbor (Suffolk County); (63) Village of Hillburn (Rockland County); (64) Village of Mill Neck (Nassau County); and (65) Village of Buchanan (Westchester County).

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

Furthermore, other subsidiaries of Verizon Communications Inc. were awarded cable television franchises by 819 franchising authorities in California, Delaware, Florida, Maryland, Massachusetts, New Jersey, Pennsylvania, Texas, Oregon, Rhode Island, and Virginia.

- (6) A statement indicating whether Verizon NY or any of its principals owns or operates any other cable television system, directly or indirectly, and a statement indicating the name

of any such operations and the name and address of the chief executive officer of the franchising authority in which such system or station is located.

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

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

Verizon NY intends to finance the construction of the FTTP system and the provision of cable services over the FTTP system through a variety of internally and externally generated funds. Verizon NY is a financially stable company which has provided telecommunications services in New York State for more than a century. Its parent company, Verizon Communications Inc., is a Fortune 20 company, a Dow 30 Industrials company, and had 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)**
- **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 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

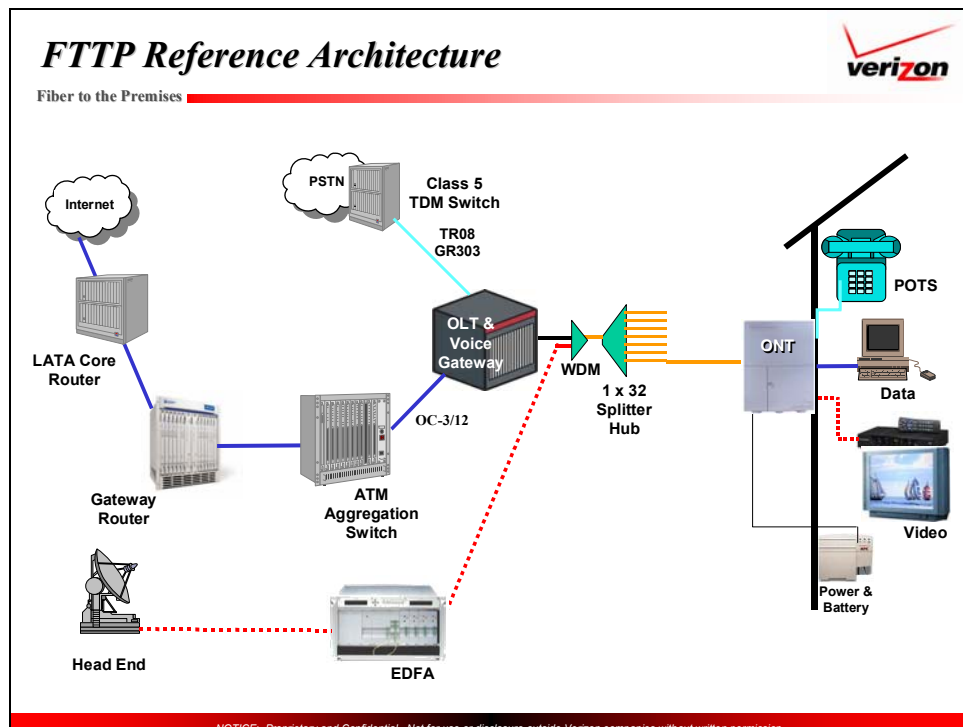
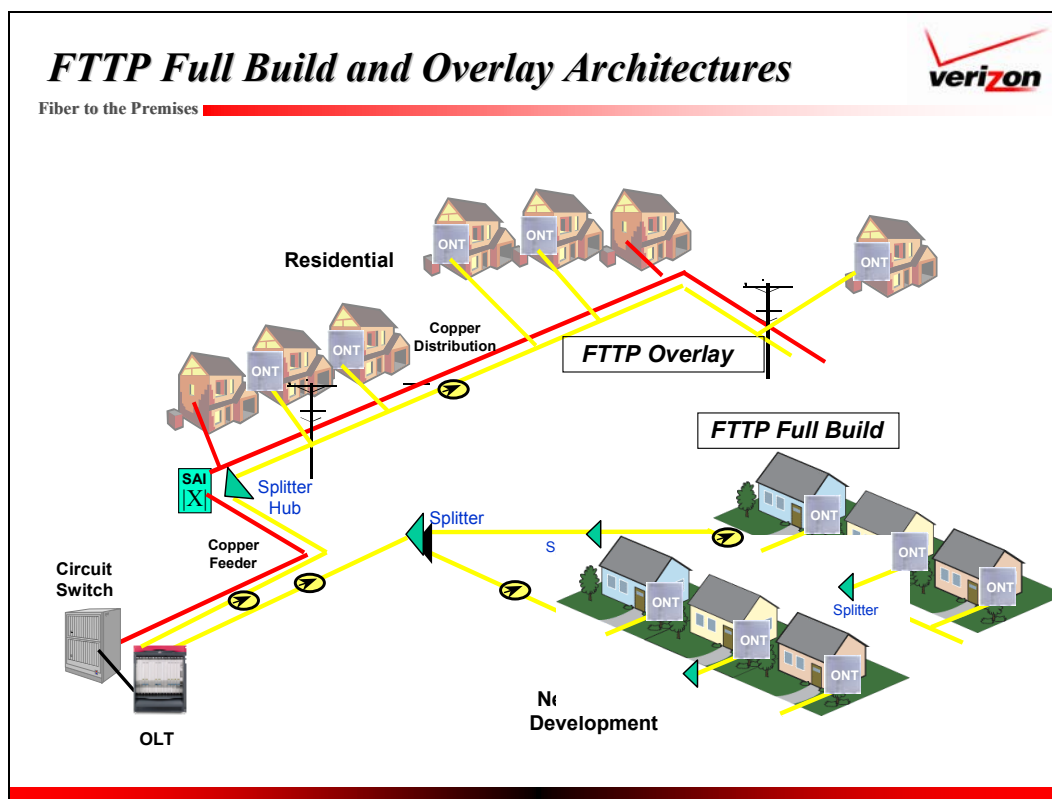


Figure 2-FTTP Full Build and Overlay Architectures



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).

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.

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).

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

The Video Serving Office (VSO) is a location within the central office containing FTTP equipment. The Village of Larchmont is served by one VSO located in the Village of Larchmont. 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 ruled that Verizon does not need to obtain a cable franchise before constructing its FTTP network. The Commission found that unlike cable companies, Verizon already has the necessary authority under state law to use the public rights-of-way. Thus, the Commission concluded that Verizon has the right to upgrade its telecommunications network to make it capable of providing cable service. See Declaratory Ruling on Verizon Communication, Inc.'s Built-Out of its Fiber to the Premises Network, NY Public Service Commission, Case 05-M-0520/05-M-0247, June 15, 2005.

VERIZON NEW YORK INC.

VERIZON FiOS TV – NEW YORK AREA SAMPLE CHANNEL LINEUP

▶ PAY PER VIEW
701 Events 702-707 ESPN-NCAA Sports/GamePlan/Full Court

▶ 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 Weath TV HD 838 National Geographic Channel HD 839 MTV HD 840 Food Network HD 841 HGTV HD 845 Lifetime Movie Network HD HD Premium 851 HBO HD 852 Cinemax HD 853 Showtime HD 854 TMC HD 855 Starz HD

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

▶ VIDEO ON DEMAND **
900 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***
Ardley/Greenburgh/Irvington/Tarrytown 32 Government Access Channel 34 Public Access Channel 1 35 Government Access Channel 2 Dobbs Ferry 46 Government Access Channel 47 Educational Access Channel Eastchester 40 Eastchester Town Gov. Access 1 Elmford 30 Public Access Lynbrook 32 Lynbrook Education 33 Lynbrook Government 1 34 Lynbrook Government 2 Mineola 40 Mineola Education & Government Access Port Chester 42 Public Access/Local Programming 43 Government Access 44 Educational Access Smithtown 27 Smithtown Government

**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.



7/07 VRZNFIFC0997
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Verizon FiOS TV

New York Channel Lineup

EFFECTIVE JULY 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 WLIW-TV 55 11 CW — WPIX-TV 11 12 Telemundo — WNUJ-TV 47 13 PBS — WNET-TV 13 17 WFTY-TV 67 18 WNBC-TV 63 21 PBS — WLIW-TV 21 23 PBS — WJUN-TV 50 25 NYC-TV 27 Local Programming 29 PBS — WPME-TV 66 30 Local Programming 31 ION-TV31 32-35 Local Programming 37 Public Access 38 Public Access 40 Local Programming 41 Univision — WXTV-TV 41 42-44 Local Programming 46 Local Programming 47 Local Programming 48 TV Guide 49 Weatherscan Local

▶ FIOS TV PREMIER
Entertainment 50 USA Network 51 TNT 52 TBS 53 FX 54 Spike TV Sports 60 ESPN 61 ESPN Classic Sports 62 ESPN 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

News
80 CNN 81 CNN Headline News 82 Fox News 83 CNBC 85 Bloomberg TV 86 CNN International 87 CNN World 88 ABC News Now 89 C-SPAN 90 C-SPAN 2 91 C-SPAN 3 92 BBC World 99 The Weather Channel Information 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 111 TV Info 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 Home & Leisure 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 Music 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 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

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

<div> <div> </div> <div> FIOS TV PREMIER <i>(continued)</i> </div> </div>	
People & Culture	
240 BET	
241 TV One	
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	

Other Premiums	
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	

Other Premiums	
430 Playboy TV	
431 Playboy TV en Español	
435 here!	

<div> <div> </div> <div> SPANISH LANGUAGE** </div> </div>	
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	

<div> <div> </div> <div> PREMIUMS** </div> </div>	
HBO	
400 HBO	
401 HBO West	
402 HBO 2	
403 HBO 2 West	
404 HBO Signature	
405 HBO Signature West	
406 HBO Family	
407 HBO Family West	
408 HBO Comedy	
409 HBO Comedy West	
410 HBO Zone	
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	

<div> <div> </div> <div> LA CONEXIÓN </div> </div>	
Entertainment	
500 USA Network	
501 TNT	
502 TBS	
503 Galavisión	
504 FX	
505 Spike TV	
Sports	
508 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	
News	
518 CNN en Español	
519 CNN	
520 CNN Headline News	
521 Fox News	
522 CNBC	
524 C-SPAN	
525 Canal SUR	
Information	
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	

<div> <div> </div> <div> MUSIC CHOICE </div> </div>	
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	

<div> <div> </div> <div> URGE RADIO </div> </div>	
647 Crunch	
648 MTV2	
649 Blues Part 2	
650 Cover 2 Cover	
651 CMT Radio	
652 Diner	
653 Wide Open Country	
654 Voice Box	
655 Vinyl	
656 Dope	
657 Hip-nod-Ics	
658 Celebration	
659 Unforgettable	
660 Manteca	
661 TRL	
662 Pegato	
663 I Love the 80s	
664 I Love the 90s	
665 I Love the 70s	
666 Neon	
667 Reunion	
668 Rocks	
669 Axis	
670 Opera Babylon	
671 Dream Sequence	
672 Crescendo	
673 Bluegrass Radio	
674 Plush	
675 Zen	
676 Discotech	
677 Ultrasound	
678 Praise	
679 Smoke	
680 Oasis	
681 Swing	
682 Radio Alterna	
683 MTV2 Headbangers Ball	
684 Blast	
685 Gold	
686 MTV Tr3s	
687 NuGroove	
688 Soul City	
689 VH1 Soul	
690 Cinema	
691 Jazzip Broadway	
692 Big World	
693 Ragga	
694 Comedy	

*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.

VERIZON NEW YORK INC.

VERIZON FiOS TV – NEW YORK AREA SAMPLE RATES & PACKAGES

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	228 + FiOS TV Local	\$42.99
La Conexión ⁴	162 + FiOS TV Local	\$32.99

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

Packages ⁵ (Requires STB)	Number of Channels	Monthly Price
Sports	13	\$7.99
Movies	45	\$12.99
Sports/Movies Combination	58	\$15.99
Spanish Language	25	\$11.99

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

International Premiums ⁷ (Requires STB)	Number of Channels	Monthly Price
International Premium Channels	14	Individually Priced

Video On Demand (VOD) and Pay Per View (PPV) (Requires STB)	Price
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
Digital Adapter**	\$3.99
Standard Definition (SD)	\$4.99
High Definition (includes HD channels)	\$9.99
Standard Definition Digital Video Recorder**	\$12.99
High Definition Digital Video Recorder (includes HD channels)	\$15.99
SD Home Media DVR (features Multi-Room DVR & Media Manager)**	\$17.99
HD 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
FiOS TV Activation Fee with FiOS TV/Internet/Voice Bundle	Free
FiOS TV Activation Fee with FiOS Internet	\$19.99
FiOS TV Activation Fee without FiOS Internet	\$29.99

Subsequent Installations/Charges	One-Time Charges
Premise Visit ⁷	\$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
Downgrade of Service from Digital to Analog	\$49.99
Set Top Box Addition or Upgrade (requiring Technician visit)	\$24.99
Set Top Box Return or Downgrade with equipment drop off at Verizon authorized locations	Free
Set Top Box Return or Downgrade (requiring Technician visit)	\$29.99
FiOS TV Full Service Disconnect with equipment drop off at Verizon authorized locations	Free
FiOS TV Full Service Disconnect with Technician visit for equipment retrieval	\$74.99

Other Services and Charges	One-Time Charges
Seasonal Service Suspension (charged at initiation, 1–6 months) ⁸	\$24.99
Replacement Remote — Verizon FiOS TV RC144	\$6.99 + Shipping & Handling
Replacement Remote — Motorola DRC800	\$5.00 + Shipping & Handling
Unreturned/Damaged STB — Digital Adapter	\$175.00
Unreturned/Damaged STB — Standard Definition	\$240.00
Unreturned/Damaged STB — High Definition	\$350.00
Unreturned/Damaged STB — SD Digital Video Recorder (DVR)	\$475.00
Unreturned/Damaged STB — HD Digital Video Recorder (DVR)	\$550.00

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

**Available Fall 2007.



¹ 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 If service is cancelled within the first 12 months, router must be returned or \$99.99 equipment fee applies.

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.

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.

⁵ In order to be eligible for Movies or Sports, FiOS TV Premier or La Conexión is required. 30-day minimum billing period required for all digital packages.

⁶ Subscription VOD is included with all Premiums at no extra charge (where applicable). 30-day minimum billing period required for all Premiums.

⁷ 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.

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

Service/program availability varies by location and the number of channels within each package are approximations. Pricing applies to residential use only within the United States and is subject to change. Taxes, franchise fees and other terms apply.

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VRZN_FIFF_C0984

CABLE FRANCHISE AGREEMENT
BY AND BETWEEN
THE VILLAGES OF LARCHMONT AND MAMARONECK
AND THE TOWN OF MAMARONECK, NEW YORK
AND
VERIZON NEW YORK INC.

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EXHIBITS

Exhibit A: Municipal Buildings to be Provided Free Cable Service

Exhibit B: Service Area

Exhibit C: PEG Channels

Exhibit D: PEG Access Origination Point

Exhibit E: Form of Transferee's Notification Regarding Acceptance of Terms

Exhibit F: Form of Performance Bond

THIS CABLE FRANCHISE AGREEMENT (the “Franchise” or “Agreement”) is entered into by and between the Villages of Larchmont and Mamaroneck and the Town of Mamaroneck, validly organized and existing political subdivisions of the State of New York (collectively referred to as the “Local Franchising Authorities” or “LFAs”) and Verizon New York Inc., a corporation duly organized under the applicable laws of the State of New York (the “Franchisee”).

WHEREAS, each of the LFAs wish 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, each of the LFAs 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, each of the LFAs are members of the tri-municipal cable television Board of Control (the “Board of Control”) as created in the CATV agreement executed on the 3rd day of December, 1980 (the “Members”);

WHEREAS, pursuant to the franchises granted by the Members, and pursuant to law, it is the responsibility of each Member to administer and supervise the provisions of such franchise for its own benefit and for the benefit of its residents;

WHEREAS, each of the Members has heretofore determined that these franchises are interrelated, that negotiation, administration, and supervision of the franchises can be best performed in a cooperative arrangement between and among the Members, and that the ability of each Member to provide its residents with adequate cable television service would be enhanced by such a cooperative arrangement;

WHEREAS, each of the Members have delegated to the Board of Control the power and authority to act on behalf of the LFAs pursuant to and relating to negotiating, administering, and supervising the terms and conditions of this franchise agreement between the LFAs and Franchisee;

WHEREAS, Franchisee is upgrading 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 Franchise Area, and Franchisee desires to use portions of the FTTP Network to provide Cable Services (as hereinafter defined) in the Franchise Area;

WHEREAS, the LFAs, jointly, and the Franchisee are entering into this Agreement for the purpose of setting forth the terms and conditions on which Franchisee shall be entitled to provide Cable Services in the Franchise Area with the express understanding and agreement that nothing in this Agreement shall add to or detract from (i) the LFAs' police powers, or rights or privileges in respect of the Public Rights of Way in accordance with Federal, State, and local laws or (ii) the Franchisee's rights or privileges in respect of the FTTP Network in accordance with Federal, State, and local laws, as each relates to the provision of Non-Cable Services in the Franchise Area, it being the intent of the parties that this Agreement shall govern only the provision of Cable Services;

WHEREAS, the LFAs have identified the future cable-related needs and interests of the LFAs and after appropriate public proceedings affording due process to all parties in accordance with New York Law have determined that Franchisee's plans for its Cable System are adequate and feasible;

WHEREAS, based on the representations of the Franchisee in the Franchisee's cable franchise applications, the LFAs have found Franchisee to be financially, technically and legally qualified to operate the Cable System in the Franchise Area;

WHEREAS, the LFAs have 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 LFAs 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 each of the LFA's grant of a franchise to Franchisee and Franchisee's promise to provide Cable Service to residents of the Franchise Area pursuant to and consistent with the Cable Law (as herein defined), in each case on the terms and conditions hereinafter set forth, the promises and undertakings of the parties hereinafter set forth, and such 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 LFAs without charge for Public, Educational, or Governmental noncommercial use for the transmission of video programming as directed by the LFAs.

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 by local public schools and public school districts in the Franchise Area and other not-for-profit educational institutions chartered or licensed by the New York State Department of Education or Board of Regents in the Franchise Area.

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

1.12. *Force Majeure*: An event or events reasonably beyond the ability of Franchisee to anticipate and control that directly or indirectly results in Franchisee's non-compliance with, or delay in the performance of, any obligation hereunder. This includes, but is not limited to, severe or unusual weather conditions, strikes, labor disturbances and disputes, war or act of war (whether an actual declaration of war is made or not), insurrection, riots, act of public enemy, incidences of terrorism, acts of vandalism, actions or inactions of any government instrumentality or public utility including condemnation, accidents for which the Franchisee is not primarily responsible, fire, flood, or other acts of God, or work delays resulting from unaffiliated utility providers' failure to service, monitor, or maintain utility poles to which Franchisee's FTTP Network is attached, and unavailability of materials and/or qualified labor to perform the work necessary.

1.13. *Franchise Area*: The incorporated area (entire existing territorial limits) of the LFAs, 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 LFAs.

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.

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, digital video recorders, remote controls, additional outlets and/or other Cable Service related Subscriber premises equipment, whether by lease or fee;

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

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

(v) compensation received by Franchisee that is derived from the operation of Franchisee's Cable System to provide Cable Service with respect to commissions that are paid to Franchisee as compensation for promotion or exhibition of any products or services on the Cable System, such as "home shopping" or a similar channel, subject to the exceptions below. Gross Revenue includes a pro rata portion of all revenue derived by Franchisee pursuant to compensation arrangements for advertising derived from the operation of Franchisee's Cable System to provide Cable Service within the Service Area, subject to the exceptions below. The allocation shall be based on the number of Subscribers in the Service Area divided by the total number of subscribers in relation to the relevant local, regional or national compensation arrangement. Advertising commissions paid to third parties shall not be netted against advertising revenue included in Gross Revenue; and

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

Except as provided above, Gross Revenue shall not include:

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

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

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

(iv) except as otherwise provided in Section 1.16, 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 the Communications Act (as amended from time to time), then Franchisee shall include revenue from such service as Gross Revenue on a going forward basis commencing with the next available billing cycle following the effective date of such change in the Communications Act. Should a final determination or ruling of any agency or court having jurisdiction, after the exhaustion of all appeals related thereto, classify as a Cable Service any service provided by the Franchisee over the Cable System, then the LFAs shall be entitled, after notification to Franchisee and without mutual agreement in writing as otherwise required by Section 12.7, to amend this Agreement in the manner prescribed under applicable state law or this Franchise to include revenue from the 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 the issuance of an order from the NY PSC approving such amendment;

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

(vi) the sale of Cable Services on the Cable System for resale in which the purchaser is required to collect cable Franchise Fees from purchaser's customer;

(vii) the sale of Cable Services to customers, which are exempt, as required or allowed by the LFAs including, without limitation, the provision of Cable Services to public institutions as required or permitted herein, except to the extent Franchisee actually receives any revenues from such customers that would otherwise be included in Gross Revenues;

(viii) 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);

(ix) 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);

(x) 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;

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

(xii) any fees or charges collected from Subscribers or other third parties for the Initial PEG Grant payments and the Annual PEG Grant payments.

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 (LFAs)*: Collectively the Villages of Larchmont and Mamaroneck and the Town of Mamaroneck, New York, or their lawful successors, transferees, or assignees thereof.

1.20. *Non-Cable Services*: Any service that does not constitute the provision of a Cable Service pursuant to this Agreement 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 or by nonresidents with resident sponsorship 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. Franchisee shall notify LFA in writing within sixty (60) business days of any change in ownership or other interest. The new Franchisee shall not use such change in ownership or other interest as a basis for challenging the validity of any past non-performance.

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

2. GRANT OF AUTHORITY; LIMITS AND RESERVATIONS

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

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

2.3. *Effective Date and Term:* This Franchise shall become effective on the date that the NY PSC issues a certificate of confirmation for this Franchise (the "Effective Date"), following its approval by the LFAs' respective governing authority authorized to grant franchises and its acceptance by the Franchisee. The term of this Franchise shall be fifteen (15) years from the Effective Date unless the Franchise is earlier revoked as provided herein. The Franchisee shall memorialize the Effective Date by notifying the LFAs in writing of the same, which notification shall become a part of this Franchise. If subsequent to the Effective Date, there is a change in federal or state law that eliminates the authority of the LFA to require, grant or maintain this Franchise, then to the extent permitted by law, this Franchise shall survive such legislation and remain in effect for the term 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 themselves, at any time during the term of this Franchise. Any such rights which are granted shall not adversely impact the authority as granted under this Franchise.

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

2.6. *No Waiver:*

2.6.1. The failure of the LFAs on one or more occasions to exercise a right under this Franchise, the Cable Law or other applicable state, federal or local 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, federal, or local law, or to require performance under this Franchise, shall not be deemed to constitute a waiver of such

right or a waiver of performance of this Agreement, nor shall it excuse the LFA from performance, unless such right or such performance has been specifically waived in writing.

2.7. *Construction of Agreement:*

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

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

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

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

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

3. **PROVISION OF CABLE SERVICE**

3.1. *Service Area:* Subject to the issuance of all necessary permits by the LFA, Franchisee shall offer Cable Service to significant numbers of residential Subscribers in the Service Area and may make Cable Service available to businesses in the Service Area, within twelve (12) months and shall offer Cable Service to all residential Subscribers in the Service Area within five (5) years, of the Effective Date of this Franchise, or, in both instances, such longer period as may be permitted by the Cable Law, except, in accordance with NY PSC rules and regulations: (A) for periods of Force Majeure; (B) for periods of delay caused by the LFA; (C) for periods of delay resulting from Franchisee's inability to obtain authority to access rights-of-way in the Service Area; (D) in areas where developments or buildings are subject to claimed exclusive arrangements with other providers; (E) in areas, developments or buildings where Franchisee cannot gain access after good faith efforts; (F) in areas, developments or buildings where the provision of Cable Service is economically infeasible because such provision requires nonstandard facilities which are not available on a commercially reasonable basis; and (G) in areas where the occupied residential household density does not meet the density and other requirements set forth in Subsection 3.1.1 and Section 3.2.

3.1.1. *Density Requirement:* Franchisee shall make Cable Services available to residential dwelling units requesting Cable Service from Franchisee in all areas of the Service Area where the average density is equal to or greater than twenty (20) 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 Section 3.1, Franchisee shall provide Cable Service to such area within twelve (12) months of receiving notice from the LFAs that the density requirements have been met.

3.2. *Availability of Cable Service*

3.2.1. *Availability of Cable Service Generally:* Franchisee shall make Cable Service available to all residential dwelling units and may make Cable Service available to businesses within the Service Area in conformance with Section 3.1, and Franchisee shall not discriminate between or among any individuals in the availability of Cable Service or based upon the income in a local area. In the areas in which Franchisee shall provide Cable Service, Franchisee shall be required to connect, at Franchisee's expense, other than a standard installation charge, all residential dwelling units that are within one hundred fifty (150) feet of trunk or feeder lines not otherwise already served by Franchisee's FTTP Network. Franchisee shall be allowed to recover, from a Subscriber that requests such connection, the actual costs incurred for residential dwelling unit connections that exceed one hundred fifty (150) feet or are in an area with a density of less than twenty (20) 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 (20) occupied residential dwelling units per mile if such would not be possible within the limitations of economic feasibility.

3.2.2. *No Discrimination in the Availability of Cable Service:* Franchisee shall not deny access to Cable Service to any group of potential residential Subscribers because of the income of the residents of the local area in which such group resides.

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; or as designated by the LFAs in the future during the Franchise term, upon sixty (60) days prior written notice to the Franchisee and within the Franchisee's approved video validated area; provided however that any new additional library, school or public buildings added to **Exhibit A** by the LFAs cannot exceed in the aggregate to the Villages of Larchmont and Mamaroneck and the Town of Mamaroneck more than five (5) additional buildings per year and ten (10) additional buildings over the life of the Agreement; provided, however, that if it is necessary to extend Franchisee's trunk or feeder lines more than one hundred fifty (150) feet solely to provide service to such library, school or public building, the LFAs shall have the option either of paying Franchisee's direct costs for such extension in excess of one hundred fifty (150) feet, or of releasing Franchisee from the obligation to provide service to such school or public building. Furthermore, Franchisee shall be permitted to recover, from any school or public building owner entitled to free service, the direct cost of installing, when requested to do so, more than one outlet, or concealed inside wiring, or a service outlet requiring more than one hundred fifty (150) feet of drop cable; provided, however, that Franchisee shall not charge for

the provision of Basic Service to the additional service outlets once installed. Cable Service may not be resold or otherwise used in contravention of Franchisee's rights with third parties respecting programming. Equipment provided by Franchisee, if any, shall be replaced at retail rates if lost, stolen or damaged.

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

4. **SYSTEM FACILITIES**

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

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

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

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

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

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

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 three (3) PEG Channels as permitted in the Cable Law; provided, however, that the Franchisee shall provide a fourth (4th) PEG Access Channel on its Basic Service tier within ninety (90) days after receiving written notice from the LFAs that an existing provider of Cable Service or cable service (as such term may be defined by other providers) in the Service Area has activated a fourth (4th) PEG Access Channel for the LFAs.

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. Franchisee agrees to provide the LFAs with thirty (30) days notice in the event that Franchisee elects to change the PEG Channel lineup. 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. The LFA shall designate in its sole discretion a site within the Franchise Area for the interconnection of PEG access facilities with the Cable System (the “PEG Access Interconnection Site”), and not more than three (3) additional sites within the Franchise Area for PEG Content Origination (each, a “PEG Content Origination Point”), which PEG Access Interconnection Site and PEG Content Origination Points are identified in **Exhibit D**.

5.2.2. Consistent with NY PSC rules and regulations, Franchisee shall provide a link between its video channel aggregation point and the PEG Access Interconnection Site in order to permit the signals to be correctly routed from the PEG Access Interconnection Site to the appropriate PEG Access Channel for distribution to Subscribers.

5.2.3. The LFA shall provide to Franchisee at the PEG Access Interconnection Site and the PEG Content Origination Points (as defined in **Exhibit D**) a suitable video signal for each PEG Channel, including a signal from each PEG content origination point provided or maintained by any other cable service provider in the Service Area. 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 obligation 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 LFAs as is reasonably necessary for Franchisee to fulfill its obligations. Channel or channels provided by Franchisee for PEG services shall provide transmission quality comparable to the transmission quality of other channels included in the Basic Service Tier, subject to limitations, if any, in the quality of signal as received by Franchisee.

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

5.3. *PEG Grant:*

5.3.1. Franchisee shall provide grants in the aggregate to the Villages of Larchmont and Mamaroneck and the Town of Mamaroneck to be used in support of local PEG programming. Such grants shall be used by the LFAs 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 equipment, and any other PEG related needs of the LFAs.

5.3.2. Franchisee shall pay a PEG grant (the “Initial PEG Grant”) to the Villages of Larchmont and Mamaroneck and the Town of Mamaroneck in the aggregate total amount of FOUR HUNDRED FORTY FIVE THOUSAND DOLLARS (\$445,000) payable in four (4) installments as follows:

- (i) The first installment of TWO HUNDRED THOUSAND DOLLARS (\$200,000) shall be payable within sixty (60) days after the Effective Date.
- (ii) The second and third installment of NINETY FIVE THOUSAND DOLLARS (\$95,000) each shall be payable within thirty (30) days of the first and second anniversary date of the Effective Date, respectively.
- (iii) The remaining fourth installment of FIFTY FIVE THOUSAND DOLLARS (\$55,000) shall be payable within thirty (30) days of the third anniversary date of the Effective Date.

5.3.3. In addition to the sum set forth in Subsection 5.3.2 and except as otherwise provided for in Subsections 5.3.4 and 5.3.5, the Franchisee shall pay on a quarterly basis to the Villages of Larchmont and Mamaroneck and the Town of Mamaroneck an additional, per subscriber annual PEG grant (the “Annual PEG Grant”) in the aggregate as follows:

- (i) Commencing on the first anniversary date of the Effective Date, in the amount of Seventy Five Cents (\$0.75) per month, per Subscriber who subscribes to Franchisee’s Basic Service tier in the respective Service Area.
- (ii) Commencing on the tenth anniversary date of the Effective Date, in the amount of One Dollar (\$1.00) per month, per Subscriber who subscribes to Franchisee’s Basic Service tier in the respective Service Area.

The Annual PEG Grant payment, along with a brief summary of the Subscriber information upon which it is based, shall be delivered to the LFAs within sixty (60) days after the end of each

calendar quarter from the first through the fifteenth anniversary date of the Effective Date as set forth above in Subsection 5.3.3.

5.3.4. The LFAs shall impose an equivalent obligation to the obligations set forth in this Section 5.3 (including the total amount of the Initial PEG Grant and amounts of the Annual PEG Grant) on all new and renewed providers of cable service in the Service Area. If the LFAs do not impose such equivalent obligations on all renewed and new cable service providers in the Service Area, then the Franchisee shall have no obligation to provide the Annual PEG Grant payments set forth in Subsection 5.3.3.

5.3.5. Notwithstanding Subsections 5.3.3 and 5.3.4 above, if any other cable service provider in the Service Area is providing cable service pursuant to a temporary operating authority which the LFAs believe contains a legal obligation to pay a per-subscriber PEG grant to the LFAs, then the Franchisee shall be obligated to provide, in lieu of the Annual PEG Grant amount set forth in Subsection 5.3.3, an Annual PEG Grant in the amount of Fifty Cents (\$0.50) per month, per Subscriber who subscribes to Franchisee's Basic Service tier in the LFAs' respective Service Area, commencing on the second anniversary date of the Effective Date through the sixth anniversary of the Effective Date, subject to the LFAs' delivery of written confirmation to the Franchisee, at least sixty (60) days prior to the second anniversary of the Effective Date, representing that the LFAs are taking reasonable steps to actively pursue enforcement of the other cable provider's PEG grant payment obligation under such temporary operating authority. If, during this time period, the LFAs enter into a renewal franchise agreement with a cable service provider in the Service Area that includes a payment obligation equivalent to those set forth in Subsections 5.3.2 and 5.3.3, then, in lieu of the Fifty Cents (\$0.50) amount set forth in this Subsection, the Annual PEG Grant amounts set forth in Subsection 5.3.3 shall become effective and due in the next full calendar month following the issuance by the NY PSC of an order confirming the renewal franchise agreement of such cable service provider.

5.4. *Indemnity for PEG:* The LFAs 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 LFAs 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 LFAs shall establish rules and regulations for use of PEG facilities, consistent with, and as required by, 47 U.S.C. §531.

5.5. *Recovery of Costs:* To the extent permitted by federal law, the Franchisee shall be allowed to recover the costs of the Initial PEG Grant, the Annual PEG Grant, or any other costs arising from the provision of PEG services from Subscribers and to include such costs as a separately billed line item on each Subscriber's bill. Without limiting the forgoing, if

allowed under state and federal laws, Franchisee may externalize, line-item, or otherwise pass-through interconnection and any franchise-related costs to Subscribers.

6. **FRANCHISE FEES**

6.1. *Payment to LFAs:* Franchisee shall pay to the LFAs a Franchise Fee of five percent (5%) of annual Gross Revenue (the “Franchise Fee”). In accordance with Title VI, the twelve (12) month period applicable under the Franchise for the computation of the Franchise Fee shall be a calendar year. Such payments shall be made no later than forty-five (45) days following the end of each calendar quarter. Franchisee shall be allowed to submit or correct any payments that were incorrectly omitted, and shall be refunded any payments that were incorrectly submitted, in connection with the quarterly Franchise Fee remittances within ninety (90) days following the close of the calendar year for which such payments were applicable. Late payments for Franchise Fees shall be subject to interest charges computed from the due date, at the then-current rate set forth in Section 5004 of Article 50 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) during the period such unpaid amount is owed.

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

6.3. *Limitation on Franchise Fee Actions:* The parties agree that the period of limitation for recovery of any Franchise Fee payable hereunder shall be six (6) years from the date on which payment by Franchisee is due, but cannot exceed the date of records retention reflected in Section 7. Unless agreed to in writing by the parties, the acceptance of any Franchise Fee payment shall be not be construed as an accord and satisfaction that such payment is in fact that correct amount, nor shall such acceptance of payment be construed as a release or satisfaction of any claim the LFAs may have for further or additional Franchise Fee sums payable under the provisions of this Franchise.

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

6.5. *Town Comptroller of the Town Of Mamaroneck:* The LFAs and the Franchisee agree that the Town Comptroller of the Town of Mamaroneck is appointed as the agent of the LFAs for receipt of any and all payments or sums due to the LFAs under the Franchise Agreement, including, but not limited to, the Initial PEG Grant, the Annual PEG

Grant, and the Franchise Fee. However, the LFAs may appoint a new representative of the LFAs to receive such payments or sums upon sixty (60) days advance written notice to the Franchisee.

6.6. *Section 626 Treatment:* Franchisee agrees that it will not take a special franchise tax deduction (whether in the form of a reduction in the franchise fee amount paid to the LFAs or as a credit against the special franchise tax payable to each of the Villages of Larchmont and Mamaroneck and the Town of Mamaroneck, pursuant to N.Y. Real Property Tax Law Section 626) for the first two (2) years following the issuance by the NY PSC of an order confirming this Agreement. Thereafter, Franchisee reserves the right to apply the Franchise Fee as a deduction against the special franchise tax payable to each such LFA, pursuant to N.Y. Real Property Tax Law Section 626, in an amount not to exceed the highest deduction available to any other cable franchisee in such LFA (based upon the other cable franchisee's yearly tax invoice payable to the LFA) until such time that the LFA obtains a written complete waiver of the full amount of the special franchise tax deduction (whether in the form of a reduction in the franchise fee amount paid to the LFA or as a credit against the special franchise tax) from such existing and any new provider of Cable Service or cable service (as such term may be defined by other providers) in the Service Area. Upon securing such written waiver from all existing and new providers of Cable Service or cable service (as such term may be defined by other providers) in the Service Area, Franchisee agrees to no longer apply the Franchise Fee as a deduction against the special franchise tax payable to such LFA, pursuant to N.Y. Real Property Tax Law Section 626 beginning in the next full calendar month after such waiver becomes legally binding on such LFA's existing cable franchisee. The operation of this Section 6.6 shall be strictly limited to Franchise Fees lawfully imposed upon Cable Service, and shall not be construed to affect the Franchisee's rights under any provision of State or Federal law regarding the provision of services other than Cable Service.

7. REPORTS AND RECORDS

7.1. *Open Books and Records:* Upon reasonable written notice to the Franchisee and with no less than thirty (30) business days written notice to the Franchisee, the LFAs 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 LFAs. 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, except in the case of an audit as provided for in Section 7.4, Franchisee shall not be required to 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 LFAs shall treat any information disclosed by Franchisee as proprietary and confidential under Section 87(2) (d) of the New York Public Officers Law and shall only disclose it to employees, representatives, and agents thereof who have a need to know, or in order to enforce the provisions hereof. For purposes of this Section, "proprietary or confidential" information includes, but is not limited to: information related to the Cable System design; trade secrets;

Subscriber lists; marketing plans; financial information; or other information that is reasonably determined by the Franchisee to be competitively sensitive. If the LFAs receives a request under FOIL or similar law for the disclosure of information that Franchisee has designated as confidential, trade secret or proprietary, the LFAs shall notify Franchisee of such request. If LFAs determines in good faith that public disclosure of the requested information is required under FOIL, LFAs 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. *Minimum Records Required:* Franchisee shall at all times maintain at a minimum:

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 in the Service Area.

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

7.4. *Audit:* Subject to the confidentiality requirements set forth in Section 7.1 of this Franchise, Franchisee shall be responsible for making available to the LFAs for inspection and audit, all records necessary to confirm the accurate payment of Franchise Fees and the Annual PEG Grants, 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 LFAs 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 LFAs 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 LFAs shall conduct all audits expeditiously, and neither the LFAs nor Franchisee shall unreasonably delay the completion of an audit. The LFAs' audit expenses shall be borne by the LFAs unless the audit determines that the payment to the LFAs 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 LFAs as a result of such audit, shall be paid by Franchisee to the LFAs within sixty (60) days following written notice to Franchisee by the LFAs of the underpayment, which notice shall include a copy of the audit report; provided, however, that Franchisee's obligation to pay or reimburse the LFAs' audit expenses shall not exceed an aggregate amount payable to the Villages of Larchmont and Mamaroneck and the Town of Mamaroneck of Fifteen Thousand Dollars (\$15,000). If re-computation results in additional revenue to be paid to the LFAs, 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 LFAs shall be compensated on a success based formula, e.g., payment based on a percentage of an underpayment, if any. The LFAs shall not conduct an audit more frequently than once every three (3) years in the aggregate for the Villages of Larchmont and Mamaroneck and the Town of Mamaroneck.

8. INSURANCE AND INDEMNIFICATION

8.1. *Insurance:*

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

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

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

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

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

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

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

8.1.3. Each of the required insurance policies shall be noncancellable except upon thirty (30) days prior written notice to the LFAs. Franchisee shall not cancel any required insurance policy without submitting documentation to the LFAs 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 LFAs Certificates of Insurance showing evidence of the required coverage.

8.2. *Indemnification:*

8.2.1. Franchisee agrees to indemnify the LFA, and its officers, agents, boards, elected officials and employees for, and hold them 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, or by reason of any suit or claim for royalties, programming license fees, or infringement of patent rights arising out of Franchisee's provision of Cable Services over the Cable System other than PEG facilities and Channels, provided that the LFA shall give Franchisee timely written notice of the LFAs' request for indemnification but in any event, the LFAs shall provide such notice to Franchisee within a sufficient period of time from receipt of a claim or action pursuant to this Subsection to enable Franchisee to timely answer complaints, raise defenses and defend all claims. Notwithstanding the foregoing, Franchisee shall not indemnify the LFAs for any damages, liability or claims resulting from the willful misconduct or negligence of the LFAs, 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 LFAs by selecting counsel of Franchisee's choice to defend the claim, subject to the consent of the LFAs, which shall not be unreasonably withheld. Nothing herein shall be deemed to prevent the LFAs 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 LFAs, 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 if Franchisee shall bear the entire cost of the settlement. In the event that the terms of any such proposed settlement includes the release of the LFAs and the LFAs do 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 LFAs shall in no event exceed the amount of such settlement.

8.2.3. The LFAs 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 LFAs for acts of the LFAs which constitute willful misconduct or negligence on the part of the LFAs, 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 LFAs, provided that such consent shall not be unreasonably withheld, delayed or conditioned. In considering an application for the Transfer of the Franchise, the LFAs 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.

9.2. *Acceptance of Terms:* Within sixty (60) business days of the effective date of a Transfer of the Franchise, the transferee shall provide written notification to the LFAs confirming acceptance of the terms of this Franchise and not use such Transfer as a basis for challenging the validity of any past non-performance. As a condition of a Transfer, transferee will assume all liability existing under the Agreement. Such written notification shall be substantially in the form of **Exhibit E** and, upon execution and approval of the NY PSC, shall become incorporated herein and made a part hereof.

10. **RENEWAL OF FRANCHISE**

10.1. *Governing Law:* The LFAs and Franchisee agree that any proceedings undertaken by the LFAs 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 LFAs 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 LFAs 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 LFAs agree that at any time during the term of the then current Franchise, while affording the public appropriate notice and opportunity to comment, the LFAs

and Franchisee may agree to undertake and finalize informal negotiations regarding renewal of the then current Franchise and the LFAs may grant a renewal thereof.

10.4. *Consistent Terms:* Franchisee and the LFAs 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 LFAs believes that Franchisee has not complied with the terms of the Franchise, the LFAs shall notify Franchisee in writing of the exact nature of the alleged noncompliance (for purposes of this Article, the “Noncompliance Notice”).

11.2. *Franchisee’s Right to Cure or Respond:*

11.2.1. Except as provided for in Subsection 11.2.2, the Franchisee shall have sixty (60) days from receipt of the Noncompliance Notice to: (i) respond to the LFAs, 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 timely remedy such noncompliance and notify the LFAs 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 LFAs shall provide written confirmation that such cure has been effected.

11.2.2. If the Noncompliance Notice alleges the Franchisee has failed to make a payment when due with respect to the Initial PEG Grant, any Annual PEG Grant, or Franchise Fee, the Franchisee shall have thirty (30) days from receipt of the Noncompliance Notice to cure such nonpayment of the undisputed amount.

11.3. *Liquidated Damages:* For the violation of any of the following provisions of this Franchise, liquidated damages shall be paid by the Franchisee to the LFAs. Any such liquidated damages shall be assessed as of the date that is sixty (60) days from the Franchisee’s receipt of the Noncompliance Notice, provided that the Franchisee has not cured the noncompliance upon which the Noncompliance Notice was issued, in accordance with the procedures set forth in Sections 11.1 and 11.2 above. On an annual basis from the Effective Date, the Franchisee shall not be liable for liquidated damages that exceed Ten Thousand Dollars (\$10,000) in the aggregate payable to the Villages of Larchmont and Mamaroneck and the Town of Mamaroneck . Liquidated damages shall be assessed as follows:

For failure to provide Cable Service as set forth in Sections 3.1-3.3.....	\$100 per day for each day the violation continues;
For failure to maintain the system standards as set forth in Article 4.....	\$50 per day for each day the violation continues;

For failure to comply with Article 5	\$100 per day for each day the violation continues;
For failure to provide LFAs with any reports or records required by the Agreement within the time period required.....	\$50 per day for each day the violation continues;
For failure to carry the insurance specified in Subsection 8.1.1	\$100 per day for each day the violation continues;
For a transfer specified in Article 9 without required approval.....	\$100 per day for each day the violation continues; and
For failure to comply with Parts 890 through and 896 of the NY PSC rules and regulations	\$100 per day for each day the violation continues, provided that such penalty shall be inapplicable if the NY PSC imposes a penalty on Franchisee for such a violation.

11.3.1. Any liquidated damages assessed pursuant to this section shall not be a limitation upon any other provisions of this Franchise and applicable law, including revocation, or any other statutorily or judicially imposed penalties or remedies; provided, however, that in the event that the LFAs collects liquidated damages for a specific breach for a specific period of time, pursuant to this Section 11.3, the collection of such liquidated damages shall be deemed to be the LFAs exclusive remedy for the specific breach for such specific period of time only.

11.3.2. The parties agree that each case of non-compliance as set forth in this Section 11.3 shall result in damage to the LFAs, compensation for which will be difficult to ascertain. The parties agree that the liquidated damages in the amounts set forth in this Section 11.3 are fair and reasonable compensation for such damage.

11.4. *Public Hearing:* The LFA shall schedule a public hearing (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 or commenced to remedy the alleged noncompliance within sixty (60) days (or, in the case of a noncompliance as set forth at Subsection 11.2.2, within thirty (30) days) or the date projected pursuant to Subsection 11.2.1(iii) above. The LFA shall provide Franchisee at least thirty (30) calendar 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.

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

11.5.1. Seek to recover liquidated damages from Franchisee in accordance with Section 11.3; or

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

11.5.3. Commence an action at law for monetary damages or seek other equitable relief, including, but not limited to, payment with respect to any form of security provided for in Section 11.8; or

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

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

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

11.6.2. Following the Revocation Hearing, Franchisee shall be provided up to thirty (30) days to submit its proposed findings and conclusions to the LFAs in writing, and thereafter the LFAs 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 LFAs 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 LFAs determines that it will revoke the Franchise, the LFAs shall promptly provide Franchisee with a written determination setting forth the LFAs’ reasoning for such revocation. Franchisee may appeal such written determination of the LFAs to an appropriate court, which shall have the power to review the decision of the LFAs *de novo*, to the extent permitted by law. 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.

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

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

11.8. *Security:* Prior to the Effective Date, the Franchisee shall provide and thereafter maintain in the aggregate to the Villages of Larchmont and Mamaroneck and the Town of Mamaroneck security for the performance of its obligations under this Agreement in the amount of Sixty Thousand and 00/100 Dollars (\$60,000.00). The form of this security may, at Franchisee's option, be a performance bond, letter of credit, cash deposit, cashier's check or any other security acceptable to the LFAs. If the Franchisee posts a performance bond, it shall be substantially in the form of **Exhibit F** attached hereto.

11.8.1. In the event that a performance bond provided pursuant to the Agreement is not renewed or is cancelled, Franchisee shall provide new security pursuant to this Article within thirty (30) days of such cancellation or failure to renew.

11.8.2. Neither cancellation nor termination, nor refusal by surety to extend the performance bond, nor inability of the Franchisee, as principal, to file a replacement performance bond or replacement security for its obligations, shall constitute a loss to the LFAs, as obligee, recoverable under the performance bond.

12. **MISCELLANEOUS PROVISIONS**

12.1. *Actions of Parties:* In any action by the LFAs 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 LFAs.

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.

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

12.5.1. Notices to Franchisee shall be mailed to:

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

12.5.2. Notices to the LFAs shall be mailed to:

Village of Larchmont

Village Clerk
Municipal Building
120 Larchmont Ave.
Larchmont, NY 10538

Town of Mamaroneck

Town Clerk
Town Hall
740 W. Boston Post Road
Mamaroneck, NY 10543

Village of Mamaroneck

Clerk - Treasurer
Village Offices at the Regatta
123 Mamaroneck Ave.
Mamaroneck, NY 10543

12.5.3. with a copy to:

Administrator
Cable TV Board of Control
C/O of Village of Mamaroneck
123 Mamaroneck Ave.
Mamaroneck, NY 10573

12.6. *Entire Agreement:* This Franchise and the Exhibits hereto constitute the entire agreement between Franchisee and the LFAs 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:* With the exception of this Agreement's Section 1.16 (Definition of Gross Revenue), Section 6.1 (Payment of Franchise Fees to LFAs), and Article V (PEG Services), 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 LFAs 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 pursuant to this Agreement. This provision is not intended to contravene leased access requirements under Title VI or PEG requirements set out in this Agreement.

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

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

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

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

12.16. *Performance Review:* The LFAs may, at its discretion but not more than once per twelve-month period, hold a performance evaluation session (the “Performance Review”) to review Franchisee’s compliance with the terms and conditions of this Franchise. The LFAs 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 LFAs to arrange a meeting with designated LFAs representatives in an informal non-public forum to review any such confidential or proprietary information to the extent necessary to effectuate the objectives of this Section 12.16; provided, however, that the information disclosed to the LFAs by the Franchisee at any such informal non-public meeting shall be treated by the LFAs as confidential. Within thirty (30) days after the conclusion of the Performance Review, the LFAs shall provide Franchisee written documentation (“Performance Review Report”) setting forth its determinations regarding Franchisee’s compliance with the terms and conditions of this Franchise. The Performance Review Report shall not contain any confidential information disclosed by the Franchisee in connection with the Performance Review.

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

12.18. *LFAs Official:* The LFAs’ Manager or designated representatives or representative of the Manager is the LFAs’ official that is responsible for the continuing administration of this Agreement. However, the Franchisee agrees that the LFAs may transfer or delegate any such responsibilities to the Control Board to act on behalf of the LFAs; provided, however, that in the event the Control Board acts on behalf of the LFAs on a particular matter the Villages of Larchmont and Mamaroneck and the Town of Mamaroneck may not simultaneously exercise their individual rights on the same matter under this Franchise Agreement.

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

[SIGNATURE PAGE FOLLOWS]

AGREED TO THIS _____ DAY OF _____, 2007.

Village of Larchmont:

By: _____

Village of Mamaroneck:

By: _____

Town of Mamaroneck:

By: _____

Verizon New York Inc.

By: _____
Tracey Edwards, Vice President

EXHIBITS

Exhibit A: Municipal Buildings to be Provided Free Cable Service

Exhibit B: Service Area

Exhibit C: PEG Channels

Exhibit D: PEG Access Origination Point

Exhibit E: Form of Transferee's Notification Regarding Acceptance of Terms

Exhibit F: Form of Performance Bond

EXHIBIT A

MUNICIPAL BUILDINGS TO BE PROVIDED FREE CABLE SERVICE

<u>Municipal Buildings</u>	<u>Address</u>
Firehouse	205 Weaver Street, Larchmont, NY 10538
Town Center	740 West Boston Post Road, Mamaroneck, NY 10543
Firehouse	146 Palmer Avenue, Mamaroneck, NY 10543
Mamaroneck EMS Building	200 North Barry Avenue, Mamaroneck, NY 10543
Firehouse	147 Mamaroneck Avenue, Mamaroneck, NY 10543
Firehouse	643 Mamaroneck Avenue, Mamaroneck, NY 10543
Firehouse	1400 Halstead Avenue, Mamaroneck, NY 10543
Firehouse	605 North Barry Avenue, Mamaroneck, NY 10543
Emelin Theater	153 Library Lane, Mamaroneck, NY 10543
Village Hall	169 Mt. Pleasant Avenue, Mamaroneck, NY 10543
Police Department	169 Mt. Pleasant Avenue, Mamaroneck, NY 10543
Library	136 Prospect Avenue, Mamaroneck, NY 10543
Village Yard	2015 Boston Post Road, Larchmont, NY 10538
Police Department	120 Larchmont Avenue, Larchmont, NY 10538
Village Hall	120 Larchmont Avenue, Larchmont, NY 10538
Firehouse	130 Larchmont Avenue, Larchmont, NY 10538
Library and Village Center	119-121 Larchmont Avenue, Larchmont, NY 10538
Ambulance Corps	155 Weaver Street, Larchmont, NY 10538
Public Works	313 Fayette Avenue, Mamaroneck, NY 10543
Public Works	40 Maxwell Avenue, Larchmont, NY 10538
Senior Center	740 West Boston Post Road, Mamaroneck, NY 10543
Police Department	740 West Boston Post Road, Mamaroneck, NY 10543
Health Center Building	234 Stanley Ave., Mamaroneck, NY 10543
Village Administrative Offices	123 Mamaroneck Ave., Mamaroneck, NY 10543
Sanitation Commission	30 Maxwell Avenue, Larchmont, NY 10538
Hommocks Ice Rink	140 Hommocks Road, Larchmont, NY 10538
Sheldrake Environmental	685 Weaver Street, Larchmont, NY 10538
Senior Center	1288 Boston Post Road, Larchmont, NY 10538

<u>Mamaroneck School District</u>	<u>Address</u>
Central School	1100 Palmer Avenue, Mamaroneck, NY 10543
Chatsworth School	34 Chatsworth Avenue, Larchmont, NY 10538

Mamaroneck Avenue School
Murray Avenue School
Hommocks Middle School
Mamaroneck High School

850 Mamaroneck Avenue, Mamaroneck, NY 10543
250 Murray Avenue, Larchmont, NY 10538
10 Hommocks Road, Larchmont, NY 10538
1000 West Boston Post Road, Mamaroneck, NY 10543

Rye Neck School District

Address

F.E. Bellows School
Daniel Warren School
Rye Neck High School
Rye Neck Middle School

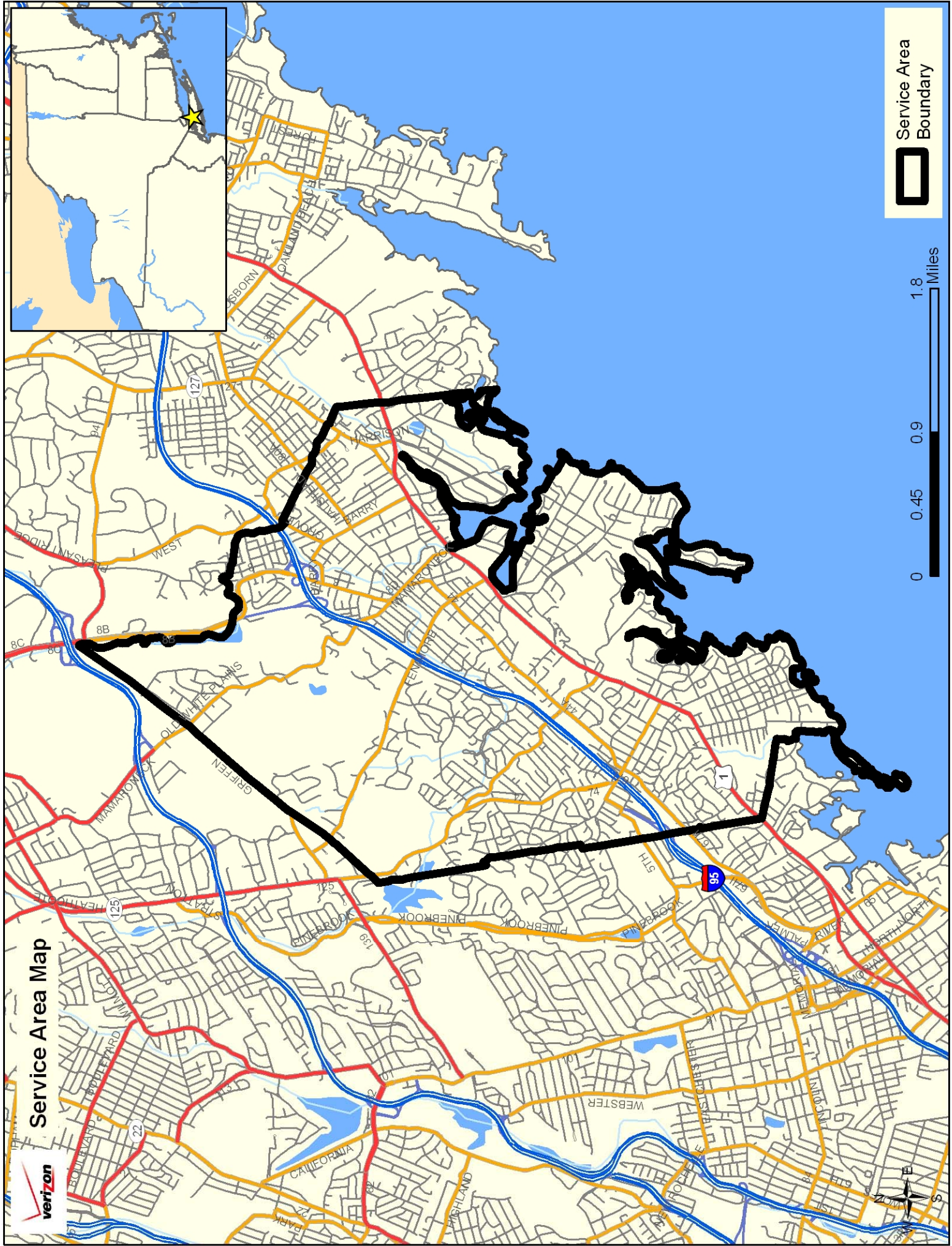
200 Carroll Avenue, Mamaroneck, NY 10543
1310 Harrison Avenue, Mamaroneck, NY 10543
310 Hornidge Road, Mamaroneck, NY 10543
300 Hornidge Road, Mamaroneck, NY 10543

EXHIBIT B

SERVICE AREA

The Service Area is the Franchise Area. A map of the Villages of Larchmont and Mamaroneck and the Town of Mamaroneck's Service Area is attached hereto.

The construction of the Franchisee's FTTP Network has been completed to approximately 77% of the current households in the Franchise Area. At present, Franchisee's anticipated schedule (with schedule dates measured from the month that the NY PSC issues the confirmation order approving this Franchise) calls for 81% deployment at 6 months, 84% deployment at 12 months, 87% deployment at 18 months, 90% deployment at 24 months, 92% deployment at 30 months, 94% deployment at 36 months, 95% deployment at 42 months, 97% deployment at 48 months, 99% deployment at 54 months, and 100% deployment at 60 months. This schedule is subject to further review and modification by the Franchisee consistent with Section 895.5(b)(1) of the NY PSC rules and regulations; provided, however, that Franchisee shall provide notice to the LFA and the NY PSC of any material change in this schedule.



Service Area
Boundary

0 0.45 0.9 1.8 Miles

Service Area Map



EXHIBIT C

PEG CHANNELS

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

EXHIBIT D

PEG ACCESS ORIGATION POINTS

Subject to the requirements set forth in Section 5.2 of the Agreement, the following Public Access Channel, Government Access Channel and Educational Access Channel PEG Access Interconnection Site ("PEG Access Interconnection Site") shall be operable within one hundred twenty (120) days of the Effective Date:

LMC TV Studio, 740 W. Boston Post Road, Floor 3, Mamaroneck, NY 10543

The PEG Access Interconnection Site shall serve as the aggregation point for the PEG Content Origination Points designated below ("PEG Content Origination Points") feeding signals to the public, government and educational access channels. For purposes of permitting the LFAs to select and switch feeds into an aggregation point, Franchisee shall provide the LFAs, without charge, such capability at such aggregation point. Operation and maintenance of any equipment associated therewith shall be the responsibility of the LFAs. At the PEG Access Interconnection Site, the LFAs will provide Franchisee, without restriction, with suitable video signals from any and all additional PEG content origination points which may be provided or maintained by any other cable service provider within the Service Area.

Subject to the requirements set forth in Section 5.2 of the Agreement, the following one (1) PEG Content Origination Points feeding a signal to the PEG Access Interconnection Site shall be operable within one hundred eighty (180) days of the Effective Date:

Mamaroneck Village Hall , 169 Mt. Pleasant Avenue, Mamaroneck, NY 10543

[Note: This site is subject to review by Verizon]

Subject to the requirements set forth in Section 5.2 of the Agreement, the following two (2) PEG Content Origination Points feeding a signal to the PEG Access Interconnection Site shall be operable within two hundred and forty (240) days of the Effective Date:

Rye Neck High School, 300 Hornidge Road, Mamaroneck, NY 10543

Larchmont Village Hall, 120 Larchmont Avenue, Larchmont 10538

At the above PEG Content Origination Points, the LFAs will provide Franchisee, without restriction, with a suitable video signal for the PEG Channels and the LFAs are responsible for all content and equipment necessary to deliver such signal at the point of connection.

EXHIBIT E

EXHIBIT F FORM OF TRANSFEREE'S NOTIFICATION REGARDING ACCEPTANCE OF TERMS

[LFAs ADDRESS]

Re: Cable Franchise Agreement by and between the Villages of Larchmont and Mamaroneck and the Town of Mamaroneck and Verizon New York Inc.

To Whom It May Concern:

Please be advised that, pursuant to Section 9.2 of the Cable Franchise Agreement by and between the Villages of Larchmont and Mamaroneck and the Town of Mamaroneck and Verizon New York Inc. dated _____, 2007 (the "Verizon Franchise"), the undersigned, [NAME OF TRANSFEREE], hereby confirms acceptance of the terms of the Verizon Franchise. [NAME OF TRANSFEREE] shall not use the Transfer as a basis for challenging the validity of any past non-performance and shall assume all liability existing under the Agreement.

Please contact the undersigned should you have any questions.

Very truly yours,

[NAME OF TRANSFEREE]

EXHIBIT F

FORM OF PERFORMANCE BOND

Bond No. _____

KNOW ALL MEN BY THESE PRESENTS: That (name & address) (hereinafter called the Principal), and (name and address) (hereinafter called the Surety), a corporation duly organized under the laws of the State of (state), are held and firmly bound unto (name & address) (hereinafter called the Obligee), in the full and just sum of _____ Dollars (\$ _____), the payment of which sum, well and truly to be made, the said Principal and Surety bind themselves, their heirs, administrators, executors, and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal and Obligee have entered into a Franchise Agreement dated _____ which is hereby referred to and made a part hereof.

WHEREAS, said Principal is required to perform certain obligations under said Agreement.

WHEREAS, the Obligee has agreed to accept this bond as security against default by Principal of performance of its obligations under said Agreement during the time period this bond is in effect.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH that if the Principal shall perform its obligations under said Agreement, then this obligation shall be void, otherwise to remain in full force and effect, unless otherwise terminated, cancelled or expired as hereinafter provided.

PROVIDED HOWEVER, that this bond is executed subject to the following express provisions and conditions:

1. In the event of default by the Principal, Obligee shall deliver to Surety a written statement of the details of such default within 30 days after the Obligee shall learn of the same, such notice to be delivered by certified mail to address of said Surety as stated herein.
2. This Bond shall be effective _____, 20____, and shall remain in full force and effect thereafter for a period of one year and will automatically extend for additional one year periods from the expiry date hereof, or any future expiration date, unless the Surety provides to the Obligee not less than sixty (60) days advance written notice of its intent not to renew this Bond or unless the Bond is earlier canceled pursuant to the following.
This Bond may be canceled at any time upon sixty (60) days advance written notice from the Surety to the Obligee.
3. Neither cancellation, termination nor refusal by Surety to extend this bond, nor inability of Principal to file a replacement bond or replacement security for its obligations under said Agreement, shall constitute a loss to the Obligee recoverable under this bond.

Bond No. _____

4. No claim, action, suit or proceeding shall be instituted against this bond unless same be brought or instituted and process served within one year after termination or cancellation of this bond.
5. No right of action shall accrue on this bond for the use of any person, corporation or entity other than the Obligee named herein or the heirs, executors, administrators or successors of the Obligee.
6. The aggregate liability of the surety is limited to the penal sum stated herein regardless of the number of years this bond remains in force or the amount or number of claims brought against this bond.
7. This bond is and shall be construed to be strictly one of suretyship only. If any conflict or inconsistency exists between the Surety's obligations as described in this bond and as may be described in any underlying agreement, permit, document or contract to which this bond is related, then the terms of this bond shall supersede and prevail in all respects.

This bond shall not bind the Surety unless it is accepted by the Obligee by signing below.

IN WITNESS WHEREOF, the above bounded Principal and Surety have hereunto signed and sealed this bond effective this ____ day of _____, 200_.

Principal

Surety

By: _____

By: _____
_____, Attorney-in-Fact

Accepted by Obligee: _____
(Signature & date above - Print Name, Title below)

Tab 3

From: Schofer, Jeremy
Sent: Thursday, October 25, 2007 4:47 PM
To: 'Joseph Van Eaton'; Len Verrastro
Cc: 'Marci Frischkorn'; Fishman, David (DownshiftMedia); Millstein, Jim (Lazard); Tom Murphy; 'Village Clerk'; 'Christina Battalia'; Sally Roberts; Steve Altieri
Subject: RE: Verizon Franchise Public Notice

Len/Jim - Verizon is required to file a cable franchise application pursuant to the PSC's Rules and Regulations Section 894.5. All cable franchise applications along with a courtesy copy of the cable franchise agreement were sent overnight mail today and should be received tomorrow by the Villages of Larchmont and Mamaroneck and the Town of Mamaroneck.

Verizon would like to proceed forward with the Town of Mamaroneck's public hearing on 11/7 with the Town publishing an amended notice as soon as possible. Verizon's position is that the 10 day window would run from the original notice but that the republishing of the notice would cure the minor deficiency in the earlier notice (the date and location of the public hearing has not changed and if anyone did come into view the franchise agreement, the cable franchise application would also be in the same place and presented to that person for public inspection). The amended notice needs to be clear that both the cable franchise application and cable franchise agreement are on file for public inspection (like the attached Larchmont Notice). If an amended notice cannot be published or the Town does not wish to do this, please let me know as soon as possible.

It appears that the Village of Larchmont Notice has been fixed to reflect this already (I have attached it so we can confirm this is the notice that was used). Is there any chance that the Village of Mamaroneck can use the same form notice that the Village of Larchmont published since the hearing isn't until 11/13 with the Village of Mamaroneck.

I am available by cell phone tonight and tomorrow at 703-307-7975 to discuss if you need anything else from me.

Regards - Jeremy



Jeremy J. Schofer
Attorney At Law
Wiley Rein LLP

1776 K Street NW
Washington, DC 20006
Tel: 202.719.4646 | Fax: 202.719.7049
Email: jschofer@wileyrein.com
www.wileyrein.com

From: Joseph Van Eaton [<mailto:jvaneaton@millervaneaton.com>]
Sent: Thursday, October 25, 2007 4:30 PM
To: Len Verrastro
Cc: 'Marci Frischkorn'; Fishman, David (DownshiftMedia); Millstein, Jim (Lazard); Tom Murphy; Schofer, Jeremy; 'Village Clerk'; 'Christina Battalia'; Sally Roberts; Steve Altieri
Subject: Re: Verizon Franchise Public Notice

Go ahead and make the change for Larchmont. I have asked Jeremy what the company would prefer to do with respect to the Town of Mamaroneck. This is not something that Cablevision has done in the past, and we did not realize that Verizon was intending to file the application - as opposed to just submitting the proposed franchise for your approval.

Len Verrastro wrote:

This is a big problem for the Town of Mamaroneck if they need to republish their notice. They will not be able to satisfy the ten (10) day publication deadline in order to hold their public hearing on 11/7.

Also Larchmont has sent the earlier notice provided for publication tomorrow, however we and they may have time to republish in time.

Please advise on what you suggest at this point and if this is considered a fatal defect. If so, this requirement should have been included in the notice that was forwarded to us last week.

Leonard M. Verrastro

Village Manager
Village of Mamaroneck

From: Marci Frischkorn [<mailto:mfrischkorn@millervaneaton.com>]

Sent: Thursday, October 25, 2007 3:04 PM

To: larchmt@cloud9.net; Fishman, David (DownshiftMedia); Millstein, Jim (Lazard); Murphy, Thomas; Leonard Verrastro

Cc: Joseph Van Eaton

Subject: Verizon Franchise Public Notice

All,

We understand from Mr. Schofer (counsel for Verizon) that Verizon intends to file an application with the municipalities. We agree w/Mr. Schofer that once the application is filed the draft public notices I forwarded last week should be amended to include a statement that a copy of the franchise application is on file for review (during normal business hours) and indicating where it will be available. We also agree w/Mr. Schofer that BOTH the application and the franchise should be available (and the notice should so state).

Thanks,

Marci

Marci L. Frischkorn

mfrischkorn@millervaneaton.com

Miller & Van Eaton

Suite 1000

1155 Connecticut Avenue. N.W.

Washington, D.C. 20036-4320

phone (202)785-0600

fax (202)785-1234

www.millervaneaton.com

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--

Joseph Van Eaton

jvaneaton@millervaneaton.com

Miller & Van Eaton, P.L.L.C.

Suite 1000

1155 Connecticut Avenue. N.W.

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VILLAGE OF LARCHMONT

NOTICE OF PUBLIC HEARING

PLEASE TAKE NOTICE that a public hearing will be held by the Board of Trustees of the Village of Larchmont on the 14th day of November, 2007, at 7:30 PM, or as soon thereafter as all parties can be heard, at the Municipal Building located at 120 Larchmont Avenue, Larchmont, New York, to consider whether the Village should grant a nonexclusive franchise to construct, install, maintain, extend and operate a cable system in the Village ("Franchise Agreement") to Verizon New York, Inc. under the terms and conditions negotiated by the Larchmont-Mamaroneck Cable TV Board of Control and set forth in a Cable Franchise Agreement.

PLEASE TAKE FURTHER NOTICE that a copy of the Proposed Cable Franchise Application and Franchise Agreement is on file with the Clerk of the Village of Larchmont, and shall be available for review during normal business hours at the Office of the Clerk, whose address is:

**120 Larchmont Avenue
Larchmont, NY 10538**

PLEASE TAKE FURTHER NOTICE that at said public hearing, all persons interested will be given an opportunity to be heard.

**BY ORDER OF THE
BOARD OF TRUSTEES OF
THE VILLAGE OF
LARCHMONT, NEW YORK
Eileen A. Finn, Village Clerk**

**Dated: Larchmont, NY
October 18, 2007**

Tab 4

From: Schofer, Jeremy [mailto:JSchofer@wileyrein.com]
Sent: Monday, October 29, 2007 12:24 PM
To: Millstein, Jim (Lazard); Len Verrastro
Cc: Joseph Van Eaton; sparr@telecominsightgroup.com; mkerbey@telecominsightgroup.com
Subject: Application Cover Letters to Cablevision

Jim/Len - attaches for your files are the cover letters evidencing that Verizon sent copies of the respective applications with the Villages of Larchmont and Mamaroneck and the Town of Mamaroneck to Cablevision on 10/26/07 as required by the NY PSC Rules and Regulations.

Let me know if you have any comments.

Regards - Jeremy

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Maria D. Silveira
Senior Counsel
Video Franchising
703-351-3102 office
703-351-3652 facsimile
maria.d.silveira@verizon.com



1515 N. Courthouse Road
Suite 500
Arlington, VA 22201

VIA FEDEX DELIVERY

October 26, 2007

Mr. David Ellen
SVP – General Counsel Cable, Telecommunications & Programming
Cablevision
1111 Stewart Avenue
Bethpage, New York 11714

Re: Verizon New York Inc. Application for an Initial Cable Television Franchise with the Village of Mamaroneck, NY

Dear Mr. Ellen:

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

Sincerely,

A handwritten signature in cursive script that reads "M. Silveira".

Maria Silveira

Enclosures: Application

cc (w/o enclosure): Mamaroneck Village Clerk - Treasurer

Maria Silveira
Assistant General Counsel
Video Franchising
703-351-3102 office
703-351-3652 facsimile
maria.d.silveira@verizon.com



1515 N. Courthouse Road
Suite 500
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VIA FEDEX DELIVERY

October 26, 2007

Mr. David Ellen
SVP – General Counsel Cable, Telecommunications & Programming
Cablevision
1111 Stewart Avenue
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Dear Mr. Ellen:

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

Sincerely,

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

Maria Silveira

Enclosure: Application

cc (w/o enclosure): Mamaroneck Town Clerk

Maria Silveira
Assistant General Counsel
Video Franchising
703-351-3102 office
703-351-3652 facsimile
maria.d.silveira@verizon.com



1515 N. Courthouse Road
Suite 500
Arlington, VA 22201

VIA FEDEX DELIVERY

October 26, 2007

Mr. David Ellen
SVP – General Counsel Cable, Telecommunications & Programming
Cablevision
1111 Stewart Avenue
Bethpage, New York 11714

Re: Verizon New York Inc. Application for an Initial Cable Television Franchise with the Village of Larchmont, NY

Dear Mr. Ellen:

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

Sincerely,

Maria Silveira

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

Enclosure: Application

cc (w/o enclosure): Larchmont Village Clerk

Tab 5

From: Schofer, Jeremy [mailto:JSchofer@wileyrein.com]
Sent: Monday, November 05, 2007 10:00 AM
To: Millstein, Jim (Lazard); Len Verrastro; Joseph Van Eaton
Cc: sparr@telecominsightgroup.com; mkerbey@telecominsightgroup.com
Subject: Draft Resolution for the Town of Mamaroneck Public Hearing this Wednesday

Jim/Len/Joe - for your convenience, I have attached a draft resolution that you can use for Wednesday night if the Town of Mamaroneck votes to grant Verizon the proposed franchise agreement. This can be used in the Villages of Larchmont and Mamaroneck as well with minor changes. We have used this resolution in other communities in New York and the PSC has agreed it is sufficient to meet the PSC's requirements.

I should be sending you a new proposed final agreement later today. I will have with me on Wednesday night 6 originals for the Town of Mamaroneck to sign (one for each community, one for the control board, one for Joe, and one for Verizon).

Regards - Jeremy



Jeremy J. Schofer
Attorney At Law
Wiley Rein LLP

1776 K Street NW
Washington, DC 20006
Tel: 202.719.4646 | Fax: 202.719.7049
Email: jschofer@wileyrein.com
www.wileyrein.com

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Town Board
Town of Mamaroneck
Regular Meeting
October 7, 2007

PRESENT: Town Board Members Valerie M. O'Keeffe (Supervisor), Phyllis Wittner (Deputy Supervisor), Ernest Odierna, Nancy Seligson and David Fishman in attendance

**RESOLUTION OF THE TOWN BOARD OF THE TOWN OF MAMARONECK AWARDING
A CABLE TELEVISION FRANCHISE AGREEMENT TO VERIZON NEW YORK INC. TO
PROVIDE CABLE SERVICE TO THE TOWN OF MAMARONECK AND APPROVING A
CABLE FRANCHISE AGREEMENT WITH VERIZON NEW YORK, INC.**

On a motion made by _____ and seconded by _____, the following resolution was adopted by those Town Board Members present:

WHEREAS, the Town of Mamaroneck (the "Town") is a franchising authority in accordance with Title VI of the Communications Act of 1934 (the "Communications Act"), and is authorized to grant one or more cable television franchises pursuant to Article 11 of the New York State Public Service Law, and Title 16, Chapter VIII, Parts 890.60 through 890.6 through 899, of the Official Compilation of Codes, Rules and Regulations of the State of New York (the "Cable Laws");

WHEREAS, VERIZON NEW YORK INC. ("Verizon") is upgrading its existing telecommunications and information services network through the installation of what Verizon refers to as "Fiber to the Premises Telecommunication Network (the "FTTP Network") within the Town and elsewhere, which existing network transmits Non-Cable Services (as defined in the Verizon Franchise Agreement) pursuant to the authority granted by Section 27 of the New York Transportation Corporations Law, and Title II of the Telecommunications Act, which Non-Cable Services are not subject to the Cable Law or to Title VI of the Communications Act;

WHEREAS, the FTTP Network occupies public rights-of-way (as defined in the Verizon Franchise Agreement) within the Town, and Verizon desires to use portions of the FTTP Network now or hereinafter installed within the Town to provide cable service (as defined in the Verizon Franchise Agreement);

WHEREAS, Verizon has submitted a written application for a cable television franchise to the Town on October 26, 2007 (the "Verizon Application"), which the Town has had an opportunity to review;

WHEREAS, due negotiations between the Town (conducted through the tri-municipal cable television board of control as the authorized representative of the consortium

comprised of the Town and the Villages of Larchmont and Mamaroneck) and Verizon have resulted in a proposed agreement entitled “Cable Franchise Agreement between the Villages of Larchmont and Mamaroneck and the Town of Mamaroneck, New York and Verizon New York Inc.” (“Verizon Franchise Agreement”);

WHEREAS, on this day October 7, 2007 at a regularly scheduled Town Board meeting the Town held a public hearing on the Verizon Application and the Verizon Franchise Agreement at which Verizon made a presentation to the Town Board in favor of the Verizon Franchise Agreement, including an outline of the cable television services proposed to be provided to the Town pursuant thereto, and members of the Town Board and the public were given notice and opportunity to comment on Verizon’s presentations and ask questions to be addressed by Verizon’s representatives; and

WHEREAS, the Town has identified the cable-related needs and interests of the residents of the Town and has exercised due diligence in considering the technical ability, financial conditions, character and legal qualifications of Verizon to meet such needs and interests; and

NOW, THEREFORE, BE IT RESOLVED, that the Town of Mamaroneck Town Board finds that it approves the character of Verizon; and be it

FURTHER RESOLVED, that the Town Board finds that Verizon is legally (pursuant to NY Public Service Commission Rules and other statutory requirements), technically, and financially and otherwise qualified to meet the cable-related needs and interests of the Town and that Verizon will meet all statutory and regulatory non-discrimination requirements; and be it

FURTHER RESOLVED, that the Town Board finds, based on the presentation by Verizon, that the cable service offered by Verizon will include competitive offerings with its existing competition; and be it

FURTHER RESOLVED, that the Town Board determines that it serves the public interest to award Verizon a franchise to own, construct, operate and maintain a cable system along the public rights-of-way within the Town, in order to provide cable service; and be it

FURTHER RESOLVED, that the Town Board authorizes the award of a non-exclusive franchise to Verizon to own, construct, operate and maintain a cable system along the public rights-of-way within the Town, in order to provide cable service, which authorization is made in accordance with the applicable provisions of Title VI of the Communications Act and the Cable Laws; and be it

FURTHER RESOLVED, that the Town Board of the Town of Mamaroneck authorizes _____ of the Town to enter into the Verizon Franchise Agreement, and to execute any other documents necessary to effectuate the granting of the franchise on behalf of the Town of Mamaroneck.

Christina Battalia
Town Clerk

SEAL

Dated: October 7, 2007

Tab 6

From: Schofer, Jeremy [mailto:JSchofer@wileyrein.com]
Sent: Monday, November 05, 2007 11:57 AM
To: Schofer, Jeremy; Millstein, Jim (Lazard); Len Verrastro; Joseph Van Eaton
Cc: sparr@telecominsightgroup.com; mkerbey@telecominsightgroup.com
Subject: Updated Final Cable Franchise Agreement for the Larchmont-Mamaroneck Consortium and Verizon

Jim/Len/Joe - Attached is an updated final agreement for Larchmont-Mamaroneck. I apologize for not getting this to you last week. For your convenience, I have attached a redline of this updated final agreement compared to the previous final version sent on 10/25/07. The attached clean version should replace the prior final agreement that is on file with each respective community. Let me know if you have any questions.

Regards - Jeremy



Jeremy J. Schofer
Attorney At Law
Wiley Rein LLP

1776 K Street NW
Washington, DC 20006
Tel: 202.719.4646 | Fax: 202.719.7049
Email: jschofer@wileyrein.com
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CABLE FRANCHISE AGREEMENT
BY AND BETWEEN
THE VILLAGES OF LARCHMONT AND MAMARONECK
AND THE TOWN OF MAMARONECK, NEW YORK
AND
VERIZON NEW YORK INC.

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EXHIBITS

Exhibit A: Municipal Buildings to be Provided Free Cable Service

Exhibit B: Service Area

Exhibit C: PEG Channels

Exhibit D: PEG Access Origination Point

Exhibit E: Form of Transferee's Notification Regarding Acceptance of Terms

Exhibit F: Form of Performance Bond

THIS CABLE FRANCHISE AGREEMENT (the “Franchise” or “Agreement”) is entered into by and between the Villages of Larchmont and Mamaroneck and the Town of Mamaroneck, validly organized and existing political subdivisions of the State of New York (collectively referred to as the “Local Franchising Authorities” or “LFAs”) and Verizon New York Inc., a corporation duly organized under the applicable laws of the State of New York (the “Franchisee”).

WHEREAS, each of the LFAs wish 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, each of the LFAs 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, each of the LFAs are members of the tri-municipal cable television Board of Control (the “Board of Control”) as created in the CATV agreement executed on the 3rd day of December, 1980 (the “Members”);

WHEREAS, pursuant to the franchises granted by the Members, and pursuant to law, it is the responsibility of each Member to administer and supervise the provisions of such franchise for its own benefit and for the benefit of its residents;

WHEREAS, each of the Members has heretofore determined that these franchises are interrelated, that negotiation, administration, and supervision of the franchises can be best performed in a cooperative arrangement between and among the Members, and that the ability of each Member to provide its residents with adequate cable television service would be enhanced by such a cooperative arrangement;

WHEREAS, each of the Members have delegated to the Board of Control the power and authority to act on behalf of the LFAs pursuant to and relating to negotiating, administering, and supervising the terms and conditions of this franchise agreement between the LFAs and Franchisee;

WHEREAS, Franchisee is upgrading 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 Franchise Area, and Franchisee desires to use portions of the FTTP Network to provide Cable Services (as hereinafter defined) in the Franchise Area;

WHEREAS, the LFAs, jointly, and the Franchisee are entering into this Agreement for the purpose of setting forth the terms and conditions on which Franchisee shall be entitled to provide Cable Services in the Franchise Area with the express understanding and agreement that nothing in this Agreement shall add to or detract from (i) the LFAs' police powers, or rights or privileges in respect of the Public Rights of Way in accordance with Federal, State, and local laws or (ii) the Franchisee's rights or privileges in respect of the FTTP Network in accordance with Federal, State, and local laws, as each relates to the provision of Non-Cable Services in the Franchise Area, it being the intent of the parties that this Agreement shall govern only the provision of Cable Services;

WHEREAS, the LFAs have identified the future cable-related needs and interests of the LFAs and after appropriate public proceedings affording due process to all parties in accordance with New York Law have determined that Franchisee's plans for its Cable System are adequate and feasible;

WHEREAS, based on the representations of the Franchisee in the Franchisee's cable franchise applications, the LFAs have found Franchisee to be financially, technically and legally qualified to operate the Cable System in the Franchise Area;

WHEREAS, the LFAs have 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 LFAs 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 each of the LFA's grant of a franchise to Franchisee and Franchisee's promise to provide Cable Service to residents of the Franchise Area pursuant to and consistent with the Cable Law (as herein defined), in each case on the terms and conditions hereinafter set forth, the promises and undertakings of the parties hereinafter set forth, and such 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 LFAs without charge for Public, Educational, or Governmental noncommercial use for the transmission of video programming as directed by the LFAs.

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 by local public schools and public school districts in the Franchise Area and other not-for-profit educational institutions chartered or licensed by the New York State Department of Education or Board of Regents in the Franchise Area.

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

1.12. *Force Majeure*: An event or events reasonably beyond the ability of Franchisee to anticipate and control that directly or indirectly results in Franchisee's non-compliance with, or delay in the performance of, any obligation hereunder. This includes, but is not limited to, severe or unusual weather conditions, strikes, labor disturbances and disputes, war or act of war (whether an actual declaration of war is made or not), insurrection, riots, act of public enemy, incidences of terrorism, acts of vandalism, actions or inactions of any government instrumentality or public utility including condemnation, accidents for which the Franchisee is not primarily responsible, fire, flood, or other acts of God, or work delays resulting from unaffiliated utility providers' failure to service, monitor, or maintain utility poles to which Franchisee's FTTP Network is attached, and unavailability of materials and/or qualified labor to perform the work necessary.

1.13. *Franchise Area*: The incorporated area (entire existing territorial limits) of the LFAs, 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 LFAs.

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.

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, digital video recorders, remote controls, additional outlets and/or other Cable Service related Subscriber premises equipment, whether by lease or fee;

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

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

(v) compensation received by Franchisee that is derived from the operation of Franchisee's Cable System to provide Cable Service with respect to commissions that are paid to Franchisee as compensation for promotion or exhibition of any products or services on the Cable System, such as "home shopping" or a similar channel, subject to the exceptions below. Gross Revenue includes a pro rata portion of all revenue derived by Franchisee pursuant to compensation arrangements for advertising derived from the operation of Franchisee's Cable System to provide Cable Service within the Service Area, subject to the exceptions below. The allocation shall be based on the number of Subscribers in the Service Area divided by the total number of subscribers in relation to the relevant local, regional or national compensation arrangement. Advertising commissions paid to third parties shall not be netted against advertising revenue included in Gross Revenue; and

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

Except as provided above, Gross Revenue shall not include:

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

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

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

(iv) except as otherwise provided in Section 1.16, 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 the Communications Act (as amended from time to time), then Franchisee shall include revenue from such service as Gross Revenue on a going forward basis commencing with the next available billing cycle following the effective date of such change in the Communications Act. Should a final determination or ruling of any agency or court having jurisdiction, after the exhaustion of all appeals related thereto, classify as a Cable Service any service provided by the Franchisee over the Cable System, then the LFAs shall be entitled, after notification to Franchisee and without mutual agreement in writing as otherwise required by Section 12.7, to amend this Agreement in the manner prescribed under applicable state law or this Franchise to include revenue from the 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 the issuance of an order from the NY PSC approving such amendment;

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

(vi) the sale of Cable Services on the Cable System for resale in which the purchaser is required to collect cable Franchise Fees from purchaser's customer;

(vii) the sale of Cable Services to customers, which are exempt, as required or allowed by the LFAs including, without limitation, the provision of Cable Services to public institutions as required or permitted herein, except to the extent Franchisee actually receives any revenues from such customers that would otherwise be included in Gross Revenues;

(viii) 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);

(ix) 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);

(x) 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;

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

(xii) any fees or charges collected from Subscribers or other third parties for any PEG grant payments whether they be under Subsection 5.3.2 or Subsection 5.3.4 (including, the Initial PEG Grant and the Annual PEG Grant).

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 (LFAs)*: Collectively the Villages of Larchmont and Mamaroneck and the Town of Mamaroneck, New York, or their lawful successors, transferees, or assignees thereof.

1.20. *Non-Cable Services*: Any service that does not constitute the provision of a Cable Service pursuant to this Agreement 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 LFAs' residents or by those Persons approved by Larchmont-Mamaroneck Community Television ("LMC-TV" - the entity designated by the LFAs to administer the Public Access Channel) 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. Franchisee shall notify LFA in writing within sixty (60) business days of any change in ownership or other interest. The new Franchisee shall not use such change in ownership or other interest as a basis for challenging the validity of any past non-performance.

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

2. GRANT OF AUTHORITY; LIMITS AND RESERVATIONS

2.1. *Grant of Authority*: Subject to the terms and conditions of this Agreement and the Cable Law, the LFAs hereby grants the Franchisee the right to own, construct, operate and maintain a Cable System in the Public Rights-of-Way within the

Franchise Area, in order to provide Cable Service. No privilege or power of eminent domain is bestowed by this grant; nor is such a privilege or power bestowed by this Agreement.

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

2.3. *Effective Date and Term:* This Franchise shall become effective on the date that the NY PSC issues a certificate of confirmation for this Franchise (the "Effective Date"), following its approval by the LFAs' respective governing authority authorized to grant franchises and its acceptance by the Franchisee. The term of this Franchise shall be fifteen (15) years from the Effective Date unless the Franchise is earlier revoked as provided herein. The Franchisee shall memorialize the Effective Date by notifying the LFAs in writing of the same, which notification shall become a part of this Franchise. If subsequent to the Effective Date, there is a change in federal or state law that eliminates the authority of the LFA to require, grant or maintain this Franchise, then to the extent permitted by law, this Franchise shall survive such legislation and remain in effect for the term 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 themselves, at any time during the term of this Franchise. Any such rights which are granted shall not adversely impact the authority as granted under this Franchise.

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

2.6. *No Waiver:*

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

2.7. *Construction of Agreement:*

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

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

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

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

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

3. **PROVISION OF CABLE SERVICE**

3.1. *Service Area:* Subject to the issuance of all necessary permits by the LFA, Franchisee shall offer Cable Service to significant numbers of residential Subscribers in the Service Area and may make Cable Service available to businesses in the Service Area, within twelve (12) months and shall offer Cable Service to all residential Subscribers in the Service Area within five (5) years, of the Effective Date of this Franchise, or, in both instances, such longer period as may be permitted by the Cable Law, except, in accordance with NY PSC rules and regulations: (A) for periods of Force Majeure; (B) for periods of delay caused by the LFA; (C) for periods of delay resulting from Franchisee's inability to obtain authority to access rights-of-way in the Service Area; (D) in areas where developments or buildings are subject to claimed exclusive arrangements with other providers; (E) in areas, developments or buildings where Franchisee cannot gain access after good faith efforts; (F) in areas, developments or buildings where the provision of Cable Service is economically infeasible because such provision requires nonstandard facilities which are not available on a commercially reasonable basis; and (G) in areas where the occupied residential household density does not meet the density and other requirements set forth in Subsection 3.1.1 and Section 3.2.

3.1.1. *Density Requirement:* Franchisee shall make Cable Services available to residential dwelling units requesting Cable Service from Franchisee in all areas of the Service Area where the average density is equal to or greater than twenty (20) 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 Section 3.1, Franchisee shall provide Cable Service to such area within twelve (12) months of receiving notice from the LFAs that the density requirements have been met.

3.2. *Availability of Cable Service:*

3.2.1. *Availability of Cable Service Generally:* Franchisee shall make Cable Service available to all residential dwelling units and may make Cable Service available to businesses within the Service Area in conformance with Section 3.1, and Franchisee shall not discriminate between or among any individuals in the availability of Cable Service or based upon the income in a local area. In the areas in which Franchisee shall provide Cable Service, Franchisee shall be required to connect, at Franchisee's expense, other than a standard installation charge, all residential dwelling units that are within one hundred fifty (150) feet of trunk or feeder lines not otherwise already served by Franchisee's FTTP Network. Franchisee shall be allowed to recover, from a Subscriber that requests such connection, the actual costs incurred for residential dwelling unit connections that exceed one hundred fifty (150) feet or are in an area with a density of less than twenty (20) 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 (20) occupied residential dwelling units per mile if such would not be possible within the limitations of economic feasibility.

3.2.2. *No Discrimination in the Availability of Cable Service:* Franchisee shall not deny access to Cable Service to any group of potential residential Subscribers because of the income of the residents of the local area in which such group resides.

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; or as designated by the LFAs in the future during the Franchise term, upon sixty (60) days prior written notice to the Franchisee and within the Franchisee's approved video validated area; provided however that any new additional library, school or public buildings added to **Exhibit A** by the LFAs cannot exceed in the aggregate to the Villages of Larchmont and Mamaroneck and the Town of Mamaroneck more than five (5) additional buildings per year and ten (10) additional buildings over the life of the Agreement; provided, however, that if it is necessary to extend Franchisee's trunk or feeder lines more than one hundred fifty (150) feet solely to provide service to such library, school or public building, the LFAs shall have the option either of paying Franchisee's direct costs for such extension in excess of one hundred fifty (150) feet, or of releasing Franchisee from the obligation to provide service to such school or public

building. Furthermore, Franchisee shall be permitted to recover, from any school or public building owner entitled to free service, the direct cost of installing, when requested to do so, more than one outlet, or concealed inside wiring, or a service outlet requiring more than one hundred fifty (150) feet of drop cable; provided, however, that Franchisee shall not charge for the provision of Basic Service to the additional service outlets once installed. Cable Service may not be resold or otherwise used in contravention of Franchisee's rights with third parties respecting programming. Equipment provided by Franchisee, if any, shall be replaced at retail rates if lost, stolen or damaged.

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

4. **SYSTEM FACILITIES**

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

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

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

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

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

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

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 three (3) PEG Channels as permitted in the Cable Law; provided, however, that the Franchisee shall provide a fourth (4th) PEG Access Channel on its Basic Service tier within ninety (90) days after receiving written notice from the LFAs that an existing provider of Cable Service or cable

service (as such term may be defined by other providers) in the Service Area has activated a fourth (4th) PEG Access Channel for the LFAs.

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. Franchisee agrees to provide the LFAs with thirty (30) days notice in the event that Franchisee elects to change the PEG Channel lineup. 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. The LFA shall designate in its sole discretion a site within the Franchise Area for the interconnection of PEG access facilities with the Cable System (the “PEG Access Interconnection Site”), and not more than three (3) additional sites within the Franchise Area for PEG Content Origination (each, a “PEG Content Origination Point”), which PEG Access Interconnection Site and PEG Content Origination Points are identified in **Exhibit D**.

5.2.2. Consistent with NY PSC rules and regulations, Franchisee shall provide a link between its video channel aggregation point and the PEG Access Interconnection Site in order to permit the signals to correctly routed from the PEG Access Interconnection Site to the appropriate PEG Access Channel for distribution to Subscribers.

5.2.3. The LFA shall provide to Franchisee at the PEG Access Interconnection Site and the PEG Content Origination Points (as defined in **Exhibit D**) a suitable video signal for each PEG Channel, including a signal from each PEG content origination point provided or maintained by any other cable service provider in the Service Area. 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 obligation 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 LFAs as is reasonably necessary for Franchisee to fulfill its obligations. Channel or channels provided by Franchisee for PEG services shall provide transmission quality comparable to the transmission quality of other channels included in the Basic Service Tier, subject to limitations, if any, in the quality of signal as received by Franchisee.

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

5.3. *PEG Grant:*

5.3.1. Franchisee shall provide grants in the aggregate to the Villages of Larchmont and Mamaroneck and the Town of Mamaroneck to be used in support of local PEG programming. Such grants shall be used by the LFAs 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 equipment, and any other PEG related needs of the LFAs.

5.3.2. Subject to Subsection 5.3.3 below, the Franchisee shall pay a PEG grant to the Villages of Larchmont and Mamaroneck and the Town of Mamaroneck in the aggregate total amount of ONE MILLION ONE HUNDRED TEN THOUSAND DOLLARS (\$1,110,000) payable in fifteen (15) installments as follows:

- (i) The first installment of TWO HUNDRED THOUSAND DOLLARS (\$200,000) shall be payable within sixty (60) days after the Effective Date.
- (ii) The second through fifteenth installments of SIXTY FIVE THOUSAND DOLLARS (\$65,000) each shall be payable annually within thirty (30) days of the first through fourteenth anniversary date of the Effective Date, respectively.

5.3.3. If within one hundred twenty (120) days after the Effective Date of this Agreement, the NY PSC has not issued a confirmation order confirming a renewal agreement with the existing cable service provider in the Service Area that contains a total PEG grant payment obligation to the Villages of Larchmont and Mamaroneck and the Town of Mamaroneck in the aggregate total amount of at least ONE MILLION ONE HUNDRED TEN THOUSAND DOLLARS (\$1,110,000) and on a substantially similar payment schedule as that set out in Subsection 5.3.2, then Subsection 5.3.2 shall have no further effect and the Franchisee shall have the PEG grant payment obligations set forth in Subsection 5.3.4.

5.3.4. Franchisee shall pay a PEG grant (the "Initial PEG Grant") to the Villages of Larchmont and Mamaroneck and the Town of Mamaroneck in the aggregate total amount of FOUR HUNDRED FORTY FIVE THOUSAND DOLLARS (\$445,000) payable in four (4) installments as follows, subject to Franchisee taking a TWO HUNDRED THOUSAND DOLLAR (\$200,000) credit against such payments if Franchisee has paid such amount to the LFAs pursuant to Subsection 5.3.2:

- (i) The first installment of TWO HUNDRED THOUSAND DOLLARS (\$200,000) shall be payable within sixty (60) days after the Effective Date.
- (ii) The second and third installment of NINETY FIVE THOUSAND DOLLARS (\$95,000) each shall be payable within thirty (30) days of the first and second anniversary date of the Effective Date, respectively.

- (iii) The remaining fourth installment of FIFTY FIVE THOUSAND DOLLARS (\$55,000) shall be payable within thirty (30) days of the third anniversary date of the Effective Date.

In addition to the Initial PEG Grant set forth in Subsection 5.3.4 and except as otherwise provided for in Subsections 5.3.5, the Franchisee shall pay on a quarterly basis to the Villages of Larchmont and Mamaroneck and the Town of Mamaroneck an additional, per subscriber annual PEG grant (the “Annual PEG Grant”) in the aggregate as follows:

- (i) Commencing on the first anniversary date of the Effective Date, in the amount of Seventy Five Cents (\$0.75) per month, per Subscriber who subscribes to Franchisee’s Basic Service tier in the respective Service Area.
- (ii) Commencing on the tenth anniversary date of the Effective Date, in the amount of One Dollar (\$1.00) per month, per Subscriber who subscribes to Franchisee’s Basic Service tier in the respective Service Area.

The Annual PEG Grant payment, along with a brief summary of the Subscriber information upon which it is based, shall be delivered to the LFAs within sixty (60) days after the end of each calendar quarter from the first through the fifteenth anniversary date of the Effective Date.

5.3.5. The LFAs shall impose an equivalent obligation to the obligations set forth in this Subsection 5.3.4 (including the total amount of the Initial PEG Grant and amounts of the Annual PEG Grant) on all new and renewed providers of cable service in the Service Area. If the LFAs do not impose such equivalent obligations on all renewed and new cable service providers in the Service Area, then the Franchisee shall have no obligation to provide the Annual PEG Grant payments set forth in Subsection 5.3.4.

5.4. *Indemnity for PEG:* The LFAs may 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 LFAs 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 LFAs shall establish rules and regulations for use of PEG facilities, consistent with, and as required by, 47 U.S.C. §531.

5.5. *Recovery of Costs:* To the extent permitted by federal law, the Franchisee shall be allowed to recover the costs of any PEG grant payments whether they be under Subsection 5.3.2 or Subsection 5.3.4 (including, the Initial PEG Grant and the Annual PEG Grant), or any other costs arising from the provision of PEG services from Subscribers and to

include such costs as a separately billed line item on each Subscriber's bill. Without limiting the foregoing, if allowed under state and federal laws, Franchisee may externalize, line-item, or otherwise pass-through interconnection and any franchise-related costs to Subscribers.

6. **FRANCHISE FEES**

6.1. *Payment to LFAs:* Franchisee shall pay to the LFAs a Franchise Fee of five percent (5%) of annual Gross Revenue (the "Franchise Fee"). In accordance with Title VI, the twelve (12) month period applicable under the Franchise for the computation of the Franchise Fee shall be a calendar year. Such payments shall be made no later than forty-five (45) days following the end of each calendar quarter. Franchisee shall be allowed to submit or correct any payments that were incorrectly omitted, and shall be refunded any payments that were incorrectly submitted, in connection with the quarterly Franchise Fee remittances within ninety (90) days following the close of the calendar year for which such payments were applicable. Late payments for Franchise Fees shall be subject to interest charges computed from the due date, at the then-current rate set forth in Section 5004 of Article 50 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) during the period such unpaid amount is owed.

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

6.3. *Limitation on Franchise Fee Actions:* The parties agree that the period of limitation for recovery of any Franchise Fee payable hereunder shall be six (6) years from the date on which payment by Franchisee is due, but cannot exceed the date of records retention reflected in Section 7. Unless agreed to in writing by the parties, the acceptance of any Franchise Fee payment shall be not be construed as an accord and satisfaction that such payment is in fact that correct amount, nor shall such acceptance of payment be construed as a release or satisfaction of any claim the LFAs may have for further or additional Franchise Fee sums payable under the provisions of this Franchise.

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

6.5. *Town Comptroller of the Town Of Mamaroneck:* The LFAs and the Franchisee agree that the Town Comptroller of the Town of Mamaroneck is appointed as the agent of the LFAs for receipt of any and all payments or sums due to the LFAs under the Franchise Agreement, including, but not limited to, any PEG grant payment under the

Agreement and the Franchise Fee. However, the LFAs may appoint a new representative of the LFAs to receive such payments or sums upon sixty (60) days advance written notice to the Franchisee.

6.6. *Section 626 Treatment:* Franchisee agrees that it will not take a special franchise tax deduction (whether in the form of a reduction in the franchise fee amount paid to the LFAs or as a credit against the special franchise tax payable to each of the Villages of Larchmont and Mamaroneck and the Town of Mamaroneck, pursuant to N.Y. Real Property Tax Law Section 626) for the first two (2) years following the issuance by the NY PSC of an order confirming this Agreement. Thereafter, Franchisee reserves the right to apply the Franchise Fee as a deduction against the special franchise tax payable to each such LFA, pursuant to N.Y. Real Property Tax Law Section 626, in an amount not to exceed the highest deduction available to any other cable franchisee in such LFA (based upon the other cable franchisee's yearly tax invoice payable to the LFA) until such time that the LFA obtains a written complete waiver of the full amount of the special franchise tax deduction (whether in the form of a reduction in the franchise fee amount paid to the LFA or as a credit against the special franchise tax) from such existing and any new provider of Cable Service or cable service (as such term may be defined by other providers) in the Service Area. Upon securing such written waiver from all existing and new providers of Cable Service or cable service (as such term may be defined by other providers) in the Service Area, Franchisee agrees to no longer apply the Franchise Fee as a deduction against the special franchise tax payable to such LFA, pursuant to N.Y. Real Property Tax Law Section 626 beginning in the next full calendar month after such waiver becomes legally binding on such LFA's existing cable franchisee. The operation of this Section 6.6 shall be strictly limited to Franchise Fees lawfully imposed upon Cable Service, and shall not be construed to affect the Franchisee's rights under any provision of State or Federal law regarding the provision of services other than Cable Service.

7. REPORTS AND RECORDS

7.1. *Open Books and Records:* Upon reasonable written notice to the Franchisee and with no less than thirty (30) business days written notice to the Franchisee, the LFAs 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 LFAs. 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, except in the case of an audit as provided for in Section 7.4, Franchisee shall not be required to 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 LFAs shall treat any information disclosed by Franchisee as proprietary and confidential under Section 87(2) (d) of the New York Public Officers Law and shall only disclose it to employees, representatives, and agents thereof who have a need to know, or in order to enforce the provisions hereof. For purposes of this Section, "proprietary or confidential" information

includes, but is not limited to: information related to the Cable System design; trade secrets; Subscriber lists; marketing plans; financial information; or other information that is reasonably determined by the Franchisee to be competitively sensitive. If the LFAs receives a request under FOIL or similar law for the disclosure of information that Franchisee has designated as confidential, trade secret or proprietary, the LFAs shall notify Franchisee of such request. If LFAs determines in good faith that public disclosure of the requested information is required under FOIL, LFAs 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. *Minimum Records Required:* Franchisee shall at all times maintain at a minimum:

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 in the Service Area.

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

7.4. *Audit:* Subject to the confidentiality requirements set forth in Section 7.1 of this Franchise, Franchisee shall be responsible for making available to the LFAs for inspection and audit, all records necessary to confirm the accurate payment of Franchise Fees and the Annual PEG Grants, 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 LFAs 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 LFAs 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 LFAs shall conduct all audits expeditiously, and neither the LFAs nor Franchisee shall unreasonably delay the completion of an audit. The LFAs' audit expenses shall be borne by the LFAs unless the audit determines that the payment to the LFAs 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 LFAs as a result of such audit, shall be paid by Franchisee to the LFAs within sixty (60) days following written notice to Franchisee by the LFAs of the underpayment, which notice shall include a copy of the audit report; provided, however, that Franchisee's obligation to pay or reimburse the LFAs' audit expenses shall not exceed an aggregate amount payable to the Villages of Larchmont and Mamaroneck and the Town of Mamaroneck of Fifteen Thousand Dollars (\$15,000). If re-computation results in additional revenue to be paid to the LFAs, 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 LFAs shall be compensated on a success based formula, e.g., payment based on a percentage of an underpayment, if any. The LFAs shall not conduct an audit more frequently than once every three (3) years in the aggregate for the Villages of Larchmont and Mamaroneck and the Town of Mamaroneck.

8. INSURANCE AND INDEMNIFICATION

8.1. *Insurance:*

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

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

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

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

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

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

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

8.1.3. Each of the required insurance policies shall be noncancellable except upon thirty (30) days prior written notice to the LFAs. Franchisee shall not cancel any required insurance policy without submitting documentation to the LFAs 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 LFAs Certificates of Insurance showing evidence of the required coverage.

8.2. *Indemnification:*

8.2.1. Franchisee agrees to indemnify the LFA, and its officers, agents, boards, elected officials and employees for, and hold them 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, or by reason of any suit or claim for royalties, programming license fees, or infringement of patent rights arising out of Franchisee's provision of Cable Services over the Cable System other than PEG facilities and Channels, provided that the LFA shall give Franchisee timely written notice of the LFAs' request for indemnification but in any event, the LFAs shall provide such notice to Franchisee within a sufficient period of time from receipt of a claim or action pursuant to this Subsection to enable Franchisee to timely answer complaints, raise defenses and defend all claims. Notwithstanding the foregoing, Franchisee shall not indemnify the LFAs for any damages, liability or claims resulting from the willful misconduct or negligence of the LFAs, 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 LFAs by selecting counsel of Franchisee's choice to defend the claim, subject to the consent of the LFAs, which shall not be unreasonably withheld. Nothing herein shall be deemed to prevent the LFAs 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 LFAs, 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 if Franchisee shall bear the entire cost of the settlement. In the event that the terms of any such proposed settlement includes the release of the LFAs and the LFAs do 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 LFAs shall in no event exceed the amount of such settlement.

8.2.3. The LFAs 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 LFAs for acts of the LFAs which constitute willful misconduct or negligence on the part of the LFAs, 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 LFAs, provided that such consent shall not be unreasonably withheld, delayed or conditioned. In considering an application for the Transfer of the Franchise, the LFAs 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.

9.2. *Acceptance of Terms:* Within sixty (60) business days of the effective date of a Transfer of the Franchise, the transferee shall provide written notification to the LFAs confirming acceptance of the terms of this Franchise and not use such Transfer as a basis for challenging the validity of any past non-performance. As a condition of a Transfer, transferee will assume all liability existing under the Agreement. Such written notification shall be substantially in the form of **Exhibit E** and, upon execution and approval of the NY PSC, shall become incorporated herein and made a part hereof.

10. **RENEWAL OF FRANCHISE**

10.1. *Governing Law:* The LFAs and Franchisee agree that any proceedings undertaken by the LFAs 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 LFAs 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 LFAs 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 LFAs agree that at any time during the term of the then current Franchise, while affording the public appropriate notice and opportunity to comment, the LFAs

and Franchisee may agree to undertake and finalize informal negotiations regarding renewal of the then current Franchise and the LFAs may grant a renewal thereof.

10.4. *Consistent Terms:* Franchisee and the LFAs 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 LFAs believes that Franchisee has not complied with the terms of the Franchise, the LFAs shall notify Franchisee in writing of the exact nature of the alleged noncompliance (for purposes of this Article, the “Noncompliance Notice”).

11.2. *Franchisee’s Right to Cure or Respond:*

11.2.1. Except as provided for in Subsection 11.2.2, the Franchisee shall have sixty (60) days from receipt of the Noncompliance Notice to: (i) respond to the LFAs, 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 timely remedy such noncompliance and notify the LFAs 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 LFAs shall provide written confirmation that such cure has been effected.

11.2.2. If the Noncompliance Notice alleges the Franchisee has failed to make a payment when due with respect to any PEG grant payments whether they be under Subsection 5.3.2 or Subsection 5.3.4 (including, the Initial PEG Grant and the Annual PEG Grant), or Franchise Fee, the Franchisee shall have thirty (30) days from receipt of the Noncompliance Notice to cure such nonpayment of the undisputed amount.

11.3. *Liquidated Damages:* For the violation of any of the following provisions of this Franchise, liquidated damages shall be paid by the Franchisee to the LFAs. Any such liquidated damages shall be assessed as of the date that is sixty (60) days from the Franchisee’s receipt of the Noncompliance Notice, provided that the Franchisee has not cured the noncompliance upon which the Noncompliance Notice was issued, in accordance with the procedures set forth in Sections 11.1 and 11.2 above. On an annual basis from the Effective Date, the Franchisee shall not be liable for liquidated damages that exceed Ten Thousand Dollars (\$10,000) in the aggregate payable to the Villages of Larchmont and Mamaroneck and the Town of Mamaroneck . Liquidated damages shall be assessed as follows:

For failure to provide Cable Service as set forth
in Sections 3.1-3.3.....\$100 per day for each day the
violation continues;

For failure to maintain the system standards
as set forth in Article 4.....\$50 per day for each day the
violation continues;

For failure to comply with Article 5	\$100 per day for each day the violation continues;
For failure to provide LFAs with any reports or records required by the Agreement within the time period required.....	\$50 per day for each day the violation continues;
For failure to carry the insurance specified in Subsection 8.1.1	\$100 per day for each day the violation continues;
For a transfer specified in Article 9 without required approval.....	\$100 per day for each day the violation continues; and
For failure to comply with Parts 890 through and 896 of the NY PSC rules and regulations	\$100 per day for each day the violation continues, provided that such penalty shall be inapplicable if the NY PSC imposes a penalty on Franchisee for such a violation.

11.3.1. Any liquidated damages assessed pursuant to this section shall not be a limitation upon any other provisions of this Franchise and applicable law, including revocation, or any other statutorily or judicially imposed penalties or remedies; provided, however, that in the event that the LFAs collects liquidated damages for a specific breach for a specific period of time, pursuant to this Section 11.3, the collection of such liquidated damages shall be deemed to be the LFAs exclusive remedy for the specific breach for such specific period of time only.

11.3.2. The parties agree that each case of non-compliance as set forth in this Section 11.3 shall result in damage to the LFAs, compensation for which will be difficult to ascertain. The parties agree that the liquidated damages in the amounts set forth in this Section 11.3 are fair and reasonable compensation for such damage.

11.4. *Public Hearing:* The LFA shall schedule a public hearing (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 or commenced to remedy the alleged noncompliance within sixty (60) days (or, in the case of a noncompliance as set forth at Subsection 11.2.2, within thirty (30) days) or the date projected pursuant to Subsection 11.2.1(iii) above. The LFA shall provide Franchisee at least thirty (30) calendar 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.

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

11.5.1. Seek to recover liquidated damages from Franchisee in accordance with Section 11.3; or

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

11.5.3. Commence an action at law for monetary damages or seek other equitable relief, including, but not limited to, payment with respect to any form of security provided for in Section 11.8; or

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

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

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

11.6.2. Following the Revocation Hearing, Franchisee shall be provided up to thirty (30) days to submit its proposed findings and conclusions to the LFAs in writing, and thereafter the LFAs 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 LFAs 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 LFAs determines that it will revoke the Franchise, the LFAs shall promptly provide Franchisee with a written determination setting forth the LFAs’ reasoning for such revocation. Franchisee may appeal such written determination of the LFAs to an appropriate court, which shall have the power to review the decision of the LFAs *de novo*, to the extent permitted by law. 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.

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

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

11.8. *Security:* Prior to the Effective Date, the Franchisee shall provide and thereafter maintain in the aggregate to the Villages of Larchmont and Mamaroneck and the Town of Mamaroneck security for the performance of its obligations under this Agreement in the amount of Sixty Thousand and 00/100 Dollars (\$60,000.00). The form of this security may, at Franchisee's option, be a performance bond, letter of credit, cash deposit, cashier's check or any other security acceptable to the LFAs. If the Franchisee posts a performance bond, it shall be substantially in the form of **Exhibit F** attached hereto.

11.8.1. In the event that a performance bond provided pursuant to the Agreement is not renewed or is cancelled, Franchisee shall provide new security pursuant to this Article within thirty (30) days of such cancellation or failure to renew.

11.8.2. Neither cancellation nor termination, nor refusal by surety to extend the performance bond, nor inability of the Franchisee, as principal, to file a replacement performance bond or replacement security for its obligations, shall constitute a loss to the LFAs, as obligee, recoverable under the performance bond.

12. **MISCELLANEOUS PROVISIONS**

12.1. *Actions of Parties:* In any action by the LFAs 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 LFAs.

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.

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

12.5.1. Notices to Franchisee shall be mailed to:

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

12.5.2. Notices to the LFAs shall be mailed to:

Village of Larchmont

Village Clerk
Municipal Building
120 Larchmont Ave.
Larchmont, NY 10538

Town of Mamaroneck

Town Clerk
Town Hall
740 W. Boston Post Road
Mamaroneck, NY 10543

Village of Mamaroneck

Clerk - Treasurer
Village Offices at the Regatta
123 Mamaroneck Ave.
Mamaroneck, NY 10543

12.5.3. with a copy to:

Administrator
Cable TV Board of Control
C/O of Village of Mamaroneck
123 Mamaroneck Ave.
Mamaroneck, NY 10573

12.6. *Entire Agreement:* This Franchise and the Exhibits hereto constitute the entire agreement between Franchisee and the LFAs 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:* With the exception of this Agreement's Section 1.16 (Definition of Gross Revenue), Section 6.1 (Payment of Franchise Fees to LFAs), and Article V (PEG Services), 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 LFAs 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 pursuant to this Agreement. This provision is not intended to contravene leased access requirements under Title VI or PEG requirements set out in this Agreement.

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

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

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

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

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

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

12.18. *LFAs Official:* The LFAs' Manager or designated representatives or representative of the Manager is the LFAs' official that is responsible for the continuing administration of this Agreement. However, the Franchisee agrees that the LFAs may transfer or delegate any such responsibilities to the Control Board to act on behalf of the LFAs; provided, however, that in the event the Control Board acts on behalf of the LFAs on a particular matter the Villages of Larchmont and Mamaroneck and the Town of Mamaroneck may not simultaneously exercise their individual rights on the same matter under this Franchise Agreement.

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

[SIGNATURE PAGE FOLLOWS]

AGREED TO THIS _____ DAY OF _____, 2007.

Village of Larchmont:

By: _____

Village of Mamaroneck:

By: _____

Town of Mamaroneck:

By: _____

Verizon New York Inc.

By: _____
Tracey Edwards, Vice President

EXHIBITS

Exhibit A: Municipal Buildings to be Provided Free Cable Service

Exhibit B: Service Area

Exhibit C: PEG Channels

Exhibit D: PEG Access Origination Point

Exhibit E: Form of Transferee's Notification Regarding Acceptance of Terms

Exhibit F: Form of Performance Bond

EXHIBIT A

MUNICIPAL BUILDINGS TO BE PROVIDED FREE CABLE SERVICE

<u>Municipal Buildings</u>	<u>Address</u>
Firehouse	205 Weaver Street, Larchmont, NY 10538
Town Center	740 West Boston Post Road, Mamaroneck, NY 10543
LMC-TV Studio	740 West Boston Post Road, Mamaroneck, NY 10543
Firehouse	146 Palmer Avenue, Mamaroneck, NY 10543
Mamaroneck EMS Building	200 North Barry Avenue, Mamaroneck, NY 10543
Firehouse	147 Mamaroneck Avenue, Mamaroneck, NY 10543
Firehouse	643 Mamaroneck Avenue, Mamaroneck, NY 10543
Firehouse	1400 Halstead Avenue, Mamaroneck, NY 10543
Firehouse	605 North Barry Avenue, Mamaroneck, NY 10543
Emelin Theater	153 Library Lane, Mamaroneck, NY 10543
Village Hall	169 Mt. Pleasant Avenue, Mamaroneck, NY 10543
Police Department	169 Mt. Pleasant Avenue, Mamaroneck, NY 10543
Library	136 Prospect Avenue, Mamaroneck, NY 10543
Village Yard	2015 Boston Post Road, Larchmont, NY 10538
Police Department	120 Larchmont Avenue, Larchmont, NY 10538
Village Hall	120 Larchmont Avenue, Larchmont, NY 10538
Firehouse	130 Larchmont Avenue, Larchmont, NY 10538
Library and Village Center	119-121 Larchmont Avenue, Larchmont, NY 10538
Ambulance Corps	155 Weaver Street, Larchmont, NY 10538
Public Works	313 Fayette Avenue, Mamaroneck, NY 10543
Public Works	40 Maxwell Avenue, Larchmont, NY 10538
Senior Center	740 West Boston Post Road, Mamaroneck, NY 10543
Police Department	740 West Boston Post Road, Mamaroneck, NY 10543
Health Center Building	234 Stanley Ave., Mamaroneck, NY 10543
Village Administrative Offices	123 Mamaroneck Ave., Mamaroneck, NY 10543
Sanitation Commission	30 Maxwell Avenue, Larchmont, NY 10538
Hommocks Ice Rink	140 Hommocks Road, Larchmont, NY 10538
Sheldrake Environmental	685 Weaver Street, Larchmont, NY 10538
Senior Center	1288 Boston Post Road, Larchmont, NY 10538

<u>Mamaroneck School District</u>	<u>Address</u>
Central School	1100 Palmer Avenue, Mamaroneck, NY 10543
Chatsworth School	34 Chatsworth Avenue, Larchmont, NY 10538

Mamaroneck Avenue School
Murray Avenue School
Hommocks Middle School
Mamaroneck High School

850 Mamaroneck Avenue, Mamaroneck, NY 10543
250 Murray Avenue, Larchmont, NY 10538
10 Hommocks Road, Larchmont, NY 10538
1000 West Boston Post Road, Mamaroneck, NY 10543

Rye Neck School District

Address

F.E. Bellows School
Daniel Warren School
Rye Neck High School
Rye Neck Middle School

200 Carroll Avenue, Mamaroneck, NY 10543
1310 Harrison Avenue, Mamaroneck, NY 10543
310 Hornidge Road, Mamaroneck, NY 10543
300 Hornidge Road, Mamaroneck, NY 10543

EXHIBIT B

SERVICE AREA

The Service Area is the Franchise Area. A map of the Villages of Larchmont and Mamaroneck and the Town of Mamaroneck's Service Area is attached hereto.

The construction of the Franchisee's FTTP Network has been completed to approximately 77% of the current households in the Franchise Area. At present, Franchisee's anticipated schedule (with schedule dates measured from the month that the NY PSC issues the confirmation order approving this Franchise) calls for 81% deployment at 6 months, 84% deployment at 12 months, 87% deployment at 18 months, 90% deployment at 24 months, 92% deployment at 30 months, 94% deployment at 36 months, 95% deployment at 42 months, 97% deployment at 48 months, 99% deployment at 54 months, and 100% deployment at 60 months. This schedule is subject to further review and modification by the Franchisee consistent with Section 895.5(b)(1) of the NY PSC rules and regulations; provided, however, that Franchisee shall provide notice to the LFA and the NY PSC of any material change in this schedule.

EXHIBIT C

PEG CHANNELS

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

EXHIBIT D

PEG ACCESS ORIGATION POINTS

Subject to the requirements set forth in Section 5.2 of the Agreement, the following Public Access Channel, Government Access Channel and Educational Access Channel PEG Access Interconnection Site ("PEG Access Interconnection Site") shall be operable within one hundred twenty (120) days of the Effective Date:

LMC TV Studio, 740 W. Boston Post Road, Floor 3, Mamaroneck, NY 10543

The PEG Access Interconnection Site shall serve as the aggregation point for the PEG Content Origination Points designated below ("PEG Content Origination Points") feeding signals to the public, government and educational access channels. For purposes of permitting the LFAs to select and switch feeds into an aggregation point, Franchisee shall provide the LFAs, without charge, such capability at such aggregation point. Operation and maintenance of any equipment associated therewith shall be the responsibility of the LFAs. At the PEG Access Interconnection Site, the LFAs will provide Franchisee, without restriction, with suitable video signals from any and all additional PEG content origination points which may be provided or maintained by any other cable service provider within the Service Area.

Subject to the requirements set forth in Section 5.2 of the Agreement, the following one (1) PEG Content Origination Points feeding a signal to the PEG Access Interconnection Site shall be operable within one hundred eighty (180) days of the Effective Date:

Mamaroneck Village Hall , 169 Mt. Pleasant Avenue, Mamaroneck, NY 10543

Subject to the requirements set forth in Section 5.2 of the Agreement, the following two (2) PEG Content Origination Points feeding a signal to the PEG Access Interconnection Site shall be operable within two hundred and forty (240) days of the Effective Date:

Rye Neck High School, 300 Hornidge Road, Mamaroneck, NY 10543

Larchmont Village Hall, 120 Larchmont Avenue, Larchmont 10538

At the above PEG Content Origination Points, the LFAs will provide Franchisee, without restriction, with a suitable video signal for the PEG Channels and the LFAs are responsible for all content and equipment necessary to deliver such signal at the point of connection.

EXHIBIT E

EXHIBIT F FORM OF TRANSFEREE'S NOTIFICATION REGARDING ACCEPTANCE OF TERMS

[LFAs ADDRESS]

Re: Cable Franchise Agreement by and between the Villages of Larchmont and Mamaroneck and the Town of Mamaroneck and Verizon New York Inc.

To Whom It May Concern:

Please be advised that, pursuant to Section 9.2 of the Cable Franchise Agreement by and between the Villages of Larchmont and Mamaroneck and the Town of Mamaroneck and Verizon New York Inc. dated _____, 2007 (the "Verizon Franchise"), the undersigned, [NAME OF TRANSFEREE], hereby confirms acceptance of the terms of the Verizon Franchise. [NAME OF TRANSFEREE] shall not use the Transfer as a basis for challenging the validity of any past non-performance and shall assume all liability existing under the Agreement.

Please contact the undersigned should you have any questions.

Very truly yours,

[NAME OF TRANSFEREE]

EXHIBIT F

FORM OF PERFORMANCE BOND

Bond No. _____

KNOW ALL MEN BY THESE PRESENTS: That (name & address) (hereinafter called the Principal), and (name and address) (hereinafter called the Surety), a corporation duly organized under the laws of the State of (state), are held and firmly bound unto (name & address) (hereinafter called the Obligee), in the full and just sum of _____ Dollars (\$ _____), the payment of which sum, well and truly to be made, the said Principal and Surety bind themselves, their heirs, administrators, executors, and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal and Obligee have entered into a Franchise Agreement dated _____ which is hereby referred to and made a part hereof.

WHEREAS, said Principal is required to perform certain obligations under said Agreement.

WHEREAS, the Obligee has agreed to accept this bond as security against default by Principal of performance of its obligations under said Agreement during the time period this bond is in effect.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH that if the Principal shall perform its obligations under said Agreement, then this obligation shall be void, otherwise to remain in full force and effect, unless otherwise terminated, cancelled or expired as hereinafter provided.

PROVIDED HOWEVER, that this bond is executed subject to the following express provisions and conditions:

1. In the event of default by the Principal, Obligee shall deliver to Surety a written statement of the details of such default within 30 days after the Obligee shall learn of the same, such notice to be delivered by certified mail to address of said Surety as stated herein.
2. This Bond shall be effective _____, 20____, and shall remain in full force and effect thereafter for a period of one year and will automatically extend for additional one year periods from the expiry date hereof, or any future expiration date, unless the Surety provides to the Obligee not less than sixty (60) days advance written notice of its intent not to renew this Bond or unless the Bond is earlier canceled pursuant to the following.
This Bond may be canceled at any time upon sixty (60) days advance written notice from the Surety to the Obligee.
3. Neither cancellation, termination nor refusal by Surety to extend this bond, nor inability of Principal to file a replacement bond or replacement security for its obligations under said Agreement, shall constitute a loss to the Obligee recoverable under this bond.

Bond No. _____

4. No claim, action, suit or proceeding shall be instituted against this bond unless same be brought or instituted and process served within one year after termination or cancellation of this bond.
5. No right of action shall accrue on this bond for the use of any person, corporation or entity other than the Obligee named herein or the heirs, executors, administrators or successors of the Obligee.
6. The aggregate liability of the surety is limited to the penal sum stated herein regardless of the number of years this bond remains in force or the amount or number of claims brought against this bond.
7. This bond is and shall be construed to be strictly one of suretyship only. If any conflict or inconsistency exists between the Surety's obligations as described in this bond and as may be described in any underlying agreement, permit, document or contract to which this bond is related, then the terms of this bond shall supersede and prevail in all respects.

This bond shall not bind the Surety unless it is accepted by the Obligee by signing below.

IN WITNESS WHEREOF, the above bounded Principal and Surety have hereunto signed and sealed this bond effective this _____ day of _____, 200_.

Principal

Surety

By: _____

By: _____
_____, Attorney-in-Fact

Accepted by Obligee: _____
(Signature & date above - Print Name, Title below)

CABLE FRANCHISE AGREEMENT
BY AND BETWEEN
THE VILLAGES OF LARCHMONT AND MAMARONECK
AND THE TOWN OF MAMARONECK, NEW YORK
AND
VERIZON NEW YORK INC.

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EXHIBITS

Exhibit A: Municipal Buildings to be Provided Free Cable Service

Exhibit B: Service Area

Exhibit C: PEG Channels

Exhibit D: PEG Access Origination Point

Exhibit E: Form of Transferee's Notification Regarding Acceptance of Terms

Exhibit F: Form of Performance Bond

THIS CABLE FRANCHISE AGREEMENT (the “Franchise” or “Agreement”) is entered into by and between the Villages of Larchmont and Mamaroneck and the Town of Mamaroneck, validly organized and existing political subdivisions of the State of New York (collectively referred to as the “Local Franchising Authorities” or “LFAs”) and Verizon New York Inc., a corporation duly organized under the applicable laws of the State of New York (the “Franchisee”).

WHEREAS, each of the LFAs wish 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, each of the LFAs 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, each of the LFAs are members of the tri-municipal cable television Board of Control (the “Board of Control”) as created in the CATV agreement executed on the 3rd day of December, 1980 (the “Members”);

WHEREAS, pursuant to the franchises granted by the Members, and pursuant to law, it is the responsibility of each Member to administer and supervise the provisions of such franchise for its own benefit and for the benefit of its residents;

WHEREAS, each of the Members has heretofore determined that these franchises are interrelated, that negotiation, administration, and supervision of the franchises can be best performed in a cooperative arrangement between and among the Members, and that the ability of each Member to provide its residents with adequate cable television service would be enhanced by such a cooperative arrangement;

WHEREAS, each of the Members have delegated to the Board of Control the power and authority to act on behalf of the LFAs pursuant to and relating to negotiating, administering, and supervising the terms and conditions of this franchise agreement between the LFAs and Franchisee;

WHEREAS, Franchisee is upgrading 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 Franchise Area, and Franchisee desires to use portions of the FTTP Network to provide Cable Services (as hereinafter defined) in the Franchise Area;

WHEREAS, the LFAs, jointly, and the Franchisee are entering into this Agreement for the purpose of setting forth the terms and conditions on which Franchisee shall be entitled to provide Cable Services in the Franchise Area with the express understanding and agreement that nothing in this Agreement shall add to or detract from (i) the LFAs' police powers, or rights or privileges in respect of the Public Rights of Way in accordance with Federal, State, and local laws or (ii) the Franchisee's rights or privileges in respect of the FTTP Network in accordance with Federal, State, and local laws, as each relates to the provision of Non-Cable Services in the Franchise Area, it being the intent of the parties that this Agreement shall govern only the provision of Cable Services;

WHEREAS, the LFAs have identified the future cable-related needs and interests of the LFAs and after appropriate public proceedings affording due process to all parties in accordance with New York Law have determined that Franchisee's plans for its Cable System are adequate and feasible;

WHEREAS, based on the representations of the Franchisee in the Franchisee's cable franchise applications, the LFAs have found Franchisee to be financially, technically and legally qualified to operate the Cable System in the Franchise Area;

WHEREAS, the LFAs have 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 LFAs 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 each of the LFA's grant of a franchise to Franchisee and Franchisee's promise to provide Cable Service to residents of the Franchise Area pursuant to and consistent with the Cable Law (as herein defined), in each case on the terms and conditions hereinafter set forth, the promises and undertakings of the parties hereinafter set forth, and such 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 LFAs without charge for Public, Educational, or Governmental noncommercial use for the transmission of video programming as directed by the LFAs.

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 by local public schools and public school districts in the Franchise Area and other not-for-profit educational institutions chartered or licensed by the New York State Department of Education or Board of Regents in the Franchise Area.

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

1.12. *Force Majeure*: An event or events reasonably beyond the ability of Franchisee to anticipate and control that directly or indirectly results in Franchisee's non-compliance with, or delay in the performance of, any obligation hereunder. This includes, but is not limited to, severe or unusual weather conditions, strikes, labor disturbances and disputes, war or act of war (whether an actual declaration of war is made or not), insurrection, riots, act of public enemy, incidences of terrorism, acts of vandalism, actions or inactions of any government instrumentality or public utility including condemnation, accidents for which the Franchisee is not primarily responsible, fire, flood, or other acts of God, or work delays resulting from unaffiliated utility providers' failure to service, monitor, or maintain utility poles to which Franchisee's FTTP Network is attached, and unavailability of materials and/or qualified labor to perform the work necessary.

1.13. *Franchise Area*: The incorporated area (entire existing territorial limits) of the LFAs, 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 LFAs.

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.

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, digital video recorders, remote controls, additional outlets and/or other Cable Service related Subscriber premises equipment, whether by lease or fee;

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

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

(v) compensation received by Franchisee that is derived from the operation of Franchisee's Cable System to provide Cable Service with respect to commissions that are paid to Franchisee as compensation for promotion or exhibition of any products or services on the Cable System, such as "home shopping" or a similar channel, subject to the exceptions below. Gross Revenue includes a pro rata portion of all revenue derived by Franchisee pursuant to compensation arrangements for advertising derived from the operation of Franchisee's Cable System to provide Cable Service within the Service Area, subject to the exceptions below. The allocation shall be based on the number of Subscribers in the Service Area divided by the total number of subscribers in relation to the relevant local, regional or national compensation arrangement. Advertising commissions paid to third parties shall not be netted against advertising revenue included in Gross Revenue; and

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

Except as provided above, Gross Revenue shall not include:

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

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

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

(iv) except as otherwise provided in Section 1.16, 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 the Communications Act (as amended from time to time), then Franchisee shall include revenue from such service as Gross Revenue on a going forward basis commencing with the next available billing cycle following the effective date of such change in the Communications Act. Should a final determination or ruling of any agency or court having jurisdiction, after the exhaustion of all appeals related thereto, classify as a Cable Service any service provided by the Franchisee over the Cable System, then the LFAs shall be entitled, after notification to Franchisee and without mutual agreement in writing as otherwise required by Section 12.7, to amend this Agreement in the manner prescribed under applicable state law or this Franchise to include revenue from the 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 the issuance of an order from the NY PSC approving such amendment;

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

(vi) the sale of Cable Services on the Cable System for resale in which the purchaser is required to collect cable Franchise Fees from purchaser's customer;

(vii) the sale of Cable Services to customers, which are exempt, as required or allowed by the LFAs including, without limitation, the provision of Cable Services to public institutions as required or permitted herein, except to the extent Franchisee actually receives any revenues from such customers that would otherwise be included in Gross Revenues;

(viii) 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);

(ix) 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);

(x) 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;

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

(xii) any fees or charges collected from Subscribers or other third parties for any PEG grant payments whether they be under Subsection 5.3.2 or Subsection 5.3.4 (including, the Initial PEG Grant ~~payments~~ and the Annual PEG Grant ~~payments~~).

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 (LFAs)*: Collectively the Villages of Larchmont and Mamaroneck and the Town of Mamaroneck, New York, or their lawful successors, transferees, or assignees thereof.

1.20. *Non-Cable Services*: Any service that does not constitute the provision of a Cable Service pursuant to this Agreement 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 or by nonresidents with resident sponsorship~~ LFAs' residents or by those Persons approved by Larchmont-Mamaroneck Community Television ("LMC-TV" - the entity designated by the LFAs to administer the Public Access Channel) 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. Franchisee shall notify LFA in writing within sixty (60) business days of any change in ownership or other interest. The new Franchisee shall not use such change in ownership or other interest as a basis for challenging the validity of any past non-performance.

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

2. GRANT OF AUTHORITY; LIMITS AND RESERVATIONS

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

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

2.3. *Effective Date and Term:* This Franchise shall become effective on the date that the NY PSC issues a certificate of confirmation for this Franchise (the "Effective Date"), following its approval by the LFAs' respective governing authority authorized to grant franchises and its acceptance by the Franchisee. The term of this Franchise shall be fifteen (15) years from the Effective Date unless the Franchise is earlier revoked as provided herein. The Franchisee shall memorialize the Effective Date by notifying the LFAs in writing of the same, which notification shall become a part of this Franchise. If subsequent to the Effective Date, there is a change in federal or state law that eliminates the authority of the LFA to require, grant or maintain this Franchise, then to the extent permitted by law, this Franchise shall survive such legislation and remain in effect for the term 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 themselves, at any time during the term of this Franchise. Any such rights which are granted shall not adversely impact the authority as granted under this Franchise.

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

2.6. *No Waiver:*

2.6.1. The failure of the LFAs on one or more occasions to exercise a right under this Franchise, the Cable Law or other applicable state, federal or local 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, federal, or local law, or to require performance under this Franchise, shall not be deemed to constitute a waiver of such

right or a waiver of performance of this Agreement, nor shall it excuse the LFA from performance, unless such right or such performance has been specifically waived in writing.

2.7. *Construction of Agreement:*

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

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

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

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

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

3. **PROVISION OF CABLE SERVICE**

3.1. *Service Area:* Subject to the issuance of all necessary permits by the LFA, Franchisee shall offer Cable Service to significant numbers of residential Subscribers in the Service Area and may make Cable Service available to businesses in the Service Area, within twelve (12) months and shall offer Cable Service to all residential Subscribers in the Service Area within five (5) years, of the Effective Date of this Franchise, or, in both instances, such longer period as may be permitted by the Cable Law, except, in accordance with NY PSC rules and regulations: (A) for periods of Force Majeure; (B) for periods of delay caused by the LFA; (C) for periods of delay resulting from Franchisee's inability to obtain authority to access rights-of-way in the Service Area; (D) in areas where developments or buildings are subject to claimed exclusive arrangements with other providers; (E) in areas, developments or buildings where Franchisee cannot gain access after good faith efforts; (F) in areas, developments or buildings where the provision of Cable Service is economically infeasible because such provision requires nonstandard facilities which are not available on a commercially reasonable basis; and (G) in areas where the occupied residential household density does not meet the density and other requirements set forth in Subsection 3.1.1 and Section 3.2.

3.1.1. *Density Requirement:* Franchisee shall make Cable Services available to residential dwelling units requesting Cable Service from Franchisee in all areas of the Service Area where the average density is equal to or greater than twenty (20) 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 Section 3.1, Franchisee shall provide Cable Service to such area within twelve (12) months of receiving notice from the LFAs that the density requirements have been met.

3.2. *Availability of Cable Service:*

3.2.1. *Availability of Cable Service Generally:* Franchisee shall make Cable Service available to all residential dwelling units and may make Cable Service available to businesses within the Service Area in conformance with Section 3.1, and Franchisee shall not discriminate between or among any individuals in the availability of Cable Service or based upon the income in a local area. In the areas in which Franchisee shall provide Cable Service, Franchisee shall be required to connect, at Franchisee's expense, other than a standard installation charge, all residential dwelling units that are within one hundred fifty (150) feet of trunk or feeder lines not otherwise already served by Franchisee's FTTP Network. Franchisee shall be allowed to recover, from a Subscriber that requests such connection, the actual costs incurred for residential dwelling unit connections that exceed one hundred fifty (150) feet or are in an area with a density of less than twenty (20) 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 (20) occupied residential dwelling units per mile if such would not be possible within the limitations of economic feasibility.

3.2.2. *No Discrimination in the Availability of Cable Service:* Franchisee shall not deny access to Cable Service to any group of potential residential Subscribers because of the income of the residents of the local area in which such group resides.

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; or as designated by the LFAs in the future during the Franchise term, upon sixty (60) days prior written notice to the Franchisee and within the Franchisee's approved video validated area; provided however that any new additional library, school or public buildings added to **Exhibit A** by the LFAs cannot exceed in the aggregate to the Villages of Larchmont and Mamaroneck and the Town of Mamaroneck more than five (5) additional buildings per year and ten (10) additional buildings over the life of the Agreement; provided, however, that if it is necessary to extend Franchisee's trunk or feeder lines more than one hundred fifty (150) feet solely to provide service to such library, school or public building, the LFAs shall have the option either of paying Franchisee's direct costs for such extension in excess of one hundred fifty (150) feet, or of releasing Franchisee from the obligation to provide service to such school or public building. Furthermore, Franchisee shall be permitted to recover, from any school or public building owner entitled to free service, the direct cost of installing, when requested to do so, more than one outlet, or concealed inside wiring, or a service outlet requiring more than one hundred fifty (150) feet of drop cable; provided, however, that Franchisee shall not charge for

the provision of Basic Service to the additional service outlets once installed. Cable Service may not be resold or otherwise used in contravention of Franchisee's rights with third parties respecting programming. Equipment provided by Franchisee, if any, shall be replaced at retail rates if lost, stolen or damaged.

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

4. **SYSTEM FACILITIES**

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

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

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

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

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

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

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 three (3) PEG Channels as permitted in the Cable Law; provided, however, that the Franchisee shall provide a fourth (4th) PEG Access Channel on its Basic Service tier within ninety (90) days after receiving written notice from the LFAs that an existing provider of Cable Service or cable service (as such term may be defined by other providers) in the Service Area has activated a fourth (4th) PEG Access Channel for the LFAs.

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. Franchisee agrees to provide the LFAs with thirty (30) days notice in the event that Franchisee elects to change the PEG Channel lineup. 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. The LFA shall designate in its sole discretion a site within the Franchise Area for the interconnection of PEG access facilities with the Cable System (the “PEG Access Interconnection Site”), and not more than three (3) additional sites within the Franchise Area for PEG Content Origination (each, a “PEG Content Origination Point”), which PEG Access Interconnection Site and PEG Content Origination Points are identified in **Exhibit D**.

5.2.2. Consistent with NY PSC rules and regulations, Franchisee shall provide a link between its video channel aggregation point and the PEG Access Interconnection Site in order to permit the signals to be correctly routed from the PEG Access Interconnection Site to the appropriate PEG Access Channel for distribution to Subscribers.

5.2.3. The LFA shall provide to Franchisee at the PEG Access Interconnection Site and the PEG Content Origination Points (as defined in **Exhibit D**) a suitable video signal for each PEG Channel, including a signal from each PEG content origination point provided or maintained by any other cable service provider in the Service Area. 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 obligation 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 LFAs as is reasonably necessary for Franchisee to fulfill its obligations. Channel or channels provided by Franchisee for PEG services shall provide transmission quality comparable to the transmission quality of other channels included in the Basic Service Tier, subject to limitations, if any, in the quality of signal as received by Franchisee.

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

5.3. *PEG Grant:*

5.3.1. Franchisee shall provide grants in the aggregate to the Villages of Larchmont and Mamaroneck and the Town of Mamaroneck to be used in support of local PEG programming. Such grants shall be used by the LFAs 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 equipment, and any other PEG related needs of the LFAs.

5.3.2. Subject to Subsection 5.3.3 below, the Franchisee shall pay a PEG grant to the Villages of Larchmont and Mamaroneck and the Town of Mamaroneck in the aggregate total amount of ONE MILLION ONE HUNDRED TEN THOUSAND DOLLARS (\$1,110,000) payable in fifteen (15) installments as follows:

- (i) The first installment of TWO HUNDRED THOUSAND DOLLARS (\$200,000) shall be payable within sixty (60) days after the Effective Date.
- (ii) The second through fifteenth installments of SIXTY FIVE THOUSAND DOLLARS (\$65,000) each shall be payable annually within thirty (30) days of the first through fourteenth anniversary date of the Effective Date, respectively.

5.3.3. If within one hundred twenty (120) days after the Effective Date of this Agreement, the NY PSC has not issued a confirmation order confirming a renewal agreement with the existing cable service provider in the Service Area that contains a total PEG grant payment obligation to the Villages of Larchmont and Mamaroneck and the Town of Mamaroneck in the aggregate total amount of at least ONE MILLION ONE HUNDRED TEN THOUSAND DOLLARS (\$1,110,000) and on a substantially similar payment schedule as that set out in Subsection 5.3.2, then Subsection 5.3.2 shall have no further effect and the Franchisee shall have the PEG grant payment obligations set forth in Subsection 5.3.4.

5.3.4. Franchisee shall pay a PEG grant (the "Initial PEG Grant") to the Villages of Larchmont and Mamaroneck and the Town of Mamaroneck in the aggregate total amount of FOUR HUNDRED FORTY FIVE THOUSAND DOLLARS (\$445,000) payable in four (4) installments as follows, subject to Franchisee taking a TWO HUNDRED THOUSAND DOLLAR (\$200,000) credit against such payments if Franchisee has paid such amount to the LFAs pursuant to Subsection 5.3.2:

- (i) The first installment of TWO HUNDRED THOUSAND DOLLARS (\$200,000) shall be payable within sixty (60) days after the Effective Date.
- (ii) The second and third installment of NINETY FIVE THOUSAND DOLLARS (\$95,000) each shall be payable within thirty (30) days of the first and second anniversary date of the Effective Date, respectively.

- (iii) The remaining fourth installment of FIFTY FIVE THOUSAND DOLLARS (\$55,000) shall be payable within thirty (30) days of the third anniversary date of the Effective Date.

~~5.3.3.~~ In addition to the ~~sum~~Initial PEG Grant set forth in Subsection ~~5.3.25.3.4~~ and except as otherwise provided for in Subsections ~~5.3.4~~ and 5.3.5, the Franchisee shall pay on a quarterly basis to the Villages of Larchmont and Mamaroneck and the Town of Mamaroneck an additional, per subscriber annual PEG grant (the “Annual PEG Grant”) in the aggregate as follows:

- (i) Commencing on the first anniversary date of the Effective Date, in the amount of Seventy Five Cents (\$0.75) per month, per Subscriber who subscribes to Franchisee’s Basic Service tier in the respective Service Area.
- (ii) Commencing on the tenth anniversary date of the Effective Date, in the amount of One Dollar (\$1.00) per month, per Subscriber who subscribes to Franchisee’s Basic Service tier in the respective Service Area.

The Annual PEG Grant payment, along with a brief summary of the Subscriber information upon which it is based, shall be delivered to the LFAs within sixty (60) days after the end of each calendar quarter from the first through the fifteenth anniversary date of the Effective Date ~~as set forth above in Subsection 5.3.3.~~

~~5.3.4.~~ 5.3.5. The LFAs shall impose an equivalent obligation to the obligations set forth in this ~~Section 5.3~~Subsection 5.3.4 (including the total amount of the Initial PEG Grant and amounts of the Annual PEG Grant) on all new and renewed providers of cable service in the Service Area. If the LFAs do not impose such equivalent obligations on all renewed and new cable service providers in the Service Area, then the Franchisee shall have no obligation to provide the Annual PEG Grant payments set forth in Subsection ~~5.3.3.~~5.3.4.

~~5.3.5. Notwithstanding Subsections 5.3.3 and 5.3.4 above, if any other cable service provider in the Service Area is providing cable service pursuant to a temporary operating authority which the LFAs believe contains a legal obligation to pay a per-subscriber PEG grant to the LFAs, then the Franchisee shall be obligated to provide, in lieu of the Annual PEG Grant amount set forth in Subsection 5.3.3, an Annual PEG Grant in the amount of Fifty Cents (\$0.50) per month, per Subscriber who subscribes to Franchisee’s Basic Service tier in the LFAs’ respective Service Area, commencing on the second anniversary date of the Effective Date through the sixth anniversary of the Effective Date, subject to the LFAs’ delivery of written confirmation to the Franchisee, at least sixty (60) days prior to the second anniversary of the Effective Date, representing that the LFAs are taking reasonable steps to actively pursue enforcement of the other cable provider’s PEG grant payment obligation under such temporary operating authority. If, during this time period, the LFAs enter into a renewal franchise agreement with a cable service provider in the Service Area that includes a payment obligation equivalent to those set forth in Subsections 5.3.2 and 5.3.3, then, in lieu of the Fifty Cents (\$0.50) amount set forth in this Subsection, the Annual PEG Grant amounts set forth in~~

~~Subsection 5.3.3 shall become effective and due in the next full calendar month following the issuance by the NY PSC of an order confirming the renewal franchise agreement of such cable service provider.~~

5.4. *Indemnity for PEG:* The LFAs ~~shall~~may 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 LFAs 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 LFAs shall establish rules and regulations for use of PEG facilities, consistent with, and as required by, 47 U.S.C. §531.

5.5. *Recovery of Costs:* To the extent permitted by federal law, the Franchisee shall be allowed to recover the costs of any PEG grant payments whether they be under Subsection 5.3.2 or Subsection 5.3.4 (including, the Initial PEG Grant, and the Annual PEG Grant), or any other costs arising from the provision of PEG services from Subscribers and to include such costs as a separately billed line item on each Subscriber's bill. Without limiting the forgoing, if allowed under state and federal laws, Franchisee may externalize, line-item, or otherwise pass-through interconnection and any franchise-related costs to Subscribers.

6. **FRANCHISE FEES**

6.1. *Payment to LFAs:* Franchisee shall pay to the LFAs a Franchise Fee of five percent (5%) of annual Gross Revenue (the "Franchise Fee"). In accordance with Title VI, the twelve (12) month period applicable under the Franchise for the computation of the Franchise Fee shall be a calendar year. Such payments shall be made no later than forty-five (45) days following the end of each calendar quarter. Franchisee shall be allowed to submit or correct any payments that were incorrectly omitted, and shall be refunded any payments that were incorrectly submitted, in connection with the quarterly Franchise Fee remittances within ninety (90) days following the close of the calendar year for which such payments were applicable. Late payments for Franchise Fees shall be subject to interest charges computed from the due date, at the then-current rate set forth in Section 5004 of Article 50 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) during the period such unpaid amount is owed.

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

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

reflected in Section 7. Unless agreed to in writing by the parties, the acceptance of any Franchise Fee payment shall be not be construed as an accord and satisfaction that such payment is in fact that correct amount, nor shall such acceptance of payment be construed as a release or satisfaction of any claim the LFAs may have for further or additional Franchise Fee sums payable under the provisions of this Franchise.

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

6.5. *Town Comptroller of the Town Of Mamaroneck:* The LFAs and the Franchisee agree that the Town Comptroller of the Town of Mamaroneck is appointed as the agent of the LFAs for receipt of any and all payments or sums due to the LFAs under the Franchise Agreement, including, but not limited to, ~~the Initial PEG Grant, the Annual PEG Grant,~~any PEG grant payment under the Agreement and the Franchise Fee. However, the LFAs may appoint a new representative of the LFAs to receive such payments or sums upon sixty (60) days advance written notice to the Franchisee.

6.6. *Section 626 Treatment:* Franchisee agrees that it will not take a special franchise tax deduction (whether in the form of a reduction in the franchise fee amount paid to the LFAs or as a credit against the special franchise tax payable to each of the Villages of Larchmont and Mamaroneck and the Town of Mamaroneck, pursuant to N.Y. Real Property Tax Law Section 626) for the first two (2) years following the issuance by the NY PSC of an order confirming this Agreement. Thereafter, Franchisee reserves the right to apply the Franchise Fee as a deduction against the special franchise tax payable to each such LFA, pursuant to N.Y. Real Property Tax Law Section 626, in an amount not to exceed the highest deduction available to any other cable franchisee in such LFA (based upon the other cable franchisee's yearly tax invoice payable to the LFA) until such time that the LFA obtains a written complete waiver of the full amount of the special franchise tax deduction (whether in the form of a reduction in the franchise fee amount paid to the LFA or as a credit against the special franchise tax) from such existing and any new provider of Cable Service or cable service (as such term may be defined by other providers) in the Service Area. Upon securing such written waiver from all existing and new providers of Cable Service or cable service (as such term may be defined by other providers) in the Service Area, Franchisee agrees to no longer apply the Franchise Fee as a deduction against the special franchise tax payable to such LFA, pursuant to N.Y. Real Property Tax Law Section 626 beginning in the next full calendar month after such waiver becomes legally binding on such LFA's existing cable franchisee. The operation of this Section 6.6 shall be strictly limited to Franchise Fees lawfully imposed upon Cable Service, and shall not be construed to affect the Franchisee's rights under any provision of State or Federal law regarding the provision of services other than Cable Service.

7. **REPORTS AND RECORDS**

7.1. *Open Books and Records:* Upon reasonable written notice to the Franchisee and with no less than thirty (30) business days written notice to the Franchisee, the LFAs 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 LFAs. 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, except in the case of an audit as provided for in Section 7.4, Franchisee shall not be required to 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 LFAs shall treat any information disclosed by Franchisee as proprietary and confidential under Section 87(2) (d) of the New York Public Officers Law and shall only disclose it to employees, representatives, and agents thereof who have a need to know, or in order to enforce the provisions hereof. For purposes of this Section, "proprietary or confidential" information includes, but is not limited to: information related to the Cable System design; trade secrets; Subscriber lists; marketing plans; financial information; or other information that is reasonably determined by the Franchisee to be competitively sensitive. If the LFAs receives a request under FOIL or similar law for the disclosure of information that Franchisee has designated as confidential, trade secret or proprietary, the LFAs shall notify Franchisee of such request. If LFAs determines in good faith that public disclosure of the requested information is required under FOIL, LFAs 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. *Minimum Records Required:* Franchisee shall at all times maintain at a minimum:

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 in the Service Area.

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

7.4. *Audit:* Subject to the confidentiality requirements set forth in Section 7.1 of this Franchise, Franchisee shall be responsible for making available to the LFAs for inspection and audit, all records necessary to confirm the accurate payment of Franchise Fees and the Annual PEG Grants, 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 LFAs 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 LFAs 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 LFAs shall conduct all audits expeditiously, and neither the LFAs nor Franchisee shall unreasonably delay the completion of an audit. The LFAs' audit expenses shall be borne by the LFAs unless the audit determines that the payment to the LFAs 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 LFAs as a result of such audit, shall be paid by Franchisee to the LFAs within sixty (60) days following written notice to Franchisee by the LFAs of the underpayment, which notice shall include a copy of the audit report; provided, however, that Franchisee's obligation to pay or reimburse the LFAs' audit expenses shall not exceed an aggregate amount payable to the Villages of Larchmont and Mamaroneck and the Town of Mamaroneck of Fifteen Thousand Dollars (\$15,000). If re-computation results in additional revenue to be paid to the LFAs, 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 LFAs shall be compensated on a success based formula, e.g., payment based on a percentage of an underpayment, if any. The LFAs shall not conduct an audit more frequently than once every three (3) years in the aggregate for the Villages of Larchmont and Mamaroneck and the Town of Mamaroneck.

8. **INSURANCE AND INDEMNIFICATION**

8.1. *Insurance:*

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

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

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

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

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

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

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

8.1.3. Each of the required insurance policies shall be noncancellable except upon thirty (30) days prior written notice to the LFAs. Franchisee shall not cancel any required insurance policy without submitting documentation to the LFAs 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 LFAs Certificates of Insurance showing evidence of the required coverage.

8.2. *Indemnification:*

8.2.1. Franchisee agrees to indemnify the LFA, and its officers, agents, boards, elected officials and employees for, and hold them 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, or by reason of any suit or claim for

royalties, programming license fees, or infringement of patent rights arising out of Franchisee's provision of Cable Services over the Cable System other than PEG facilities and Channels, provided that the LFA shall give Franchisee timely written notice of the LFAs' request for indemnification but in any event, the LFAs shall provide such notice to Franchisee within a sufficient period of time from receipt of a claim or action pursuant to this Subsection to enable Franchisee to timely answer complaints, raise defenses and defend all claims. Notwithstanding the foregoing, Franchisee shall not indemnify the LFAs for any damages, liability or claims resulting from the willful misconduct or negligence of the LFAs, 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 LFAs by selecting counsel of Franchisee's choice to defend the claim, subject to the consent of the LFAs, which shall not be unreasonably withheld. Nothing herein shall be deemed to prevent the LFAs 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 LFAs, 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 if Franchisee shall bear the entire cost of the settlement. In the event that the terms of any such proposed settlement includes the release of the LFAs and the LFAs do 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 LFAs shall in no event exceed the amount of such settlement.

8.2.3. The LFAs 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 LFAs for acts of the LFAs which constitute willful misconduct or negligence on the part of the LFAs, 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 LFAs, provided that such consent shall not be unreasonably withheld, delayed or conditioned. In considering an application for the Transfer of the Franchise, the LFAs 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.

9.2. *Acceptance of Terms:* Within sixty (60) business days of the effective date of a Transfer of the Franchise, the transferee shall provide written notification to the LFAs confirming acceptance of the terms of this Franchise and not use such Transfer as a basis for

challenging the validity of any past non-performance. As a condition of a Transfer, transferee will assume all liability existing under the Agreement. Such written notification shall be substantially in the form of **Exhibit E** and, upon execution and approval of the NY PSC, shall become incorporated herein and made a part hereof.

10. **RENEWAL OF FRANCHISE**

10.1. *Governing Law:* The LFAs and Franchisee agree that any proceedings undertaken by the LFAs 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 LFAs 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 LFAs 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 LFAs agree that at any time during the term of the then current Franchise, while affording the public appropriate notice and opportunity to comment, the LFAs and Franchisee may agree to undertake and finalize informal negotiations regarding renewal of the then current Franchise and the LFAs may grant a renewal thereof.

10.4. *Consistent Terms:* Franchisee and the LFAs 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 LFAs believes that Franchisee has not complied with the terms of the Franchise, the LFAs shall notify Franchisee in writing of the exact nature of the alleged noncompliance (for purposes of this Article, the “Noncompliance Notice”).

11.2. *Franchisee’s Right to Cure or Respond:*

11.2.1. Except as provided for in Subsection 11.2.2, the Franchisee shall have sixty (60) days from receipt of the Noncompliance Notice to: (i) respond to the LFAs, 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 timely remedy such noncompliance and notify the LFAs 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 LFAs shall provide written confirmation that such cure has been effected.

11.2.2. If the Noncompliance Notice alleges the Franchisee has failed to make a payment when due with respect to any PEG grant payments whether they be under Subsection 5.3.2 or Subsection 5.3.4 (including, the Initial PEG Grant, ~~any~~ and the Annual PEG Grant, or Franchise Fee, the Franchisee shall have thirty (30) days from receipt of the Noncompliance Notice to cure such nonpayment of the undisputed amount.

11.3. *Liquidated Damages:* For the violation of any of the following provisions of this Franchise, liquidated damages shall be paid by the Franchisee to the LFAs. Any such liquidated damages shall be assessed as of the date that is sixty (60) days from the Franchisee's receipt of the Noncompliance Notice, provided that the Franchisee has not cured the noncompliance upon which the Noncompliance Notice was issued, in accordance with the procedures set forth in Sections 11.1 and 11.2 above. On an annual basis from the Effective Date, the Franchisee shall not be liable for liquidated damages that exceed Ten Thousand Dollars (\$10,000) in the aggregate payable to the Villages of Larchmont and Mamaroneck and the Town of Mamaroneck . Liquidated damages shall be assessed as follows:

For failure to provide Cable Service as set forth in Sections 3.1-3.3.....	\$100 per day for each day the violation continues;
For failure to maintain the system standards as set forth in Article 4.....	\$50 per day for each day the violation continues;
For failure to comply with Article 5	\$100 per day for each day the violation continues;
For failure to provide LFAs with any reports or records required by the Agreement within the time period required.....	\$50 per day for each day the violation continues;
For failure to carry the insurance specified in Subsection 8.1.1	\$100 per day for each day the violation continues;
For a transfer specified in Article 9 without required approval.....	\$100 per day for each day the violation continues; and
For failure to comply with Parts 890 through and 896 of the NY PSC rules and regulations	\$100 per day for each day the violation continues, provided that such penalty shall be inapplicable if the NY PSC imposes a penalty on Franchisee for such a violation.

11.3.1. Any liquidated damages assessed pursuant to this section shall not be a limitation upon any other provisions of this Franchise and applicable law, including revocation, or any other statutorily or judicially imposed penalties or remedies; provided, however, that in the event that the LFAs collect liquidated damages for a specific breach for a specific period of time, pursuant to this Section 11.3, the collection of such liquidated damages shall be deemed to be the LFAs exclusive remedy for the specific breach for such specific period of time only.

11.3.2. The parties agree that each case of non-compliance as set forth in this Section 11.3 shall result in damage to the LFAs, compensation for which will be difficult to ascertain. The parties agree that the liquidated damages in the amounts set forth in this Section 11.3 are fair and reasonable compensation for such damage.

11.4. *Public Hearing:* The LFA shall schedule a public hearing (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 or commenced to remedy the alleged noncompliance within sixty (60) days (or, in the case of a noncompliance as set forth at Subsection 11.2.2, within thirty (30) days) or the date projected pursuant to Subsection 11.2.1(iii) above. The LFA shall provide Franchisee at least thirty (30) calendar 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.

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

11.5.1. Seek to recover liquidated damages from Franchisee in accordance with Section 11.3; or

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

11.5.3. Commence an action at law for monetary damages or seek other equitable relief, including, but not limited to, payment with respect to any form of security provided for in Section 11.8; or

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

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

Revocation Hearing, a written notice specifying the time and place of such hearing and stating its intent to revoke the Franchise.

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

11.6.2. Following the Revocation Hearing, Franchisee shall be provided up to thirty (30) days to submit its proposed findings and conclusions to the LFAs in writing, and thereafter the LFAs 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 LFAs 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 LFAs determines that it will revoke the Franchise, the LFAs shall promptly provide Franchisee with a written determination setting forth the LFAs' reasoning for such revocation. Franchisee may appeal such written determination of the LFAs to an appropriate court, which shall have the power to review the decision of the LFAs *de novo*, to the extent permitted by law. 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.

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

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

11.8. *Security:* Prior to the Effective Date, the Franchisee shall provide and thereafter maintain in the aggregate to the Villages of Larchmont and Mamaroneck and the Town of Mamaroneck security for the performance of its obligations under this Agreement in the amount of Sixty Thousand and 00/100 Dollars (\$60,000.00). The form of this security may, at Franchisee's option, be a performance bond, letter of credit, cash deposit, cashier's check or any other security acceptable to the LFAs. If the Franchisee posts a performance bond, it shall be substantially in the form of **Exhibit F** attached hereto.

11.8.1. In the event that a performance bond provided pursuant to the Agreement is not renewed or is cancelled, Franchisee shall provide new security pursuant to this Article within thirty (30) days of such cancellation or failure to renew.

11.8.2. Neither cancellation nor termination, nor refusal by surety to extend the performance bond, nor inability of the Franchisee, as principal, to file a replacement performance bond or replacement security for its obligations, shall constitute a loss to the LFAs, as obligee, recoverable under the performance bond.

12. **MISCELLANEOUS PROVISIONS**

12.1. *Actions of Parties:* In any action by the LFAs 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 LFAs.

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.

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

12.5.1. Notices to Franchisee shall be mailed to:

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

12.5.2. Notices to the LFAs shall be mailed to:

Village of Larchmont
Village Clerk
Municipal Building
120 Larchmont Ave.
Larchmont, NY 10538

Town of Mamaroneck

Town Clerk
Town Hall
740 W. Boston Post Road
Mamaroneck, NY 10543

Village of Mamaroneck

Clerk - Treasurer
Village Offices at the Regatta
123 Mamaroneck Ave.
Mamaroneck, NY 10543

12.5.3. with a copy to:

Administrator
Cable TV Board of Control
C/O of Village of Mamaroneck
123 Mamaroneck Ave.
Mamaroneck, NY 10573

12.6. *Entire Agreement:* This Franchise and the Exhibits hereto constitute the entire agreement between Franchisee and the LFAs 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:* With the exception of this Agreement's Section 1.16 (Definition of Gross Revenue), Section 6.1 (Payment of Franchise Fees to LFAs), and Article V (PEG Services), 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 LFAs 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 pursuant to this Agreement. This provision is not intended to contravene leased access requirements under Title VI or PEG requirements set out in this Agreement.

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

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

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

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

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

Franchise. The Performance Review Report shall not contain any confidential information disclosed by the Franchisee in connection with the Performance Review.

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

12.18. *LFAs Official:* The LFAs' Manager or designated representatives or representative of the Manager is the LFAs' official that is responsible for the continuing administration of this Agreement. However, the Franchisee agrees that the LFAs may transfer or delegate any such responsibilities to the Control Board to act on behalf of the LFAs; provided, however, that in the event the Control Board acts on behalf of the LFAs on a particular matter the Villages of Larchmont and Mamaroneck and the Town of Mamaroneck may not simultaneously exercise their individual rights on the same matter under this Franchise Agreement.

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

[SIGNATURE PAGE FOLLOWS]

AGREED TO THIS _____ DAY OF _____, 2007.

Village of Larchmont:

By: _____

Village of Mamaroneck:

By: _____

Town of Mamaroneck:

By: _____

Verizon New York Inc.

By: _____
Tracey Edwards, Vice President

EXHIBITS

Exhibit A: Municipal Buildings to be Provided Free Cable Service

Exhibit B: Service Area

Exhibit C: PEG Channels

Exhibit D: PEG Access Origination Point

Exhibit E: Form of Transferee's Notification Regarding Acceptance of Terms

Exhibit F: Form of Performance Bond

EXHIBIT A

MUNICIPAL BUILDINGS TO BE PROVIDED FREE CABLE SERVICE

<u>Municipal Buildings</u>	<u>Address</u>
Firehouse	205 Weaver Street, Larchmont, NY 10538
Town Center	740 West Boston Post Road, Mamaroneck, NY 10543
LMC-TV Studio	740 West Boston Post Road, Mamaroneck, NY 10543
Firehouse	146 Palmer Avenue, Mamaroneck, NY 10543
Mamaroneck EMS Building	200 North Barry Avenue, Mamaroneck, NY 10543
Firehouse	147 Mamaroneck Avenue, Mamaroneck, NY 10543
Firehouse	643 Mamaroneck Avenue, Mamaroneck, NY 10543
Firehouse	1400 Halstead Avenue, Mamaroneck, NY 10543
Firehouse	605 North Barry Avenue, Mamaroneck, NY 10543
Emelin Theater	153 Library Lane, Mamaroneck, NY 10543
Village Hall	169 Mt. Pleasant Avenue, Mamaroneck, NY 10543
Police Department	169 Mt. Pleasant Avenue, Mamaroneck, NY 10543
Library	136 Prospect Avenue, Mamaroneck, NY 10543
Village Yard	2015 Boston Post Road, Larchmont, NY 10538
Police Department	120 Larchmont Avenue, Larchmont, NY 10538
Village Hall	120 Larchmont Avenue, Larchmont, NY 10538
Firehouse	130 Larchmont Avenue, Larchmont, NY 10538
Library and Village Center	119-121 Larchmont Avenue, Larchmont, NY 10538
Ambulance Corps	155 Weaver Street, Larchmont, NY 10538
Public Works	313 Fayette Avenue, Mamaroneck, NY 10543
Public Works	40 Maxwell Avenue, Larchmont, NY 10538
Senior Center	740 West Boston Post Road, Mamaroneck, NY 10543
Police Department	740 West Boston Post Road, Mamaroneck, NY 10543
Health Center Building	234 Stanley Ave., Mamaroneck, NY 10543
Village Administrative Offices	123 Mamaroneck Ave., Mamaroneck, NY 10543
Sanitation Commission	30 Maxwell Avenue, Larchmont, NY 10538
Hommocks Ice Rink	140 Hommocks Road, Larchmont, NY 10538
Sheldrake Environmental	685 Weaver Street, Larchmont, NY 10538
Senior Center	1288 Boston Post Road, Larchmont, NY 10538

<u>Mamaroneck School District</u>	<u>Address</u>
Central School	1100 Palmer Avenue, Mamaroneck, NY 10543
Chatsworth School	34 Chatsworth Avenue, Larchmont, NY 10538

Mamaroneck Avenue School
Murray Avenue School
Hommocks Middle School
Mamaroneck High School

850 Mamaroneck Avenue, Mamaroneck, NY 10543
250 Murray Avenue, Larchmont, NY 10538
10 Hommocks Road, Larchmont, NY 10538
1000 West Boston Post Road, Mamaroneck, NY 10543

Rye Neck School District

Address

F.E. Bellows School
Daniel Warren School
Rye Neck High School
Rye Neck Middle School

200 Carroll Avenue, Mamaroneck, NY 10543
1310 Harrison Avenue, Mamaroneck, NY 10543
310 Hornidge Road, Mamaroneck, NY 10543
300 Hornidge Road, Mamaroneck, NY 10543

EXHIBIT B

SERVICE AREA

The Service Area is the Franchise Area. A map of the Villages of Larchmont and Mamaroneck and the Town of Mamaroneck's Service Area is attached hereto.

The construction of the Franchisee's FTTP Network has been completed to approximately 77% of the current households in the Franchise Area. At present, Franchisee's anticipated schedule (with schedule dates measured from the month that the NY PSC issues the confirmation order approving this Franchise) calls for 81% deployment at 6 months, 84% deployment at 12 months, 87% deployment at 18 months, 90% deployment at 24 months, 92% deployment at 30 months, 94% deployment at 36 months, 95% deployment at 42 months, 97% deployment at 48 months, 99% deployment at 54 months, and 100% deployment at 60 months. This schedule is subject to further review and modification by the Franchisee consistent with Section 895.5(b)(1) of the NY PSC rules and regulations; provided, however, that Franchisee shall provide notice to the LFA and the NY PSC of any material change in this schedule.

EXHIBIT C

PEG CHANNELS

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

EXHIBIT D

PEG ACCESS ORIGATION POINTS

Subject to the requirements set forth in Section 5.2 of the Agreement, the following Public Access Channel, Government Access Channel and Educational Access Channel PEG Access Interconnection Site ("PEG Access Interconnection Site") shall be operable within one hundred twenty (120) days of the Effective Date:

LMC TV Studio, 740 W. Boston Post Road, Floor 3, Mamaroneck, NY 10543

The PEG Access Interconnection Site shall serve as the aggregation point for the PEG Content Origination Points designated below ("PEG Content Origination Points") feeding signals to the public, government and educational access channels. For purposes of permitting the LFAs to select and switch feeds into an aggregation point, Franchisee shall provide the LFAs, without charge, such capability at such aggregation point. Operation and maintenance of any equipment associated therewith shall be the responsibility of the LFAs. At the PEG Access Interconnection Site, the LFAs will provide Franchisee, without restriction, with suitable video signals from any and all additional PEG content origination points which may be provided or maintained by any other cable service provider within the Service Area.

Subject to the requirements set forth in Section 5.2 of the Agreement, the following one (1) PEG Content Origination Points feeding a signal to the PEG Access Interconnection Site shall be operable within one hundred eighty (180) days of the Effective Date:

Mamaroneck Village Hall , 169 Mt. Pleasant Avenue, Mamaroneck, NY 10543

~~[Note: This site is subject to review by Verizon]~~

Subject to the requirements set forth in Section 5.2 of the Agreement, the following two (2) PEG Content Origination Points feeding a signal to the PEG Access Interconnection Site shall be operable within two hundred and forty (240) days of the Effective Date:

Rye Neck High School, 300 Hornidge Road, Mamaroneck, NY 10543

Larchmont Village Hall, 120 Larchmont Avenue, Larchmont 10538

At the above PEG Content Origination Points, the LFAs will provide Franchisee, without restriction, with a suitable video signal for the PEG Channels and the LFAs are responsible for all content and equipment necessary to deliver such signal at the point of connection.

EXHIBIT E

EXHIBIT F FORM OF TRANSFEREE'S NOTIFICATION REGARDING ACCEPTANCE OF TERMS

[LFAs ADDRESS]

Re: Cable Franchise Agreement by and between the Villages of Larchmont and Mamaroneck and the Town of Mamaroneck and Verizon New York Inc.

To Whom It May Concern:

Please be advised that, pursuant to Section 9.2 of the Cable Franchise Agreement by and between the Villages of Larchmont and Mamaroneck and the Town of Mamaroneck and Verizon New York Inc. dated _____, 2007 (the "Verizon Franchise"), the undersigned, [NAME OF TRANSFEREE], hereby confirms acceptance of the terms of the Verizon Franchise. [NAME OF TRANSFEREE] shall not use the Transfer as a basis for challenging the validity of any past non-performance and shall assume all liability existing under the Agreement.

Please contact the undersigned should you have any questions.

Very truly yours,

[NAME OF TRANSFEREE]

EXHIBIT F

FORM OF PERFORMANCE BOND

Bond No. _____

KNOW ALL MEN BY THESE PRESENTS: That (name & address) (hereinafter called the Principal), and (name and address) (hereinafter called the Surety), a corporation duly organized under the laws of the State of (state), are held and firmly bound unto (name & address) (hereinafter called the Obligee), in the full and just sum of _____ Dollars (\$ _____), the payment of which sum, well and truly to be made, the said Principal and Surety bind themselves, their heirs, administrators, executors, and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal and Obligee have entered into a Franchise Agreement dated _____ which is hereby referred to and made a part hereof.

WHEREAS, said Principal is required to perform certain obligations under said Agreement.

WHEREAS, the Obligee has agreed to accept this bond as security against default by Principal of performance of its obligations under said Agreement during the time period this bond is in effect.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH that if the Principal shall perform its obligations under said Agreement, then this obligation shall be void, otherwise to remain in full force and effect, unless otherwise terminated, cancelled or expired as hereinafter provided.

PROVIDED HOWEVER, that this bond is executed subject to the following express provisions and conditions:

1. In the event of default by the Principal, Obligee shall deliver to Surety a written statement of the details of such default within 30 days after the Obligee shall learn of the same, such notice to be delivered by certified mail to address of said Surety as stated herein.
2. This Bond shall be effective _____, 20____, and shall remain in full force and effect thereafter for a period of one year and will automatically extend for additional one year periods from the expiry date hereof, or any future expiration date, unless the Surety provides to the Obligee not less than sixty (60) days advance written notice of its intent not to renew this Bond or unless the Bond is earlier canceled pursuant to the following. This Bond may be canceled at any time upon sixty (60) days advance written notice from the Surety to the Obligee.
3. Neither cancellation, termination nor refusal by Surety to extend this bond, nor inability of Principal to file a replacement bond or replacement security for its obligations under said Agreement, shall constitute a loss to the Obligee recoverable under this bond.

Bond No. _____

4. No claim, action, suit or proceeding shall be instituted against this bond unless same be brought or instituted and process served within one year after termination or cancellation of this bond.
5. No right of action shall accrue on this bond for the use of any person, corporation or entity other than the Obligee named herein or the heirs, executors, administrators or successors of the Obligee.
6. The aggregate liability of the surety is limited to the penal sum stated herein regardless of the number of years this bond remains in force or the amount or number of claims brought against this bond.
7. This bond is and shall be construed to be strictly one of suretyship only. If any conflict or inconsistency exists between the Surety's obligations as described in this bond and as may be described in any underlying agreement, permit, document or contract to which this bond is related, then the terms of this bond shall supersede and prevail in all respects.

This bond shall not bind the Surety unless it is accepted by the Obligee by signing below.

IN WITNESS WHEREOF, the above bounded Principal and Surety have hereunto signed and sealed this bond effective this ____ day of _____, 200_.

Principal

Surety

By: _____

By: _____
_____, Attorney-in-Fact

Accepted by Obligee: _____
(Signature & date above - Print Name, Title below)

Document comparison done by DeltaView on Monday, November 05, 2007 11:47:25 AM

Input:	
Document 1	PowerDocs://WRFMAIN/12724539/4
Document 2	PowerDocs://WRFMAIN/12724539/5
Rendering set	Standard

Legend:	
<u>Insertion</u>	
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Style change	
Format change	
Moved deletion	
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Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	26
Deletions	18
Moved from	1
Moved to	1
Style change	0
Format changed	0
Total changes	46

Tab 7

From: Schofer, Jeremy [mailto:JSchofer@wileyrein.com]
Sent: Monday, November 05, 2007 12:01 PM
To: Schofer, Jeremy; Millstein, Jim (Lazard); Len Verrastro; Joseph Van Eaton
Cc: sparr@telecominsightgroup.com; mkerbey@telecominsightgroup.com
Subject: RE: Updated Final Cable Franchise Agreement for the Larchmont-Mamaroneck Consortium and Verizon

Jim/Len/Joe - I forgot to insert in the Service Area Map into the clean copy. Here is a clean copy with the Service Area Map inserted after Exhibit B.

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From: Schofer, Jeremy
Sent: Monday, November 05, 2007 11:57 AM
To: Schofer, Jeremy; 'Millstein, Jim (Lazard)'; 'Len Verrastro'; 'Joseph Van Eaton'
Cc: 'sparr@telecominsightgroup.com'; 'mkerbey@telecominsightgroup.com'
Subject: Updated Final Cable Franchise Agreement for the Larchmont-Mamaroneck Consortium and Verizon

Jim/Len/Joe - Attached is an updated final agreement for Larchmont-Mamaroneck. I apologize for not getting this to you last week. For your convenience, I have attached a redline of this updated final agreement compared to the previous final version sent on 10/25/07. The attached clean version should replace the prior final agreement that is on file with each respective community. Let me know if you have any questions.

Regards - Jeremy



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CABLE FRANCHISE AGREEMENT
BY AND BETWEEN
THE VILLAGES OF LARCHMONT AND MAMARONECK
AND THE TOWN OF MAMARONECK, NEW YORK
AND
VERIZON NEW YORK INC.

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EXHIBITS

Exhibit A: Municipal Buildings to be Provided Free Cable Service

Exhibit B: Service Area

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Exhibit D: PEG Access Origination Point

Exhibit E: Form of Transferee's Notification Regarding Acceptance of Terms

Exhibit F: Form of Performance Bond

THIS CABLE FRANCHISE AGREEMENT (the “Franchise” or “Agreement”) is entered into by and between the Villages of Larchmont and Mamaroneck and the Town of Mamaroneck, validly organized and existing political subdivisions of the State of New York (collectively referred to as the “Local Franchising Authorities” or “LFAs”) and Verizon New York Inc., a corporation duly organized under the applicable laws of the State of New York (the “Franchisee”).

WHEREAS, each of the LFAs wish 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, each of the LFAs 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, each of the LFAs are members of the tri-municipal cable television Board of Control (the “Board of Control”) as created in the CATV agreement executed on the 3rd day of December, 1980 (the “Members”);

WHEREAS, pursuant to the franchises granted by the Members, and pursuant to law, it is the responsibility of each Member to administer and supervise the provisions of such franchise for its own benefit and for the benefit of its residents;

WHEREAS, each of the Members has heretofore determined that these franchises are interrelated, that negotiation, administration, and supervision of the franchises can be best performed in a cooperative arrangement between and among the Members, and that the ability of each Member to provide its residents with adequate cable television service would be enhanced by such a cooperative arrangement;

WHEREAS, each of the Members have delegated to the Board of Control the power and authority to act on behalf of the LFAs pursuant to and relating to negotiating, administering, and supervising the terms and conditions of this franchise agreement between the LFAs and Franchisee;

WHEREAS, Franchisee is upgrading 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 Franchise Area, and Franchisee desires to use portions of the FTTP Network to provide Cable Services (as hereinafter defined) in the Franchise Area;

WHEREAS, the LFAs, jointly, and the Franchisee are entering into this Agreement for the purpose of setting forth the terms and conditions on which Franchisee shall be entitled to provide Cable Services in the Franchise Area with the express understanding and agreement that nothing in this Agreement shall add to or detract from (i) the LFAs' police powers, or rights or privileges in respect of the Public Rights of Way in accordance with Federal, State, and local laws or (ii) the Franchisee's rights or privileges in respect of the FTTP Network in accordance with Federal, State, and local laws, as each relates to the provision of Non-Cable Services in the Franchise Area, it being the intent of the parties that this Agreement shall govern only the provision of Cable Services;

WHEREAS, the LFAs have identified the future cable-related needs and interests of the LFAs and after appropriate public proceedings affording due process to all parties in accordance with New York Law have determined that Franchisee's plans for its Cable System are adequate and feasible;

WHEREAS, based on the representations of the Franchisee in the Franchisee's cable franchise applications, the LFAs have found Franchisee to be financially, technically and legally qualified to operate the Cable System in the Franchise Area;

WHEREAS, the LFAs have 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 LFAs 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 each of the LFA's grant of a franchise to Franchisee and Franchisee's promise to provide Cable Service to residents of the Franchise Area pursuant to and consistent with the Cable Law (as herein defined), in each case on the terms and conditions hereinafter set forth, the promises and undertakings of the parties hereinafter set forth, and such 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 LFAs without charge for Public, Educational, or Governmental noncommercial use for the transmission of video programming as directed by the LFAs.

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 by local public schools and public school districts in the Franchise Area and other not-for-profit educational institutions chartered or licensed by the New York State Department of Education or Board of Regents in the Franchise Area.

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

1.12. *Force Majeure*: An event or events reasonably beyond the ability of Franchisee to anticipate and control that directly or indirectly results in Franchisee's non-compliance with, or delay in the performance of, any obligation hereunder. This includes, but is not limited to, severe or unusual weather conditions, strikes, labor disturbances and disputes, war or act of war (whether an actual declaration of war is made or not), insurrection, riots, act of public enemy, incidences of terrorism, acts of vandalism, actions or inactions of any government instrumentality or public utility including condemnation, accidents for which the Franchisee is not primarily responsible, fire, flood, or other acts of God, or work delays resulting from unaffiliated utility providers' failure to service, monitor, or maintain utility poles to which Franchisee's FTTP Network is attached, and unavailability of materials and/or qualified labor to perform the work necessary.

1.13. *Franchise Area*: The incorporated area (entire existing territorial limits) of the LFAs, 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 LFAs.

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.

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, digital video recorders, remote controls, additional outlets and/or other Cable Service related Subscriber premises equipment, whether by lease or fee;

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

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

(v) compensation received by Franchisee that is derived from the operation of Franchisee's Cable System to provide Cable Service with respect to commissions that are paid to Franchisee as compensation for promotion or exhibition of any products or services on the Cable System, such as "home shopping" or a similar channel, subject to the exceptions below. Gross Revenue includes a pro rata portion of all revenue derived by Franchisee pursuant to compensation arrangements for advertising derived from the operation of Franchisee's Cable System to provide Cable Service within the Service Area, subject to the exceptions below. The allocation shall be based on the number of Subscribers in the Service Area divided by the total number of subscribers in relation to the relevant local, regional or national compensation arrangement. Advertising commissions paid to third parties shall not be netted against advertising revenue included in Gross Revenue; and

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

Except as provided above, Gross Revenue shall not include:

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

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

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

(iv) except as otherwise provided in Section 1.16, 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 the Communications Act (as amended from time to time), then Franchisee shall include revenue from such service as Gross Revenue on a going forward basis commencing with the next available billing cycle following the effective date of such change in the Communications Act. Should a final determination or ruling of any agency or court having jurisdiction, after the exhaustion of all appeals related thereto, classify as a Cable Service any service provided by the Franchisee over the Cable System, then the LFAs shall be entitled, after notification to Franchisee and without mutual agreement in writing as otherwise required by Section 12.7, to amend this Agreement in the manner prescribed under applicable state law or this Franchise to include revenue from the 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 the issuance of an order from the NY PSC approving such amendment;

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

(vi) the sale of Cable Services on the Cable System for resale in which the purchaser is required to collect cable Franchise Fees from purchaser's customer;

(vii) the sale of Cable Services to customers, which are exempt, as required or allowed by the LFAs including, without limitation, the provision of Cable Services to public institutions as required or permitted herein, except to the extent Franchisee actually receives any revenues from such customers that would otherwise be included in Gross Revenues;

(viii) 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);

(ix) 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);

(x) 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;

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

(xii) any fees or charges collected from Subscribers or other third parties for any PEG grant payments whether they be under Subsection 5.3.2 or Subsection 5.3.4 (including, the Initial PEG Grant and the Annual PEG Grant).

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 (LFAs)*: Collectively the Villages of Larchmont and Mamaroneck and the Town of Mamaroneck, New York, or their lawful successors, transferees, or assignees thereof.

1.20. *Non-Cable Services*: Any service that does not constitute the provision of a Cable Service pursuant to this Agreement 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 LFAs' residents or by those Persons approved by Larchmont-Mamaroneck Community Television ("LMC-TV" - the entity designated by the LFAs to administer the Public Access Channel) 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. Franchisee shall notify LFA in writing within sixty (60) business days of any change in ownership or other interest. The new Franchisee shall not use such change in ownership or other interest as a basis for challenging the validity of any past non-performance.

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

2. GRANT OF AUTHORITY; LIMITS AND RESERVATIONS

2.1. *Grant of Authority*: Subject to the terms and conditions of this Agreement and the Cable Law, the LFAs hereby grants the Franchisee the right to own, construct, operate and maintain a Cable System in the Public Rights-of-Way within the

Franchise Area, in order to provide Cable Service. No privilege or power of eminent domain is bestowed by this grant; nor is such a privilege or power bestowed by this Agreement.

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

2.3. *Effective Date and Term:* This Franchise shall become effective on the date that the NY PSC issues a certificate of confirmation for this Franchise (the "Effective Date"), following its approval by the LFAs' respective governing authority authorized to grant franchises and its acceptance by the Franchisee. The term of this Franchise shall be fifteen (15) years from the Effective Date unless the Franchise is earlier revoked as provided herein. The Franchisee shall memorialize the Effective Date by notifying the LFAs in writing of the same, which notification shall become a part of this Franchise. If subsequent to the Effective Date, there is a change in federal or state law that eliminates the authority of the LFA to require, grant or maintain this Franchise, then to the extent permitted by law, this Franchise shall survive such legislation and remain in effect for the term 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 themselves, at any time during the term of this Franchise. Any such rights which are granted shall not adversely impact the authority as granted under this Franchise.

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

2.6. *No Waiver:*

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

2.7. *Construction of Agreement:*

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

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

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

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

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

3. **PROVISION OF CABLE SERVICE**

3.1. *Service Area:* Subject to the issuance of all necessary permits by the LFA, Franchisee shall offer Cable Service to significant numbers of residential Subscribers in the Service Area and may make Cable Service available to businesses in the Service Area, within twelve (12) months and shall offer Cable Service to all residential Subscribers in the Service Area within five (5) years, of the Effective Date of this Franchise, or, in both instances, such longer period as may be permitted by the Cable Law, except, in accordance with NY PSC rules and regulations: (A) for periods of Force Majeure; (B) for periods of delay caused by the LFA; (C) for periods of delay resulting from Franchisee's inability to obtain authority to access rights-of-way in the Service Area; (D) in areas where developments or buildings are subject to claimed exclusive arrangements with other providers; (E) in areas, developments or buildings where Franchisee cannot gain access after good faith efforts; (F) in areas, developments or buildings where the provision of Cable Service is economically infeasible because such provision requires nonstandard facilities which are not available on a commercially reasonable basis; and (G) in areas where the occupied residential household density does not meet the density and other requirements set forth in Subsection 3.1.1 and Section 3.2.

3.1.1. *Density Requirement:* Franchisee shall make Cable Services available to residential dwelling units requesting Cable Service from Franchisee in all areas of the Service Area where the average density is equal to or greater than twenty (20) 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 Section 3.1, Franchisee shall provide Cable Service to such area within twelve (12) months of receiving notice from the LFAs that the density requirements have been met.

3.2. *Availability of Cable Service:*

3.2.1. *Availability of Cable Service Generally:* Franchisee shall make Cable Service available to all residential dwelling units and may make Cable Service available to businesses within the Service Area in conformance with Section 3.1, and Franchisee shall not discriminate between or among any individuals in the availability of Cable Service or based upon the income in a local area. In the areas in which Franchisee shall provide Cable Service, Franchisee shall be required to connect, at Franchisee's expense, other than a standard installation charge, all residential dwelling units that are within one hundred fifty (150) feet of trunk or feeder lines not otherwise already served by Franchisee's FTTP Network. Franchisee shall be allowed to recover, from a Subscriber that requests such connection, the actual costs incurred for residential dwelling unit connections that exceed one hundred fifty (150) feet or are in an area with a density of less than twenty (20) 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 (20) occupied residential dwelling units per mile if such would not be possible within the limitations of economic feasibility.

3.2.2. *No Discrimination in the Availability of Cable Service:* Franchisee shall not deny access to Cable Service to any group of potential residential Subscribers because of the income of the residents of the local area in which such group resides.

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; or as designated by the LFAs in the future during the Franchise term, upon sixty (60) days prior written notice to the Franchisee and within the Franchisee's approved video validated area; provided however that any new additional library, school or public buildings added to **Exhibit A** by the LFAs cannot exceed in the aggregate to the Villages of Larchmont and Mamaroneck and the Town of Mamaroneck more than five (5) additional buildings per year and ten (10) additional buildings over the life of the Agreement; provided, however, that if it is necessary to extend Franchisee's trunk or feeder lines more than one hundred fifty (150) feet solely to provide service to such library, school or public building, the LFAs shall have the option either of paying Franchisee's direct costs for such extension in excess of one hundred fifty (150) feet, or of releasing Franchisee from the obligation to provide service to such school or public

building. Furthermore, Franchisee shall be permitted to recover, from any school or public building owner entitled to free service, the direct cost of installing, when requested to do so, more than one outlet, or concealed inside wiring, or a service outlet requiring more than one hundred fifty (150) feet of drop cable; provided, however, that Franchisee shall not charge for the provision of Basic Service to the additional service outlets once installed. Cable Service may not be resold or otherwise used in contravention of Franchisee's rights with third parties respecting programming. Equipment provided by Franchisee, if any, shall be replaced at retail rates if lost, stolen or damaged.

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

4. **SYSTEM FACILITIES**

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

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

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

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

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

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

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 three (3) PEG Channels as permitted in the Cable Law; provided, however, that the Franchisee shall provide a fourth (4th) PEG Access Channel on its Basic Service tier within ninety (90) days after receiving written notice from the LFAs that an existing provider of Cable Service or cable

service (as such term may be defined by other providers) in the Service Area has activated a fourth (4th) PEG Access Channel for the LFAs.

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. Franchisee agrees to provide the LFAs with thirty (30) days notice in the event that Franchisee elects to change the PEG Channel lineup. 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. The LFA shall designate in its sole discretion a site within the Franchise Area for the interconnection of PEG access facilities with the Cable System (the “PEG Access Interconnection Site”), and not more than three (3) additional sites within the Franchise Area for PEG Content Origination (each, a “PEG Content Origination Point”), which PEG Access Interconnection Site and PEG Content Origination Points are identified in **Exhibit D**.

5.2.2. Consistent with NY PSC rules and regulations, Franchisee shall provide a link between its video channel aggregation point and the PEG Access Interconnection Site in order to permit the signals to correctly routed from the PEG Access Interconnection Site to the appropriate PEG Access Channel for distribution to Subscribers.

5.2.3. The LFA shall provide to Franchisee at the PEG Access Interconnection Site and the PEG Content Origination Points (as defined in **Exhibit D**) a suitable video signal for each PEG Channel, including a signal from each PEG content origination point provided or maintained by any other cable service provider in the Service Area. 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 obligation 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 LFAs as is reasonably necessary for Franchisee to fulfill its obligations. Channel or channels provided by Franchisee for PEG services shall provide transmission quality comparable to the transmission quality of other channels included in the Basic Service Tier, subject to limitations, if any, in the quality of signal as received by Franchisee.

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

5.3. *PEG Grant:*

5.3.1. Franchisee shall provide grants in the aggregate to the Villages of Larchmont and Mamaroneck and the Town of Mamaroneck to be used in support of local PEG programming. Such grants shall be used by the LFAs 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 equipment, and any other PEG related needs of the LFAs.

5.3.2. Subject to Subsection 5.3.3 below, the Franchisee shall pay a PEG grant to the Villages of Larchmont and Mamaroneck and the Town of Mamaroneck in the aggregate total amount of ONE MILLION ONE HUNDRED TEN THOUSAND DOLLARS (\$1,110,000) payable in fifteen (15) installments as follows:

- (i) The first installment of TWO HUNDRED THOUSAND DOLLARS (\$200,000) shall be payable within sixty (60) days after the Effective Date.
- (ii) The second through fifteenth installments of SIXTY FIVE THOUSAND DOLLARS (\$65,000) each shall be payable annually within thirty (30) days of the first through fourteenth anniversary date of the Effective Date, respectively.

5.3.3. If within one hundred twenty (120) days after the Effective Date of this Agreement, the NY PSC has not issued a confirmation order confirming a renewal agreement with the existing cable service provider in the Service Area that contains a total PEG grant payment obligation to the Villages of Larchmont and Mamaroneck and the Town of Mamaroneck in the aggregate total amount of at least ONE MILLION ONE HUNDRED TEN THOUSAND DOLLARS (\$1,110,000) and on a substantially similar payment schedule as that set out in Subsection 5.3.2, then Subsection 5.3.2 shall have no further effect and the Franchisee shall have the PEG grant payment obligations set forth in Subsection 5.3.4.

5.3.4. Franchisee shall pay a PEG grant (the "Initial PEG Grant") to the Villages of Larchmont and Mamaroneck and the Town of Mamaroneck in the aggregate total amount of FOUR HUNDRED FORTY FIVE THOUSAND DOLLARS (\$445,000) payable in four (4) installments as follows, subject to Franchisee taking a TWO HUNDRED THOUSAND DOLLAR (\$200,000) credit against such payments if Franchisee has paid such amount to the LFAs pursuant to Subsection 5.3.2:

- (i) The first installment of TWO HUNDRED THOUSAND DOLLARS (\$200,000) shall be payable within sixty (60) days after the Effective Date.
- (ii) The second and third installment of NINETY FIVE THOUSAND DOLLARS (\$95,000) each shall be payable within thirty (30) days of the first and second anniversary date of the Effective Date, respectively.

- (iii) The remaining fourth installment of FIFTY FIVE THOUSAND DOLLARS (\$55,000) shall be payable within thirty (30) days of the third anniversary date of the Effective Date.

In addition to the Initial PEG Grant set forth in Subsection 5.3.4 and except as otherwise provided for in Subsections 5.3.5, the Franchisee shall pay on a quarterly basis to the Villages of Larchmont and Mamaroneck and the Town of Mamaroneck an additional, per subscriber annual PEG grant (the “Annual PEG Grant”) in the aggregate as follows:

- (i) Commencing on the first anniversary date of the Effective Date, in the amount of Seventy Five Cents (\$0.75) per month, per Subscriber who subscribes to Franchisee’s Basic Service tier in the respective Service Area.
- (ii) Commencing on the tenth anniversary date of the Effective Date, in the amount of One Dollar (\$1.00) per month, per Subscriber who subscribes to Franchisee’s Basic Service tier in the respective Service Area.

The Annual PEG Grant payment, along with a brief summary of the Subscriber information upon which it is based, shall be delivered to the LFAs within sixty (60) days after the end of each calendar quarter from the first through the fifteenth anniversary date of the Effective Date.

5.3.5. The LFAs shall impose an equivalent obligation to the obligations set forth in this Subsection 5.3.4 (including the total amount of the Initial PEG Grant and amounts of the Annual PEG Grant) on all new and renewed providers of cable service in the Service Area. If the LFAs do not impose such equivalent obligations on all renewed and new cable service providers in the Service Area, then the Franchisee shall have no obligation to provide the Annual PEG Grant payments set forth in Subsection 5.3.4.

5.4. *Indemnity for PEG:* The LFAs may 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 LFAs 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 LFAs shall establish rules and regulations for use of PEG facilities, consistent with, and as required by, 47 U.S.C. §531.

5.5. *Recovery of Costs:* To the extent permitted by federal law, the Franchisee shall be allowed to recover the costs of any PEG grant payments whether they be under Subsection 5.3.2 or Subsection 5.3.4 (including, the Initial PEG Grant and the Annual PEG Grant), or any other costs arising from the provision of PEG services from Subscribers and to

include such costs as a separately billed line item on each Subscriber's bill. Without limiting the foregoing, if allowed under state and federal laws, Franchisee may externalize, line-item, or otherwise pass-through interconnection and any franchise-related costs to Subscribers.

6. **FRANCHISE FEES**

6.1. *Payment to LFAs:* Franchisee shall pay to the LFAs a Franchise Fee of five percent (5%) of annual Gross Revenue (the "Franchise Fee"). In accordance with Title VI, the twelve (12) month period applicable under the Franchise for the computation of the Franchise Fee shall be a calendar year. Such payments shall be made no later than forty-five (45) days following the end of each calendar quarter. Franchisee shall be allowed to submit or correct any payments that were incorrectly omitted, and shall be refunded any payments that were incorrectly submitted, in connection with the quarterly Franchise Fee remittances within ninety (90) days following the close of the calendar year for which such payments were applicable. Late payments for Franchise Fees shall be subject to interest charges computed from the due date, at the then-current rate set forth in Section 5004 of Article 50 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) during the period such unpaid amount is owed.

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

6.3. *Limitation on Franchise Fee Actions:* The parties agree that the period of limitation for recovery of any Franchise Fee payable hereunder shall be six (6) years from the date on which payment by Franchisee is due, but cannot exceed the date of records retention reflected in Section 7. Unless agreed to in writing by the parties, the acceptance of any Franchise Fee payment shall be not be construed as an accord and satisfaction that such payment is in fact that correct amount, nor shall such acceptance of payment be construed as a release or satisfaction of any claim the LFAs may have for further or additional Franchise Fee sums payable under the provisions of this Franchise.

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

6.5. *Town Comptroller of the Town Of Mamaroneck:* The LFAs and the Franchisee agree that the Town Comptroller of the Town of Mamaroneck is appointed as the agent of the LFAs for receipt of any and all payments or sums due to the LFAs under the Franchise Agreement, including, but not limited to, any PEG grant payment under the

Agreement and the Franchise Fee. However, the LFAs may appoint a new representative of the LFAs to receive such payments or sums upon sixty (60) days advance written notice to the Franchisee.

6.6. *Section 626 Treatment:* Franchisee agrees that it will not take a special franchise tax deduction (whether in the form of a reduction in the franchise fee amount paid to the LFAs or as a credit against the special franchise tax payable to each of the Villages of Larchmont and Mamaroneck and the Town of Mamaroneck, pursuant to N.Y. Real Property Tax Law Section 626) for the first two (2) years following the issuance by the NY PSC of an order confirming this Agreement. Thereafter, Franchisee reserves the right to apply the Franchise Fee as a deduction against the special franchise tax payable to each such LFA, pursuant to N.Y. Real Property Tax Law Section 626, in an amount not to exceed the highest deduction available to any other cable franchisee in such LFA (based upon the other cable franchisee's yearly tax invoice payable to the LFA) until such time that the LFA obtains a written complete waiver of the full amount of the special franchise tax deduction (whether in the form of a reduction in the franchise fee amount paid to the LFA or as a credit against the special franchise tax) from such existing and any new provider of Cable Service or cable service (as such term may be defined by other providers) in the Service Area. Upon securing such written waiver from all existing and new providers of Cable Service or cable service (as such term may be defined by other providers) in the Service Area, Franchisee agrees to no longer apply the Franchise Fee as a deduction against the special franchise tax payable to such LFA, pursuant to N.Y. Real Property Tax Law Section 626 beginning in the next full calendar month after such waiver becomes legally binding on such LFA's existing cable franchisee. The operation of this Section 6.6 shall be strictly limited to Franchise Fees lawfully imposed upon Cable Service, and shall not be construed to affect the Franchisee's rights under any provision of State or Federal law regarding the provision of services other than Cable Service.

7. REPORTS AND RECORDS

7.1. *Open Books and Records:* Upon reasonable written notice to the Franchisee and with no less than thirty (30) business days written notice to the Franchisee, the LFAs 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 LFAs. 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, except in the case of an audit as provided for in Section 7.4, Franchisee shall not be required to 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 LFAs shall treat any information disclosed by Franchisee as proprietary and confidential under Section 87(2) (d) of the New York Public Officers Law and shall only disclose it to employees, representatives, and agents thereof who have a need to know, or in order to enforce the provisions hereof. For purposes of this Section, "proprietary or confidential" information

includes, but is not limited to: information related to the Cable System design; trade secrets; Subscriber lists; marketing plans; financial information; or other information that is reasonably determined by the Franchisee to be competitively sensitive. If the LFAs receives a request under FOIL or similar law for the disclosure of information that Franchisee has designated as confidential, trade secret or proprietary, the LFAs shall notify Franchisee of such request. If LFAs determines in good faith that public disclosure of the requested information is required under FOIL, LFAs 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. *Minimum Records Required:* Franchisee shall at all times maintain at a minimum:

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 in the Service Area.

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

7.4. *Audit:* Subject to the confidentiality requirements set forth in Section 7.1 of this Franchise, Franchisee shall be responsible for making available to the LFAs for inspection and audit, all records necessary to confirm the accurate payment of Franchise Fees and the Annual PEG Grants, 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 LFAs 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 LFAs 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 LFAs shall conduct all audits expeditiously, and neither the LFAs nor Franchisee shall unreasonably delay the completion of an audit. The LFAs' audit expenses shall be borne by the LFAs unless the audit determines that the payment to the LFAs 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 LFAs as a result of such audit, shall be paid by Franchisee to the LFAs within sixty (60) days following written notice to Franchisee by the LFAs of the underpayment, which notice shall include a copy of the audit report; provided, however, that Franchisee's obligation to pay or reimburse the LFAs' audit expenses shall not exceed an aggregate amount payable to the Villages of Larchmont and Mamaroneck and the Town of Mamaroneck of Fifteen Thousand Dollars (\$15,000). If re-computation results in additional revenue to be paid to the LFAs, 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 LFAs shall be compensated on a success based formula, e.g., payment based on a percentage of an underpayment, if any. The LFAs shall not conduct an audit more frequently than once every three (3) years in the aggregate for the Villages of Larchmont and Mamaroneck and the Town of Mamaroneck.

8. INSURANCE AND INDEMNIFICATION

8.1. *Insurance:*

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

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

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

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

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

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

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

8.1.3. Each of the required insurance policies shall be noncancellable except upon thirty (30) days prior written notice to the LFAs. Franchisee shall not cancel any required insurance policy without submitting documentation to the LFAs 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 LFAs Certificates of Insurance showing evidence of the required coverage.

8.2. *Indemnification:*

8.2.1. Franchisee agrees to indemnify the LFA, and its officers, agents, boards, elected officials and employees for, and hold them 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, or by reason of any suit or claim for royalties, programming license fees, or infringement of patent rights arising out of Franchisee's provision of Cable Services over the Cable System other than PEG facilities and Channels, provided that the LFA shall give Franchisee timely written notice of the LFAs' request for indemnification but in any event, the LFAs shall provide such notice to Franchisee within a sufficient period of time from receipt of a claim or action pursuant to this Subsection to enable Franchisee to timely answer complaints, raise defenses and defend all claims. Notwithstanding the foregoing, Franchisee shall not indemnify the LFAs for any damages, liability or claims resulting from the willful misconduct or negligence of the LFAs, 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 LFAs by selecting counsel of Franchisee's choice to defend the claim, subject to the consent of the LFAs, which shall not be unreasonably withheld. Nothing herein shall be deemed to prevent the LFAs 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 LFAs, 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 if Franchisee shall bear the entire cost of the settlement. In the event that the terms of any such proposed settlement includes the release of the LFAs and the LFAs do 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 LFAs shall in no event exceed the amount of such settlement.

8.2.3. The LFAs 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 LFAs for acts of the LFAs which constitute willful misconduct or negligence on the part of the LFAs, 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 LFAs, provided that such consent shall not be unreasonably withheld, delayed or conditioned. In considering an application for the Transfer of the Franchise, the LFAs 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.

9.2. *Acceptance of Terms:* Within sixty (60) business days of the effective date of a Transfer of the Franchise, the transferee shall provide written notification to the LFAs confirming acceptance of the terms of this Franchise and not use such Transfer as a basis for challenging the validity of any past non-performance. As a condition of a Transfer, transferee will assume all liability existing under the Agreement. Such written notification shall be substantially in the form of **Exhibit E** and, upon execution and approval of the NY PSC, shall become incorporated herein and made a part hereof.

10. **RENEWAL OF FRANCHISE**

10.1. *Governing Law:* The LFAs and Franchisee agree that any proceedings undertaken by the LFAs 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 LFAs 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 LFAs 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 LFAs agree that at any time during the term of the then current Franchise, while affording the public appropriate notice and opportunity to comment, the LFAs

and Franchisee may agree to undertake and finalize informal negotiations regarding renewal of the then current Franchise and the LFAs may grant a renewal thereof.

10.4. *Consistent Terms:* Franchisee and the LFAs 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 LFAs believes that Franchisee has not complied with the terms of the Franchise, the LFAs shall notify Franchisee in writing of the exact nature of the alleged noncompliance (for purposes of this Article, the “Noncompliance Notice”).

11.2. *Franchisee’s Right to Cure or Respond:*

11.2.1. Except as provided for in Subsection 11.2.2, the Franchisee shall have sixty (60) days from receipt of the Noncompliance Notice to: (i) respond to the LFAs, 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 timely remedy such noncompliance and notify the LFAs 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 LFAs shall provide written confirmation that such cure has been effected.

11.2.2. If the Noncompliance Notice alleges the Franchisee has failed to make a payment when due with respect to any PEG grant payments whether they be under Subsection 5.3.2 or Subsection 5.3.4 (including, the Initial PEG Grant and the Annual PEG Grant), or Franchise Fee, the Franchisee shall have thirty (30) days from receipt of the Noncompliance Notice to cure such nonpayment of the undisputed amount.

11.3. *Liquidated Damages:* For the violation of any of the following provisions of this Franchise, liquidated damages shall be paid by the Franchisee to the LFAs. Any such liquidated damages shall be assessed as of the date that is sixty (60) days from the Franchisee’s receipt of the Noncompliance Notice, provided that the Franchisee has not cured the noncompliance upon which the Noncompliance Notice was issued, in accordance with the procedures set forth in Sections 11.1 and 11.2 above. On an annual basis from the Effective Date, the Franchisee shall not be liable for liquidated damages that exceed Ten Thousand Dollars (\$10,000) in the aggregate payable to the Villages of Larchmont and Mamaroneck and the Town of Mamaroneck . Liquidated damages shall be assessed as follows:

For failure to provide Cable Service as set forth
in Sections 3.1-3.3.....\$100 per day for each day the
violation continues;

For failure to maintain the system standards
as set forth in Article 4.....\$50 per day for each day the
violation continues;

For failure to comply with Article 5	\$100 per day for each day the violation continues;
For failure to provide LFAs with any reports or records required by the Agreement within the time period required.....	\$50 per day for each day the violation continues;
For failure to carry the insurance specified in Subsection 8.1.1	\$100 per day for each day the violation continues;
For a transfer specified in Article 9 without required approval.....	\$100 per day for each day the violation continues; and
For failure to comply with Parts 890 through and 896 of the NY PSC rules and regulations	\$100 per day for each day the violation continues, provided that such penalty shall be inapplicable if the NY PSC imposes a penalty on Franchisee for such a violation.

11.3.1. Any liquidated damages assessed pursuant to this section shall not be a limitation upon any other provisions of this Franchise and applicable law, including revocation, or any other statutorily or judicially imposed penalties or remedies; provided, however, that in the event that the LFAs collects liquidated damages for a specific breach for a specific period of time, pursuant to this Section 11.3, the collection of such liquidated damages shall be deemed to be the LFAs exclusive remedy for the specific breach for such specific period of time only.

11.3.2. The parties agree that each case of non-compliance as set forth in this Section 11.3 shall result in damage to the LFAs, compensation for which will be difficult to ascertain. The parties agree that the liquidated damages in the amounts set forth in this Section 11.3 are fair and reasonable compensation for such damage.

11.4. *Public Hearing:* The LFA shall schedule a public hearing (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 or commenced to remedy the alleged noncompliance within sixty (60) days (or, in the case of a noncompliance as set forth at Subsection 11.2.2, within thirty (30) days) or the date projected pursuant to Subsection 11.2.1(iii) above. The LFA shall provide Franchisee at least thirty (30) calendar 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.

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

11.5.1. Seek to recover liquidated damages from Franchisee in accordance with Section 11.3; or

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

11.5.3. Commence an action at law for monetary damages or seek other equitable relief, including, but not limited to, payment with respect to any form of security provided for in Section 11.8; or

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

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

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

11.6.2. Following the Revocation Hearing, Franchisee shall be provided up to thirty (30) days to submit its proposed findings and conclusions to the LFAs in writing, and thereafter the LFAs 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 LFAs 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 LFAs determines that it will revoke the Franchise, the LFAs shall promptly provide Franchisee with a written determination setting forth the LFAs’ reasoning for such revocation. Franchisee may appeal such written determination of the LFAs to an appropriate court, which shall have the power to review the decision of the LFAs *de novo*, to the extent permitted by law. 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.

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

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

11.8. *Security:* Prior to the Effective Date, the Franchisee shall provide and thereafter maintain in the aggregate to the Villages of Larchmont and Mamaroneck and the Town of Mamaroneck security for the performance of its obligations under this Agreement in the amount of Sixty Thousand and 00/100 Dollars (\$60,000.00). The form of this security may, at Franchisee's option, be a performance bond, letter of credit, cash deposit, cashier's check or any other security acceptable to the LFAs. If the Franchisee posts a performance bond, it shall be substantially in the form of **Exhibit F** attached hereto.

11.8.1. In the event that a performance bond provided pursuant to the Agreement is not renewed or is cancelled, Franchisee shall provide new security pursuant to this Article within thirty (30) days of such cancellation or failure to renew.

11.8.2. Neither cancellation nor termination, nor refusal by surety to extend the performance bond, nor inability of the Franchisee, as principal, to file a replacement performance bond or replacement security for its obligations, shall constitute a loss to the LFAs, as obligee, recoverable under the performance bond.

12. **MISCELLANEOUS PROVISIONS**

12.1. *Actions of Parties:* In any action by the LFAs 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 LFAs.

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.

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

12.5.1. Notices to Franchisee shall be mailed to:

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

12.5.2. Notices to the LFAs shall be mailed to:

Village of Larchmont

Village Clerk
Municipal Building
120 Larchmont Ave.
Larchmont, NY 10538

Town of Mamaroneck

Town Clerk
Town Hall
740 W. Boston Post Road
Mamaroneck, NY 10543

Village of Mamaroneck

Clerk - Treasurer
Village Offices at the Regatta
123 Mamaroneck Ave.
Mamaroneck, NY 10543

12.5.3. with a copy to:

Administrator
Cable TV Board of Control
C/O of Village of Mamaroneck
123 Mamaroneck Ave.
Mamaroneck, NY 10573

12.6. *Entire Agreement:* This Franchise and the Exhibits hereto constitute the entire agreement between Franchisee and the LFAs 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:* With the exception of this Agreement's Section 1.16 (Definition of Gross Revenue), Section 6.1 (Payment of Franchise Fees to LFAs), and Article V (PEG Services), 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 LFAs 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 pursuant to this Agreement. This provision is not intended to contravene leased access requirements under Title VI or PEG requirements set out in this Agreement.

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

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

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

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

12.16. *Performance Review:* The LFAs may, at its discretion but not more than once per twelve-month period, hold a performance evaluation session (the “Performance Review”) to review Franchisee’s compliance with the terms and conditions of this Franchise. The LFAs 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 LFAs to arrange a meeting with designated LFAs representatives in an informal non-public forum to review any such confidential or proprietary information to the extent necessary to effectuate the objectives of this Section 12.16; provided, however, that the information disclosed to the LFAs by the Franchisee at any such informal non-public meeting shall be treated by the LFAs as confidential. Within thirty (30) days after the conclusion of the Performance Review, the LFAs shall provide Franchisee written documentation (“Performance Review Report”) setting forth its determinations regarding Franchisee’s compliance with the terms and conditions of this Franchise. The Performance Review Report shall not contain any confidential information disclosed by the Franchisee in connection with the Performance Review.

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

12.18. *LFAs Official:* The LFAs’ Manager or designated representatives or representative of the Manager is the LFAs’ official that is responsible for the continuing administration of this Agreement. However, the Franchisee agrees that the LFAs may transfer or delegate any such responsibilities to the Control Board to act on behalf of the LFAs; provided, however, that in the event the Control Board acts on behalf of the LFAs on a particular matter the Villages of Larchmont and Mamaroneck and the Town of Mamaroneck may not simultaneously exercise their individual rights on the same matter under this Franchise Agreement.

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

[SIGNATURE PAGE FOLLOWS]

AGREED TO THIS _____ DAY OF _____, 2007.

Village of Larchmont:

By: _____

Village of Mamaroneck:

By: _____

Town of Mamaroneck:

By: _____

Verizon New York Inc.

By: _____
Tracey Edwards, Vice President

EXHIBITS

Exhibit A: Municipal Buildings to be Provided Free Cable Service

Exhibit B: Service Area

Exhibit C: PEG Channels

Exhibit D: PEG Access Origination Point

Exhibit E: Form of Transferee's Notification Regarding Acceptance of Terms

Exhibit F: Form of Performance Bond

EXHIBIT A

MUNICIPAL BUILDINGS TO BE PROVIDED FREE CABLE SERVICE

<u>Municipal Buildings</u>	<u>Address</u>
Firehouse	205 Weaver Street, Larchmont, NY 10538
Town Center	740 West Boston Post Road, Mamaroneck, NY 10543
LMC-TV Studio	740 West Boston Post Road, Mamaroneck, NY 10543
Firehouse	146 Palmer Avenue, Mamaroneck, NY 10543
Mamaroneck EMS Building	200 North Barry Avenue, Mamaroneck, NY 10543
Firehouse	147 Mamaroneck Avenue, Mamaroneck, NY 10543
Firehouse	643 Mamaroneck Avenue, Mamaroneck, NY 10543
Firehouse	1400 Halstead Avenue, Mamaroneck, NY 10543
Firehouse	605 North Barry Avenue, Mamaroneck, NY 10543
Emelin Theater	153 Library Lane, Mamaroneck, NY 10543
Village Hall	169 Mt. Pleasant Avenue, Mamaroneck, NY 10543
Police Department	169 Mt. Pleasant Avenue, Mamaroneck, NY 10543
Library	136 Prospect Avenue, Mamaroneck, NY 10543
Village Yard	2015 Boston Post Road, Larchmont, NY 10538
Police Department	120 Larchmont Avenue, Larchmont, NY 10538
Village Hall	120 Larchmont Avenue, Larchmont, NY 10538
Firehouse	130 Larchmont Avenue, Larchmont, NY 10538
Library and Village Center	119-121 Larchmont Avenue, Larchmont, NY 10538
Ambulance Corps	155 Weaver Street, Larchmont, NY 10538
Public Works	313 Fayette Avenue, Mamaroneck, NY 10543
Public Works	40 Maxwell Avenue, Larchmont, NY 10538
Senior Center	740 West Boston Post Road, Mamaroneck, NY 10543
Police Department	740 West Boston Post Road, Mamaroneck, NY 10543
Health Center Building	234 Stanley Ave., Mamaroneck, NY 10543
Village Administrative Offices	123 Mamaroneck Ave., Mamaroneck, NY 10543
Sanitation Commission	30 Maxwell Avenue, Larchmont, NY 10538
Hommocks Ice Rink	140 Hommocks Road, Larchmont, NY 10538
Sheldrake Environmental	685 Weaver Street, Larchmont, NY 10538
Senior Center	1288 Boston Post Road, Larchmont, NY 10538

<u>Mamaroneck School District</u>	<u>Address</u>
Central School	1100 Palmer Avenue, Mamaroneck, NY 10543
Chatsworth School	34 Chatsworth Avenue, Larchmont, NY 10538

Mamaroneck Avenue School
Murray Avenue School
Hommocks Middle School
Mamaroneck High School

850 Mamaroneck Avenue, Mamaroneck, NY 10543
250 Murray Avenue, Larchmont, NY 10538
10 Hommocks Road, Larchmont, NY 10538
1000 West Boston Post Road, Mamaroneck, NY 10543

Rye Neck School District

Address

F.E. Bellows School
Daniel Warren School
Rye Neck High School
Rye Neck Middle School

200 Carroll Avenue, Mamaroneck, NY 10543
1310 Harrison Avenue, Mamaroneck, NY 10543
310 Hornidge Road, Mamaroneck, NY 10543
300 Hornidge Road, Mamaroneck, NY 10543

EXHIBIT B

SERVICE AREA

The Service Area is the Franchise Area. A map of the Villages of Larchmont and Mamaroneck and the Town of Mamaroneck's Service Area is attached hereto.

The construction of the Franchisee's FTTP Network has been completed to approximately 77% of the current households in the Franchise Area. At present, Franchisee's anticipated schedule (with schedule dates measured from the month that the NY PSC issues the confirmation order approving this Franchise) calls for 81% deployment at 6 months, 84% deployment at 12 months, 87% deployment at 18 months, 90% deployment at 24 months, 92% deployment at 30 months, 94% deployment at 36 months, 95% deployment at 42 months, 97% deployment at 48 months, 99% deployment at 54 months, and 100% deployment at 60 months. This schedule is subject to further review and modification by the Franchisee consistent with Section 895.5(b)(1) of the NY PSC rules and regulations; provided, however, that Franchisee shall provide notice to the LFA and the NY PSC of any material change in this schedule.



EXHIBIT C

PEG CHANNELS

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

EXHIBIT D

PEG ACCESS ORIGATION POINTS

Subject to the requirements set forth in Section 5.2 of the Agreement, the following Public Access Channel, Government Access Channel and Educational Access Channel PEG Access Interconnection Site ("PEG Access Interconnection Site") shall be operable within one hundred twenty (120) days of the Effective Date:

LMC TV Studio, 740 W. Boston Post Road, Floor 3, Mamaroneck, NY 10543

The PEG Access Interconnection Site shall serve as the aggregation point for the PEG Content Origination Points designated below ("PEG Content Origination Points") feeding signals to the public, government and educational access channels. For purposes of permitting the LFAs to select and switch feeds into an aggregation point, Franchisee shall provide the LFAs, without charge, such capability at such aggregation point. Operation and maintenance of any equipment associated therewith shall be the responsibility of the LFAs. At the PEG Access Interconnection Site, the LFAs will provide Franchisee, without restriction, with suitable video signals from any and all additional PEG content origination points which may be provided or maintained by any other cable service provider within the Service Area.

Subject to the requirements set forth in Section 5.2 of the Agreement, the following one (1) PEG Content Origination Points feeding a signal to the PEG Access Interconnection Site shall be operable within one hundred eighty (180) days of the Effective Date:

Mamaroneck Village Hall , 169 Mt. Pleasant Avenue, Mamaroneck, NY 10543

Subject to the requirements set forth in Section 5.2 of the Agreement, the following two (2) PEG Content Origination Points feeding a signal to the PEG Access Interconnection Site shall be operable within two hundred and forty (240) days of the Effective Date:

Rye Neck High School, 300 Hornidge Road, Mamaroneck, NY 10543

Larchmont Village Hall, 120 Larchmont Avenue, Larchmont 10538

At the above PEG Content Origination Points, the LFAs will provide Franchisee, without restriction, with a suitable video signal for the PEG Channels and the LFAs are responsible for all content and equipment necessary to deliver such signal at the point of connection.

EXHIBIT E

EXHIBIT F FORM OF TRANSFEREE'S NOTIFICATION REGARDING ACCEPTANCE OF TERMS

[LFAs ADDRESS]

Re: Cable Franchise Agreement by and between the Villages of Larchmont and Mamaroneck and the Town of Mamaroneck and Verizon New York Inc.

To Whom It May Concern:

Please be advised that, pursuant to Section 9.2 of the Cable Franchise Agreement by and between the Villages of Larchmont and Mamaroneck and the Town of Mamaroneck and Verizon New York Inc. dated _____, 2007 (the "Verizon Franchise"), the undersigned, [NAME OF TRANSFEREE], hereby confirms acceptance of the terms of the Verizon Franchise. [NAME OF TRANSFEREE] shall not use the Transfer as a basis for challenging the validity of any past non-performance and shall assume all liability existing under the Agreement.

Please contact the undersigned should you have any questions.

Very truly yours,

[NAME OF TRANSFEREE]

EXHIBIT F

FORM OF PERFORMANCE BOND

Bond No. _____

KNOW ALL MEN BY THESE PRESENTS: That (name & address) (hereinafter called the Principal), and (name and address) (hereinafter called the Surety), a corporation duly organized under the laws of the State of (state), are held and firmly bound unto (name & address) (hereinafter called the Obligee), in the full and just sum of _____ Dollars (\$ _____), the payment of which sum, well and truly to be made, the said Principal and Surety bind themselves, their heirs, administrators, executors, and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal and Obligee have entered into a Franchise Agreement dated _____ which is hereby referred to and made a part hereof.

WHEREAS, said Principal is required to perform certain obligations under said Agreement.

WHEREAS, the Obligee has agreed to accept this bond as security against default by Principal of performance of its obligations under said Agreement during the time period this bond is in effect.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH that if the Principal shall perform its obligations under said Agreement, then this obligation shall be void, otherwise to remain in full force and effect, unless otherwise terminated, cancelled or expired as hereinafter provided.

PROVIDED HOWEVER, that this bond is executed subject to the following express provisions and conditions:

1. In the event of default by the Principal, Obligee shall deliver to Surety a written statement of the details of such default within 30 days after the Obligee shall learn of the same, such notice to be delivered by certified mail to address of said Surety as stated herein.
2. This Bond shall be effective _____, 20____, and shall remain in full force and effect thereafter for a period of one year and will automatically extend for additional one year periods from the expiry date hereof, or any future expiration date, unless the Surety provides to the Obligee not less than sixty (60) days advance written notice of its intent not to renew this Bond or unless the Bond is earlier canceled pursuant to the following.
This Bond may be canceled at any time upon sixty (60) days advance written notice from the Surety to the Obligee.
3. Neither cancellation, termination nor refusal by Surety to extend this bond, nor inability of Principal to file a replacement bond or replacement security for its obligations under said Agreement, shall constitute a loss to the Obligee recoverable under this bond.

Bond No. _____

4. No claim, action, suit or proceeding shall be instituted against this bond unless same be brought or instituted and process served within one year after termination or cancellation of this bond.
5. No right of action shall accrue on this bond for the use of any person, corporation or entity other than the Obligee named herein or the heirs, executors, administrators or successors of the Obligee.
6. The aggregate liability of the surety is limited to the penal sum stated herein regardless of the number of years this bond remains in force or the amount or number of claims brought against this bond.
7. This bond is and shall be construed to be strictly one of suretyship only. If any conflict or inconsistency exists between the Surety's obligations as described in this bond and as may be described in any underlying agreement, permit, document or contract to which this bond is related, then the terms of this bond shall supersede and prevail in all respects.

This bond shall not bind the Surety unless it is accepted by the Obligee by signing below.

IN WITNESS WHEREOF, the above bounded Principal and Surety have hereunto signed and sealed this bond effective this ____ day of _____, 200_.

Principal

Surety

By: _____

By: _____
_____, Attorney-in-Fact

Accepted by Obligee: _____
(Signature & date above - Print Name, Title below)

Tab 8



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

November 12, 2007

The Honorable Elizabeth N. Feld
Village of Larchmont
120 Larchmont Avenue
Larchmont, New York 10538

Dear Mayor Feld:

Verizon is looking forward to the public hearing on November 14 in the Village of Larchmont 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 Larchmont.

I respect and thank you and those who negotiated on behalf of Larchmont 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 Larchmont. 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 Board Members.

Again, thank you for your commitment to bringing cable choice and a new video technology to the Village of Larchmont.

Sincerely,



Monica Azare

cc: The Honorable Marlene Kolbert, Trustee
The Honorable Anne McAndrews, Trustee
The Honorable Jim Millstein, Trustee
The Honorable Richard Ward, Trustee

Verizon FiOS TV

Village of Larchmont, NY



The Village of Larchmont Can Advance New York's Broadband Revolution.

Favorable action on Verizon's proposed cable franchise agreement positions Larchmont 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 Larchmont** – 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 Village of Larchmont is among the first.

Deployment Commitment: Larchmont is among the first communities in New York to benefit from Verizon's fiber-to-the-premises (FTTP) initiative. Today, this network offers Larchmont 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 Larchmont.

Broadband. The Village of Larchmont has a lot riding on it.



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



verizon

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.

EFFECTIVE JULY 2007

Shopping

130 QVC
131 HSN
135 Jewelry
137 Shop NBC

Homes & Leisure

140 Style
141 Discovery Health
143 FRTV
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

2000	Turner Classic Movies
2001	AMC
2002	Fox Movie Channel
Family	
210	Nickelodeon Channel (ESB)
212	Family Net
213	Amazigha TV
214	TV Light
Children	
2200	Dansey
221	Toon Cloney
222	Nickelodeon
223	Nick To
224	Nick Toons
225	GAS
226	Noggin
227	Cartoon Network (ESB)
228	Boomerang (ESB)
229	Discovery Kids
230	Variety
231	FUNimation
232	PBS KIDS Sprout

EQS TV Local Arts & Entertainment Sports News & Information Lifestyle

Movies

International Films
Library
Movie Trailers
New Releases
En Español

Subscriptions

Chemex
HBO
Showtime
Starz
Sundance
The Movie Channel
Playboy
Herald
Kamachi Channel
WWE 24-7

Events

Sports
Uncensored
En Español

Adult

FOIS TV Help



*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.

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

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	228 + FiOS TV Local	\$42.99
La Conexión ⁴	162 + 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	45	\$12.99
Sports/Movies Combination	58	\$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 ⁷ /Playboy TV en Español	2	\$15.99
here!	1	\$7.99

International Premiums (Requires STB)	Number of Channels	Monthly Price
International Premium Channels	14	Individually Priced

Video On Demand (VOD) and Pay Per View (PPV) (Requires STB)	Price
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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
Digital Adapter**	\$3.99
Standard Definition (SD)	\$4.99
High Definition (includes HD channels)	\$9.99
Standard Definition Digital Video Recorder**	\$12.99
High Definition Digital Video Recorder (includes HD channels)	\$15.99
SD Home Media DVR (features Multi-Room DVR & Media Manager)**	\$17.99
HD 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
FiOS TV Activation Fee with FiOS TV/Internet/Voice Bundle	Free
FiOS TV Activation Fee with FiOS Internet	\$19.99
FiOS TV Activation Fee without FiOS Internet	\$29.99

Subsequent Installations/Charges	One-Time Charges
Premise Visit ⁷	\$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
Downgrade of Service from Digital to Analog	\$49.99
Set Top Box Addition or Upgrade (requiring Technician visit)	\$24.99
Set Top Box Return or Downgrade with equipment drop off at Verizon authorized locations	Free
Set Top Box Return or Downgrade (requiring Technician visit)	\$29.99
FiOS TV Full Service Disconnect with equipment drop off at Verizon authorized locations	Free
FiOS TV Full Service Disconnect with Technician visit for equipment retrieval	\$74.99

Other Services and Charges	One-Time Charges
Seasonal Service Suspension (charged at initiation, 1-6 months) ⁸	\$24.99
Replacement Remote — Verizon FiOS TV RC144	\$6.99 + Shipping & Handling
Replacement Remote — Motorola DRC800	\$5.00 + Shipping & Handling
Unreturned/Damaged STB — Digital Adapter	\$175.00
Unreturned/Damaged STB — Standard Definition	\$240.00
Unreturned/Damaged STB — High Definition	\$350.00
Unreturned/Damaged STB — SD Digital Video Recorder (DVR)	\$475.00
Unreturned/Damaged STB — HD Digital Video Recorder (DVR)	\$550.00

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

**Available Fall 2007.



¹ 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 If service is cancelled within the first 12 months, router must be returned or \$99.99 equipment fee applies.

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.

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.

⁵ In order to be eligible for Movies or Sports, FiOS TV Premier or La Conexión is required. 30-day minimum billing period required for all digital packages.

⁶ Subscription VOD is included with all Premiums at no extra charge (where applicable). 30-day minimum billing period required for all Premiums.

⁷ 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.

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

Service/program availability varies by location and the number of channels within each package are approximations. Pricing applies to residential use only within the United States and is subject to change. Taxes, franchise fees and other terms apply.

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