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Joseph A. Post
Assistant General Counsel



May 29, 2007

BY HAND

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

Re: Case 07-V-_____

Dear Secretary Brilling:

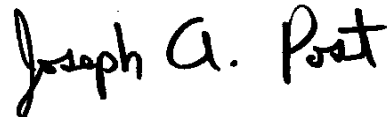
Enclosed please find an original and four (4) copies of the Petition of Verizon New York Inc. ("Verizon") for confirmation, pursuant to § 221 of the Public Service Law, of a cable franchise awarded to Verizon by the Village of Chestnut Ridge, New York.

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

Honorable Jaclyn A. Brilling
May 29, 2007

Verizon's proposed offering of FiOS video service in Chestnut Ridge complies in all respects with the requirements of New York and federal law, and will provide valuable benefits to consumers in the franchise area. Moreover, Verizon is already technically and operationally capable of offering cable service in significant portions of the franchise area. (See Petition ¶ 9.) Accordingly, Verizon respectfully requests that the Commission promptly review the Petition and approve it at its June 20, 2007 session.

Respectfully submitted,

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

cc: Village of Chestnut Ridge
Ms. Florence Mandel
Village Clerk
Village of Chestnut Ridge
277-279 Old Nyack Turnpike
Chestnut Ridge, New York 10977

Cablevision
Michael E. Olsen, Esq. (Courtesy Copy)

**STATE OF NEW YORK
PUBLIC SERVICE COMMISSION**

**In the Matter of the Petition of Verizon
New York Inc. Pursuant to Section 221
of the Public Service Law for
Confirmation of a Cable Television
Franchise Awarded by the Village of
Chestnut Ridge, New York (Rockland
County)**

Case 07-V-_____

PETITION FOR CONFIRMATION

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

Counsel for Verizon New York Inc.

May 29, 2007

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**STATE OF NEW YORK
PUBLIC SERVICE COMMISSION**

**In the Matter of the Petition of Verizon
New York Inc. Pursuant to Section 221
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Chestnut Ridge, New York (Rockland
County)**

Case 07-V-_____

PETITION FOR CONFIRMATION

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

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

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

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

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

I. INFORMATION SUBMITTED IN SUPPORT OF THE PETITION

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

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

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

2. True copies of the Franchise and of the resolution authorizing the Franchise² are provided as Attachments A and B, respectively, to this Petition. A public hearing (the "Hearing") on Verizon's application for a franchise was held by the Franchisor on April 10,

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

² The resolution was voted on and adopted by a 4-0 vote of the Village Board of Trustees on May 17, 2007. However, although the resolution was duly adopted and is fully valid, it is our understanding that it will not be certified until the Board's next regular meeting, which will take place on June 21, 2007. Verizon will supplement this filing with the certified resolution as soon as it becomes available. Attachment B also includes pages from the public hearing transcript demonstrating that the Board adopted the resolution on May 17.

2007, at Village Hall, 277-279 Old Nyack Turnpike, Chestnut Ridge, New York, starting at approximately 8:00 P.M. The hearing continued on May 17, 2007, and was concluded on that date. A true copy of the affidavit of publication of the notice of public hearing is provided as Attachment C to this petition. (16 NYCRR § 897.2(b))

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

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

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

The Commission's rules do not require, and Verizon has no plans at this time to engage in, origination cablecasting, and Verizon will not be providing any facilities, equipment, or staff to be employed in such cablecasting. Verizon meets all of the Commission's regulations regarding the provision of PEG access channels. With respect to access cablecasting, the Franchise provides that:

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

(16 NYCRR § 897.2(e))

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

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

8. A notice of this Petition will be published on May 31, 2007 in The Journal News. The Journal News is a newspaper of general circulation in the Village of Chestnut Ridge. Verizon has submitted the notice to that newspaper, has arranged for payment of the necessary charges, and has been assured that the notice will be published on the specified date. Proof of these facts is provided as Attachment G to this Petition. Verizon will file a supplemental affidavit confirming the actual publication of the notice following publication. (16 NYCRR § 897.2(g))

9. Verizon already has the technical and operational ability to offer cable service in significant portions of the franchise area, and intends to begin offering such service shortly after the Franchise is confirmed. In order to ensure the earliest possible availability of competitive cable service within the franchise area, together with the benefits that such competition will bring, we respectfully request that the Commission rule on this Petition at its June 20, 2007 Session.

II. ISSUES RELATING TO THE STATE ENVIRONMENTAL QUALITY REVIEW ACT

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

It is Verizon's position that submission of an EAF is not required for the activities at issue in this Petition, and that even if such a submission were required, a short-form EAF would suffice.³ Attachment H is submitted without prejudice to that position, at Staff's request, and in recognition of the fact that the Commission has concluded in previous orders that the offering of cable service by Verizon is an "unlisted" action — rather than a Type II action or a non-action — under the State Environmental Quality Review Act ("SEQRA"). Even if the Commission concludes that submission of an EAF is required, it should determine on the basis of Attachment H that the actions at issue here will not have a significant effect on the environment — *i.e.*, the Commission should issue a "negative declaration" under SEQRA — as it has done in prior Verizon confirmation proceedings.

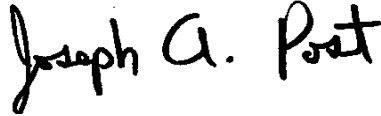
III. CONCLUSION

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

³ For an explanation of the basis of this position, *see* Section II of Verizon's October 6, 2005 petition for confirmation of a franchise granted by the Village of Massapequa Park, New York (Case 05-V-1263).

significant adverse environmental impact, and it should accordingly include a negative declaration under SEQRA in its confirmation order.

Respectfully submitted,

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

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

Counsel for Verizon New York Inc.

May 29, 2007

**In the Matter of the Petition of Verizon
New York Inc. Pursuant to Section 221
of the Public Service Law for
Confirmation of a Cable Television
Franchise Awarded by the Village of
Chestnut Ridge, New York (Rockland
County)**

VERIFICATION

STATE OF NEW JERSEY)
)
COUNTY OF SOMERSET) SS.:

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

I am an officer — specifically, an Assistant Secretary — of Verizon New York Inc., the Petitioner in this proceeding. I have read the foregoing Petition and I know its contents. To the best of my knowledge, based on information provided to me by employees of the Petitioner, the foregoing Petition is true.


VERONICA C. GLENNON

Sworn to before me
this 28 day of May, 2007


Notary Public

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

LIST OF ATTACHMENTS TO THE PETITION

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

ATTACHMENT A

Cable Franchise Agreement
by and between
The Village of Chestnut Ridge, NY
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: Security

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

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

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

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

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

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

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

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

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

NOW, THEREFORE, in consideration of the LFA's grant of a franchise to Franchisee, Franchisee's promise to provide Cable Service to residents of the Franchise/Service Area of the LFA pursuant to and consistent with the Cable Law (as hereinafter defined), pursuant to the

terms and conditions set forth herein, the promises and undertakings herein, and other good and valuable consideration, the receipt and the adequacy of which are hereby acknowledged,

THE SIGNATORIES DO HEREBY AGREE AS FOLLOWS:

1. **DEFINITIONS**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(i) Basic Service;

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

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

(iv) Vidco-on-Demand and Pay-Per-View; and

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

allocation shall be based on the number of Subscribers in the Service Area divided by the total number of subscribers in relation to the relevant local, regional or national compensation arrangement. Advertising commissions paid to third parties shall not be netted against advertising revenue included in Gross Revenue.

Gross Revenue shall not include:

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

(ii) 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;

(iii) 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);

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

(v) 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 as may be amended from time to time; Should revenue from Telecommunications or Information Services, or any other service provided over the Cable System be deemed a Cable Service by any agency or court having jurisdiction, then in that event, revenue from such activities shall be included in Gross Revenue within sixty (60) days of a final determination or ruling, subject to Section 222 of the New York Public Service Law and Title 16, Chapter VIII, Part 892, Subpart 892-1, Section 892-1.4 of the Official Compilation of Codes, Rules and Regulations of the State of New York requiring application to the NY PSC and approval of any modification;

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

(vii) 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;

(viii) the sale of Cable Services to customers, which are exempt, as required or allowed by the LFA including, without limitation, the provision of Cable Services to public institutions as required or permitted herein;

(ix) 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);

(x) 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);

(xi) 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;

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

(xiii) any fees or charges collected from Subscribers or other third parties for the provision of PEG services.

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

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

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

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

1.21. *NYPSC*: The New York Public Service Commission.

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

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

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

1.25. *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.

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

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

1.28. *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.

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

1.30. *Transfer of the Franchise*:

1.30.1. Any transaction in which:

1.30.1.1. 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

1.30.1.2. 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.

1.30.2. However, notwithstanding Sub-subsections 1.30.1.1 and 1.30.1.2 above, a *Transfer of the Franchise* shall not include transfer of an ownership or other interest in Franchisee to the parent of Franchisee or to another Affiliate of Franchisee; transfer of an interest in the Franchise or the rights held by the Franchisee under the Franchise to the parent of Franchisee or to another Affiliate of Franchisee; any action which is the result of a merger of the parent of the Franchisee; or any action which is the result of a merger of another Affiliate of the Franchisee.

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

2. GRANT OF AUTHORITY; LIMITS AND RESERVATIONS

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

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

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

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

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

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 law and state law as may be amended, including but not limited to the Communications Act.

2.6. *No Waiver:*

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

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

2.7. *Construction of Agreement:*

2.7.1. 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 or the Cable Law.

2.7.2. Should any change to state law, rules or regulations have the lawful effect of materially altering the terms and conditions of this Franchise, then the parties may modify this Franchise to the mutual satisfaction of both parties to ameliorate the negative effects on the Franchisee of the material alteration. Any modification to this Franchise shall be in writing and shall be subject to Section 222 of the New York Public Service Law and Title 16, Chapter VIII, Part 892, Subpart 892-1, Section 892-1.4 of the Official Compilation of Codes, Rules and Regulations of the State of New York requiring application to the NY PSC and approval of any modification. If the parties cannot reach agreement on the above-referenced modification to the Franchise, then Franchisee may terminate this Agreement without further obligation to the LFA.

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

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

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

3. **PROVISION OF CABLE SERVICE**

3.1. *Service Area:*

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

because such provision requires nonstandard facilities which are not available on a commercially reasonable basis; and (G) in areas where the occupied residential household density does not meet the density and other requirements set forth in Sub-Subsection 3.1.1.1. and Section 3.2.

3.1.1.1. *Density Requirement:* Franchisee shall make Cable Services available to residential dwelling units in all areas of the Service Area where the average density is equal to or greater than 35 occupied residential dwelling units per mile as measured in strand footage from the nearest technically feasible point on the active FTTP Network trunk or feeder line. Should, through new construction, an area within the Service Area meet the density requirements after the time stated for providing Cable Service as set forth in Subsection 3.1.1 respectively, Franchisee shall provide Cable Service to such area within twelve (12) months of receiving notice from the LFA that the density requirements have been met.

3.2. *Availability of Cable Service:* Franchisee shall make Cable Service available to all residential dwelling units and may make Cable Service available to businesses within the Service Area in conformance with Section 3.1, and Franchisee shall not discriminate between or among any individuals in the availability of Cable Service or based upon the income in a local area. In the areas in which Franchisee shall provide Cable Service, Franchisee shall be required to connect, at Franchisee's expense, other than a standard installation charge, all residential dwelling units that are within one hundred fifty (150) feet of aerial trunk or feeder lines not otherwise already served by Franchisee's FTTP Network. Franchisee shall be allowed to recover, from a Subscriber that requests such connection, the actual costs incurred for residential dwelling unit connections that exceed one hundred fifty (150) feet or are in an area with a density of less than 35 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 35 occupied residential dwelling units per mile if such would not be possible within the limitations of economic feasibility. For underground installations, Franchisee shall charge the recipient Franchisee's actual cost. Such costs shall be submitted to said recipient in writing, before installation is begun.

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

third parties respecting programming. Equipment provided by Franchisee, if any, shall be replaced at retail rates if lost, stolen or damaged.

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

4. SYSTEM FACILITIES

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

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

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

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

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

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

4.5. *System Maintenance and Repair:* When interruption of service is necessary for making repairs, adjustments, or installations, unless such interruption is unforeseen or immediately necessary, Franchisee shall give reasonable notice thereof to Subscribers.

5. PEG SERVICES

5.1. *PEG Set Aside:*

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

5.1.2. The programming to be carried on each of the PEG Channels set aside by Franchisee is reflected in Exhibit C attached hereto. The LFA hereby authorizes Franchisee to transmit such programming within and without LFA jurisdictional boundaries. Franchisee specifically reserves the right to make or change channel assignments in its sole discretion. If a PEG Channel provided under this Article is not being utilized by the LFA, Franchisee may utilize such PEG Channel, in its sole discretion, until such time as the LFA elects to utilize the PEG Channel for its intended purpose. In the event that the LFA determines to use PEG capacity, the LFA shall provide Franchisee with prior written notice of such request in accordance with NY PSC rules and regulations.

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

5.2. *Recovery of Costs:* To the extent permitted by federal law, the Franchisee shall be allowed to recover the 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.

5.3. *PEG Liability.* In accordance with 47 U.S.C. §558, the Franchisee shall not incur any liability arising from or in connection with any PEG Channels.

6. **FRANCHISE FEES**

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

6.2. *Supporting Information:* Each Franchise Fee payment shall be accompanied by a 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 can not exceed the date of records retention reflected in Section 7.

6.4. *Bundled Services:* If Cable Services subject to the Franchise Fee required under this Article 6 are provided to Subscribers in conjunction with Non-Cable Services, the

Franchise Fee shall be applied only to the value of the Cable Services, as reflected on the books and records of Franchisee in accordance with FCC or state public utility regulatory commission rules, regulations, standards or orders.

7. REPORTS AND RECORDS

7.1. *Open Books and Records:* Upon reasonable written notice to the Franchisee and with no less than thirty (30) business days written notice to the Franchisee, the LFA shall have the right to inspect Franchisee's books and records pertaining to Franchisee's provision of Cable Service in the Franchise Area at any time during regular business hours and on a nondisruptive basis, as are reasonably necessary to ensure compliance with the terms of this Franchise. Such notice shall specifically reference the section or subsection of the Franchise which is under review, so that Franchisee may organize the necessary books and records for appropriate access by the LFA. Following the notice period set forth herein, Franchisee shall make such books and records available to the LFA at a mutually agreed upon location within fifty (50) miles of the territorial limits of the LFA. Franchisee shall not be required to maintain any books and records for Franchise compliance purposes longer than six (6) years. Notwithstanding anything to the contrary set forth herein, Franchisee shall not be required to disclose information that 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. The LFA shall treat any information disclosed by Franchisee as confidential 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. Franchisee shall not be required to provide Subscriber information in violation of Section 631 of the Communications Act, 47 U.S.C. §551.

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

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

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

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

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

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

7.3. *System-Wide Statistics:* Any valid reporting requirement in the Franchise may be satisfied with system-wide statistics, except those related to Franchise Fees and consumer complaints.

7.4. Franchisee shall file with the Village copies of all printed materials prepared for general distribution to Subscribers in the Village.

7.5. *Performance Review:* The LFA may, at its discretion but not more than once per twelve-month period, hold an informal performance evaluation session (the "Performance Review"), that is not open to the public, to review Franchisee's compliance with the terms and conditions of this Franchise. The information disclosed to the LFA by the Franchisee at the Performance Review shall be treated by the LFA as confidential. The LFA shall provide Franchisee with at least thirty (30) days prior written notice of the Performance Review to be held at a mutually agreeable time. Franchisee shall have the opportunity to participate in and be heard at the Performance Review. Within thirty (30) days after the conclusion of the Performance Review, the LFA shall provide Franchisee written documentation ("Performance Review Report") setting forth its determinations regarding Franchisee's compliance with the terms and conditions of this Franchise. The Performance Review Report shall not contain any confidential information disclosed by the Franchisee during the Performance Review.

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 five hundred thousand (\$500,000) combined single limit for property damage and bodily injury. Such insurance shall cover the construction, operation and maintenance of the Cable System, and the conduct of Franchisee's Cable Service business in the LFA.

8.1.1.2. Automobile Liability Insurance in the amount of five hundred thousand (\$500,000) combined single limit for bodily injury and property damage coverage.

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

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

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

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

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

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

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

8.2. *Indemnification:*

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

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

8.2.3. The LFA shall not hold Franchisee responsible for damage or other liability and shall defend Franchisee from and against and shall be responsible for damages, liability or claims resulting from or arising out of the willful misconduct or negligence of the LFA.

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

9. TRANSFER OF FRANCHISE

9.1. *Transfer:* Subject to Section 617 of the Communications Act, 47 U.S.C. § 537, as amended, no Transfer of the Franchise shall occur without the prior consent of the LFA, provided that such consent shall not be unreasonably withheld, delayed or conditioned. In considering an application for the Transfer of the Franchise, the LFA may consider the applicant's: (i) technical ability; (ii) financial ability; (iii) good character; and (iv) other qualifications necessary to continue to operate the Cable System consistent with the terms of the Franchise. No such consent shall be required, however, for a transfer in trust, by mortgage, by other hypothecation, by assignment of any rights, title, or interest of the Franchisee in the Franchise or Cable System in order to secure indebtedness, or for transactions otherwise excluded under Section 1.30 above.

10. RENEWAL OF FRANCHISE

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

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

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

11. ENFORCEMENT AND TERMINATION OF FRANCHISE

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

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

11.3. *Public Hearing:* The LFA shall schedule a public hearing if the LFA seeks to continue its investigation into the alleged noncompliance (i) if Franchisee fails to respond to the Noncompliance Notice pursuant to the procedures required by this Article, or (ii) if Franchisee has not remedied the alleged noncompliance within sixty (60) days or the date projected pursuant to Section 11.2(iii) above. The LFA shall provide Franchisee at least forty-five (45) business days prior written notice of such public hearing, which will specify the time, place and purpose of such public hearing, and provide Franchisee the opportunity to be heard.

11.4. *Enforcement:* Subject to Section 12.11 below and applicable federal and state law, in the event the LFA, after the public hearing set forth in Section 11.3, determines that Franchisee is in default of any provision of this Franchise, the LFA may:

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

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

11.4.3. Exercise its right under the security described in Section 11.6; or

11.4.4. In the case of a substantial noncompliance with a material provision of this Franchise, seek to revoke the Franchise in accordance with Section 11.5.

11.5. *Revocation:* Should the LFA seek to revoke this Franchise after following the procedures set forth above in this Article, including the public hearing described in Section 11.3, the LFA shall give written notice to Franchisee of such intent. The notice shall set forth the specific nature of the noncompliance. The Franchisee shall have sixty (60) days from receipt of such notice to object in writing and to state its reasons for such objection. In the event the LFA has not received a satisfactory response from Franchisee, it may then seek termination of the Franchise at a second public hearing. The LFA shall cause to be served upon the Franchisee, at

least thirty (30) business days prior to such public hearing, a written notice specifying the time and place of such hearing and stating its intent to revoke the Franchise.

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

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

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

11.6. *Security:* Within 30 days after the Effective Date, Franchisee shall provide to the LFA security for the performance of its obligations under this Agreement in the amount of fifteen thousand and 00/100 Dollars (\$15,000) (the "Security"). The form of this security may, at the Franchisee's option, be a performance bond, letter of credit, cash deposit, cashier's check or any other security acceptable to the LFA. If the Franchisee posts a performance bond, it shall be substantially in the form of Exhibit D attached hereto.

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

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

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

12. MISCELLANEOUS PROVISIONS

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

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

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

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

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

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

12.5.1. Notices to Franchisee shall be mailed to:

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

12.5.2. Notices to the LFA shall be mailed to:

Village Mayor
277 Old Nyack Turnpike
Chestnut Ridge, New York 10977

12.5.3. with a copy to:

Doris Ulman, Esq., Village Attorney
134 Camp Hill Road
Pomona, New York 10970

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

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

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

12.9. *Severability*: With the exception of the "material provisions" of this Agreement, 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. For purposes of this Agreement, the term "material provision" or "material provisions" shall mean the terms set forth in Section 2.3 (Effective Date and Term), Article 3 (Provision of Cable Service), Subsection 4.2 (System Characteristics), Section 7.1 (Open Books and Records), and Article 9 (Transfer of Franchise).

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

12.11. *FTTP Network Transfer Prohibition*: Under no circumstance including, without limitation, upon expiration, revocation, termination, denial of renewal of the Franchise or any other action to forbid or disallow Franchisee from providing Cable Services, shall Franchisee or its assignees be required to sell any right, title, interest, use or control of any portion of Franchisee's FTTP Network including, without limitation, the Cable System and any capacity used for Cable Service or otherwise, to the LFA or any third party. Franchisee shall not

be required to remove the FTTP Network or to relocate the FTTP Network or any portion thereof as a result of revocation, expiration, termination, denial of renewal or any other action to forbid or disallow Franchisee from providing Cable Services. This provision is not intended to contravene leased access requirements under Title VI or PEG requirements set out in this Agreement.

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

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

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

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

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

12.16.1. The Franchisee shall maintain a toll-free number to receive all calls and inquiries from Subscribers in the Franchise Area and/or residents regarding Cable Service. Franchisee representatives trained and qualified to answer questions related to Cable Service in the Service Area must be available to receive reports of Service Interruptions twenty-four (24) hours a day, seven (7) days a week. Franchisee representatives trained and qualified to respond to other inquiries must be available at least forty-five (45) hours per week, which, in accordance with Sections 890.61 and 890.90 of NY PSC rules and regulations, includes some evening hours at least one night per week and/or some weekend hours. Franchisee representatives shall identify themselves by name when answering this number.

12.16.2. *Business Office:* Franchisee shall locate a staffed local office in Rockland County by March 31, 2008.

12.17. *Identification of Franchisee's Employees, Vehicles & Contractors.* The Franchisee shall require all the Franchisee personnel, contractors and subcontractors contacting Subscribers or potential Subscribers outside the office of the Franchisee to wear a clearly visible identification card bearing their name and photograph.

12.17.1. The Franchisee shall make reasonable effort to account for all identification cards at all times.

12.17.2. The Franchisee shall require all the Franchisee representatives to wear appropriate clothing while working at a Subscriber's premises.

12.17.3. The Franchisee shall require that all service vehicle of the Franchisee and its contractors or subcontractors be clearly identified as such to the public. Specifically, the Franchisee vehicles shall be required to have the Franchisee's logo plainly visible. The Franchisee shall require that all contractors and subcontractors working for the Franchisee shall have the contractor's/subcontractor's name plus markings (such as a magnetic door sign) indicating they are under contract to the Franchisee.

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

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

[The remainder of this page is left intentionally blank.]

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

AGREED TO THIS 23 DAY OF May, 2007.

Village of Chestnut Ridge

By: [Signature]
Jerome Kobrc, Mayor

Verizon New York Inc.

By: [Signature]
Joe DeMauro, Vice President-Capital Market Area
Vice President - Capital Market Area

FORM APPROVED
Attorney [Signature]
Date 3/22/07

EXHIBITS

Exhibit A: Municipal Buildings to be Provided Free Cable Service

Exhibit B: Service Area

Exhibit C: PEG Channels

Exhibit D: Security

EXHIBIT A

MUNICIPAL BUILDINGS TO BE PROVIDED FREE CABLE SERVICE

Chestnut Ridge Village Hall
277 Old Nyack Turnpike
Chestnut Ridge, N.Y. 10977

Chestnut Ridge Justice Court
277 Old Nyack Turnpike
Chestnut Ridge, N.Y. 10977

Chestnut Ridge Middle School
892 Chestnut Ridge Road
Chestnut Ridge, N.Y. 10977

Eldorado Elementary School
5 Eldorado Drive
Chestnut Ridge, N.Y. 10977

Margetts Elementary School
25 Margetts Road
Chestnut Ridge, N.Y. 10977

Fleetwood Elementary School
22 Fleetwood Avenue
Chestnut Ridge, N.Y. 10977

William Faist Volunteer Ambulance Corps
3 Red Schoolhouse Road
Chestnut Ridge, N.Y. 10977

South Spring Valley Fire District
40 Red Schoolhouse Road
Chestnut Ridge, N.Y. 10977

EXHIBIT B

SERVICE AREA

A map of the Service Area is attached hereto.

The construction of the Franchisee's FTTP Network has been completed to approximately 69% of the current households in the Franchise Area. At present, Franchisee's anticipated schedule calls for 78% deployment by September 2007, 79% deployment by March 2008, 82% deployment by September 2008, 83% deployment by March 2009, 88% deployment by September 2009, 89% deployment by March 2010, 94% deployment by September 2010, 95% deployment by March 2011, 98% deployment by September 2011, and 100% deployment by March 2012. This schedule is subject to further review and modification by the Franchisee consistent with Section 895.5(b)(1) of the NY PSC rules and regulations; provided, however, that Franchisee shall provide notice to the LFA and the NY PSC of any material change in this schedule.

MAP ILLUSTRATING VERIZON FTTP BUILDOUT IN THE VILLAGE OF CHESNUT RIDGE, NY

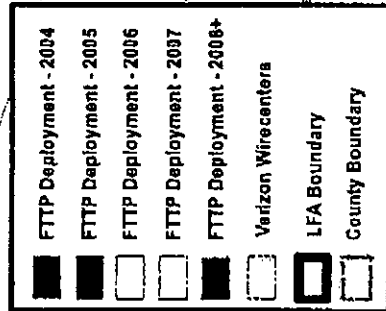
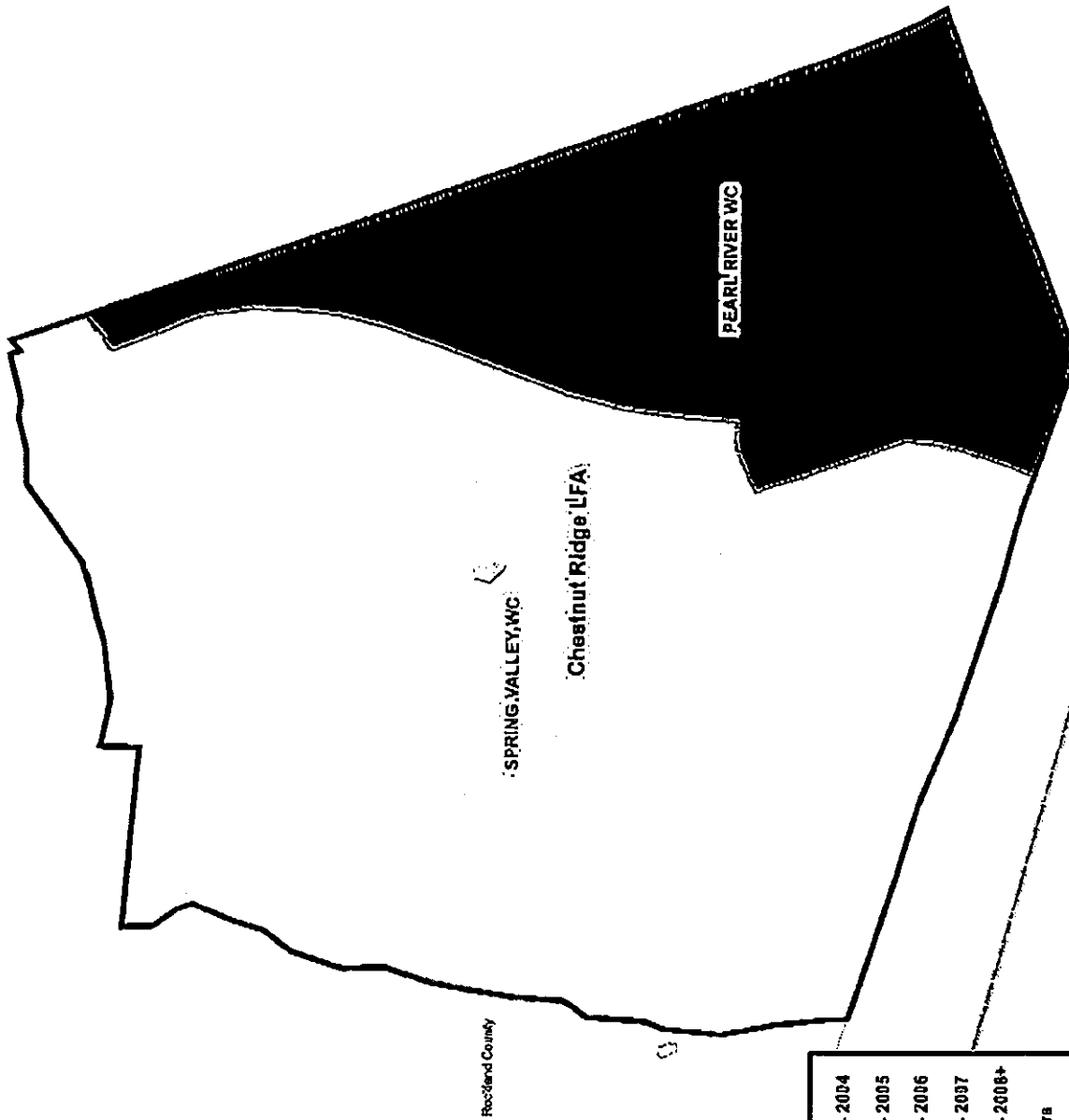


EXHIBIT C
PEG CHANNELS

At this time, the LFA has not requested any PEG channels.

EXHIBIT D

SECURITY

SAMPLE
Franchise 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 is for the annual term beginning _____ and ending _____, and may be extended for additional annual terms at the sole option of the surety.
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.

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 Obligor named herein or the heirs, executors, administrators or successors of the Obligor.
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 Obligor by signing below.

IN WITNESS WHEREOF, the above bounded Principal and Surety have hereunto signed and sealed this bond effective this _____ day of _____, 2007.

Principal

Surety

By: _____

By: _____
_____, Attorney-in-Fact

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

ATTACHMENT B

RESOLUTION

5/17/07

4. b. Resolution No. 2007-44:

WHEREAS, the Village of Chestnut Ridge (the "Village") is a franchising authority in accordance with Title VI of the Communications Act of 1934, and is authorized to grant one or more nonexclusive cable television franchises pursuant to Article 11 of the New York State Public Service Law 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 (the "Cable Law"), and

WHEREAS, Verizon New York Inc. ("Verizon") desires to use its "Fiber to the Premises" network to provide cable services to all properties within the Village, and

WHEREAS, Verizon has submitted a written application for a cable television franchise to the Village on March 16, 2007 (the "Verizon Application") which has been available for public review and for review by Village officials since that date, and

WHEREAS, negotiations between the Village and Verizon have resulted in a proposed franchise agreement entitled "Cable Franchise Agreement Between the Village of Chestnut Ridge and Verizon New York Inc." which proposed Agreement was filed with the Village Clerk on March 30, 2007, and

WHEREAS, on April 10, 2007, the Board of Trustees of the Village held a public hearing to obtain public comment on the proposed Franchise Agreement and on the Verizon Application which hearing was continued on May 17, 2007, and

WHEREAS, notice of said public hearing was published and posted in the manner provided by law on March 30, 2007, and

WHEREAS, at the public hearing Verizon made a presentation to the Board and the public wherein Verizon presented a summary of the Verizon Application, the proposed Franchise Agreement and an outline of the cable television services proposed to be provided within the Village, and

WHEREAS, at said public hearing, members of the Board of Trustees and of the public had an opportunity to ask questions and to comment on the proposed Franchise Agreement and Application, and

5/17/07

WHEREAS, at the public hearing, representatives of Cablevision, the franchisee in an existing Franchise Agreement with the Village, had an opportunity to ask questions and to comment on the proposed Franchise Agreement and Application,

NOW, THEREFORE, IT IS HEREBY DETERMINED that the proposed action is an unlisted action pursuant to SEQRA, that this is an unconsolidated action in that a separate review and determination is required to be made by the New York State Public Service Commission, and the Board of Trustees further determines that the proposed action will not have a significant adverse impact on the environment for the following reasons:

a) that any construction activities resulting from the granting of the Franchise Agreement will be minimal and similar to any other construction resulting from the provision of existing utility services by Verizon;

b) that no evidence has been presented to indicate that any adverse impacts on drainage, air pollution, water supply, sewerage facilities, traffic or economic hardship will result from this action, and be it further

RESOLVED, that the Board of Trustees of the Village of Chestnut Ridge hereby approves and adopts the Franchise Agreement with Verizon New York Inc. as last revised May 4, 2007, subject to approval and confirmation by the New York State Public Service Commission, and be it further

RESOLVED, that the Mayor is hereby authorized to execute said Agreement and to take all actions necessary to implement this resolution, and be it further

RESOLVED, that the Board of Trustees hereby makes the following Findings of Fact:

1. That the Village of Chestnut Ridge is authorized to grant the franchise pursuant to the Communications Act and Article 11 of the New York State Public Service Law;

2. That Verizon New York Inc. is legally (under Public Service Commission Rules and other statutory authority), technically and financially qualified to meet the cable-related needs and interests of the Village;

5/17/07

3. That Verizon New York Inc. does not have authority, legally or otherwise, to provide cable television services within the Village unless the Village grants such authority pursuant to the Franchise Agreement;

4. That the Franchise Agreement requires Verizon to provide adequate public, educational and governmental access capacity, as required by law;

5. That the Board of Trustees determines that although the terms of the Verizon Franchise Agreement are not identical to those of the existing Franchise Agreement with Cablevision Inc., that the terms of both Agreements are reasonably comparable in their totality, thereby neither Agreement provides either franchisee with any unfair competitive advantage or subjects either franchisee to any unfair competitive disadvantage;

6. That the Board of Trustees determines that it is in the public interest to grant to Verizon a non-exclusive franchise to own, construct, operate and maintain a cable television system service within the Village of Chestnut Ridge.

6. Resolution No. 2007-45:

RESOLVED, that parking is hereby prohibited on the north side of Joyce Drive from Chestnut Ridge Road westerly for a distance of 1231 feet and on the south side of Joyce Drive from 15 feet south of the driveway of 31 Joyce Drive westerly for a distance of approximately 192 feet, and be it further

RESOLVED, that existing No Parking areas shall continue to be No Parking areas, and be it further

RESOLVED, that the Mayor is hereby authorized to install No Parking signs in appropriate areas on Joyce Drive to implement this resolution.

7. Resolution No. 2007-46:

RESOLVED, that a contract with Tilcon Inc. is hereby authorized for road repaving on streets to be determined by the Mayor.

**EXCERPTS FROM
HEARING TRANSCRIPT**

Chestnut Ridge Transcript

9 would be reducing the prices so that nobody would
10 switch, but you're raising them.

11 MS. ULMAN: Mayor, if we're going to
12 talk prices, Verizon just increased their prices
13 also.

14 THE MAYOR: That doesn't make any
15 sense either. But those are business decisions
16 that belong to you in holding onto your
17 customers, all right. I think from a village
18 standpoint, we're looking to have competition in
19 the area, not to restrict competition and then
20 it's up to your own companies, all right, to do
21 whatever you have to do to get the subscribers to
22 either stay with you or switch over. And your
23 individuals policies of whether contracts and no
24 contracts will all come out. I'm sure you're
25 going to explain that to all your current

47

1 Proceedings

2 subscribers and the new ones what your advantages
3 are and what the disadvantage with the other one
4 is and that's what normal competition does. So I
5 see no reason not to go along with the agreement.

6 MS. BROCK: I'm going to move
7 Resolution 2007-44 relating to the proposed cable
8 television franchise agreement.

9 MS. ULMAN: I hate to ask you to read
10 it.

11 MS. BROCK: It's okay. I'll do it.

12 Chestnut Ridge Transcript
12 As soon as I find it, I'll do the it.
13 Resolution 2007-44 whereas the Village
14 of Chestnut Ridge, the village is a franchising
15 authority in accordance with Title 6 of the
16 Communications Act of 1934, and is authorized to
17 grant one or more non-exclusive cable television
18 franchises pursuant to Article 11 of the New York
19 State Public Service Law entitled 16 Chapter 8,
20 parts 890.60 through 899 of the official
21 compilation of codes, rules and regulations of
22 the State of New York, the cable law. And
23 whereas, Verizon New York, Inc., known as Verizon
24 desires to use its fiber to the premises network
25 to provide cable services to all properties

48

1 Proceedings
2 within the village.
3 And whereas Verizon has submitted a
4 written application for a cable television
5 franchise to the village on March 16th, 2007, the
6 Verizon's application which has been available
7 for public review and for review by the village
8 officials since that day. And whereas
9 negotiations between the village and Verizon have
10 resulted in the proposed franchise agreement
11 entitled Cable Franchise Agreement between the
12 Village of Chestnut Ridge and Verizon New York,
13 Inc., which proposed agreement was filed with the
14 village clerk on March 30th, 2007.

15 Chestnut Ridge Transcript
And whereas on April 10, 2007, the
16 Board of Trustees held a public hearing to obtain
17 public comment on the proposed franchise
18 agreement and on the Verizon application which
19 hearing was continued on May 17th.

20 And whereas notice of said public
21 hearing was published and posted in the manner
22 provided by law on March 30th, 2007.

23 And whereas at the public hearing
24 Verizon made a presentation to the Board and the
25 public wherein Verizon presented a summary of the

49

1 Proceedings
2 Verizon application and the proposed franchise
3 agreement and an outline of cable television
4 services proposed to be provided within the
5 village.

6 And whereas, at said public meeting
7 members of the Board of Trustees and the public
8 had the opportunity to ask questions and to
9 comment on the proposed franchise agreement and
10 application.

11 And whereas, at the public hearing
12 representatives of Cablevision, the franchise in
13 the existing franchise agreement with the
14 village, had an opportunity to ask questions and
15 to comment on the proposed franchise agreement
16 and application.

17 Now, therefore, it is hereby determined

18 that the proposed action that's an unlisted
19 action pursuant to Segra and that this is an
20 unconsolidated action in that a public separate
21 review and determination is required to be made
22 by the New York State Public Service Commission
23 and the Board of Trustees further determines that
24 the proposed action will not have a significant
25 adverse impact on the environment for the

50

1 Proceedings

2 following reasons:

3 A, that any construction activities
4 resulting from the granting of the franchise
5 agreement will be minimal and similar to any
6 other construction resulting from the provision
7 of the existing utility services by Verizon.

8 B, that no evidence has been presented
9 to indicate that any adverse impacts on the
10 drainage, air pollution, water supply, sewage
11 facilities, traffic or economic hardships will
12 result from this action.

13 Be it further resolved that the Board
14 of Trustees of the Village of Chestnut Ridge
15 hereby approves and adopts the franchise
16 agreement with Verizon New York, Inc. last
17 revised May 4, 2007 subject to the approval and
18 conformation by the State of New York Public
19 Service Commission.

20 And be it further resolved, that the

21 Chestnut Ridge Transcript
22 mayor is hereby authorized to execute said
23 agreement and take all actions necessary to
24 implement this resolution.
25 And be it further resolved that the
 Board of Trustees hereby makes the following

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1 Proceedings
2 findings of fact:
3 One, that the village of Chestnut Ridge
4 is authorized to grant the franchise pursuant to
5 the Communications Act in Article 11 of the New
6 York State Public Service Law.
7 Two, that Verizon New York, Inc. is
8 legally under Public Service Commission rules and
9 other statutory authorities technically and
10 financially qualified to meet the cable related
11 needs and interest of the village.
12 Three, that Verizon New York, Inc.,
13 does not have the authority legally or otherwise,
14 to provide cable television services within the
15 village unless the village grants authority
16 pursuant to the franchise agreement.
17 Four, that the franchise agreement
18 requires Verizon to provide adequate public
19 educational and government access capacity as
20 required by law.
21 Five, that the Board of Trustees
22 determines that although the terms of the Verizon
23 franchise agreement are not identical to those of

24 Chestnut Ridge Transcript
the existing franchise agreement with
25 Cablevision, Inc., that the terms of both

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1 Proceedings
2 agreements are reasonably comparable in their
3 totality. Therefore, neither agreement provides
4 either franchise with any unfair competitive
5 advantage or subjects. Either franchisee with
6 any unfair competitive disadvantage.

7 Six, that the Board of Trustees
8 determines that it is in the public interest to
9 grant Verizon a nonexclusive franchise to own,
10 construct, operate and maintain the cable
11 television system within the Village of Chestnut
12 Ridge.

13 THE MAYOR: All those in favor?

14 (All Board members say "Aye.")

15 THE MAYOR: Anyone against?

16 MR. COHEN: Four to zero.

17
18 * * * *

19 Certified to be a true and accurate
20 transcript of the stenographic minutes taken
21 within.

22
23 _____
24 Debbie Kline,
25 Senior Court Reporter.

ATTACHMENT C

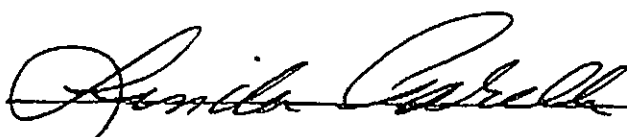
AFFIDAVIT OF PUBLICATION
from
The Journal News

LINDA PARELLI

being duly sworn says that I am the principal clerk of The Journal News, a newspaper published in the County of Westchester of New York, and the notice of which the annexed is a printed copy, was published in the area(s) on the date(s) below:

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

JN 03/30/07

Signed 

Sworn to before me

This 3rd day of April 20 07


Notary Public, Westchester County

ROBERT A. MIAZGA
Notary Public, State of New York
No. 015418150442
Qualified in: Westchester County
Term Expires July 24, 2010

Legend:

Northern Area (AN):

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

Central Area (AC):

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

Southern Area (AS):

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

Rockland Area (JN or RK):

Blauvelt, Congers, Gamerville, Haverstraw, Hillburn, Monsey, Nanuet, New City, Nyack, Orangeburg, Palsades, Sloatsburg, Sparkill, Spring Valley, Stony Point, Suffern, Tallman, Tappan, Thiells, Tomkins Cove, West Haverstraw, West Nyack, Pearl River, Piermont, Valley Cottage, Pomona

Patent Trader (PT):

Amawalk, Armonk, Baldwin Place, Bedford, Bedford Hills, Briarcliff, Chappaqua, Cortlandt Manor, Cross River, Croton Falls, Goldens Bridge, Granite Springs, Jefferson Valley, Katonah, Lincolnale, Millwood, Mohegan Lake, Mount Kisco, North Salem, Pleasantville, Pound Ridge, Purdys, Shrub Oak, Somers, South Salem, Thornwood, Verplanck, Waccabuc, Yorktown Heights

Review Press (BVW):

Bronxville, Eastchester, Scarsdale, Tuckahoe

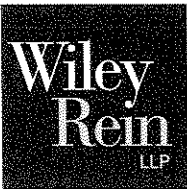
PUBLIC HEARING NOTICE
PLEASE TAKE NOTICE that a public hearing will be held by the Board of Trustees of the Village of Chestnut Ridge on the 10th day of April 2007 at 8:00 PM at the Village Hall, 277 Old Nyack Turnpike, Chestnut Ridge, New York 10977, for the purpose of considering a proposed initial franchise agreement for cable television service agreement in Chestnut Ridge with Verizon New York, Inc. Copies of the proposed franchise agreement are on file at Village Hall and may be viewed between the hours of 9 A.M. and 4 P.M. Mondays through Fridays, exclusive of holidays.
All interested persons will have the opportunity to be heard during the public hearing in regard to the proposed franchise agreement.
Date: Chestnut Ridge, New York April 1/2007
Florence Mandel
Village Clerk
Village of Chestnut Ridge

ATTACHMENT D

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

1. 3/16/07 Correspondence from Verizon's outside counsel, Nia McDonald of Wiley Rein LLP, to Village Clerk, Florence Mandel, enclosing Verizon's application for a cable television franchise and Verizon's proposed franchise agreement
2. 3/22/07 Correspondence from Verizon's outside counsel, Nia McDonald of Wiley Rein LLP, to Village officials regarding the April 10 public hearing and Cablevision's anticipated claims
3. 3/30/07 Correspondence from Verizon's outside counsel, Nia McDonald of Wiley Rein LLP, to Village Clerk, Florence Mandel, enclosing revised franchise agreement
4. 4/6/07 Correspondence from Verizon's Senior Vice President, Monica Azare, to Village Mayor, Jerome Kobre, regarding the April 10 public hearing and enclosing an information sheet outlining the benefits of Verizon FiOS TV service
5. 5/4/07 Correspondence from Verizon's outside counsel, Nia McDonald of Wiley Rein LLP, to Village Attorney, Doris Ulman, enclosing revised franchise agreement

Tab 1



1776 K STREET NW
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

March 16, 2007

Nia Y. McDonald
202.719.4633
nmcdonal@wileyrein.com

VIA OVERNIGHT DELIVERY

Florence Mandel, Village Clerk
Village of Chestnut Ridge
Village Hall
277-279 Old Nyack Turnpike
Chestnut Ridge, New York 10977

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

Dear Ms. Mandel:

Pursuant to the requirements of 16 N.Y.C.R.R. Section 894.5, enclosed please find the application of Verizon New York Inc. to the Village of Chestnut Ridge for a cable television franchise.

Also enclosed is the proposed Cable Franchise Agreement by and between the Village of Chestnut Ridge and Verizon New York Inc.

Please contact me at (202) 719-4633 should you have any questions.

Best regards,

A handwritten signature in black ink that reads "Nia McDonald". The signature is fluid and cursive, with the first name "Nia" and last name "McDonald" clearly legible.

Nia Y. McDonald

Enclosures

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 Chestnut Ridge (“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-Sample Channel Lineup.”¹

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

¹ Please note that the channel line-up set forth in Exhibit 2 is a sample and is subject to modification for the Municipality. Once the channel line-up is finalized, Verizon NY will provide it to 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 or is in the process of completing the construction of its fiber to the premises ("FTTP") network to approximately 69% of the households in the Municipality. A full discussion of the construction requirements and central office conversion requirements to bring FTTP and cable television service to the Municipality is contained in Exhibit 1.

On June 15, 2005, the New York Public Service Commission ("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 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/Village of Mount Kisco; (26) Village of Elmsford (Westchester County); (27) Village of Port Chester (Westchester County); and (28) Town of Orangetown (Rockland 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) Tarrytown – December 15, 2006; (21) Dobbs Ferry – December 15, 2006; (22) Ardsley – December 15, 2006; (23) Freeport – December 15, 2006; (24) Eastchester – January 19, 2007; (25) Mount Kisko – January 19, 2007; and (26) Elmsford – February 15, 2007.

Furthermore, other subsidiaries of Verizon Communications Inc. were awarded cable television franchises by 649 franchising authorities in California, Delaware, Florida, Maryland, Massachusetts, Pennsylvania, Texas, and Virginia.

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

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

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

Verizon NY intends to finance the construction of the FTTP system and the provision of cable services over the FTTP system through a variety of internally and externally generated funds. Verizon NY is a financially stable company which has provided telecommunications services in New York State for more than a century. Its parent company, Verizon Communications Inc., is a Fortune 20 company, a Dow 30 Industrials company, and had 2005 revenues in excess of \$75 billion. A copy of The 2005 Form 10-K of Verizon Communications Inc. can be accessed via the following internet address:

http://investor.verizon.com/sec/sec_frame.aspx?FilingID=4275196.

A copy of the Verizon Communications Inc. 2005 Annual Report to Shareholders can be accessed via the following internet address:

<http://investor.verizon.com/financial/annual/2005/index.html>.

- (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 three million homes with FTTP in sixteen states by the end of 2005, and passed an additional three million homes in 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 also 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

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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.

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

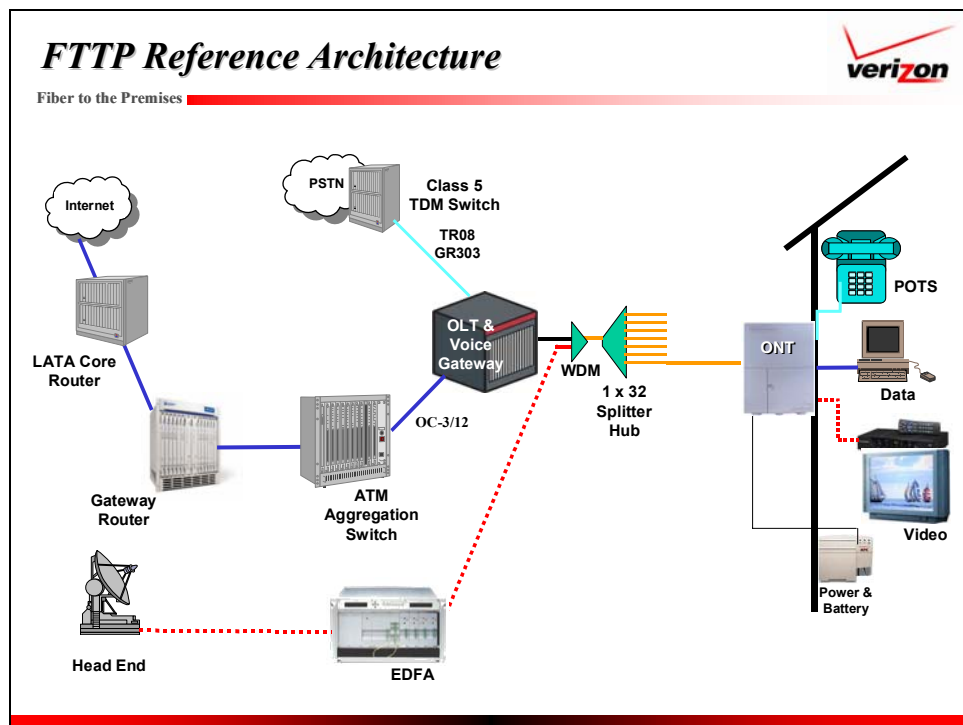
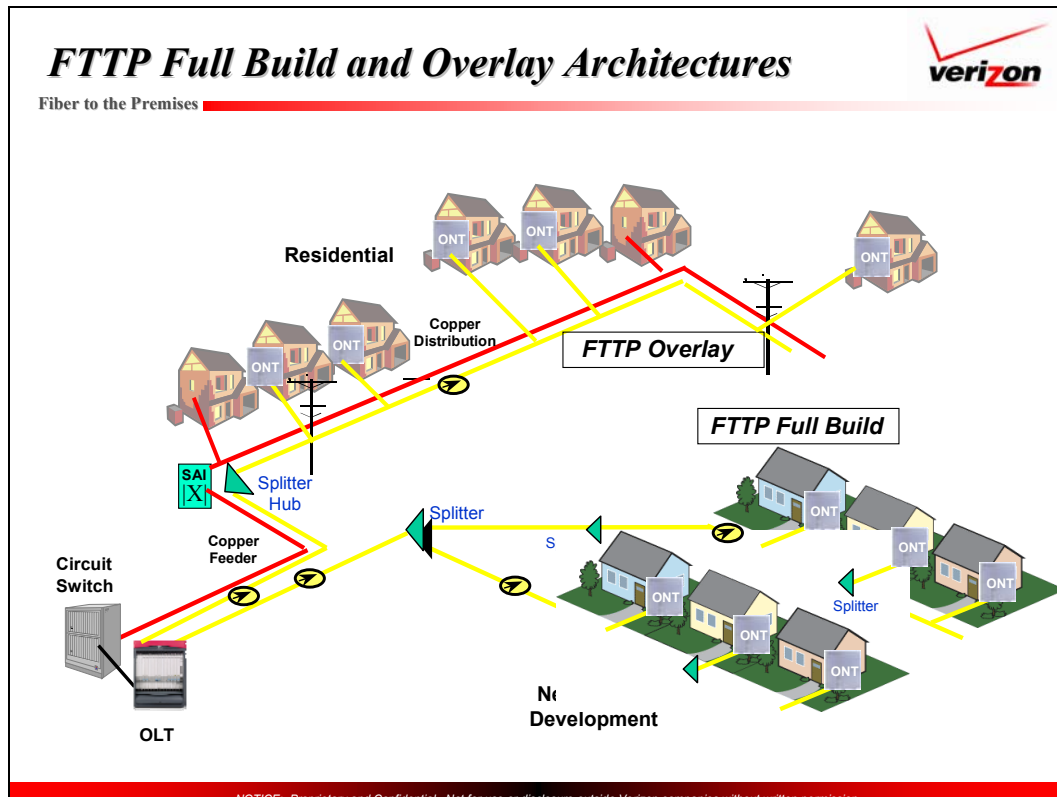


Figure 2-FTTP Full Build and Overlay Architectures



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

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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

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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 VSOs that will serve the Village of Chestnut Ridge are located in Pearl River and Spring Valley, New York. If technically feasible or otherwise appropriate, PEG insertion may occur at this location in the network.

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

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

Customer Premises

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

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) of 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

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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.

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VERIZON NEW YORK INC.

VERIZON FiOS TV – SAMPLE CHANNEL LINEUP

Verizon **Fios** TV — New York Area Channel Lineup

Fios TV Local	Local				
	2	CBS — WCBS-TV 2			
	4	NBC — WNBC-TV 4			
	5	FOX — WNYW-TV 5			
	6	WRNN-TV 48			
	7	ABC — WABC-TV 7			
	8	Superstation — WGN-TV			
	9	My WWOR-TV 9			
	10	WLNY-TV 55			
	11	CW — WPIX-TV 11			
Fios TV Premier	12	Telemundo — WNJU-TV 47			
	13	PBS — WNET-TV 13			
	17	WFTV-TV 67			
	18	WMBC-TV 63			
	21	PBS — WLIW-TV 21			
	23	PBS — WJMN-TV 50			
	25	NYC-TV			
	29	PBS — WFME-TV 66			
	31	i:WPXN-TV 31			
	32	Local Programming			
Fios TV Premier	33	Local Programming			
	34	Local Programming			
	37	Local Programming			
	38	Local Programming			
	41	Univision — WXTV-TV 41			
	48	TV Guide			
	49	Weatherscan Local			
		Entertainment			
	50	USA Network			
	51	TNT			
Fios TV Premier	52	TBS			
	53	FX			
	54	Spike TV			
		Sports			
	60	ESPN			
	61	ESPN Classic Sports			
	62	ESPNNews			
	63	ESPNU			
	64	ESPN 2			
	65	YES			
Fios TV Premier	67	SportsNet NY			
	68	Speed Channel			
	69	NFL Network			
	306	VERSUS			
		News			
	70	CNN			
	71	CNN Headline News			
	72	Fox News			
	73	CNBC			
	75	Bloomberg TV			
Fios TV Premier	76	CNN International			
	77	CNBC World			
	78	ABC News Now			
	79	C-SPAN			
	80	C-SPAN 2			
	81	C-SPAN 3			
	89	The Weather Channel			
		Information			
	90	Discovery Channel			
	91	National Geographic Channel			
Fios TV Premier	92	Science Channel			
	93	Discovery Times			
	94	Pentagon Channel			
	95	Military Channel			
	96	Military History Channel			
		Arts & Entertainment			
	97	History Channel International			
	98	History Channel			
	99	Biography Channel			
	100	Animal Planet			
Fios TV Premier	101	TLC (The Learning Channel)			
		Women			
	110	Lifetime			
	111	Lifetime Movie Network			
	112	Lifetime Real Women			
	113	SoapNet			
	114	Oxygen			
		Shopping			
	120	QVC			
	121	HSN			
Fios TV Premier	123	America's Store			
	125	Jewelry			
	127	Shop NBC			
		Home & Leisure			
	130	Style			
	131	Discovery Health			
	132	LIME			
	133	Fit TV			
	134	Food Network			
	135	HGTV (Home & Garden Television)			
Fios TV Premier	136	Fine Living			
	137	DIY (Do It Yourself)			
	138	Discovery Home			
	139	Wealth TV			
	140	Travel Channel			
		Pop Culture			
	150	Sci-Fi Channel			
	151	A&E			
	152	Crime & Investigation Network			
	153	Court TV			
Fios TV Premier	154	GSN			
	155	Bravo			
	156	Sleuth			
	157	Logo			
	158	Ovation			
	159	BBC America			
	160	Comedy Central			
	161	E! Entertainment Television			
	162	Fox Reality			
	163	Fuel			
Fios TV Premier	164	ABC Family			
		Music			
	170	MTV			
	171	MTV2			
	173	MTV Jams			
	174	MTV Hits			
	175	VH1			
	176	VH1 Classic			
	177	VH1 Soul			
	178	IMF			
Fios TV Premier	179	BET Jazz			
	180	CMT			
	181	CMT Pure Country			
	182	Great American Country			
	183	Gospel Music Channel			
	184	BET Gospel			
	185	Soundtrack Channel			
		Movies			
	190	Turner Classic Movies			
	192	Fox Movie Channel			
Fios TV Premier		Family			
	200	Hallmark Channel			
	202	Family Net			
	203	AmericanLife TV			
	204	TV Land			
		Children			
	210	Disney			
	211	Toon Disney			
	212	Nickelodeon			
	213	Nick Too			
Fios TV Premier	214	The Nicktoons Network			
	215	GAS			
	216	Noggin			
	217	Cartoon Network (ESP)*			
	218	Boomerang (ESP)*			
	219	Discovery Kids			
	220	Varsity TV			
	221	FUNimation			
		People & Culture			
	230	BET			
Fios TV Premier	231	TV One			
	232	Black Family Channel			
	233	MTV Tr3s			
	234	Galavisión			
	235	Mun2			
	236	Si TV			
	237	AZN Television			
		Religion			
	240	EWTN			
	241	INSP			
Fios TV Premier	242	I-Life			
	243	Church			
	244	JCTV			
	245	BYU			
	246	Three Angels			
	248	Daystar			
	249	Smile of a Child			
	250	TBN			
		Sports**			
	300	Fox College Sports — Atlantic			
Fios TV Premier	301	Fox College Sports — Central			
	302	Fox College Sports — Pacific			
	303	Tennis Channel			
	305	Golf Channel			
	307	Outdoor Channel			
	308	The Sportsman Channel			
	311	Fox Sports en Español			
	312	Fox Soccer Channel			
	313	GoITV			
	315	TVG (Horse Racing)			
Fios TV Premier	316	Horse Racing TV			
	318	Mav TV			
	319	Blackbelt TV			
	320	G4			
		Movies**			
	340	Starz			
	341	Starz West			
	342	Starz Edge			
	343	Starz Edge West			
	344	Starz in Black			
Fios TV Premier	345	Starz Kids & Family			
	346	Starz Cinema			
	347	Starz Comedy			
	348	Encore			
	349	Encore West			
	350	Encore Love			
		Premiums			
	351	Encore Love West			
	352	Encore Westerns			
	353	Encore Westerns West			
	354	Encore Mystery			
	355	Encore Mystery West			
	356	Encore Drama			
	357	Encore Drama West			
	358	Encore Action			
	359	Encore Action West			
	360	Encore WAM!			
	361	Showtime			
	362	Showtime West			
	363	Showtime Showcase			
	364	Showtime Showcase West			
	365	Showtime Too			
	366	Showtime Too West			
	367	Showtime Beyond			
	368	Showtime Beyond West			
	369	Showtime Extreme			
	370	Showtime Extreme West			
	371	Showtime Women			
	372	Showtime Women West			
	373	Showtime Next			
	374	Showtime Next West			
	375	Showtime Family Zone			
	376	Showtime Family Zone West			
	377	The Movie Channel			
	378	The Movie Channel West			
	379	The Movie Channel Xtra			
	380	The Movie Channel Xtra West			
	381	Flix			
	382	Flix West			
	384	Sundance			
Fios TV Premier		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			
Fios TV Premier	409	HBO Comedy West			
	410	HBO Zone			
	412	HBO Zone West			
	413	HBO Latino			
	414	HBO Latino West			
		Cinemax**			
	415	Cinemax			
	416	Cinemax West			
	417	More Max			
	418	More Max West			
	419	Action Max			
	420	Action Max West			
	421	Thriller Max			
	422	Thriller Max West			
	423	Women's Max			
	424	At Max			
	425	Five Star Max			
	426	OuterMax			
		Other Premiums**			
	430	Playboy TV			
	431	Playboy TV en Español			
	435	here!			

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

**Subscription to corresponding premium channels and packages required.

Fios TV frequently updates its channel offerings. To view our latest published channel lineup, please visit verizonfios.com/tv.

Verizon FiOS TV — New York Area Channel Lineup

Spanish Language	En Español**		La Conexión	520	CNN Headline News	Music Choice	600	Showcase	HD	818	HD Net Movies
	440	Galavisión		521	Fox News		601	Today's Country		819	Universal HD
	442	ESPN Deportes		522	CNBC		602	Classic Country		820	Discovery HD
	443	Fox Sports en Español		524	C-SPAN		603	Bluegrass		821	Wealth TV HD
	444	GoITV		525	Canal SUR		604	R&B and Hip-Hop		822	National Geographic Channel HD
	446	CNN en Español		Information	605		Classic R&B	823		MTV HD	
	447	Canal SUR		529	TVE Internacional		606	Smooth R&B		HD Premium**	
	448	TVE Internacional		530	History Español		607	R&B Hits		830	HBO HD
	452	History Español		531	Discovery Channel		608	Rap		831	Cinemax HD
	453	Discovery en Español		532	Discovery en Español		609	Metal		832	Showtime HD
International Premiums**	454	Viajar y Vivir	534	Animal Planet	610	Rock	833	TMC HD			
	456	Infinito	535	TLC (The Learning Channel)	611	Arena Rock	834	Starz HD			
	457	MTV Tr3s	Women	612	Classic Rock	Local Plus					
	458	VH Uno	537	Lifetime	613	Alternative	850	NBC Weather Plus			
	459	Telehit	538	Lifetime Movie Network	614	Retro-Active	851	Tube Music Network			
	462	De Película	Shopping	615	Electronica	854	WNBC 4.4-Multicast				
	463	De Película Clásico	540	QVC	616	Dance	860	PBS — WLIW 21			
	464	Cine Latino	541	HSN	617	Adult Alternative	861	PBS — WLIW CRTE			
	465	Cine Mexicano	543	Shop NBC	618	Soft Rock	862	13 Kids			
	La Conexión	468	La Familia	Home & Leisure	619	Hit List	863	13 WORLD			
469		TV Chile	545	Discovery Health	620	Party Favorites	FIOS ON DEMAND**				
470		TV Colombia	546	Viajar y Vivir	621	90s	900	On Demand Access & Menu			
472		Sorpresa	549	Infinito	622	80s	Kids FREE				
473		Toon Disney Español	550	Food Network	623	70s	ALL FREE				
474		Boomerang (ESP)*	551	HGTV (Home & Garden Television)	624	Solid Gold Oldies	Home & Leisure				
475		Discovery Kids en Español	552	Travel Channel	625	Singers & Standards	Info & Education				
477		TBN Enlace	Pop Culture	626	Big Band & Swing	Kids					
478		EWTN Español	555	E! Entertainment Television	627	Easy Listening	Music				
International Premiums**		480	SBTN (Vietnamese)	556	A&E	628	Smooth Jazz	News			
	481	CCTV-4 (Mandarin Chinese)	557	Si TV	629	Jazz	Pop Culture				
	482	CTI — Zhong Tian Channel (Chinese)	558	Mun2	630	Blues	Shopping				
	483	TV Japan	559	Comedy Central	631	Reggae	Sports				
	484	MBC (Korean)	560	Sci-Fi Channel	632	Soundscapes	Movies				
	485	The Filipino Channel	Music	633	Classical Masterpieces	New Movies					
	486	TV Asia	562	MTV Tr3s	634	Opera	New by Category				
	487	ART (Arabic)	563	MTV2	635	Light Classical	All Movies				
	488	RAI (Italian)	564	Telehit	636	Show Tunes	All Movies by Category				
	489	TV 5 (French)	565	VH Uno	637	Contemporary Christian	In Theaters				
La Conexión	490	TV Polonia	566	CMT	638	Gospel	En Español				
	491	Rang A Rang (Farsi)	Movies	639	Radio Disney	Subscriptions					
	492	RTN Russian	569	De Película	640	Sounds of the Seasons	Cinemax				
	493	Channel 1 Russian	570	De Película Clásico	641	Música Urbana	HBO				
	496	Bridges TV	571	Cine Mexicano	642	Salsa y Merengue	Showtime				
	497	MTV K	572	Cine Latino	643	Rock en Español	Starz				
	498	MTV Chi	Family	644	Pop Latino	Sundance					
	499	MTV Desi	574	ABC Family	645	Mexicana	The Movie Channel				
	Entertainment	575	La Familia	646	Americana	WWE					
	La Conexión	500	USA Network	576	TV Chile	Pay Per View	Karaoke				
501		TNT	577	TV Colombia	701	TVN Events	Playboy				
502		TBS	578	TV Land	702-707	ESPN-NCAA Sports/ GamePlan/FullCourt	Adult				
503		Galavisión	Children	801	CW — WPIX HD	Events					
504		FX	580	Nickelodeon	802	CBS — WCBS HD	Hustler				
505		Spike TV	581	Disney en Español	803	PBS — WNET HD	Spice				
Sports		582	Toon Disney Español	804	NBC — WNBC HD	TEN					
508		ESPN Deportes	583	Boomerang (ESP)*	805	FOX — WNYW HD	Playboy Subscribers				
510		YES	584	Cartoon Network (ESP)*	807	ABC — WABC HD	FIOS TV Help				
512		SportsNet NY	585	Sorpresa	809	My WWOR HD					
La Conexión	513	Fox Sports en Español	586	Discovery Kids en Español	HD Broadcast						
	514	Fox Soccer Channel	Religion	810	CW — WPIX HD						
	516	GoITV	588	TBN Enlace	811	ESPN HD					
	News	589	EWTN Español	812	ESPN 2 HD						
	518	CNN en Español		814	NFL Network HD						
	519	CNN		817	HD Net						

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

**Subscription to corresponding premium channels and packages required.

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

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



We never stop working for you.

EXHIBIT 3
VERIZON NEW YORK INC.
CABLE TELEVISION FRANCHISE APPLICATION
VILLAGE OF CHESTNUT RIDGE, NEW YORK

SAMPLE



Get more from your
fiber-optic experience.

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

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

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

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

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

Premiums ⁵ (Requires STB)	Number of Channels	Monthly Price
HBO®	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 ⁵ (Requires STB)	Number of Channels	Monthly Price
International Premium Channels	17	Individually Priced

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

On Demand Movies

New Releases	\$3.99
Library	\$2.99

On Demand Subscriptions

WWE	\$7.99/mo.
Karaoke	\$7.99/mo.

On Demand Adult	\$14.99/mo.
PPV Events	Varies
PPV Sports	Varies
ESPN GamePlan — NCAA Football	\$21.99/daily, \$129.99 season*
ESPN FullCourt — NCAA Basketball	\$14.99/daily, \$109.99 season*

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

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

Subsequent Installations/Charges	One-Time Charges
Set Top Box Addition or Upgrade/Downgrade	\$24.99
Premise Visit ⁶	\$49.99
New Outlet Installation (per outlet)	\$54.99
Outlet Relocation (per outlet)	\$54.99
Setup of TV Equipment (new TV with existing STB)	\$49.99
Disconnect of Set Top Box ⁷	\$24.99 + \$5.00/STB
Downgrade of Service from Digital to Analog	\$49.99 + \$5.00/STB
FiOS TV Service Disconnect	No Charge
FiOS TV Service Reconnect (up to 3 outlets) ⁸	\$49.99

Other Services and Charges	One-Time Charges
Seasonal Service Suspension (charged at initiation, 1–6 months) ⁹	\$24.99
Replacement Remote — Basic Universal	\$5.00 + Shipping & Handling
Replacement Remote — FiOS TV Universal	\$6.99 + Shipping & Handling
Unreturned/Damaged STB — Standard Definition	\$240.00
Unreturned/Damaged STB — High Definition	\$350.00
Unreturned/Damaged STB — Digital Video Recorder (DVR)	\$550.00

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



We never stop working for you.

- 1** In order to be eligible for Movies or Sports, FiOS TV Premier or La Conexión is required. The Spanish Language package may be added to FiOS TV Local service, but requires a Set Top Box for access. The addition of a Set Top Box with FiOS TV Local service provides access to Video On Demand (VOD) and Pay Per View (PPV), as well as the ability to order Premiums and International Premiums.
- 2** Router provided will be a new or fully inspected, tested and warranted return unit. If service is cancelled within the first 12 months, router must be returned or \$99.99 equipment fee applies. If you maintain service for twelve (12) consecutive months, ownership of the router shall transfer to you, after which time all maintenance of the router shall be at your sole cost and expense, and the risk of loss will be yours should the router be damaged or stolen.
- 3** FiOS TV Premier includes all FiOS TV Local channels, additional all-digital programming, digital music channels and access to Pay Per View and Video On Demand. 30-day minimum billing period required for all digital packages.
- 4** La Conexión includes all FiOS TV Local channels, digital programming including popular English-language networks and Spanish-language networks, digital music channels, and access to PPV and VOD. La Conexión cannot be combined with the Spanish Language package. 30-day minimum billing period required for all digital packages.
- 5** Subscription VOD is included with all Premiums at no extra charge (where applicable). 30-day minimum billing period required for all Premiums.
- 6** A premise visit charge is assessed when a technician installation is required to set up a new or additional TV with an existing FiOS TV Set Top Box. A premise visit charge is not assessed when adding new, upgrading/downgrading existing, or disconnecting Set Top Box receivers.
- 7** The Set Top Box disconnect charge is assessed only when the customer maintains at least one FiOS TV Set Top Box. If all Set Top Box receivers are disconnected, the service downgrade charge applies.
- 8** The reconnect fee applies when establishing service after a service disconnect.
- 9** Seasonal service suspension requires a minimum suspension of one month and a maximum suspension of six months.

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

VEIFF60157-1106

Cable Franchise Agreement

by and between

The Village of Chestnut Ridge, NY

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: Security

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

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

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

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

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

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

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

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

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

NOW, THEREFORE, in consideration of the LFA's grant of a franchise to Franchisee, Franchisee's promise to provide Cable Service to residents of the Franchise/Service Area of the LFA pursuant to and consistent with the Cable Law (as hereinafter defined), pursuant to the

terms and conditions set forth herein, the promises and undertakings herein, and other good and valuable consideration, the receipt and the adequacy of which are hereby acknowledged,

THE SIGNATORIES DO HEREBY AGREE AS FOLLOWS:

1. DEFINITIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1.17. *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, 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; and

(iv) 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.

Gross Revenue shall not include:

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

(ii) 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;

(iii) 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);

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

(v) 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 as may be amended from time to time; Should revenue from Telecommunications or Information Services, or any other service provided over the Cable System be deemed a Cable Service by any agency or court having jurisdiction, then in that event, revenue from such activities shall be included in Gross Revenue within sixty (60) days of a final determination or ruling, subject to Section 222 of the New York Public Service Law and Title 16, Chapter VIII, Part 892, Subpart 892-1, Section 892-1.4 of the Official Compilation of Codes, Rules and Regulations of the State of New York requiring application to the NY PSC and approval of any modification;

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

(vii) 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;

(viii) the sale of Cable Services to customers, which are exempt, as required or allowed by the LFA including, without limitation, the provision of Cable Services to public institutions as required or permitted herein;

(ix) 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);

(x) 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);

(xi) 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;

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

(xiii) any fees or charges collected from Subscribers or other third parties for the provision of PEG services.

1.18. *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.

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

1.20. *Local Franchise Authority (LFA)*: The Village of Chestnut Ridge, New York, or the lawful successor, transferee, or assignee thereof.

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

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

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

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

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

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

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

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

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

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

1.31. *Transfer of the Franchise*:

1.31.1. Any transaction in which:

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

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

1.31.2. However, notwithstanding Sub-subsections 1.31.1.1 and 1.32.1.2 above, a *Transfer of the Franchise* shall not include transfer of an ownership or other interest in Franchisee to the parent of Franchisee or to another Affiliate of Franchisee; transfer of an interest in the Franchise or the rights held by the Franchisee under the Franchise to the parent of Franchisee or to another Affiliate of Franchisee; any action which is the result of a merger of the parent of the Franchisee; or any action which is the result of a merger of another Affiliate of the Franchisee.

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

2. GRANT OF AUTHORITY; LIMITS AND RESERVATIONS

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

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

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

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

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

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 law and state law as may be amended, including but not limited to the Communications Act.

2.6. *No Waiver:*

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

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

2.7. *Construction of Agreement:*

2.7.1. 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 or the Cable Law.

2.7.2. Should any change to state law, rules or regulations have the lawful effect of materially altering the terms and conditions of this Franchise, then the parties may modify this Franchise to the mutual satisfaction of both parties to ameliorate the negative effects on the Franchisee of the material alteration. Any modification to this Franchise shall be in writing and shall be subject to Section 222 of the New York Public Service Law and Title 16, Chapter VIII, Part 892, Subpart 892-1, Section 892-1.4 of the Official Compilation of Codes, Rules and Regulations of the State of New York requiring application to the NY PSC and approval of any modification. If the parties cannot reach agreement on the above-referenced modification to the Franchise, then Franchisee may terminate this Agreement without further obligation to the LFA.

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

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

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

3. PROVISION OF CABLE SERVICE

3.1. *Service Area:*

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

because such provision requires nonstandard facilities which are not available on a commercially reasonable basis; and (G) in areas where the occupied residential household density does not meet the density and other requirements set forth in Sub-Subsection 3.1.1.1. and Section 3.2.

3.1.1.1. *Density Requirement:* Franchisee shall make Cable Services available to residential dwelling units in all areas of the Service Area where the average density is equal to or greater than 35 occupied residential dwelling units per mile as measured in strand footage from the nearest technically feasible point on the active FTTP Network trunk or feeder line. Should, through new construction, an area within the Service Area meet the density requirements after the time stated for providing Cable Service as set forth in Subsection 3.1.1 respectively, Franchisee shall provide Cable Service to such area within twelve (12) months of receiving notice from the LFA that the density requirements have been met.

3.2. *Availability of Cable Service:* Franchisee shall make Cable Service available to all residential dwelling units and may make Cable Service available to businesses within the Service Area in conformance with Section 3.1, and Franchisee shall not discriminate between or among any individuals in the availability of Cable Service or based upon the income in a local area. In the areas in which Franchisee shall provide Cable Service, Franchisee shall be required to connect, at Franchisee's expense, other than a standard installation charge, all residential dwelling units that are within one hundred fifty (150) feet of aerial trunk or feeder lines not otherwise already served by Franchisee's FTTP Network. Franchisee shall be allowed to recover, from a Subscriber that requests such connection, the actual costs incurred for residential dwelling unit connections that exceed one hundred fifty (150) feet or are in an area with a density of less than 35 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 35 occupied residential dwelling units per mile if such would not be possible within the limitations of economic feasibility. For underground installations, Franchisee shall charge the recipient Franchisee's actual cost. Such costs shall be submitted to said recipient in writing, before installation is begun.

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

third parties respecting programming. Equipment provided by Franchisee, if any, shall be replaced at retail rates if lost, stolen or damaged.

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

4. SYSTEM FACILITIES

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

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

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

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

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

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

4.5. *System Maintenance and Repair:* When interruption of service is necessary for making repairs, adjustments, or installations, unless such interruption is unforeseen or immediately necessary, Franchisee shall give reasonable notice thereof to Subscribers.

5. PEG SERVICES

5.1. *PEG Set Aside:*

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

5.1.2. The programming to be carried on each of the PEG Channels set aside by Franchisee is reflected in Exhibit C attached hereto. The LFA hereby authorizes Franchisee to transmit such programming within and without LFA jurisdictional boundaries. Franchisee specifically reserves the right to make or change channel assignments in its sole discretion. If a PEG Channel provided under this Article is not being utilized by the LFA, Franchisee may utilize such PEG Channel, in its sole discretion, until such time as the LFA elects to utilize the PEG Channel for its intended purpose. In the event that the LFA determines to use PEG capacity, the LFA shall provide Franchisee with prior written notice of such request in accordance with NY PSC rules and regulations.

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

5.2. *Recovery of Costs:* To the extent permitted by federal law, the Franchisee shall be allowed to recover the 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.

5.3. *PEG Liability.* In accordance with 47 U.S.C. §558, the Franchisee shall not incur any liability arising from or in connection with any PEG Channels.

6. FRANCHISE FEES

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

6.2. *Supporting Information:* Each Franchise Fee payment shall be accompanied by a 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 can not exceed the date of records retention reflected in Section 7.

6.4. *Bundled Services:* If Cable Services subject to the Franchise Fee required under this Article 6 are provided to Subscribers in conjunction with Non-Cable Services, the

Franchise Fee shall be applied only to the value of the Cable Services, as reflected on the books and records of Franchisee in accordance with FCC or state public utility regulatory commission rules, regulations, standards or orders.

7. REPORTS AND RECORDS

7.1. *Open Books and Records:* Upon reasonable written notice to the Franchisee and with no less than thirty (30) business days written notice to the Franchisee, the LFA shall have the right to inspect Franchisee's books and records pertaining to Franchisee's provision of Cable Service in the Franchise Area at any time during regular business hours and on a nondisruptive basis, as are reasonably necessary to ensure compliance with the terms of this Franchise. Such notice shall specifically reference the section or subsection of the Franchise which is under review, so that Franchisee may organize the necessary books and records for appropriate access by the LFA. Following the notice period set forth herein, Franchisee shall make such books and records available to the LFA at a mutually agreed upon location within fifty (50) miles of the territorial limits of the LFA. Franchisee shall not be required to maintain any books and records for Franchise compliance purposes longer than six (6) years. Notwithstanding anything to the contrary set forth herein, Franchisee shall not be required to disclose information that 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. The LFA shall treat any information disclosed by Franchisee as confidential 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. Franchisee shall not be required to provide Subscriber information in violation of Section 631 of the Communications Act, 47 U.S.C. §551.

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

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

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

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

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

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

7.3. *System-Wide Statistics:* Any valid reporting requirement in the Franchise may be satisfied with system-wide statistics, except those related to Franchise Fees and consumer complaints.

7.4. Franchisee shall file with the Village copies of all printed materials prepared for general distribution to Subscribers in the Village.

7.5. *Performance Review:* The LFA may, at its discretion but not more than once per twelve-month period, hold an informal performance evaluation session (the "Performance Review"), that is not open to the public, to review Franchisee's compliance with the terms and conditions of this Franchise. The information disclosed to the LFA by the Franchisee at the Performance Review shall be treated by the LFA as confidential. The LFA shall provide Franchisee with at least thirty (30) days prior written notice of the Performance Review to be held at a mutually agreeable time. Franchisee shall have the opportunity to participate in and be heard at the Performance Review. Within thirty (30) days after the conclusion of the Performance Review, the LFA shall provide Franchisee written documentation ("Performance Review Report") setting forth its determinations regarding Franchisee's compliance with the terms and conditions of this Franchise. The Performance Review Report shall not contain any confidential information disclosed by the Franchisee during the Performance Review.

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 five hundred thousand (\$500,000) combined single limit for property damage and bodily injury. Such insurance shall cover the construction, operation and maintenance of the Cable System, and the conduct of Franchisee's Cable Service business in the LFA.

8.1.1.2. Automobile Liability Insurance in the amount of five hundred thousand (\$500,000) combined single limit for bodily injury and property damage coverage.

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

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

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

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

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

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

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

8.2. *Indemnification:*

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

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

8.2.3. The LFA shall not hold Franchisee responsible for damage or other liability and shall defend Franchisee from and against and shall be responsible for damages, liability or claims resulting from or arising out of the willful misconduct or negligence of the LFA.

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

9. TRANSFER OF FRANCHISE

9.1. *Transfer:* Subject to Section 617 of the Communications Act, 47 U.S.C. § 537, as amended, no Transfer of the Franchise shall occur without the prior consent of the LFA, provided that such consent shall not be unreasonably withheld, delayed or conditioned. In considering an application for the Transfer of the Franchise, the LFA may consider the applicant's: (i) technical ability; (ii) financial ability; (iii) good character; and (iv) other qualifications necessary to continue to operate the Cable System consistent with the terms of the Franchise. No such consent shall be required, however, for a transfer in trust, by mortgage, by other hypothecation, by assignment of any rights, title, or interest of the Franchisee in the Franchise or Cable System in order to secure indebtedness, or for transactions otherwise excluded under Section 1.31 above.

10. RENEWAL OF FRANCHISE

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

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

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

11. ENFORCEMENT AND TERMINATION OF FRANCHISE

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

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

11.3. *Public Hearing:* The LFA shall schedule a public hearing if the LFA seeks to continue its investigation into the alleged noncompliance (i) if Franchisee fails to respond to the Noncompliance Notice pursuant to the procedures required by this Article, or (ii) if Franchisee has not remedied the alleged noncompliance within sixty (60) days or the date projected pursuant to Section 11.2(iii) above. The LFA shall provide Franchisee at least forty-five (45) business days prior written notice of such public hearing, which will specify the time, place and purpose of such public hearing, and provide Franchisee the opportunity to be heard.

11.4. *Enforcement:* Subject to Section 12.11 below and applicable federal and state law, in the event the LFA, after the public hearing set forth in Section 11.3, determines that Franchisee is in default of any provision of this Franchise, the LFA may:

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

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

11.4.3. Exercise its right under the security described in Section 11.6; or

11.4.4. In the case of a substantial noncompliance with a material provision of this Franchise, seek to revoke the Franchise in accordance with Section 11.5.

11.5. *Revocation:* Should the LFA seek to revoke this Franchise after following the procedures set forth above in this Article, including the public hearing described in Section 11.3, the LFA shall give written notice to Franchisee of such intent. The notice shall set forth the specific nature of the noncompliance. The Franchisee shall have sixty (60) days from receipt of such notice to object in writing and to state its reasons for such objection. In the event the LFA has not received a satisfactory response from Franchisee, it may then seek termination of the Franchise at a second public hearing. The LFA shall cause to be served upon the Franchisee, at

least thirty (30) business days prior to such public hearing, a written notice specifying the time and place of such hearing and stating its intent to revoke the Franchise.

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

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

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

11.6. *Security:* Within 30 days after the Effective Date, Franchisee shall provide to the LFA security for the performance of its obligations under this Agreement in the amount of fifteen thousand and 00/100 Dollars (\$15,000) (the "Security"). The form of this security may, at the Franchisee's option, be a performance bond, letter of credit, cash deposit, cashier's check or any other security acceptable to the LFA. If the Franchisee posts a performance bond, it shall be substantially in the form of Exhibit D attached hereto.

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

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

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

12. MISCELLANEOUS PROVISIONS

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

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

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

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

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

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

12.5.1. Notices to Franchisee shall be mailed to:

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

12.5.2. Notices to the LFA shall be mailed to:

Village Mayor
277 Old Nyack Turnpike
Chestnut Ridge, New York 10977

12.5.3. with a copy to:

Doris Ulman, Esq., Village Attorney
134 Camp Hill Road
Pomona, New York 10970

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

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

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

12.9. *Severability*: With the exception of the "material provisions" of this Agreement, 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. For purposes of this Agreement, the term "material provision" or "material provisions" shall mean the terms set forth in Section 2.3 (Effective Date and Term), Article 3 (Provision of Cable Service), Subsection 4.2 (System Characteristics), Section 7.1 (Open Books and Records), and Article 9 (Transfer of Franchise).

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

12.11. *FTTP Network Transfer Prohibition*: Under no circumstance including, without limitation, upon expiration, revocation, termination, denial of renewal of the Franchise or any other action to forbid or disallow Franchisee from providing Cable Services, shall Franchisee or its assignees be required to sell any right, title, interest, use or control of any portion of Franchisee's FTTP Network including, without limitation, the Cable System and any capacity used for Cable Service or otherwise, to the LFA or any third party. Franchisee shall not

be required to remove the FTTP Network or to relocate the FTTP Network or any portion thereof as a result of revocation, expiration, termination, denial of renewal or any other action to forbid or disallow Franchisee from providing Cable Services. This provision is not intended to contravene leased access requirements under Title VI or PEG requirements set out in this Agreement.

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

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

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

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

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

12.16.1. The Franchisee shall maintain a toll-free number to receive all calls and inquiries from Subscribers in the Franchise Area and/or residents regarding Cable Service. Franchisee representatives trained and qualified to answer questions related to Cable Service in the Service Area must be available to receive reports of Service Interruptions twenty-four (24) hours a day, seven (7) days a week. Franchisee representatives trained and qualified to respond to other inquiries must be available at least forty-five (45) hours per week, which, in accordance with Sections 890.61 and 890.90 of NY PSC rules and regulations, includes some evening hours at least one night per week and/or some weekend hours. Franchisee representatives shall identify themselves by name when answering this number.

12.17. *Identification of Franchisee's Employees, Vehicles & Contractors.* The Franchisee shall require all the Franchisee personnel, contractors and subcontractors contacting Subscribers or potential Subscribers outside the office of the Franchisee to wear a clearly visible identification card bearing their name and photograph.

12.17.1. The Franchisee shall make reasonable effort to account for all identification cards at all times.

12.17.2. The Franchisee shall require all the Franchisee representatives to wear appropriate clothing while working at a Subscriber's premises.

12.17.3. The Franchisee shall require that all service vehicle of the Franchisee and its contractors or subcontractors be clearly identified as such to the public. Specifically, the Franchisee vehicles shall be required to have the Franchisee's logo plainly visible. The Franchisee shall require that all contractors and subcontractors working for the Franchisee shall have the contractor's/subcontractor's name plus markings (such as a magnetic door sign) indicating they are under contract to the Franchisee.

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

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

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

AGREED TO THIS ____ DAY OF _____, 2007.

Village of Chestnut Ridge

By: _____
Jerome Kobre, Mayor

Verizon New York Inc.

By: _____
Joe DeMauro, Vice President-Capital Market Area

EXHIBITS

Exhibit A: Municipal Buildings to be Provided Free Cable Service

Exhibit B: Service Area

Exhibit C: PEG Channels

Exhibit D: Security

EXHIBIT A

MUNICIPAL BUILDINGS TO BE PROVIDED FREE CABLE SERVICE

Chestnut Ridge Village Hall
277 Old Nyack Turnpike
Chestnut Ridge, N.Y. 10977

Chestnut Ridge Justice Court
277 Old Nyack Turnpike
Chestnut Ridge, N.Y. 10977

Chestnut Ridge Middle School
892 Chestnut Ridge Road
Chestnut Ridge, N.Y. 10977

Eldorado Elementary School
5 Eldorado Drive
Chestnut Ridge, N.Y. 10977

Margetts Elementary School
25 Margetts Road
Chestnut Ridge, N.Y. 10977

Fleetwood Elementary School
22 Fleetwood Avenue
Chestnut Ridge, N.Y. 10977

William Faist Volunteer Ambulance Corps
3 Red Schoolhouse Road
Chestnut Ridge, N.Y. 10977

South Spring Valley Fire District
40 Red Schoolhouse Road
Chestnut Ridge, N.Y. 10977

EXHIBIT B

SERVICE AREA

A map of the Service Area is attached hereto.

The construction of the Franchisee's FTTP Network has been completed to approximately 69% of the current households in the Franchise Area. At present, Franchisee's anticipated schedule calls for 78% deployment by September 2007, 79% deployment by March 2008, 82% deployment by September 2008, 83% deployment by March 2009, 88% deployment by September 2009, 89% deployment by March 2010, 94% deployment by September 2010, 95% deployment by March 2011, 98% deployment by September 2011, and 100% deployment by March 2012. This schedule is subject to further review and modification by the Franchisee consistent with Section 895.5(b)(1) of the NY PSC rules and regulations; provided, however, that Franchisee shall provide notice to the LFA and the NY PSC of any material change in this schedule.



MAP ILLUSTRATING VERIZON FTTP BULDOUT IN THE VILLAGE OF CHESNUT RIDGE, NY

Rockland County

SPRING VALLEY WC

Chestnut Ridge LFA

PEARL RIVER WC

Putnam County

- FTTP Deployment - 2004
- FTTP Deployment - 2005
- FTTP Deployment - 2006
- FTTP Deployment - 2007
- FTTP Deployment - 2008+
- Verizon Wirecenters
- LFA Boundary
- County Boundary

0 0.25 0.5 1 Miles



EXHIBIT C
PEG CHANNELS

At this time, the LFA has not requested any PEG channels.

EXHIBIT D

SECURITY

SAMPLE

Franchise 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 is for the annual term beginning _____ and ending _____, and may be extended for additional annual terms at the sole option of the surety.
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.

- 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 _____, 2007.

Surety

By: _____

By: _____, Attorney-in-Fact

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

Tab 2



1776 K STREET NW
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

BY OVERNIGHT DELIVERY

March 22, 2007

Mayor Jerome Kobre
Deputy Mayor Joan Brock
Village Trustee Marisa Stewart
Village Trustee Howard Cohen
Village Trustee Jules Price
c/o Florence Mandel, Village Clerk
Village of Chestnut Ridge
Village Hall
277 Old Nyack Turnpike
Chestnut Ridge, New York 10977

Nia Y. McDonald
202.719.4633
nmcdonald@wrf.com

**Re: Cable Franchise Agreement by and between the Village of
Chestnut Ridge and Verizon New York Inc. (the "Verizon
Franchise")**

Dear Mr. Mayor and Members of the Village Board:

On behalf of Verizon New York Inc. ("Verizon"), thank you for affording Verizon the opportunity to appear before you at the upcoming April 10, 2007 public hearing (the "Public Hearing") regarding its application (the "Application") to the Village of Chestnut Ridge ("Chestnut Ridge" or the "Village") for a cable television franchise.

EXECUTIVE SUMMARY

- *The Village and Verizon have worked diligently to introduce the benefits of cable competition to Chestnut Ridge residents. The incumbent cable service provider will lobby to protect its pecuniary interest by asking the Board to delay Chestnut Ridge residents' ability to choose an alternate cable provider.*
- *A level playing field analysis requires a review of competitive franchises "taken as a whole." Cablevision continues to raise level playing field objections despite the NY PSC's consistent repudiation of same.*

- *Verizon has decades of independent authority to conduct activities in the public rights-of-way. Cablevision's sole authority to conduct activities in the public rights-of-way derives exclusively through its "communications system" franchise.*
- *Verizon's "Force Majeure" definition is substantially narrower than Cablevision's description of "force majeure" events.*
- *Verizon's "Gross Revenue" definition is comprehensive, unambiguous and significantly broader than Cablevision's "Gross Receipts" definition.*
- *Neither Verizon nor Cablevision can abandon cable service without the Village's prior written consent.*
- *Verizon is required to comply with the stringent customer service regulations that the NY PSC imposes on cable service providers. Further, as a competitive provider, Verizon will be held to a higher standard by consumers seeking improved customer service.*

INTRODUCTION AND BACKGROUND

The Village and Verizon have worked diligently to introduce the benefits of cable competition to Chestnut Ridge residents. The incumbent cable service provider will lobby to protect its pecuniary interest by asking the Board to delay Chestnut Ridge residents' ability to choose an alternate cable provider.

The Public Hearing represents the culmination of a substantial effort on the part of the Village and Verizon to introduce cable competition and its attendant benefits to Chestnut Ridge. Verizon has made the significant capital investments necessary to upgrade its telecommunications network to enable it to deliver a new generation of ultra-high-speed broadband services, including video service, to Chestnut Ridge residents over a "fiber to the premises" network (the "FTTP Network"). The FTTP Network is an innovative new technology that uses fiber-optic cable and optical electronics to link homes and businesses *directly* to Verizon's network. The FTTP Network enables Verizon to provide Chestnut Ridge residents with lightning-fast internet access and superior telephone service. Additionally, the FTTP Network provides next-generation technology that has virtually limitless capacity to deliver *state-of-the art* cable television service to Village residents, which will open the market to unprecedented competition.

The Village has demonstrated a strong commitment to benefit its residents through the introduction of cable competition. The Village's negotiators have labored industriously with Verizon to reach an agreement that is legally sound, fulfills Chestnut Ridge's cable-related needs and interests, and will enable Verizon to compete with the incumbent on a competitively-neutral basis.

While the Village and Verizon have worked closely to advance the public interest by introducing the benefits of cable competition, the incumbent cable service provider Cablevision has unfortunately engaged in a vigorous campaign designed to thwart the creation of a competitive market in the Village and elsewhere. This campaign is designed to intimidate the Village in order to prevent, or at least delay, the introduction of cable competition and to deprive your constituents of the opportunity to choose a real alternative video service provider. This is a self-serving effort *designed solely* to protect Cablevision's pecuniary interest and market dominance. Cablevision's objections are not offered in the spirit of championing the Village's interests but rather to preclude Chestnut Ridge residents from having the opportunity to switch providers. It is essential that the Village evaluate the merits of Cablevision's complaints and objections against this backdrop.

Cablevision's tactics violate the spirit of the fundamentally pro-competitive federal and state law, which are designed to reduce regulatory barriers to market entry and to *encourage* companies like Verizon to make the significant capital investments necessary to deliver a new generation of services.

DISCUSSION

Verizon anticipates that Cablevision will propound the same arguments to the Village that it has repeatedly propounded throughout the process in each municipality where Verizon jeopardizes its monopoly position. Cablevision insinuates, contrary to multiple NY PSC orders, that the Verizon Franchise violates the level playing field requirement due to perceived deficiencies in the following primary areas – rights of way management and local authority, indemnification, force majeure, and customer service. Cablevision further intimates that the definition of "gross revenue" contained in the Verizon Franchise is deficient. Although Verizon maintains the position that Cablevision's arguments are wholly without merit, to assist in your analysis, Verizon respectfully provides the following information and attached chart in support of the Village's commitment to deliver competition to its residents. This information also includes discussion to address any level playing field concerns that the Village may have.

LEVEL PLAYING FIELD

A level playing field analysis requires a review of competitive franchises "taken as a whole." Cablevision continues to raise level playing field objections despite the NY PSC's consistent repudiation of same.

The NY PSC renumbered and amended its cable television rules two years ago, intending to "reflect a more competitive environment and changes in federal law that occurred in 1984 and 1996."¹ The amended rules include a "level playing field" provision codified in 16 NYCRR § 895.3. This provision provides that "[n]o municipality may award or renew a franchise for cable television service which contains economic or regulatory burdens, which *when taken as a whole*, are greater or lesser than those burdens placed on another cable franchise operating in the same area."² The central question in a level playing field analysis is not whether there is a perceived disparity between the burdens imposed by specific franchise provisions considered in isolation, but whether the burdens on the two franchises, *when taken as a whole*, are so materially disproportionate as to preclude fair competition between providers. The regulation does not propose a side-by-side comparison of discrete provisions that are immaterial and/or inconsequential to the day-to-day operations of a business that delivers video and other services to subscribers. As the NY PSC observed in adopting the regulation,

[t]he level playing field provision does not preclude different franchise terms for different companies. Rather, it requires that economic and regulatory burdens *taken as a whole*, shall not be greater for one company than another. The language is intended to maintain flexibility for municipalities in attracting competitive companies while ensuring fairness to all companies competing in an area.³

Cablevision will likely assert that NY PSC regulations contemplate a role for the incumbent cable operator in determining whether a level playing field has been set. And as such, has repeatedly suggested that Verizon's previous franchise agreements have fallen short of that standard. However, Verizon has followed the same franchise process in various municipalities resulting in the NY PSC holding on multiple occasions that Verizon's proposed franchise agreement "does not

¹ Case 01-V-0381, "Memorandum and Resolution Adopting 16 NYCRR Parts 890 Through 899" (Issued and Effective April 4, 2005) at 1.

² 16 NYCRR § 895.3 (emphasis added).

³ *Id.* at 4 (emphasis added).

violate the Commission's level playing field rule."⁴ The NY PSC stated further that a level playing field analysis,

does not compel us to undertake a term for term comparison of the respective franchise agreements. Nor will we review the franchise agreements in isolation. Our rule does not preclude the existence of different franchise terms for different companies as they roll out their cable service in various municipalities, should events and circumstances so warrant.⁵

In each case in which the NY PSC addressed Cablevision's level playing field claim, the NY PSC found that, with respect to a comparison between the Cablevision and Verizon franchises the,

discrepancies do not, when taken as a whole, substantiate a level-playing field violation. The differences are immaterial, speculative, ill-defined in terms of economic impact and counterbalanced by other obligations (e.g., other telephone related oversight obligations) and the fact that Verizon is a new entrant in the cable market.⁶

Notwithstanding the foregoing, Cablevision attempts to muddy the waters by conveniently ignoring the NY PSC's level playing field analyses and conclusions. Cablevision merely tries to couch its objections in a different light so as not to implicate the NY PSC's dispositive determinations on this issue.

Finally, Cablevision will claim that its contractual level playing field provision grants it unilateral authority to remove provisions from its existing franchise with the Village. Nevertheless, the NY PSC has repeatedly ordered that Cablevision's contractual attempts to mirror the NY PSC's level playing field requirement must be construed in a manner consistent with the 16 NYCRR 895.3.⁷

⁴ Case 05-V-1263, "Order and Certificate of Confirmation" (Issued and Effective December 15, 2005) (the "*Massapequa Park Order*") at 23, Case 05-V-1570, "Order and Certificate of Confirmation" (Issued and Effective February 8, 2006) (the "*Nyack Order*") at 13, Case 05-V-1571, "Order and Certificate of Confirmation" (Issued and Effective February 8, 2006) (the "*South Nyack Order*") at 13, and Case No. 06-V-0875, "Order and Certificate of Confirmation" (Issued and Effective September 21, 2006) (the "*Lynbrook Order*") at 7.

⁵ *Id.*

⁶ *Nyack Order* at 13 and *South Nyack Order* at 13. See also *Massapequa Park Order* at 23 and *Lynbrook Order* at 7-8.

⁷ See, e.g., Case 05-V-0171 – Application of Cablevision of Southern Westchester, Inc. d/b/a Cablevision for Approval of the Renewal of its Cable Television Franchise for the Town of

LOCAL RIGHT OF WAY AUTHORITY; INDEMNIFICATION

Verizon has decades of independent authority to conduct activities in the public rights-of-way. Cablevision's sole authority to conduct activities in the public rights-of-way derives exclusively through its "communications system" franchise.

In an attempt to create an appearance of inequality between the Verizon Franchise and its current franchise,⁸ Cablevision will likely insinuate that the Verizon Franchise somehow shields Verizon's facilities from the type of local oversight and control that is required by law and in the Cablevision Franchise. This argument is plainly wrong and ignores the numerous telecommunications regulations applicable to Verizon's facilities. Verizon's activities are governed by a substantial body of federal, state and local law. For more than 100 years, Verizon has been constructing, accessing and maintaining facilities in the public rights-of-way throughout New York State pursuant to a comprehensive regulatory regime. The NY PSC explicitly acknowledged this fact in its February 8, 2006 orders conditionally confirming the Nyack and South Nyack franchises:

Local governments have presumably been able to manage the telephone facilities that have utilized the public rights-of-way and need not attempt to exercise additional authority in the cable franchise to govern the construction, placement, and operation of mixed-use facilities that will be used to provide video services.⁹

In these confirmation orders, the Commission cited its Declaratory Ruling¹⁰ in which it recognized that local governments have oversight authority for facilities

Eastchester (Westchester County) (Issued and Effective October 30, 2006), Case No. 05-V-0413 – Application of Cablevision Systems Long Island Corporation d/b/a Cablevision for Approval of the Renewal of its Cable Television Franchise in the Village of Floral Park (Nassau County) (Issued and Effective June 1, 2006), Case 06-V-0028 – Application of Cablevision of Wappingers Falls, Inc. d/b/a Cablevision for Approval of the Renewal of its Cable Television Franchise in the Village of Fishkill (Dutchess County) (Issued and Effective June 1, 2006), Case 05-V-1144 – Application of Cablevision of Rockland/Ramapo, LLC d/b/a Cablevision for Approval of the Renewal of its Cable Television Franchise for the Village of Airmont (Rockland County) (Issued and Effective January 17, 2006), Case 04-V-1583 – Application of Cablevision of Rockland/Ramapo, Inc. d/b/a Cablevision for Approval of the Renewal of its Cable Television Franchise for the Village of Piermont (Rockland County) (Issued and Effective February 22, 2007).

⁸ A Franchise Renewal Agreement between the Village of Chestnut Ridge, Rockland County, State of New York and Cablevision of Rockland/Ramapo, LLC (the "Cablevision Franchise").

⁹ *Nyack Order* at 8 and *South Nyack Order* at 8.

¹⁰ Cases 05-M-0250 and 05-M-0247, "Declaratory Ruling on Verizon Communications, Inc.'s Build-Out of its Fiber to the Premises Network, NY Public Service Commission" (issued and effective June 15, 2005) ("Declaratory Ruling").

in the public rights-of-way, even if they are used exclusively for telephone services. Therefore, the NY PSC concluded, “[b]y subjecting Verizon’s mixed-use facilities to the Commission’s minimum franchise standards and local government’s police power, we do not believe that local governments have been granted broad new authority over the construction, placement and operation of Verizon’s mixed-use facilities.”¹¹ Consistent with this regulatory guidance, Section 2.2 of the Verizon Franchise provides:

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.

Cablevision will doubtlessly object to this language, as it has objected to nearly identical language in other municipalities (without success).¹² For example, in the case of the Town of Hempstead, the NY PSC emphatically rejected Cablevision’s position with respect to Section 2.2 as a non-issue:

as it relates to the right-of-way management provision in 2.2 of the proposed agreement, we *do not agree* with Cablevision that the language limits local police powers and violates our prior orders. *Provision 2.2 is merely the parties’ effort to incorporate our prior rulings in the Nyack and South Nyack confirmations. The language does not create a significant limitation and will be construed consistent with our prior rulings.*¹³

Therefore, Cablevision’s suggestions that the Verizon Franchise imposes significant limitations on a municipality’s management of right-of-way authority are improper and misleading.

In a similar vein, Cablevision may recommend to the Village that it should demand that Verizon add to the indemnification provisions of the Verizon Franchise

¹¹ *Nyack Order* at 7-8, *South Nyack Order* at 7-8.

¹² *See, e.g.*, Section 2.2 of Verizon’s franchise with the Town of Hempstead, which provides: “2.2 *The FTTP Network:* Upon delivery of Cable Service, by subjecting the Franchisee’s mixed-use facilities to the NY PSC’s minimum franchise standards and the LFA’s police power local governments have not been granted broad new authority over the construction, placement and operation of the Franchisee’s mixed-use facilities.”

¹³ Case 06-V-0427, “Order and Certificate of Confirmation” (Issued and Effective May 18, 2006) (the “*Hempstead Order*”) at 6-7 (emphasis added).

an acknowledgement that “construction and maintenance of its FTTP Network is conduct undertaken pursuant to this Franchise.” This recommendation flies in the face of the Commission’s *Declaratory Ruling* and its subsequent orders confirming Verizon’s franchises:

Verizon has already obtained the legal right to use the rights-of-way to upgrade and maintain its existing telephone system. Verizon has maintained its telecommunications network for years under its existing authorizations and consents. The record here suggests that Verizon has the requisite authority from local governments to use the public rights-of-way and that municipalities have sufficient legal authority over Verizon’s upgrade activities as a telephone company to properly manage their rights-of-way. Verizon has represented in its pleadings that it is subject to municipal oversight. Municipal governance over rights-of-way is still in effect and Verizon must adhere to those requirements.¹⁴

Further, the NY PSC established in the *Nyack* and *South Nyack Orders* that “[a]ttempts by municipal governments to impose construction or operating requirements in cable franchises that would apply to mixed-use facilities that go beyond its traditional police powers or minimum cable requirements could unduly inhibit competition and may well be deemed unreasonable under the Public Service Law and federal law.”¹⁵

Unlike Cablevision, which has authority to utilize the public rights-of-way *exclusively through its cable franchise*, Verizon’s construction and maintenance of the FTTP Network is undertaken pursuant to its decades of independent authority as a common carrier under Title II of the Communications Act of 1934, as amended, and pursuant to Section 27 of the New York State Transportation Corporations Law. The NY PSC affirmed Verizon’s independent authority to upgrade and maintain its existing telecommunications network in the *Declaratory Ruling*. As Verizon noted in its Application, construction of the FTTP Network in the Village is substantial. Verizon maintains the network routinely. Cablevision’s anticipated proposal represents an unseemly and deceitful attempt to ensnare the full range of activities related to the FTTP Network in the Verizon Franchise.

Cablevision’s suggestion will likely be artfully designed to imply that Verizon’s indemnification obligation is deficient by failing to adequately protect the

¹⁴ *Declaratory Ruling* at 20-21.

¹⁵ *Nyack Order* at 8, *South Nyack Order* at 8.

Village; a transparent objective to create a level playing field violation where none exists. Verizon's indemnification obligations exceed the NY PSC's minimum indemnification requirements and fully protect the Village. Any argument by Cablevision to the contrary is disingenuous.

BUILDOUT

Consistent with its practice in other municipalities, Cablevision will probably challenge Verizon's commitment to serve every Village resident with false allegations that the Verizon Franchise does not require Verizon to provide ubiquitous service. This argument has no basis in fact. Once the franchise is approved by the Village and confirmed by the NY PSC, Verizon will offer cable television service to each Village resident within the built out area. Verizon makes this unequivocal commitment to the Village in Section 3.2 of the Verizon Franchise.

Moreover, it only makes financial sense for Verizon to exercise its best efforts to serve every Village resident as soon as possible. Toward that end, Verizon is actively seeking access to all individual properties that require permits or where property access must be negotiated, a process over which Verizon has little control. Once property access negotiations are successfully concluded and all required permits and easements have been granted, subject to the conditions set forth in the Verizon Franchise, Verizon will be able to offer service to each Village resident. Verizon is committed to ensuring that the benefits of cable competition will be made available to *all* Village residents.

FORCE MAJEURE

Verizon's "force majeure" definition is substantially narrower than Cablevision's description of "force majeure" events.

Verizon's "Force Majeure" definition is narrower than Cablevision's description of "force majeure" events in its franchise. Section 8.3 of the Cablevision Franchise provides:

In no event, and notwithstanding any contrary provision in this section or elsewhere in this Agreement, shall this Agreement be subject to revocation or termination, or Franchisee be liable for non-compliance with or delay in the performance of any obligation hereunder, where its failure to cure or to take reasonable steps to cure is directly attributable to formal U.S. declaration of war, government ban on the affected obligation, U.S. government sponsored or supported embargo, civil commotion, strikes or work

stoppages (except those against Franchisee and its affiliates), fires, any acts of God or of nature or *other events beyond the immediate control of Franchisee.* (emphasis added)

By contrast, Section 1.12 of the Verizon Franchise narrowly defines “Force Majeure” as:

Force Majeure: An event or events *reasonably* beyond the ability of Franchisee to *anticipate and control*. This includes, but is not limited to, severe or unusual weather conditions, strikes, labor disturbances and disputes, war or act of war (whether an actual declaration of war is made or not), insurrection, riots, act of public enemy, incidences of terrorism, acts of vandalism, actions or inactions of any government instrumentality or public utility including condemnation, accidents for which the Franchisee is not primarily responsible, fire, flood, or other acts of God, or work delays caused by waiting for utility providers to service or monitor utility poles to which Franchisee’s FTTP Network is attached, and unavailability of materials and/or qualified labor to perform the work necessary. (emphasis added)

As noted above, Verizon’s definition is narrower because it contemplates Verizon’s ability to “*anticipate and control*” a situation, while Cablevision’s description contains the broader catch all “*or other events beyond the immediate control of Franchisee.*”

Cablevision may urge the Village to revise the “Force Majeure” definition by deleting the phrase “or work delays caused by waiting for utility providers to service or monitor utility poles to which Franchisee’s FTTP Network is attached, and unavailability of materials and/or qualified labor to perform the work necessary.” Nevertheless, such descriptive circumstances are appropriately included in the definition.

First, utility poles in Rockland County are shared by Verizon and the power company Orange and Rockland Utilities, Inc. (“O&R”), with maintenance responsibilities allocated among the parties. If O&R fails to service, monitor or maintain one or more poles for which it bears responsibility, there is a possibility that Verizon may face work delays as a result.

Second, Verizon is a telecommunications company, not an equipment manufacturer. Third, as last year's merger announcement regarding Nokia Corp. and Siemens AG suggests, there is a wave of consolidation in the electronics equipment manufacturing industry. As a result of changes in the industry, it may be possible that materials become unavailable from time to time. Additionally, the FTTP Network is cutting-edge technology, so there is likelihood that, as the technology evolves, the industry may experience temporary shortages of materials.

Moreover, unlike Cablevision's employees, Verizon's employees are represented by organized labor unions, and work is allocated pursuant to Verizon's obligations under collective bargaining agreements. Therefore, even absent the events of strike, labor disturbance or dispute, there may be situations where Verizon faces an unavailability of qualified labor to perform the work necessary.

GROSS REVENUE

Verizon's "Gross Revenue" definition is comprehensive, unambiguous and significantly broader than Cablevision's "Gross Receipts" definition.

Cablevision will likely try to manufacture a level playing field violation by claiming that the definition of "Gross Revenue" in the Verizon Franchise is not as broad as the "Gross Receipts" definition contained in the Cablevision Franchise. This argument is incorrect.

Consistent with federal law, Verizon defines "Gross Revenue" as "[a]ll 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." *Verizon Franchise §1.17*. Cablevision's very narrow definition, by way of contrast, is limited to "total annual subscription charges. . . for video programming services, . . . and advertising and home shopping revenue." (emphasis added) *Cablevision Franchise §1.10*. Significantly, Cablevision defines "cable service" using the federal definition; however, it limits the range of receipts contained in "Gross Receipts" to those obtained for "video programming" service rather than cable service.

Additionally, the Verizon Franchise unequivocally provides that:

[s]hould revenue from Telecommunications or Information Services, or any other service provided over the Cable System be deemed a Cable Service by any agency or court having jurisdiction, then in that event, revenue from such activities shall be included in Gross Revenue within sixty (60) days of a final determination or ruling, subject to Section 222 of the

New York Public Service Law and Title 16, Chapter VIII, Part 892, Subpart 892-1, Section 892-1.4 of the Official Compilation of Codes, Rules and Regulations of the State of New York requiring application to the NY PSC and approval of any modification.
Verizon Franchise §1.16.

This provision provides the Village with significant revenue protections in the event of future changes in law that would effectively change the categorization of any service provided over the Cable System from a non-Cable Service to a Cable Service. Cablevision's agreement limits this protection solely to cable modem services.

Verizon's definition of "Gross Revenue" is comprehensive and unambiguous. Rather, it is Cablevision's "Gross Receipts" definition that is clearly deficient.

EVASION OF PERFORMANCE

Neither company can abandon cable service without the Village's prior written consent.

Cablevision will likely imply that the Verizon Franchise contains provisions that could be used by Verizon to avoid inconvenient franchise obligations. This is a veiled insinuation that the Verizon Franchise places lesser economic and regulatory burdens on Verizon than those imposed on Cablevision.

Section 11.7 of the Verizon Franchise provides "[f]ranchisee shall not abandon any Cable Service or portion thereof without the LFA's prior written consent as provided in the Cable Law." This language is substantially similar to Section 8.5 of the Cablevision Franchise, which provides: "[f]ranchisee shall not abandon any service or portion thereof required to be provided pursuant to the terms of this Agreement without the prior written consent of the Village."

As it has done in the case of each effective Verizon Franchise, Cablevision will predictably campaign for the deletion of Verizon Franchise § 12.4.1. Cablevision has raised this issue at both the local level and during NY PSC confirmation proceedings, alleging that this provision is an "escape clause" that Verizon may use to avoid inconvenient franchise obligations. Cablevision wrongly asserts that Verizon is exempt from monetary sanctions or possible termination due to its failure to comply with franchise obligations that would cause Verizon "practical difficulties" or "hardship." Cablevision presents this provision in a purposefully misleading and deceptive manner.

The referenced section, 12.4.1, is hardly an ‘escape clause.’ Instead, it only protects Verizon from a situation in which the Village attempts to rely on a minor failure as a basis for imposing the ultimate sanction of “forfeiture or revocation of the Franchise.” Section 12.4.1 of the Verizon Franchise provides:

[f]urthermore, the parties hereby agree that it is not the LFA’s intention to subject Franchisee to penalties, fines, forfeitures or revocation of the Franchise for violations of the Franchise where the violation was a good faith error that resulted in no or minimal negative impact on Subscribers.

Verizon Franchise §12.4.1.

The Village may still avail itself of the remedy of revocation in the event of “substantial noncompliance with a material provision of” the Verizon Franchise pursuant to § 11.4.4:

Enforcement: Subject to Section 12.11 below and applicable federal and state law, in the event the LFA, after the public hearing set forth in Section 11.3, determines that Franchisee is in default of any provision of this Franchise, the LFA may . . .

In the case of a substantial noncompliance with a material provision of this Franchise, seek to revoke the Franchise in accordance with Section 11.5. *Verizon Franchise §§11.4 and 11.4.4.*

Although § 12.4.1 may provide some benefit to Verizon in rare circumstances, the likelihood that such circumstances will materialize during the term of the franchise is *de minimis*, and the provision does not materially alleviate Verizon’s burdens under the franchise.

Most significantly, however, and not disclosed by Cablevision, the NY PSC rejected Cablevision’s objection to Section 12.4.1, ordering that “no modification or

conditioning" of this provision was required "because no Commission rule prevents the parties from agreeing to such a provision."¹⁶

CUSTOMER SERVICE

Verizon is required to comply with the stringent customer service regulations that the NY PSC imposes on cable service providers. Further, as a competitive provider, Verizon will be held to a higher standard by consumers seeking improved customer service.

Cablevision will probably recommend that the Village seek to include a provision stating that "[t]he LFA shall have the right to promulgate new, revised or additional consumer protection standards, and penalties for Franchisee's failure to comply therewith, consistent with the authority granted under Section 632 of the Cable Act (47 U.S.C. Sec. 552)." This additional provision is entirely unnecessary. First, Section 2.5 of the Verizon Franchise clearly states that the franchise is "subject to and shall be governed by all applicable provisions of federal law and state law as may be amended, including but not limited to the Communications Act." Second, Chestnut Ridge already has the rights under 47 U.S.C § 552 to establish and enforce customer service requirements and to enact and enforce consumer protection laws.

Finally, as a competitive market entrant, Verizon will be held to a higher standard by consumers seeking improved customer service. If Verizon's customer service is not exemplary, subscribers will return to the incumbent. At the present time, Village residents are left with no choice. As a result of competition, customer service will improve across the board, and all Village consumers will benefit.

CONCLUSION

Verizon is eager to introduce cable competition to Chestnut Ridge and to offer Chestnut Ridge residents the opportunity to choose among cable providers. To fulfill their commitment to bring choice to Village residents, the Village and Verizon have worked diligently to negotiate an agreement that is fair and that complies with all applicable laws. As explained in greater detail above, Cablevision's anticompetitive tactics are designed solely to protect its market dominance by denying Chestnut Ridge residents the benefits of a competitive alternative. The incumbent's self-serving assertions relate not to the inherent fairness of permitting Verizon to compete head-to-head for video subscribers in Chestnut Ridge, but instead solely to promote Cablevision's pecuniary interest in forestalling Verizon's entry into the market at all costs. It is imperative that the Village review Cablevision's grievances in this very narrow context.

¹⁶ *Hempstead Order* at 6.



March 22, 2007
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Verizon anticipates the Village's award of a cable franchise at the Public Hearing and is excited to benefit Village residents through the introduction of cable competition. In the meantime, we remain available at any time to answer any questions that you may have. Rich Hillstrom is available at (630) 645-3806 and I am available at (202) 719-4633.

Respectfully submitted,

A handwritten signature in cursive script that reads "Nia Y. McDonald".

Nia Y. McDonald

cc: Doris Ulman, Village Attorney
Verizon New York Inc.

**Verizon New York Inc. (“Verizon”) Response to
Cablevision’s Anticipated Objections to the
Cable Franchise Agreement by and between the Village of Chestnut Ridge and Verizon
 (“the Verizon Franchise”)**

Issue	Cablevision Argument	Verizon Franchise
Service to Everyone in the Village on Request	Cablevision will likely claim that Verizon is attempting to evade its obligation to serve every Village resident and to serve them within the required 5 year period	Verizon, must, as required of every cable operator in New York, in accordance with Section 895.5 of the NY PSC rules, offer cable service to significant numbers of Subscribers within residential areas of Chestnut Ridge within twelve months and to all residential areas of Chestnut Ridge within five years. Section 3.1 of the Verizon Franchise essentially mirrors that language.
Gross Revenue Definition	Cablevision will likely argue that the Village will lose revenue based on Verizon’s definition of gross revenue	Verizon’s “Gross Revenues” definition covers a broad, clearly-defined range of revenue sources and ensures clarity with respect to Verizon’s financial obligations to the Village. In contrast, Cablevision’s definition is ambiguous and creates uncertainty as to exactly what revenue sources are captured and what are not. Additionally, Verizon’s “gross revenue” definition provides the Village with substantial protection in the event of future changes in law regarding classifications of non-cable services as cable services. The Verizon franchise distinctly provides: “Should revenue from Telecommunications or Information Services, or any other service provided over the Cable System be deemed a Cable Service by any agency or court having jurisdiction, then in that event, revenue from such activities shall be included in Gross Revenue within sixty (60) days of a final determination or ruling, subject to Section 222 of the New York Public Service Law and Title 16, Chapter VIII, Part 892, Subpart 892-1, Section 892-1.4 of the Official

**Verizon New York Inc. ("Verizon") Response to
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		Compilation of Codes, Rules and Regulations of the State of New York requiring application to the NY PSC and approval of any modification."
Protection of Rights of Way	Cablevision will likely represent that Verizon's agreement impedes the Village's authority to protect its rights-of-way and enforce its local laws	<p>Unlike Cablevision, which has authority to utilize the public rights of way <i>exclusively</i> through its <i>cable franchise</i>, Verizon's construction and maintenance of its "Fiber to the Premises Network" is undertaken pursuant to (a) its pre-existing independent authority as a common carrier under Title II of the Communications Act of 1934, as amended (the "Communications Act") and (b) Section 27 of the New York State Transportation Corporations Law.</p> <p>Both Cablevision and Verizon's agreements comply with PSC Rules with respect to police powers provisions; <u>however</u>, because Verizon is a common carrier regulated under Title II of the Communications Act, the Village has <i>two</i> regulatory regimes under which it can oversee Verizon activities and facilities in the right-of-way. Conversely, Cablevision provides telephony and data services in the Village <i>wholly unregulated</i>.</p>
Force Majeure	Cablevision will likely claim that "force majeure" provisions are typically reserved for very unusual events outside of party's control.	<p>Unlike most contractual "force majeure" provisions, Verizon's "force majeure" definition imposes a "reasonableness" standard and includes Verizon's ability to "<i>anticipate and control</i>" a situation. Cablevision's "force majeure" provision is substantially broader, because it includes "other events beyond the immediate control of Franchisee." Practically any event can fall into such catch-all category.</p>

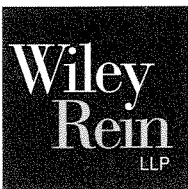
**Verizon New York Inc. (“Verizon”) Response to
Cablevision’s Anticipated Objections to the
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		<p>Verizon’s employees, <i>unlike Cablevision’s employees</i>, are represented by organized labor unions, and work is allocated pursuant to Verizon’s obligations under collective bargaining agreements. Therefore, even absent the events of strike, labor disturbance or lockout, there may be situations where Verizon faces an unavailability of qualified labor to perform the work necessary.</p>
Enforcement	<p>Cablevision will likely insinuate that Verizon has planted an “escape clause” within its franchise agreement.</p>	<p>Section 12.4.1 of the Verizon Franchise is limited and merely recognizes that the Village does not intend to revoke the agreement for minor delays in performance of <i>non-material</i> provisions. For situations that would actually create a hardship for either the Village or Verizon subscribers, the Village has multiple remedies available, including a \$15,000 security provision, and, for most egregious violations, revocation of the franchise.</p> <p>Verizon has also agreed to revise Section 12.4.1, at the request of the Village, to exclude “or where strict performance would result in practical difficulties and hardship being placed upon Franchisee that outweigh the benefit to be derived by the LFA and/or Subscribers.”</p>
Level Playing Field	<p>Cablevision will likely suggest that the measure of the level playing field is Verizon’s agreement with other municipalities in New York</p> <p>Cablevision will likely argue further that Cablevision, <i>rather than the Village or the NY PSC</i>, is the sole arbiter of a level playing field determination.</p>	<p>The NY PSC has repeatedly ordered the following in conducting a level field analysis:</p> <p><i>“[T]his analysis does not compel us to undertake a term for term comparison of the respective franchise agreements. Nor will we review the franchise agreements in isolation. Our rule does not preclude the existence of different franchise terms for different companies as they roll out their cable service in</i></p>

**Verizon New York Inc. (“Verizon”) Response to
Cablevision’s Anticipated Objections to the
Cable Franchise Agreement by and between the Village of Chestnut Ridge and Verizon
 (“the Verizon Franchise”)**

	<i>various municipalities, should events and circumstances so warrant.”</i> The PSC’s level playing field analysis requires Verizon’s agreement with the Village to be compared in its totality to Cablevision’s agreement with the Village, <u>not</u> to other municipalities.
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Tab 3



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March 30, 2007

Nia Y. McDonald
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nmcdonal@wileyrein.com

VIA OVERNIGHT DELIVERY

Florence Mandel, Village Clerk
Village of Chestnut Ridge
Village Hall
277-279 Old Nyack Turnpike
Chestnut Ridge, New York 10977

Re: Verizon Cable Franchise Agreement for the Village of Chestnut Ridge

Dear Ms. Mandel:

Enclosed please find a revised Final Proposed Draft Verizon Cable Franchise Agreement with the Village of Chestnut Ridge. Please replace the public copy I previously provided to the Village on March 16th with the enclosed Proposed Draft Cable Franchise Agreement.

Please contact me at (202) 719-4633 should you have any questions.

Best regards,

A handwritten signature in cursive script that reads "Nia McDonald".

Nia Y. McDonald

Enclosure

cc: Doris Ulman, Village Attorney

Cable Franchise Agreement

by and between

The Village of Chestnut Ridge, NY

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: Security

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

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

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

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

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

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

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

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

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

NOW, THEREFORE, in consideration of the LFA’s grant of a franchise to Franchisee, Franchisee’s promise to provide Cable Service to residents of the Franchise/Service Area of the LFA pursuant to and consistent with the Cable Law (as hereinafter defined), pursuant to the

terms and conditions set forth herein, the promises and undertakings herein, and other good and valuable consideration, the receipt and the adequacy of which are hereby acknowledged,

THE SIGNATORIES DO HEREBY AGREE AS FOLLOWS:

1. **DEFINITIONS**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(i) Basic Service;

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

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

(iv) Video-on-Demand and Pay-Per-View; and

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

allocation shall be based on the number of Subscribers in the Service Area divided by the total number of subscribers in relation to the relevant local, regional or national compensation arrangement. Advertising commissions paid to third parties shall not be netted against advertising revenue included in Gross Revenue.

Gross Revenue shall not include:

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

(ii) 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;

(iii) 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);

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

(v) 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 as may be amended from time to time; Should revenue from Telecommunications or Information Services, or any other service provided over the Cable System be deemed a Cable Service by any agency or court having jurisdiction, then in that event, revenue from such activities shall be included in Gross Revenue within sixty (60) days of a final determination or ruling, subject to Section 222 of the New York Public Service Law and Title 16, Chapter VIII, Part 892, Subpart 892-1, Section 892-1.4 of the Official Compilation of Codes, Rules and Regulations of the State of New York requiring application to the NY PSC and approval of any modification;

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

(vii) 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;

(viii) the sale of Cable Services to customers, which are exempt, as required or allowed by the LFA including, without limitation, the provision of Cable Services to public institutions as required or permitted herein;

(ix) 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);

(x) 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);

(xi) 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;

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

(xiii) any fees or charges collected from Subscribers or other third parties for the provision of PEG services.

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

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

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

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

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

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

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

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

1.25. *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.

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

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

1.28. *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.

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

1.30. *Transfer of the Franchise*:

1.30.1. Any transaction in which:

1.30.1.1. 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

1.30.1.2. 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.

1.30.2. However, notwithstanding Sub-subsections 1.30.1.1 and 1.30.1.2 above, a *Transfer of the Franchise* shall not include transfer of an ownership or other interest in Franchisee to the parent of Franchisee or to another Affiliate of Franchisee; transfer of an interest in the Franchise or the rights held by the Franchisee under the Franchise to the parent of Franchisee or to another Affiliate of Franchisee; any action which is the result of a merger of the parent of the Franchisee; or any action which is the result of a merger of another Affiliate of the Franchisee.

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

2. GRANT OF AUTHORITY; LIMITS AND RESERVATIONS

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

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

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

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

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

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 law and state law as may be amended, including but not limited to the Communications Act.

2.6. *No Waiver:*

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

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

2.7. *Construction of Agreement:*

2.7.1. 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 or the Cable Law.

2.7.2. Should any change to state law, rules or regulations have the lawful effect of materially altering the terms and conditions of this Franchise, then the parties may modify this Franchise to the mutual satisfaction of both parties to ameliorate the negative effects on the Franchisee of the material alteration. Any modification to this Franchise shall be in writing and shall be subject to Section 222 of the New York Public Service Law and Title 16, Chapter VIII, Part 892, Subpart 892-1, Section 892-1.4 of the Official Compilation of Codes, Rules and Regulations of the State of New York requiring application to the NY PSC and approval of any modification. If the parties cannot reach agreement on the above-referenced modification to the Franchise, then Franchisee may terminate this Agreement without further obligation to the LFA.

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

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

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

3. **PROVISION OF CABLE SERVICE**

3.1. *Service Area:*

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

reasonable basis; and (G) in areas where the occupied residential household density does not meet the density and other requirements set forth in Sub-Subsection 3.1.1.1. and Section 3.2.

3.1.1.1. *Density Requirement:* Franchisee shall make Cable Services available to residential dwelling units in all areas of the Service Area where the average density is equal to or greater than 35 occupied residential dwelling units per mile as measured in strand footage from the nearest technically feasible point on the active FTTP Network trunk or feeder line. Should, through new construction, an area within the Service Area meet the density requirements after the time stated for providing Cable Service as set forth in Subsection 3.1.1 respectively, Franchisee shall provide Cable Service to such area within twelve (12) months of receiving notice from the LFA that the density requirements have been met.

3.2. *Availability of Cable Service:* Franchisee shall make Cable Service available to all residential dwelling units and may make Cable Service available to businesses within the Service Area in conformance with Section 3.1, and Franchisee shall not discriminate between or among any individuals in the availability of Cable Service or based upon the income in a local area. In the areas in which Franchisee shall provide Cable Service, Franchisee shall be required to connect, at Franchisee's expense, other than a standard installation charge, all residential dwelling units that are within one hundred fifty (150) feet of aerial trunk or feeder lines not otherwise already served by Franchisee's FTTP Network. Franchisee shall be allowed to recover, from a Subscriber that requests such connection, the actual costs incurred for residential dwelling unit connections that exceed one hundred fifty (150) feet or are in an area with a density of less than 35 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 35 occupied residential dwelling units per mile if such would not be possible within the limitations of economic feasibility. For underground installations, Franchisee shall charge the recipient Franchisee's actual cost. Such costs shall be submitted to said recipient in writing, before installation is begun.

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

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

4. **SYSTEM FACILITIES**

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

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

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

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

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

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

4.5. *System Maintenance and Repair:* When interruption of service is necessary for making repairs, adjustments, or installations, unless such interruption is unforeseen or immediately necessary, Franchisee shall give reasonable notice thereof to Subscribers.

5. **PEG SERVICES**

5.1. *PEG Set Aside:*

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

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

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

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

5.2. *Recovery of Costs:* To the extent permitted by federal law, the Franchisee shall be allowed to recover the 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.

5.3. *PEG Liability.* In accordance with 47 U.S.C. §558, the Franchisee shall not incur any liability arising from or in connection with any PEG Channels.

6. **FRANCHISE FEES**

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

6.2. *Supporting Information:* Each Franchise Fee payment shall be accompanied by a 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 can not exceed the date of records retention reflected in Section 7.

6.4. *Bundled Services:* If Cable Services subject to the Franchise Fee required under this Article 6 are provided to Subscribers in conjunction with Non-Cable Services, the Franchise Fee shall be applied only to the value of the Cable Services, as reflected on the books and records of Franchisee in accordance with FCC or state public utility regulatory commission rules, regulations, standards or orders.

7. REPORTS AND RECORDS

7.1. *Open Books and Records:* Upon reasonable written notice to the Franchisee and with no less than thirty (30) business days written notice to the Franchisee, the LFA shall have the right to inspect Franchisee's books and records pertaining to Franchisee's provision of Cable Service in the Franchise Area at any time during regular business hours and on a nondisruptive basis, as are reasonably necessary to ensure compliance with the terms of this Franchise. Such notice shall specifically reference the section or subsection of the Franchise which is under review, so that Franchisee may organize the necessary books and records for appropriate access by the LFA. Following the notice period set forth herein, Franchisee shall make such books and records available to the LFA at a mutually agreed upon location within fifty (50) miles of the territorial limits of the LFA. Franchisee shall not be required to maintain any books and records for Franchise compliance purposes longer than six (6) years. Notwithstanding anything to the contrary set forth herein, Franchisee shall not be required to disclose information that 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. The LFA shall treat any information disclosed by Franchisee as confidential 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. Franchisee shall not be required to provide Subscriber information in violation of Section 631 of the Communications Act, 47 U.S.C. §551.

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

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

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

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

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

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

7.3. *System-Wide Statistics*: Any valid reporting requirement in the Franchise may be satisfied with system-wide statistics, except those related to Franchise Fees and consumer complaints.

7.4. Franchisee shall file with the Village copies of all printed materials prepared for general distribution to Subscribers in the Village.

7.5. *Performance Review*: The LFA may, at its discretion but not more than once per twelve-month period, hold an informal performance evaluation session (the "Performance Review"), that is not open to the public, to review Franchisee's compliance with the terms and conditions of this Franchise. The information disclosed to the LFA by the Franchisee at the Performance Review shall be treated by the LFA as confidential. The LFA shall provide Franchisee with at least thirty (30) days prior written notice of the Performance Review to be held at a mutually agreeable time. Franchisee shall have the opportunity to participate in and be heard at the Performance Review. Within thirty (30) days after the conclusion of the Performance Review, the LFA shall provide Franchisee written documentation ("Performance Review Report") setting forth its determinations regarding Franchisee's compliance with the terms and conditions of this Franchise. The Performance Review Report shall not contain any confidential information disclosed by the Franchisee during the Performance Review.

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 five hundred thousand (\$500,000) combined single limit for property damage and bodily injury. Such insurance shall cover the construction, operation and maintenance of the Cable System, and the conduct of Franchisee's Cable Service business in the LFA.

8.1.1.2. Automobile Liability Insurance in the amount of five hundred thousand (\$500,000) combined single limit for bodily injury and property damage coverage.

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

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

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

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

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

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

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

8.2. *Indemnification:*

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

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

8.2.3. The LFA shall not hold Franchisee responsible for damage or other liability and shall defend Franchisee from and against and shall be responsible for damages,

liability or claims resulting from or arising out of the willful misconduct or negligence of the LFA.

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

9. TRANSFER OF FRANCHISE

9.1. *Transfer:* Subject to Section 617 of the Communications Act, 47 U.S.C. § 537, as amended, no Transfer of the Franchise shall occur without the prior consent of the LFA, provided that such consent shall not be unreasonably withheld, delayed or conditioned. In considering an application for the Transfer of the Franchise, the LFA may consider the applicant's: (i) technical ability; (ii) financial ability; (iii) good character; and (iv) other qualifications necessary to continue to operate the Cable System consistent with the terms of the Franchise. No such consent shall be required, however, for a transfer in trust, by mortgage, by other hypothecation, by assignment of any rights, title, or interest of the Franchisee in the Franchise or Cable System in order to secure indebtedness, or for transactions otherwise excluded under Section 1.30 above.

10. RENEWAL OF FRANCHISE

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

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

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

11. **ENFORCEMENT AND TERMINATION OF FRANCHISE**

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

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

11.3. *Public Hearing:* The LFA shall schedule a public hearing if the LFA seeks to continue its investigation into the alleged noncompliance (i) if Franchisee fails to respond to the Noncompliance Notice pursuant to the procedures required by this Article, or (ii) if Franchisee has not remedied the alleged noncompliance within sixty (60) days or the date projected pursuant to Section 11.2(iii) above. The LFA shall provide Franchisee at least forty-five (45) business days prior written notice of such public hearing, which will specify the time, place and purpose of such public hearing, and provide Franchisee the opportunity to be heard.

11.4. *Enforcement:* Subject to Section 12.11 below and applicable federal and state law, in the event the LFA, after the public hearing set forth in Section 11.3, determines that Franchisee is in default of any provision of this Franchise, the LFA may:

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

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

11.4.3. Exercise its right under the security described in Section 11.6; or

11.4.4. In the case of a substantial noncompliance with a material provision of this Franchise, seek to revoke the Franchise in accordance with Section 11.5.

11.5. *Revocation:* Should the LFA seek to revoke this Franchise after following the procedures set forth above in this Article, including the public hearing described in Section 11.3, the LFA shall give written notice to Franchisee of such intent. The notice shall set forth the specific nature of the noncompliance. The Franchisee shall have sixty (60) days from receipt of such notice to object in writing and to state its reasons for such objection. In the event the LFA has not received a satisfactory response from Franchisee, it may then seek termination of the Franchise at a second public hearing. The LFA shall cause to be served upon the Franchisee, at

least thirty (30) business days prior to such public hearing, a written notice specifying the time and place of such hearing and stating its intent to revoke the Franchise.

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

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

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

11.6. *Security*: Within 30 days after the Effective Date, Franchisee shall provide to the LFA security for the performance of its obligations under this Agreement in the amount of fifteen thousand and 00/100 Dollars (\$15,000) (the "Security"). The form of this security may, at the Franchisee's option, be a performance bond, letter of credit, cash deposit, cashier's check or any other security acceptable to the LFA. If the Franchisee posts a performance bond, it shall be substantially in the form of **Exhibit D** attached hereto.

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

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

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

12. **MISCELLANEOUS PROVISIONS**

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

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

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

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

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

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

12.5.1. Notices to Franchisee shall be mailed to:

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

12.5.2. Notices to the LFA shall be mailed to:

Village Mayor
277 Old Nyack Turnpike
Chestnut Ridge, New York 10977

12.5.3. with a copy to:

Doris Ulman, Esq., Village Attorney
134 Camp Hill Road
Pomona, New York 10970

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

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

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

12.9. *Severability*: With the exception of the “material provisions” of this Agreement, 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. For purposes of this Agreement, the term “material provision” or “material provisions” shall mean the terms set forth in Section 2.3 (Effective Date and Term), Article 3 (Provision of Cable Service), Subsection 4.2 (System Characteristics), Section 7.1 (Open Books and Records), and Article 9 (Transfer of Franchise).

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

12.11. *FTTP Network Transfer Prohibition*: Under no circumstance including, without limitation, upon expiration, revocation, termination, denial of renewal of the Franchise or any other action to forbid or disallow Franchisee from providing Cable Services, shall Franchisee or its assignees be required to sell any right, title, interest, use or control of any portion of Franchisee’s FTTP Network including, without limitation, the Cable System and any capacity used for Cable Service or otherwise, to the LFA or any third party. Franchisee shall not

be required to remove the FTTP Network or to relocate the FTTP Network or any portion thereof as a result of revocation, expiration, termination, denial of renewal or any other action to forbid or disallow Franchisee from providing Cable Services. This provision is not intended to contravene leased access requirements under Title VI or PEG requirements set out in this Agreement.

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

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

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

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

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

12.16.1. The Franchisee shall maintain a toll-free number to receive all calls and inquiries from Subscribers in the Franchise Area and/or residents regarding Cable Service. Franchisee representatives trained and qualified to answer questions related to Cable Service in the Service Area must be available to receive reports of Service Interruptions twenty-four (24) hours a day, seven (7) days a week. Franchisee representatives trained and qualified to respond to other inquiries must be available at least forty-five (45) hours per week, which, in accordance with Sections 890.61 and 890.90 of NY PSC rules and regulations, includes some evening hours at least one night per week and/or some weekend hours. Franchisee representatives shall identify themselves by name when answering this number.

12.17. *Identification of Franchisee's Employees, Vehicles & Contractors.* The Franchisee shall require all the Franchisee personnel, contractors and subcontractors contacting Subscribers or potential Subscribers outside the office of the Franchisee to wear a clearly visible identification card bearing their name and photograph.

12.17.1. The Franchisee shall make reasonable effort to account for all identification cards at all times.

12.17.2. The Franchisee shall require all the Franchisee representatives to wear appropriate clothing while working at a Subscriber's premises.

12.17.3. The Franchisee shall require that all service vehicle of the Franchisee and its contractors or subcontractors be clearly identified as such to the public. Specifically, the Franchisee vehicles shall be required to have the Franchisee's logo plainly visible. The Franchisee shall require that all contractors and subcontractors working for the Franchisee shall have the contractor's/subcontractor's name plus markings (such as a magnetic door sign) indicating they are under contract to the Franchisee.

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

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

[The remainder of this page is left intentionally blank.]

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

AGREED TO THIS ____ DAY OF _____, 2007.

Village of Chestnut Ridge

By: _____
Jerome Kobre, Mayor

Verizon New York Inc.

By: _____
Joe DeMauro, Vice President-Capital Market Area

EXHIBITS

Exhibit A: Municipal Buildings to be Provided Free Cable Service

Exhibit B: Service Area

Exhibit C: PEG Channels

Exhibit D: Security

EXHIBIT A

MUNICIPAL BUILDINGS TO BE PROVIDED FREE CABLE SERVICE

Chestnut Ridge Village Hall
277 Old Nyack Turnpike
Chestnut Ridge, N.Y. 10977

Chestnut Ridge Justice Court
277 Old Nyack Turnpike
Chestnut Ridge, N.Y. 10977

Chestnut Ridge Middle School
892 Chestnut Ridge Road
Chestnut Ridge, N.Y. 10977

Eldorado Elementary School
5 Eldorado Drive
Chestnut Ridge, N.Y. 10977

Margetts Elementary School
25 Margetts Road
Chestnut Ridge, N.Y. 10977

Fleetwood Elementary School
22 Fleetwood Avenue
Chestnut Ridge, N.Y. 10977

William Faist Volunteer Ambulance Corps
3 Red Schoolhouse Road
Chestnut Ridge, N.Y. 10977

South Spring Valley Fire District
40 Red Schoolhouse Road
Chestnut Ridge, N.Y. 10977

EXHIBIT B

SERVICE AREA

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

The construction of the Franchisee's FTTP Network has been completed to approximately 69% of the current households in the Franchise Area. At present, Franchisee's anticipated schedule calls for 78% deployment by September 2007, 79% deployment by March 2008, 82% deployment by September 2008, 83% deployment by March 2009, 88% deployment by September 2009, 89% deployment by March 2010, 94% deployment by September 2010, 95% deployment by March 2011, 98% deployment by September 2011, and 100% deployment by March 2012. This schedule is subject to further review and modification by the Franchisee consistent with Section 895.5(b)(1) of the NY PSC rules and regulations; provided, however, that Franchisee shall provide notice to the LFA and the NY PSC of any material change in this schedule.

EXHIBIT C

PEG CHANNELS

At this time, the LFA has not requested any PEG channels.

EXHIBIT D

SECURITY

SAMPLE

Franchise 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 is for the annual term beginning _____ and ending _____, and may be extended for additional annual terms at the sole option of the surety.
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.

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

Tab 4



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

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

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

April 6, 2007

The Honorable Jerome Kobre
Village of Chestnut Ridge
Village Hall
277-279 Old Nyack Turnpike
Chestnut Ridge, New York 10977

Dear Mayor Kobre:

Verizon is looking forward to the public hearing on April 10, 2007 in the Village of Chestnut Ridge 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 the Village of Chestnut Ridge.

I respect and thank you and those who negotiated on behalf of the Village of Chestnut Ridge 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 Chestnut Ridge. 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.

Again, thank you for your commitment to bringing cable choice and a new video technology to the Village of Chestnut Ridge.

Sincerely,

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

Monica Azare

cc: The Honorable Joan Brock
The Honorable Jules Price
The Honorable Marisa Stewart
The Honorable Howard Cohen
Florence Mandel, Village Clerk

Verizon FiOS TV

Village of Chestnut Ridge, NY



The Village of Chestnut Ridge Can Advance New York's Broadband Revolution.

Favorable action on Verizon's proposed cable franchise agreement positions Chestnut Ridge 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 Chestnut Ridge** – 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 Chestnut Ridge is among the first.

- **Deployment Commitment:** **Chestnut Ridge** is among the first communities in New York to benefit from Verizon's fiber-to-the-premises (FTTP) initiative. Today, this network offers Chestnut Ridge 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 Chestnut Ridge.

Broadband. The Village of Chestnut Ridge has a lot riding on it.



We never stop working for you.

Power to the people who have fiber-optic TV!

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

More Value

FiOS TV is all about simple packages and competitive prices. FiOS TV Premier delivers an unmatched lineup with more than 200 channels of television and music entertainment. It's an even better value when bundled with our FiOS Internet Service.*

A Superior Network

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

On Demand

With FiOS TV, you have instant access to a library of approximately 8,600 of the latest titles; blockbuster movies, kids' shows, sporting events and much more, all at a touch of a button.

HDTV

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

More Control

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

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

FiOS TV gives you the freedom to pause and rewind live TV, record one show while watching another - and fast forward to your favorite part - all without a VCR, tapes or DVDs. And our Home Media DVR allows you to view recorded programs from any room in the house with a television and set-top box and easily access photos and music from your personal computer and play them on your entertainment center. FiOS TV Widgets gives you local weather and traffic on your TV screen at the touch of a button, without interrupting what you're watching.

Global Reach

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

More channels. More choices. Verizon FiOS TV.

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

Verizon FiOS TV — New York Area Channel Lineup

Local				Movies				
Fios TV Local	2	CBS — WCBW-TV 2	94	Pentagon Channel	190	Turner Classic Movies		
	4	NBC — WNBC-TV 4	95	Military Channel	192	Fox Movie Channel		
	5	FOX — WNYW-TV 5	96	Military History Channel	201	AMC		
	6	WRNN-TV 48	97	History Channel International	Family			
	7	ABC — WABC-TV 7	98	History Channel	200	Hallmark Channel		
	8	Superstation — WGN-TV	99	Biography Channel	202	Family Net		
	9	My WWOR-TV 9	100	Animal Planet	203	AmericanLife TV		
	10	WLNY-TV 55	101	TLC (The Learning Channel)	204	TV Land		
	11	CW — WPIX-TV 11	Women		Children			
	12	Telemundo — WNJU-TV 47	110	Lifetime	210	Disney		
	13	PBS — WNET-TV 13	111	Lifetime Movie Network	211	Toon Disney		
	17	WFTY-TV 67	112	Lifetime Real Women	212	Nickelodeon		
	18	WMBC-TV 63	113	SoapNet	213	Nick Too		
	21	PBS — WLW-TV 21	114	Oxygen	214	The Nicktoons Network		
	23	PBS — WJUN-TV 50	129	WE	215	GAS		
	25	NYC-TV	Shopping		216	Noggin		
	29	PBS — WFME-TV 66	120	QVC	217	Cartoon Network (ESP)*		
	31	WPXN-TV 31	121	HSN	218	Boomerang (ESP)*		
	32	Local Programming	123	America's Store	219	Discovery Kids		
	33	Local Programming	125	Jewelry	220	Varsity TV		
	34	Local Programming	127	Shop NBC	221	FUNimation		
	37	Local Programming	Home & Leisure		222	PBS KIDS Sprout		
	38	Local Programming	130	Style	People & Culture			
	40	Local Programming	131	Discovery Health	230	BET		
	41	Univision — WXTV-TV 41	132	LIME	231	TV One		
	48	TV Guide	133	Fit TV	232	Black Family Channel		
	49	Weatherscan Local	134	Food Network	233	MTV Tr3s		
Fios TV Premier	Entertainment		135	HGTV (Home & Garden Television)	234	Galavisión		
	50	USA Network	136	Fine Living	235	Mun2		
	51	TNT	137	DIY (Do It Yourself)	236	Si TV		
	52	TBS	138	Discovery Home	237	AZN Television		
	53	FX	139	Wealth TV	Religion			
	54	Spike TV	140	Travel Channel	240	EWTN		
	Sports		Pop Culture		241	INSP		
	60	ESPN	150	Sci-Fi Channel	242	I-Life		
	61	ESPN Classic Sports	151	A&E	243	Church		
	62	ESPNNews	152	Crime & Investigation Network	244	JCTV		
Fios TV Local	63	ESPNU	153	Court TV	245	BYU		
	64	ESPN 2	154	GSN	246	Three Angels		
	65	YES	155	Bravo	248	Daystar		
	66	MSG	156	Sleuth	249	Smile of a Child		
	67	SportsNet NY	157	Logo	250	TBN		
	68	Speed Channel	158	Ovation	Sports**			
	69	NFL Network	159	BBC America	300	Fox College Sports — Atlantic		
	304	Fox Sports Net NY	160	Comedy Central	301	Fox College Sports — Central		
	306	VERSUS	161	E! Entertainment Television	302	Fox College Sports — Pacific		
	321	MSG 2	162	Fox Reality	303	Tennis Channel		
	322	Fox Sports Net NY2	163	Fuel	305	Golf Channel		
	70	CNN	164	ABC Family	307	Outdoor Channel		
	71	CNN Headline News	Music		308	The Sportsman Channel		
	72	Fox News	170	MTV	311	Fox Sports en Español		
	73	CNBC	171	MTV2	312	Fox Soccer Channel		
	75	Bloomberg TV	173	MTV Jams	313	GoTV		
	76	CNN International	174	MTV Hits	315	TVG (Horse Racing)		
	77	CNBC World	175	VH1	316	Horse Racing TV		
	78	ABC News Now	176	VH1 Classic	318	Mav TV		
	79	C-SPAN	177	VH1 Soul	319	Blackbelt TV		
	80	C-SPAN 2	178	IMF	320	G4		
	81	C-SPAN 3	179	BET Jazz	Movies**			
	89	The Weather Channel	180	CMT	340	Starz		
	International		181	CMT Pure Country	341	Starz West		
	90	Discovery Channel	182	Great American Country	342	Starz Edge		
	91	National Geographic Channel	183	Gospel Music Channel	343	Starz Edge West		
	92	Science Channel	184	BET Gospel	344	Starz in Black		
	93	Discovery Times	185	Soundtrack Channel	345	Starz Kids & Family		
			186	FUSE	346	Starz Cinema		
Fios TV Premier					Movies	347	Starz Comedy	
						348	Encore	
						349	Encore West	
						350	Encore Love	
						351	Encore Love West	
						352	Encore Westerns	
						353	Encore Westerns West	
						354	Encore Mystery	
						355	Encore Mystery West	
						356	Encore Drama	
						357	Encore Drama West	
						358	Encore Action	
						359	Encore Action West	
						360	Encore 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	
Fios TV Premier					Premium	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	IFC	
						HBO**		
						400	HBO	
Fios TV Premier					Premium	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	

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

**Subscription to corresponding premium channels and packages required.

Fios TV frequently updates its channel offerings. To view our latest published channel lineup, please visit verizonfios.com/tv.

Verizon FiOS TV — New York Area Channel Lineup

Spanish Language	Other Premiums**		La Conexión	514 Fox Soccer Channel		Religion	588 TBN Enlace		HD	812 ESPN 2 HD				
	430 Playboy TV			516 GoTV			589 EWTN Español			814 NFL Network HD				
	431 Playboy TV en Español			518 CNN en Español			Music Choice			816 YES HD				
	435 here!			519 CNN			600 Showcase			817 HD Net				
	En Español**			520 CNN Headline News			601 Today's Country			818 HD Net Movies				
	440 Galavisión			521 Fox News			602 Classic Country			819 Universal HD				
	442 ESPN Deportes			522 CNBC			603 Bluegrass			820 Discovery HD				
	443 Fox Sports en Español			524 C-SPAN			604 R&B and Hip-Hop			821 Wealth TV HD				
	444 GoTV			525 Canal SUR			605 Classic R&B			822 National Geographic Channel HD				
	446 CNN en Español			529 TVE Internacional			606 Smooth R&B			823 MTV HD				
Spanish Language	447 Canal SUR		La Conexión	530 History Español		Music Choice	608 Rap		Local Plus	HD Premium**				
	448 TVE Internacional			531 Discovery Channel			609 Metal			830 HBO HD				
	452 History Español			532 Discovery en Español			610 Rock			831 Cinemax HD				
	453 Discovery en Español			534 Animal Planet			611 Arena Rock			832 Showtime HD				
	454 Viajar y Vivir			535 TLC (The Learning Channel)			612 Classic Rock			833 TMC HD				
	456 Infinito			Women			613 Alternative			834 Starz HD				
	457 MTV Tr3s			537 Lifetime			614 Retro-Active			Local Plus				
	458 VH Uno			538 Lifetime Movie Network			615 Electronica			850 NBC Weather Plus				
	459 Telehit			Shopping			616 Dance			851 Tube Music Network				
	462 De Película			540 QVC			617 Adult Alternative			854 WNBC 4.4-Multicast				
Spanish Language	463 De Película Clásico		La Conexión	541 HSN		Fios On Demand	618 Soft Rock		Local Plus	860 PBS — WLIW 21				
	464 Cine Latino			543 Shop NBC			619 Hit List			861 PBS — WLIW CRTE				
	465 Cine Mexicano			Home & Leisure			620 Party Favorites			862 13 Kids				
	468 La Familia			545 Discovery Health			621 90s			863 13 WORLD				
	469 TV Chile			546 Viajar y Vivir			622 80s			FIOS ON DEMAND**				
	470 TV Colombia			549 Infinito			623 70s			Kids FREE				
	472 Sorpresa			550 Food Network			624 Solid Gold Oldies			ALL FREE				
	473 Toon Disney Español			551 HGTV (Home & Garden Television)			625 Singers & Standards			Home & Leisure				
	474 Boomerang (ESP)*			552 Travel Channel			626 Big Band & Swing			Info & Education				
	475 Discovery Kids en Español			Pop Culture			627 Easy Listening			Kids				
Spanish Language	477 TBN Enlace		La Conexión	555 El Entertainment Television		Fios On Demand	628 Smooth Jazz		Local Plus	Music				
	478 EWTN Español			556 A&E			629 Jazz			News				
	International Premiums**			557 Si TV			630 Blues			Pop Culture				
	480 SBTN (Vietnamese)			558 Mun2			631 Reggae			Shopping				
	481 CCTV-4 (Mandarin Chinese)			559 Comedy Central			632 Soundscapes			Sports				
	482 CTI — Zhong Tian Channel (Chinese)			560 Sci-Fi Channel			633 Classical Masterpieces			Movies				
	483 TV Japan			Music			634 Opera			New Movies				
	484 MBC (Korean)			562 MTV Tr3s			635 Light Classical			New by Category				
	485 The Filipino Channel			563 MTV2			636 Show Tunes			All Movies				
	486 TV Asia			564 Telehit			637 Contemporary Christian			All Movies by Category				
Spanish Language	487 ART (Arabic)		La Conexión	565 VH Uno		Fios On Demand	638 Gospel		Local Plus	In Theaters				
	488 RAI (Italian)			566 CMT			639 Radio Disney			En Español				
	489 TV 5 (French)			Movies			640 Sounds of the Seasons			Subscriptions				
	490 TV Polonia			569 De Película			641 Música Urbana			Cinemax				
	491 Rang A Rang (Farsi)			570 De Película Clásico			642 Salsa y Merengue			HBO				
	492 RTN Russian			571 Cine Mexicano			643 Rock en Español			Showtime				
	493 Channel 1 Russian			572 Cine Latino			644 Pop Latino			Starz				
	494 Bridges TV***			Family			645 Mexicana			Sundance				
	497 MTV K			574 ABC Family			646 Americana			The Movie Channel				
	498 MTV Chi			575 La Familia			HD Broadcast			WWE				
Spanish Language	499 MTV Deel		La Conexión	576 TV Chile		Fios On Demand	701 TVN Events		Local Plus	Karaoke				
	Entertainment			577 TV Colombia			702-707 ESPN-NCAA Sports/ GamePlan/Full Court			Playboy				
	500 USA Network			578 TV Land			HD National**			Adult				
	501 TNT			Children			801 CW — WPIX HD			Events				
	502 TBS			580 Nickelodeon			802 CBS — WCBS HD			Hustler				
	503 Galavisión			581 Disney en Español			803 PBS — WNET HD			Spice				
	504 FX			582 Toon Disney Español			804 NBC — WNBC HD			TEN				
	505 Spike TV			583 Boomerang (ESP)*			805 FOX — WNYW HD			Playboy Subscribers				
	Sports			584 Cartoon Network (ESP)*			807 ABC — WABC HD			FIOS TV Help				
	508 ESPN Deportes			585 Sorpresa			809 My WWOR HD							
Spanish Language	510 YES		La Conexión	586 Discovery Kids en Español		Fios On Demand	810 TNT HD		Local Plus					
	511 MSG						811 ESPN HD							
	512 Fox Sports Net NY													
	513 Fox Sports en Español													

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

**Subscription to corresponding premium channels and packages required.

***Subscription not required.

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

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



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NY-1pg-12/06

VEFITV70019

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

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.

Service Tiers	Channels	Monthly Price
FiOS TV Local	15 - 35	\$12.99
FiOS TV Premier *	160 + Local	\$42.99
La Conexión *	115 + Local	\$32.99
Packages *	Channels	Monthly Price
Sports	15	\$ 7.99
Movies	44	\$12.99
Sports / Movies Combo	59	\$15.99
Spanish-Language	25	\$11.99

Premium Channels *	Channels	Monthly Price
HBO	14	\$15.99
Cinemax	12	\$15.99
HBO / Cinemax Combo	26	\$25.99
Playboy / Playboy en Español	2	\$14.95
here!	1	\$ 7.99

International Premiums *	Channels	Monthly Price
International Channels	17	Individually Priced

Video on Demand (VOD) *		
-------------------------	--	--

New Releases	\$ 3.99
Library Title	\$ 2.99

Pay Per View (PPV) *

WWE (Wrestling)	\$ 7.99 / month
PPV Movies	\$ 3.95 each
PPV Events	Prices Vary
PPV Sports	Prices Vary
Karaoke	\$ 7.99 / month

Verizon FiOS TV Service is provided by Verizon and Verizon Online and is not available in all areas. Service availability subject to final confirmation by Verizon. Verizon installation required. Programming and prices are subject to change. Refer to the channel lineup for a complete listing of channels included in each package.

Set Top Box	Monthly Rental
Standard	\$ 4.99
High Definition (HD)	\$ 9.99
DVR (includes HD)	\$12.99
Home Media DVR **	\$19.99

Installation and Service Fees	One-Time Charge
Install Up To 3 Existing Outlets	No Charge
Additional Outlet / STB Hookup	\$19.99
New Outlet Install / Existing Outlet Rewire	\$54.99 per outlet
Outlet Relocation	\$54.99 per outlet
STB Addition/Upgrade/Downgrade	\$24.99
Premises Visit	\$49.99
Setup of TV Equipment	\$49.99 (New TV w/ STB)
STB Disconnect	\$24.99 + \$ 5.00 / STB
Downgrade from Digital to Analog	\$50.00 + \$ 5.00 / STB
Service Disconnect	No Charge
Service Reconnect	\$49.99 (Up to 3 outlets)
Seasonal Service Suspension	\$24.99 (1-6 months)
Replacement Remote	\$ 5.00 + S&H

Unreturned / Damaged STB

\$240.00 Standard
\$350.00 HD
\$550.00 DVR

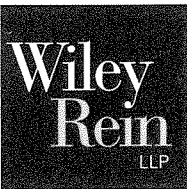
* FiOS TV Premier and La Conexión service tiers, as well as Packages, Premium Channels, International Premium Channels, VOD and PPV require a set top box.

** A Set Top Box is required to view recorded programming and a monthly fee of \$3.95 per Set Top Box applies. Multi-room features are supported on standard Model 2500 Set Top Boxes only and will support up to six additional televisions, with simultaneous viewing of up to three recorded shows.



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Tab 5



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www.wileyrein.com

May 4, 2007

Nia Y. McDonald
202.719.4633
nmcdonal@wrf.com

VIA OVERNIGHT DELIVERY

Doris Ulman, Esq.
134 Camp Hill Road
Pomona, New York 10970

Re: Verizon Cable Franchise Agreement for the Village of Chestnut Ridge

Dear Doris:

Enclosed for your review is a Revised Proposed Draft Verizon Cable Franchise Agreement with the Village of Chestnut Ridge. This draft of the agreement includes the following language as we agreed upon at our meeting on April 25, 2007:

12.16.2 *Business Office*: Franchisee shall locate a staffed local office in Rockland County by March 31, 2008.

Rich and I will call you on Monday morning to discuss the status of our agreement.

Sincerely,

A handwritten signature in cursive script that reads "Nia Y. McDonald".

Nia Y. McDonald

Enclosure

Cable Franchise Agreement

by and between

The Village of Chestnut Ridge, NY

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: Security

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

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

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

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

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

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

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

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

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

NOW, THEREFORE, in consideration of the LFA’s grant of a franchise to Franchisee, Franchisee’s promise to provide Cable Service to residents of the Franchise/Service Area of the LFA pursuant to and consistent with the Cable Law (as hereinafter defined), pursuant to the

terms and conditions set forth herein, the promises and undertakings herein, and other good and valuable consideration, the receipt and the adequacy of which are hereby acknowledged,

THE SIGNATORIES DO HEREBY AGREE AS FOLLOWS:

1. **DEFINITIONS**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(i) Basic Service;

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

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

(iv) Video-on-Demand and Pay-Per-View; and

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

allocation shall be based on the number of Subscribers in the Service Area divided by the total number of subscribers in relation to the relevant local, regional or national compensation arrangement. Advertising commissions paid to third parties shall not be netted against advertising revenue included in Gross Revenue.

Gross Revenue shall not include:

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

(ii) 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;

(iii) 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);

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

(v) 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 as may be amended from time to time; Should revenue from Telecommunications or Information Services, or any other service provided over the Cable System be deemed a Cable Service by any agency or court having jurisdiction, then in that event, revenue from such activities shall be included in Gross Revenue within sixty (60) days of a final determination or ruling, subject to Section 222 of the New York Public Service Law and Title 16, Chapter VIII, Part 892, Subpart 892-1, Section 892-1.4 of the Official Compilation of Codes, Rules and Regulations of the State of New York requiring application to the NY PSC and approval of any modification;

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

(vii) 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;

(viii) the sale of Cable Services to customers, which are exempt, as required or allowed by the LFA including, without limitation, the provision of Cable Services to public institutions as required or permitted herein;

(ix) 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);

(x) 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);

(xi) 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;

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

(xiii) any fees or charges collected from Subscribers or other third parties for the provision of PEG services.

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

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

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

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

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

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

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

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

1.25. *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.

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

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

1.28. *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.

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

1.30. *Transfer of the Franchise*:

1.30.1. Any transaction in which:

1.30.1.1. 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

1.30.1.2. 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.

1.30.2. However, notwithstanding Sub-subsections 1.30.1.1 and 1.30.1.2 above, a *Transfer of the Franchise* shall not include transfer of an ownership or other interest in Franchisee to the parent of Franchisee or to another Affiliate of Franchisee; transfer of an interest in the Franchise or the rights held by the Franchisee under the Franchise to the parent of Franchisee or to another Affiliate of Franchisee; any action which is the result of a merger of the parent of the Franchisee; or any action which is the result of a merger of another Affiliate of the Franchisee.

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

2. GRANT OF AUTHORITY; LIMITS AND RESERVATIONS

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

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

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

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

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

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 law and state law as may be amended, including but not limited to the Communications Act.

2.6. *No Waiver:*

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

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

2.7. *Construction of Agreement:*

2.7.1. 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 or the Cable Law.

2.7.2. Should any change to state law, rules or regulations have the lawful effect of materially altering the terms and conditions of this Franchise, then the parties may modify this Franchise to the mutual satisfaction of both parties to ameliorate the negative effects on the Franchisee of the material alteration. Any modification to this Franchise shall be in writing and shall be subject to Section 222 of the New York Public Service Law and Title 16, Chapter VIII, Part 892, Subpart 892-1, Section 892-1.4 of the Official Compilation of Codes, Rules and Regulations of the State of New York requiring application to the NY PSC and approval of any modification. If the parties cannot reach agreement on the above-referenced modification to the Franchise, then Franchisee may terminate this Agreement without further obligation to the LFA.

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

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

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

3. **PROVISION OF CABLE SERVICE**

3.1. *Service Area:*

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

because such provision requires nonstandard facilities which are not available on a commercially reasonable basis; and (G) in areas where the occupied residential household density does not meet the density and other requirements set forth in Sub-Subsection 3.1.1.1. and Section 3.2.

3.1.1.1. *Density Requirement:* Franchisee shall make Cable Services available to residential dwelling units in all areas of the Service Area where the average density is equal to or greater than 35 occupied residential dwelling units per mile as measured in strand footage from the nearest technically feasible point on the active FTTP Network trunk or feeder line. Should, through new construction, an area within the Service Area meet the density requirements after the time stated for providing Cable Service as set forth in Subsection 3.1.1 respectively, Franchisee shall provide Cable Service to such area within twelve (12) months of receiving notice from the LFA that the density requirements have been met.

3.2. *Availability of Cable Service:* Franchisee shall make Cable Service available to all residential dwelling units and may make Cable Service available to businesses within the Service Area in conformance with Section 3.1, and Franchisee shall not discriminate between or among any individuals in the availability of Cable Service or based upon the income in a local area. In the areas in which Franchisee shall provide Cable Service, Franchisee shall be required to connect, at Franchisee's expense, other than a standard installation charge, all residential dwelling units that are within one hundred fifty (150) feet of aerial trunk or feeder lines not otherwise already served by Franchisee's FTTP Network. Franchisee shall be allowed to recover, from a Subscriber that requests such connection, the actual costs incurred for residential dwelling unit connections that exceed one hundred fifty (150) feet or are in an area with a density of less than 35 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 35 occupied residential dwelling units per mile if such would not be possible within the limitations of economic feasibility. For underground installations, Franchisee shall charge the recipient Franchisee's actual cost. Such costs shall be submitted to said recipient in writing, before installation is begun.

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

third parties respecting programming. Equipment provided by Franchisee, if any, shall be replaced at retail rates if lost, stolen or damaged.

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

4. **SYSTEM FACILITIES**

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

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

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

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

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

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

4.5. *System Maintenance and Repair:* When interruption of service is necessary for making repairs, adjustments, or installations, unless such interruption is unforeseen or immediately necessary, Franchisee shall give reasonable notice thereof to Subscribers.

5. **PEG SERVICES**

5.1. *PEG Set Aside:*

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

5.1.2. The programming to be carried on each of the PEG Channels set aside by Franchisee is reflected in Exhibit C attached hereto. The LFA hereby authorizes Franchisee to transmit such programming within and without LFA jurisdictional boundaries. Franchisee specifically reserves the right to make or change channel assignments in its sole discretion. If a PEG Channel provided under this Article is not being utilized by the LFA, Franchisee may utilize such PEG Channel, in its sole discretion, until such time as the LFA elects to utilize the PEG Channel for its intended purpose. In the event that the LFA determines to use PEG capacity, the LFA shall provide Franchisee with prior written notice of such request in accordance with NY PSC rules and regulations.

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

5.2. *Recovery of Costs:* To the extent permitted by federal law, the Franchisee shall be allowed to recover the 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.

5.3. *PEG Liability.* In accordance with 47 U.S.C. §558, the Franchisee shall not incur any liability arising from or in connection with any PEG Channels.

6. **FRANCHISE FEES**

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

6.2. *Supporting Information:* Each Franchise Fee payment shall be accompanied by a 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 can not exceed the date of records retention reflected in Section 7.

6.4. *Bundled Services:* If Cable Services subject to the Franchise Fee required under this Article 6 are provided to Subscribers in conjunction with Non-Cable Services, the

Franchise Fee shall be applied only to the value of the Cable Services, as reflected on the books and records of Franchisee in accordance with FCC or state public utility regulatory commission rules, regulations, standards or orders.

7. REPORTS AND RECORDS

7.1. *Open Books and Records:* Upon reasonable written notice to the Franchisee and with no less than thirty (30) business days written notice to the Franchisee, the LFA shall have the right to inspect Franchisee's books and records pertaining to Franchisee's provision of Cable Service in the Franchise Area at any time during regular business hours and on a nondisruptive basis, as are reasonably necessary to ensure compliance with the terms of this Franchise. Such notice shall specifically reference the section or subsection of the Franchise which is under review, so that Franchisee may organize the necessary books and records for appropriate access by the LFA. Following the notice period set forth herein, Franchisee shall make such books and records available to the LFA at a mutually agreed upon location within fifty (50) miles of the territorial limits of the LFA. Franchisee shall not be required to maintain any books and records for Franchise compliance purposes longer than six (6) years. Notwithstanding anything to the contrary set forth herein, Franchisee shall not be required to disclose information that 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. The LFA shall treat any information disclosed by Franchisee as confidential 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. Franchisee shall not be required to provide Subscriber information in violation of Section 631 of the Communications Act, 47 U.S.C. §551.

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

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

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

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

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

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

7.3. *System-Wide Statistics:* Any valid reporting requirement in the Franchise may be satisfied with system-wide statistics, except those related to Franchise Fees and consumer complaints.

7.4. Franchisee shall file with the Village copies of all printed materials prepared for general distribution to Subscribers in the Village.

7.5. *Performance Review:* The LFA may, at its discretion but not more than once per twelve-month period, hold an informal performance evaluation session (the "Performance Review"), that is not open to the public, to review Franchisee's compliance with the terms and conditions of this Franchise. The information disclosed to the LFA by the Franchisee at the Performance Review shall be treated by the LFA as confidential. The LFA shall provide Franchisee with at least thirty (30) days prior written notice of the Performance Review to be held at a mutually agreeable time. Franchisee shall have the opportunity to participate in and be heard at the Performance Review. Within thirty (30) days after the conclusion of the Performance Review, the LFA shall provide Franchisee written documentation ("Performance Review Report") setting forth its determinations regarding Franchisee's compliance with the terms and conditions of this Franchise. The Performance Review Report shall not contain any confidential information disclosed by the Franchisee during the Performance Review.

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 five hundred thousand (\$500,000) combined single limit for property damage and bodily injury. Such insurance shall cover the construction, operation and maintenance of the Cable System, and the conduct of Franchisee's Cable Service business in the LFA.

8.1.1.2. Automobile Liability Insurance in the amount of five hundred thousand (\$500,000) combined single limit for bodily injury and property damage coverage.

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

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

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

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

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

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

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

8.2. *Indemnification:*

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

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

8.2.3. The LFA shall not hold Franchisee responsible for damage or other liability and shall defend Franchisee from and against and shall be responsible for damages, liability or claims resulting from or arising out of the willful misconduct or negligence of the LFA.

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

9. TRANSFER OF FRANCHISE

9.1. *Transfer:* Subject to Section 617 of the Communications Act, 47 U.S.C. § 537, as amended, no Transfer of the Franchise shall occur without the prior consent of the LFA, provided that such consent shall not be unreasonably withheld, delayed or conditioned. In considering an application for the Transfer of the Franchise, the LFA may consider the applicant's: (i) technical ability; (ii) financial ability; (iii) good character; and (iv) other qualifications necessary to continue to operate the Cable System consistent with the terms of the Franchise. No such consent shall be required, however, for a transfer in trust, by mortgage, by other hypothecation, by assignment of any rights, title, or interest of the Franchisee in the Franchise or Cable System in order to secure indebtedness, or for transactions otherwise excluded under Section 1.30 above.

10. RENEWAL OF FRANCHISE

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

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

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

11. **ENFORCEMENT AND TERMINATION OF FRANCHISE**

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

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

11.3. *Public Hearing:* The LFA shall schedule a public hearing if the LFA seeks to continue its investigation into the alleged noncompliance (i) if Franchisee fails to respond to the Noncompliance Notice pursuant to the procedures required by this Article, or (ii) if Franchisee has not remedied the alleged noncompliance within sixty (60) days or the date projected pursuant to Section 11.2(iii) above. The LFA shall provide Franchisee at least forty-five (45) business days prior written notice of such public hearing, which will specify the time, place and purpose of such public hearing, and provide Franchisee the opportunity to be heard.

11.4. *Enforcement:* Subject to Section 12.11 below and applicable federal and state law, in the event the LFA, after the public hearing set forth in Section 11.3, determines that Franchisee is in default of any provision of this Franchise, the LFA may:

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

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

11.4.3. Exercise its right under the security described in Section 11.6; or

11.4.4. In the case of a substantial noncompliance with a material provision of this Franchise, seek to revoke the Franchise in accordance with Section 11.5.

11.5. *Revocation:* Should the LFA seek to revoke this Franchise after following the procedures set forth above in this Article, including the public hearing described in Section 11.3, the LFA shall give written notice to Franchisee of such intent. The notice shall set forth the specific nature of the noncompliance. The Franchisee shall have sixty (60) days from receipt of such notice to object in writing and to state its reasons for such objection. In the event the LFA has not received a satisfactory response from Franchisee, it may then seek termination of the Franchise at a second public hearing. The LFA shall cause to be served upon the Franchisee, at

least thirty (30) business days prior to such public hearing, a written notice specifying the time and place of such hearing and stating its intent to revoke the Franchise.

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

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

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

11.6. *Security*: Within 30 days after the Effective Date, Franchisee shall provide to the LFA security for the performance of its obligations under this Agreement in the amount of fifteen thousand and 00/100 Dollars (\$15,000) (the "Security"). The form of this security may, at the Franchisee's option, be a performance bond, letter of credit, cash deposit, cashier's check or any other security acceptable to the LFA. If the Franchisee posts a performance bond, it shall be substantially in the form of **Exhibit D** attached hereto.

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

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

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

12. **MISCELLANEOUS PROVISIONS**

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

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

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

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

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

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

12.5.1. Notices to Franchisee shall be mailed to:

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

12.5.2. Notices to the LFA shall be mailed to:

Village Mayor
277 Old Nyack Turnpike
Chestnut Ridge, New York 10977

12.5.3. with a copy to:

Doris Ulman, Esq., Village Attorney
134 Camp Hill Road
Pomona, New York 10970

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

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

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

12.9. *Severability*: With the exception of the “material provisions” of this Agreement, 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. For purposes of this Agreement, the term “material provision” or “material provisions” shall mean the terms set forth in Section 2.3 (Effective Date and Term), Article 3 (Provision of Cable Service), Subsection 4.2 (System Characteristics), Section 7.1 (Open Books and Records), and Article 9 (Transfer of Franchise).

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

12.11. *FTTP Network Transfer Prohibition*: Under no circumstance including, without limitation, upon expiration, revocation, termination, denial of renewal of the Franchise or any other action to forbid or disallow Franchisee from providing Cable Services, shall Franchisee or its assignees be required to sell any right, title, interest, use or control of any portion of Franchisee’s FTTP Network including, without limitation, the Cable System and any capacity used for Cable Service or otherwise, to the LFA or any third party. Franchisee shall not

be required to remove the FTTP Network or to relocate the FTTP Network or any portion thereof as a result of revocation, expiration, termination, denial of renewal or any other action to forbid or disallow Franchisee from providing Cable Services. This provision is not intended to contravene leased access requirements under Title VI or PEG requirements set out in this Agreement.

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

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

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

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

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

12.16.1. The Franchisee shall maintain a toll-free number to receive all calls and inquiries from Subscribers in the Franchise Area and/or residents regarding Cable Service. Franchisee representatives trained and qualified to answer questions related to Cable Service in the Service Area must be available to receive reports of Service Interruptions twenty-four (24) hours a day, seven (7) days a week. Franchisee representatives trained and qualified to respond to other inquiries must be available at least forty-five (45) hours per week, which, in accordance with Sections 890.61 and 890.90 of NY PSC rules and regulations, includes some evening hours at least one night per week and/or some weekend hours. Franchisee representatives shall identify themselves by name when answering this number.

12.16.2. *Business Office:* Franchisee shall locate a staffed local office in Rockland County by March 31, 2008.

12.17. *Identification of Franchisee's Employees, Vehicles & Contractors.* The Franchisee shall require all the Franchisee personnel, contractors and subcontractors contacting Subscribers or potential Subscribers outside the office of the Franchisee to wear a clearly visible identification card bearing their name and photograph.

12.17.1. The Franchisee shall make reasonable effort to account for all identification cards at all times.

12.17.2. The Franchisee shall require all the Franchisee representatives to wear appropriate clothing while working at a Subscriber's premises.

12.17.3. The Franchisee shall require that all service vehicle of the Franchisee and its contractors or subcontractors be clearly identified as such to the public. Specifically, the Franchisee vehicles shall be required to have the Franchisee's logo plainly visible. The Franchisee shall require that all contractors and subcontractors working for the Franchisee shall have the contractor's/subcontractor's name plus markings (such as a magnetic door sign) indicating they are under contract to the Franchisee.

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

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

[The remainder of this page is left intentionally blank.]

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

AGREED TO THIS ____ DAY OF _____, 2007.

Village of Chestnut Ridge

By: _____
Jerome Kobre, Mayor

Verizon New York Inc.

By: _____
Joe DeMauro, Vice President-Capital Market Area

EXHIBITS

Exhibit A: Municipal Buildings to be Provided Free Cable Service

Exhibit B: Service Area

Exhibit C: PEG Channels

Exhibit D: Security

EXHIBIT A

MUNICIPAL BUILDINGS TO BE PROVIDED FREE CABLE SERVICE

Chestnut Ridge Village Hall
277 Old Nyack Turnpike
Chestnut Ridge, N.Y. 10977

Chestnut Ridge Justice Court
277 Old Nyack Turnpike
Chestnut Ridge, N.Y. 10977

Chestnut Ridge Middle School
892 Chestnut Ridge Road
Chestnut Ridge, N.Y. 10977

Eldorado Elementary School
5 Eldorado Drive
Chestnut Ridge, N.Y. 10977

Margetts Elementary School
25 Margetts Road
Chestnut Ridge, N.Y. 10977

Fleetwood Elementary School
22 Fleetwood Avenue
Chestnut Ridge, N.Y. 10977

William Faist Volunteer Ambulance Corps
3 Red Schoolhouse Road
Chestnut Ridge, N.Y. 10977

South Spring Valley Fire District
40 Red Schoolhouse Road
Chestnut Ridge, N.Y. 10977

EXHIBIT B

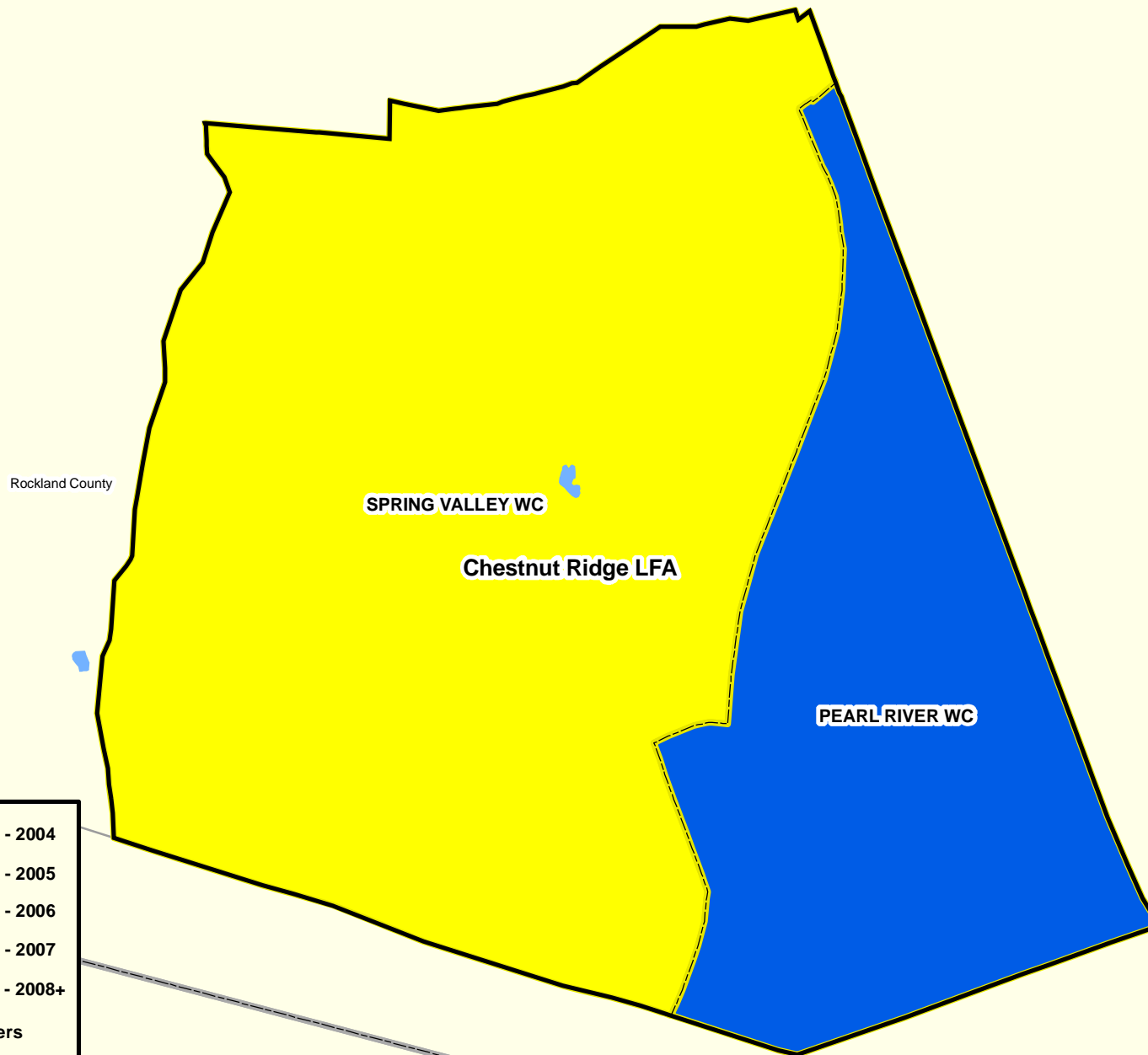
SERVICE AREA

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

The construction of the Franchisee's FTTP Network has been completed to approximately 69% of the current households in the Franchise Area. At present, Franchisee's anticipated schedule calls for 78% deployment by September 2007, 79% deployment by March 2008, 82% deployment by September 2008, 83% deployment by March 2009, 88% deployment by September 2009, 89% deployment by March 2010, 94% deployment by September 2010, 95% deployment by March 2011, 98% deployment by September 2011, and 100% deployment by March 2012. This schedule is subject to further review and modification by the Franchisee consistent with Section 895.5(b)(1) of the NY PSC rules and regulations; provided, however, that Franchisee shall provide notice to the LFA and the NY PSC of any material change in this schedule.



MAP ILLUSTRATING VERIZON FTTP BUILDOUT IN THE VILLAGE OF CHESNUT RIDGE, NY



- FTTP Deployment - 2004
- FTTP Deployment - 2005
- FTTP Deployment - 2006
- FTTP Deployment - 2007
- FTTP Deployment - 2008+
- Verizon Wirecenters
- LFA Boundary
- County Boundary

0 0.25 0.5 1 Miles

EXHIBIT C

PEG CHANNELS

At this time, the LFA has not requested any PEG channels.

EXHIBIT D

SECURITY

SAMPLE

Franchise 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 is for the annual term beginning _____ and ending _____, and may be extended for additional annual terms at the sole option of the surety.
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.

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

ATTACHMENT E

FTTP System Architecture

End-to-End Architecture

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

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

Figure 1-High Level End to End Architecture

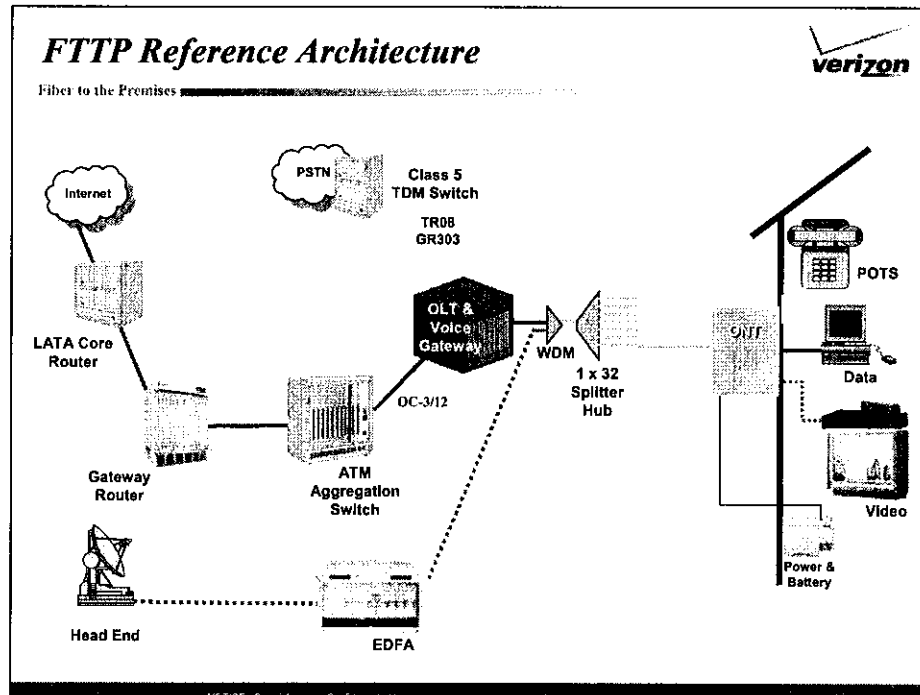
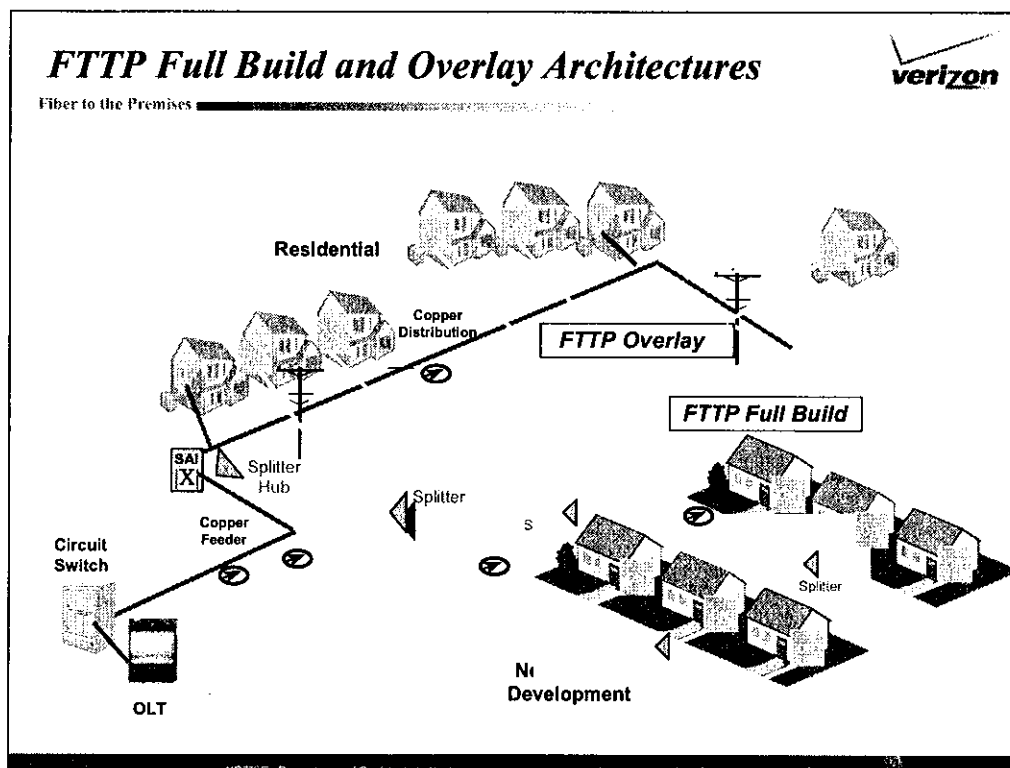


Figure 2-FTTP Full Build and Overlay Architectures



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

EXHIBIT 1
VERIZON NEW YORK INC.
CABLE TELEVISION FRANCHISE APPLICATION
VILLAGE OF CHESTNUT RIDGE, NEW YORK

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 VSOs that will serve the Village of Chestnut Ridge are located in Pearl River and Spring Valley, New York. If technically feasible or otherwise appropriate, PEG insertion may occur at this location in the network.

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

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

Customer Premises

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

ATTACHMENT F

**STATE OF NEW YORK
PUBLIC SERVICE COMMISSION**

**In the Matter of the Petition of Verizon
New York Inc. Pursuant to Section 221
of the Public Service Law for
Confirmation of a Cable Television
Franchise Awarded by the Village of
Chestnut Ridge, New York (Rockland
County)**


Case 07-V-_____

AFFIDAVIT OF SERVICE

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

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

I certify that a complete copy of Verizon New York Inc.'s Petition for Confirmation will be sent to Florence Mandel, Village Clerk, on May 29, 2007, by overnight mail addressed to her at Village of Chestnut Ridge, 277-279 Old Nyack Turnpike, Chestnut Ridge, New York 10977.



JOHN LACY CLARK

**Sworn to before me
this 29th day of May, 2007**



Notary Public

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

ATTACHMENT G

**STATE OF NEW YORK
PUBLIC SERVICE COMMISSION**

**In the Matter of the Petition of Verizon
New York Inc. Pursuant to Section 221
of the Public Service Law for
Confirmation of a Cable Television
Franchise Awarded by the Village of
Chestnut Ridge, New York (Rockland
County)**

Case 07-V-_____

AFFIDAVIT OF PUBLICATION

**STATE OF NEW YORK)
)
COUNTY OF NEW YORK)**

ss.:

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

I certify that a notice with the following text will be published on May 31, 2007 in The Journal News. The Journal News is a newspaper of general circulation in the Village of Chestnut Ridge. Verizon has submitted the notice to that newspaper, has arranged for payment for such publication, and has been assured that the notice will appear in the newspaper on the specified date.

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


JOHN LACY CLARK

Sworn to before me
this 29th day of May, 2007


Notary Public

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

ATTACHMENT H

EXPLANATORY NOTES TO ATTACHMENT H

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

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

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

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

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

¹ See Full Environmental Assessment Form at 2.

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

617.20
Appendix A
State Environmental Quality Review
FULL ENVIRONMENTAL ASSESSMENT FORM

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

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

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

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

THIS AREA FOR LEAD AGENCY USE ONLY

DETERMINATION OF SIGNIFICANCE -- Type 1 and Unlisted Actions

Identify the Portions of EAF completed for this project:

☐

Part 1

☐

Part 2

☐

Part 3

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

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

*A Conditioned Negative Declaration is only valid for Unlisted Actions

Name of Action

Name of Lead Agency

Print or Type Name of Responsible Officer in Lead Agency

Title of Responsible Officer

Signature of Responsible Officer in Lead Agency

Signature of Preparer (If different from responsible officer)

PART 1--PROJECT INFORMATION

Prepared by Project Sponsor

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

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

Name of Action Award of Cable Television Franchise to Verizon

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

Discrete Areas within the Village of Chestnut Ridge, NY

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

Address c/o Thomas McCarroll, 158 State Street

City / PO Albany State NY Zip Code 12207

Business Telephone (518) 396-1001

Name of Owner (if different) N/A

Address _____

City / PO _____ State _____ Zip Code _____

Business Telephone _____

Description of Action:

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

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

A. SITE DESCRIPTION

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

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

* Although Verizon does not believe that this question applies to the activities at issue here, it has determined at Staff's request that its FFTP facilities constructed in the franchise area to date have an approximate length of 41 miles. The width of the right-of-way varies by location, and Verizon cannot readily determine at this time the average width (and therefore the area) of the right-of-way used by Verizon.

2. Total acreage of project area: _____ acres.*

APPROXIMATE ACREAGE

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

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

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

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

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

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

5. Approximate percentage of proposed project site with slopes: N/A

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

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

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

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

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

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

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

According to:

Identify each species:

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

☐ Yes ☐ No N/A

Describe:

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

☐ Yes ☐ No N/A

If yes, explain:

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

15. Streams within or contiguous to project area: N/A

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

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

b. Size (in acres):

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

B. Project Description

1. Physical dimensions and scale of project (fill in dimensions as appropriate).
- a. Total contiguous acreage owned or controlled by project sponsor: N/A acres.
- b. Project acreage to be developed: N/A acres initially; N/A acres ultimately.
- c. Project acreage to remain undeveloped: N/A acres.
- d. Length of project, in miles: * (if appropriate) * See response to Item 2 on Page 3.
- e. If the project is an expansion, indicate percent of expansion proposed. N/A %
- f. Number of off-street parking spaces existing N/A ; proposed N/A
- g. Maximum vehicular trips generated per hour: N/A (upon completion of project)?
- h. If residential: Number and type of housing units: N/A
- | | One Family | Two Family | Multiple Family | Condominium |
|------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Initially | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Ultimately | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
- i. Dimensions (in feet) of largest proposed structure: N/A height; N/A width; N/A length.
- j. Linear feet of frontage along a public thoroughfare project will occupy is? N/A ft.
2. How much natural material (i.e. rock, earth, etc.) will be removed from the site? N/A tons/cubic yards.
3. Will disturbed areas be reclaimed ☐ Yes ☐ No ☒ N/A
- a. If yes, for what intended purpose is the site being reclaimed?
-
- b. Will topsoil be stockpiled for reclamation? ☐ Yes ☐ No
- c. Will upper subsoil be stockpiled for reclamation? ☐ Yes ☐ No
4. How many acres of vegetation (trees, shrubs, ground covers) will be removed from site? acres. N/A

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

☐ Yes ☒ No

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

7. If multi-phased: N/A

a. Total number of phases anticipated _____ (number)

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

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

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

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

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

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

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

If yes, explain:

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

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

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

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

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

If yes, explain:

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

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

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

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

c. If yes, give name _____ ; location _____

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

* Although it is Verizon's position that any further FTTP construction activity in the franchise area is being undertaken pursuant to independent authority, rather than pursuant to the franchise, Verizon expects to complete its build out as required by the franchise.

e. If yes, explain:

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

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

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

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

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

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

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

If yes, indicate type(s)


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

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

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

If yes, explain:

25. Approvals Required:

		Type	Submittal Date
City, Town, Village Board	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<u>Village of Chestnut Ridge</u>	<u> </u>
		<u>Award Franchise</u>	<u>05/17/07* </u>
		* Franchise was awarded on this date.	
City, Town, Village Planning Board	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<u> </u>	<u> </u>
		<u> </u>	<u> </u>
		<u> </u>	<u> </u>
City, Town Zoning Board	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<u> </u>	<u> </u>
		<u> </u>	<u> </u>
		<u> </u>	<u> </u>
City, County Health Department	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<u> </u>	<u> </u>
		<u> </u>	<u> </u>
		<u> </u>	<u> </u>
Other Local Agencies	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<u> </u>	<u> </u>
		<u> </u>	<u> </u>
		<u> </u>	<u> </u>
Other Regional Agencies	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<u> </u>	<u> </u>
		<u> </u>	<u> </u>
		<u> </u>	<u> </u>
State Agencies	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<u>Public Service Commission</u>	<u> </u>
		<u>Confirmation</u>	<u>05/29/07</u>
		<u> </u>	<u> </u>
Federal Agencies	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<u> </u>	<u> </u>
		<u> </u>	<u> </u>
		<u> </u>	<u> </u>

C. Zoning and Planning Information

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

If Yes, indicate decision required:

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

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

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

4. What is the proposed zoning of the site? N/A

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

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

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

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

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

a. What is the minimum lot size proposed?

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

11. Will the proposed action create a demand for any community provided services (recreation, education, police, fire protection)? ☐ Yes ☒ No

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

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

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

D. Informational Details

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

E. Verification

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

Applicant/Sponsor Name Verizon New York Inc.

Date 05/29/07

Signature

J. W. Mc...

Title Vice President Regulatory Affairs, NY & CT

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

PART 2 - PROJECT IMPACTS AND THEIR MAGNITUDE

Responsibility of Lead Agency

General Information (Read Carefully)

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

Instructions (Read carefully)

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

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

Impact on Land

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

NO ☐ YES ☐

Examples that would apply to column 2

- | | | | | |
|--|--------------------------|--------------------------|------------------------------|-----------------------------|
| • Any construction on slopes of 15% or greater, (15 foot rise per 100 foot of length), or where the general slopes in the project area exceed 10%. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| • Construction on land where the depth to the water table is less than 3 feet. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| • Construction of paved parking area for 1,000 or more vehicles. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| • Construction on land where bedrock is exposed or generally within 3 feet of existing ground surface. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| • Construction that will continue for more than 1 year or involve more than one phase or stage. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| • Excavation for mining purposes that would remove more than 1,000 tons of natural material (i.e., rock or soil) per year. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

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

- | | | | |
|---|--------------------------|--------------------------|--|
| • Construction or expansion of a sanitary landfill. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| • Construction in a designated floodway. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| • Other impacts: | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <div style="border: 1px solid black; height: 40px; margin-top: 5px;"></div> | | | |

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

☐ NO ☐ YES

- | | | | |
|---|--------------------------|--------------------------|--|
| • Specific land forms: | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <div style="border: 1px solid black; height: 40px; margin-top: 5px;"></div> | | | |

Impact on Water

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

☐ NO ☐ YES

Examples that would apply to column 2

- | | | | |
|--|--------------------------|--------------------------|--|
| • Developable area of site contains a protected water body. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| • Dredging more than 100 cubic yards of material from channel of a protected stream. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| • Extension of utility distribution facilities through a protected water body. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| • Construction in a designated freshwater or tidal wetland. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| • Other impacts: | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <div style="border: 1px solid black; height: 40px; margin-top: 5px;"></div> | | | |

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

☐ NO ☐ YES

Examples that would apply to column 2

- | | | | |
|--|--------------------------|--------------------------|--|
| • A 10% increase or decrease in the surface area of any body of water or more than a 10 acre increase or decrease. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| • Construction of a body of water that exceeds 10 acres of surface area. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| • Other impacts: | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <div style="border: 1px solid black; height: 40px; margin-top: 5px;"></div> | | | |

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

5. Will Proposed Action affect surface or groundwater quality or quantity?

☐ NO ☐ YES

Examples that would apply to column 2

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

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

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

☐ NO ☐ YES

Examples that would apply to column 2

- | | | | | |
|--|--------------------------|--------------------------|------------------------------|-----------------------------|
| • Proposed Action would change flood water flows | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| • Proposed Action may cause substantial erosion. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| • Proposed Action is incompatible with existing drainage patterns. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| • Proposed Action will allow development in a designated floodway. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| • Other impacts: | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

IMPACT ON AIR

7. Will Proposed Action affect air quality?

☐ NO ☐ YES

Examples that would apply to column 2

- | | | | | |
|---|--------------------------|--------------------------|------------------------------|-----------------------------|
| • Proposed Action will induce 1,000 or more vehicle trips in any given hour. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| • Proposed Action will result in the incineration of more than 1 ton of refuse per hour. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| • Emission rate of total contaminants will exceed 5 lbs. per hour or a heat source producing more than 10 million BTU's per hour. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| • Proposed Action will allow an increase in the amount of land committed to industrial use. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| • Proposed Action will allow an increase in the density of industrial development within existing industrial areas. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| • Other impacts: | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

IMPACT ON PLANTS AND ANIMALS

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

☐ NO ☐ YES

Examples that would apply to column 2

- | | | | | |
|---|--------------------------|--------------------------|------------------------------|-----------------------------|
| • Reduction of one or more species listed on the New York or Federal list, using the site, over or near the site, or found on the site. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
|---|--------------------------|--------------------------|------------------------------|-----------------------------|

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

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

☐ NO ☐ YES

Examples that would apply to column 2

- | | 1
Small to
Moderate
Impact | 2
Potential
Large
Impact | 3
Can Impact Be
Mitigated by
Project Change |
|--|-------------------------------------|-----------------------------------|--|
| • Proposed Action would substantially interfere with any resident or migratory fish, shellfish or wildlife species. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| • Proposed Action requires the removal of more than 10 acres of mature forest (over 100 years of age) or other locally important vegetation. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| • Other impacts: | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |

IMPACT ON AGRICULTURAL LAND RESOURCES

10. Will Proposed Action affect agricultural land resources?

☐ NO ☐ YES

Examples that would apply to column 2

- | | 1
Small to
Moderate
Impact | 2
Potential
Large
Impact | 3
Can Impact Be
Mitigated by
Project Change |
|--|-------------------------------------|-----------------------------------|--|
| • The Proposed Action would sever, cross or limit access to agricultural land (includes cropland, hayfields, pasture, vineyard, orchard, etc.) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| • Construction activity would excavate or compact the soil profile of agricultural land. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| • The Proposed Action would irreversibly convert more than 10 acres of agricultural land or, if located in an Agricultural District, more than 2.5 acres of agricultural land. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |

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

IMPACT ON AESTHETIC RESOURCES

11. Will Proposed Action affect aesthetic resources? (If necessary, use the Visual EAF Addendum in Section 617.20, Appendix B.)
☐ NO ☐ YES

Examples that would apply to column 2

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

IMPACT ON HISTORIC AND ARCHAEOLOGICAL RESOURCES

12. Will Proposed Action impact any site or structure of historic, prehistoric or paleontological importance?
☐ NO ☐ YES

Examples that would apply to column 2

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

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

IMPACT ON OPEN SPACE AND RECREATION

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

☐ NO ☐ YES

Examples that would apply to column 2

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

IMPACT ON CRITICAL ENVIRONMENTAL AREAS

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

☐ NO ☐ YES

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

Examples that would apply to column 2

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

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

IMPACT ON TRANSPORTATION

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

☐ NO ☐ YES

Examples that would apply to column 2

- | | | | |
|--|--------------------------|--------------------------|--|
| • Alteration of present patterns of movement of people and/or goods. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| • Proposed Action will result in major traffic problems. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| • Other impacts: | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |

IMPACT ON ENERGY

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

☐ NO ☐ YES

Examples that would apply to column 2

- | | | | |
|---|--------------------------|--------------------------|--|
| • Proposed Action will cause a greater than 5% increase in the use of any form of energy in the municipality. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| • Proposed Action will require the creation or extension of an energy transmission or supply system to serve more than 50 single or two family residences or to serve a major commercial or industrial use. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| • Other impacts: | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |

NOISE AND ODOR IMPACT

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

☐ NO ☐ YES

Examples that would apply to column 2

- | | | | |
|--|--------------------------|--------------------------|--|
| • Blasting within 1,500 feet of a hospital, school or other sensitive facility. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| • Odors will occur routinely (more than one hour per day). | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| • Proposed Action will produce operating noise exceeding the local ambient noise levels for noise outside of structures. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| • Proposed Action will remove natural barriers that would act as a noise screen. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| • Other impacts: | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |

1
Small to
Moderate
Impact

2
Potential
Large
Impact

3
Can Impact Be
Mitigated by
Project Change

IMPACT ON PUBLIC HEALTH

18. Will Proposed Action affect public health and safety?

☐ NO ☐ YES

- | | | | |
|--|--------------------------|--------------------------|--|
| • Proposed Action may cause a risk of explosion or release of hazardous substances (i.e. oil, pesticides, chemicals, radiation, etc.) in the event of accident or upset conditions, or there may be a chronic low level discharge or emission. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| • Proposed Action may result in the burial of "hazardous wastes" in any form (i.e. toxic, poisonous, highly reactive, radioactive, irritating, infectious, etc.) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| • Storage facilities for one million or more gallons of liquefied natural gas or other flammable liquids. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| • Proposed Action may result in the excavation or other disturbance within 2,000 feet of a site used for the disposal of solid or hazardous waste. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| • Other impacts: | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |

IMPACT ON GROWTH AND CHARACTER OF COMMUNITY OR NEIGHBORHOOD

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

☐ NO ☐ YES

Examples that would apply to column 2

- | | | | |
|---|--------------------------|--------------------------|--|
| • The permanent population of the city, town or village in which the project is located is likely to grow by more than 5%. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| • The municipal budget for capital expenditures or operating services will increase by more than 5% per year as a result of this project. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| • Proposed Action will conflict with officially adopted plans or goals. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| • Proposed Action will cause a change in the density of land use. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| • Proposed Action will replace or eliminate existing facilities, structures or areas of historic importance to the community. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| • Development will create a demand for additional community services (e.g. schools, police and fire, etc.) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |

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

20. Is there, or is there likely to be, public controversy related to potential adverse environment impacts?

☐ NO ☐ YES

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

Part 3 - EVALUATION OF THE IMPORTANCE OF IMPACTS

Responsibility of Lead Agency

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

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

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

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

To answer the question of importance, consider:

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

**ADDENDUM TO ENVIRONMENTAL ASSESSMENT FORM RELATING TO
CONFIRMATION OF A CABLE TELEVISION FRANCHISE FOR THE
VILLAGE OF CHESTNUT RIDGE (ROCKLAND COUNTY), NEW YORK**

Setting

The Village of Chestnut Ridge is located in the southeast portion of the Town of Ramapo in Rockland County. As of the 2000 Census, the Village had a population of 7,329 within a total area of 4.94 square miles.

The Village is: (1) not within an agricultural district, (2) not in or substantially contiguous to a Critical Environmental Area, and (3) not substantially contiguous to a National Natural Landmark. There are no historic sites, historic districts, or national historic landmarks in the Village. It is Verizon's policy to conform to all applicable laws and regulations in placing its facilities, including any special requirements that may be applicable to historic sites, districts, or landmarks.

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

Three maps are included with this addendum. The first map shows the franchise area and wetlands. The second map shows the 100-year flood plains in this area. The third map shows the aquifers in this area.

Description of Potential Construction Activities

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

Extensions of Verizon's FTTP network may take place in the Village of Chestnut Ridge following the award of the franchise. FTTP construction in the Village's rights-of-way would relate to facilities that will also be used for Verizon's voice and data services. (Any equipment

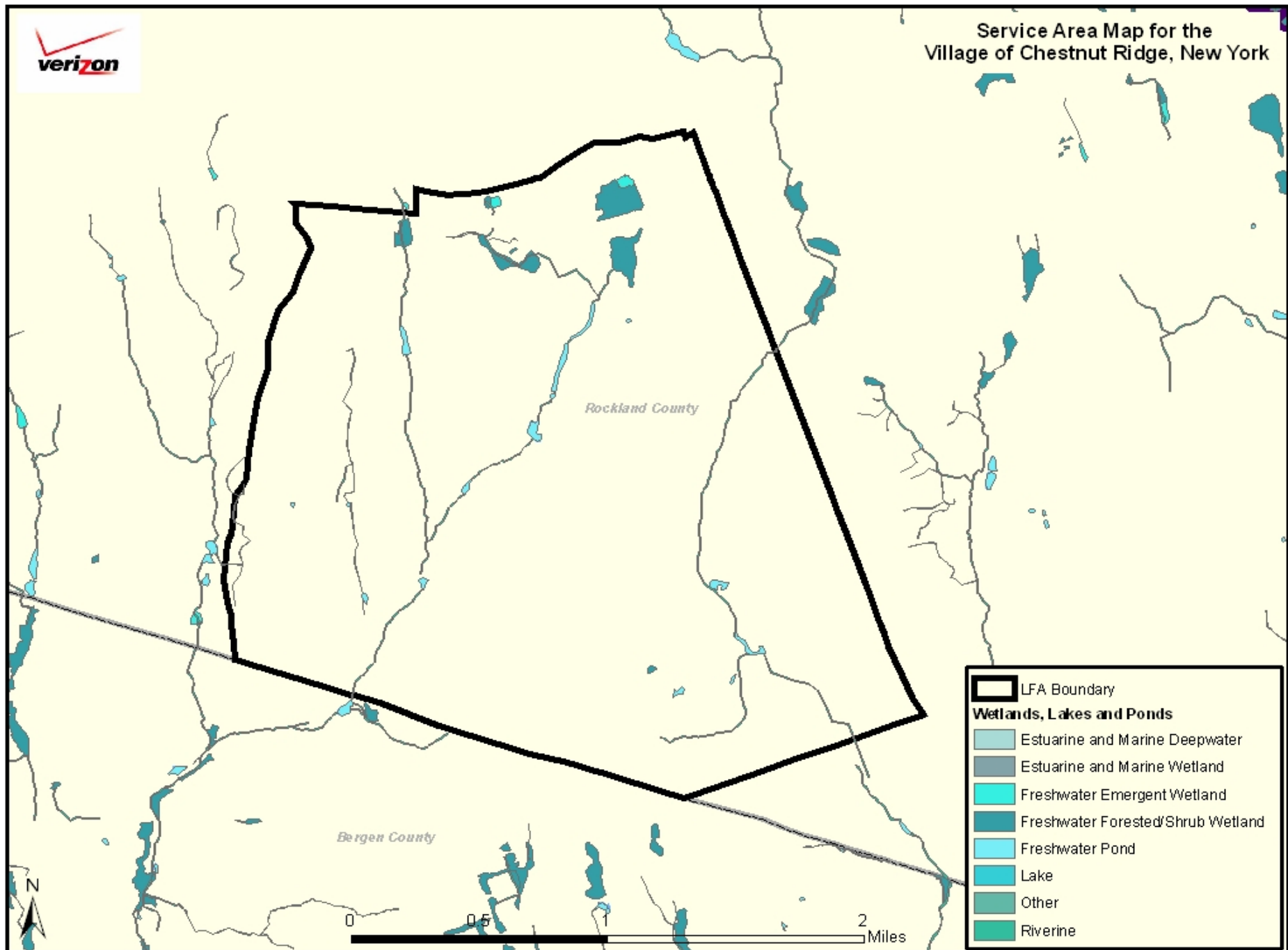
that is utilized exclusively for the provision of cable services in the Village will be located in Verizon's central offices.) Verizon has completed the construction of its FTTP network to approximately 69% of the current households in the franchise area.

When a Verizon subscriber requests the FiOSSM voice, data, and/or video services that are available over the FTTP network, fiber drop wire is run to the subscriber's home. There are 2,605 households within the Village of Chestnut Ridge that could potentially be served with fiber drops.¹ In terms of the potential environmental impact of drop placement activities, the fiber drops that are associated with FTTP do not differ in any significant respect from the copper drops that Verizon routinely installs, maintains and on occasion replaces in connection with its current services. Moreover, fiber drops will be deployed to customers who request other FiOS services even if such customers do not elect to purchase FiOS video.

¹ In general, Verizon's outside plant may include both aerial and underground facilities. Some of the work related to the extension of FTTP facilities and the placement of drops may therefore be underground.

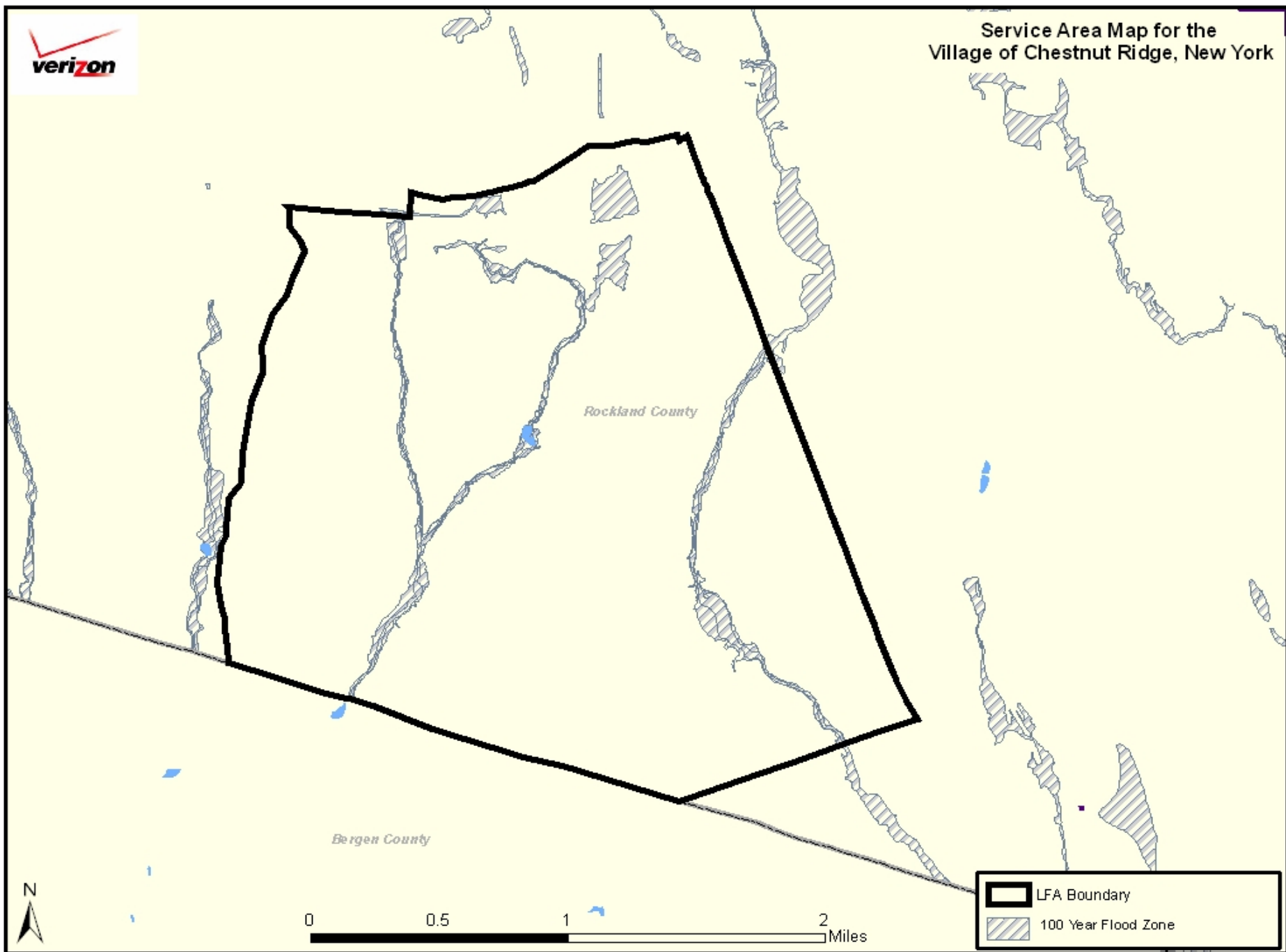


Service Area Map for the Village of Chestnut Ridge, New York





Service Area Map for the Village of Chestnut Ridge, New York





Service Area Map for the Village of Chestnut Ridge, New York

